

THE INDIAN HOTELS COMPANY LIMITED

A **TATA** Enterprise

SUBSIDIARIES ACCOUNTS 2015 - 2016





Umaid Bhawan Palace, Jodhpur

CONTENTS

DOMESTIC

Benares Hotels Limited	2-60
Inditravel Limited	61-99
KTC Hotels Limited	100-125
Northern India Hotels Limited	126-155
Piem Hotels Limited	156-215
Roots Corporation Limited	216-255
TIFCO Holdings Limited	256-287
Taj SATS Air Catering Limited	288-337
Taj Enterprises Limited	338-361
Taj Trade & Transport Company Limited	362-403
United Hotels Limited	404-443
Lands End Properties Private Limited	444-472
Skydeck Properties & Developers Private Limited	473-500
Sheena Investments Private Limited	501-525
Elel Hotels & Investments Limited	526-556
Luthria & Lalchandani Hotel & Properties Pvt Ltd	557-579

INTERNATIONAL

Apex Hotel Management Services Pte Limited	580-599
Apex Hotel Management Services Australia Pte Ltd	600-608
Chieftain Corporation NV	609-617
IHOCO BV	618-630
International Hotel Management Services LLC	631-652
United Overseas Holdings, Inc.	653-672
Piem International (HK) Limited	673-691
Samsara Properties Limited	692-702
St. James Court Hotel Limited	703-723
Taj International Hotels Limited	724-741
Taj International Hotels (HK) Limited	742-766

BENARES HOTELS LIMITED

CORPORATE INFORMATION

BENARES HOTELS LIMITED

Board of Directors

Dr. Anant Narain Singh (Chairman)
Rakesh Sarna
Shriraman
Rukmani Devi
B. L. Passi
D.R. Kaarthikeyan
Rohit Khosla

Company Secretary

Vanika Mahajan

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.benareshotels.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

BOARD'S REPORT TO THE MEMBERS

The Directors hereby present the Forty Fifth Annual Report of the Company together with the Financial Statement (Audited Statements of Account) for the year ended March 31, 2016.

OPERATING AND FINANCIAL RESULTS

	(₹ Lacs) 2015/16	(₹ Lacs) 2014/15
Income	5100.20	4824.06
Gross Profit for the year	1553.03	1693.01
Less: Depreciation	266.46	267.23
Less: Interest	-	-
Profit before tax	1286.57	1425.78
Less: Provision for Tax		
– Current Tax	336.40	445.84
– Deferred Tax	538.18	57.77
– Minimum Alternate Tax credit	(269.44)	-
– Earlier Years Taxes	(147.13)	(0.45)
Net Profit	828.56	922.62
Add: Balance brought forward from previous year	2622.49	2012.80
Balance available for appropriations	3451.05	2935.42
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, August 12, 2016, will be paid out of the provision for dividend	260.00	260.00
(b) Tax on Dividend	52.93	52.93
(c) Amount transferred to General Reserve	-	-
(d) Balance carried forward	3138.12	2622.49

OPERATIONS

The Company registered 6% growth in revenues as compared to previous year. While room revenues were 10% higher than the previous year, the F&B revenues decreased by 1 %.

The newly opened Gateway Hotel at Gondia, Maharashtra in 2014, completed its first full financial year of operations and registered increase in revenues. The directors hope that the hotel's financial performance will continue to improve and the hotel will be well received in the market.

Owing to decrease in F&B revenues and increase in operating expenses, the profit before taxes for the year was at ₹ 1287 Lacs, i.e. 10% lower than the previous year. Your directors hope that the Company will register superior financial performance in the next financial year, i.e., 2016-17.

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:

- (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.

BENARES HOTELS LIMITED

DIRECTORS

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rakesh Sarna, Director of the Company is liable to retire by rotation and being eligible seeks reappointment.

KEY MANAGERIAL PERSONNEL

During the year under report, Mr. Ahmar Siddiqui, Chief Executive Officer (CEO) and Mr. P K Bhatia, Company Secretary of the Company resigned w.e.f. June 29, 2015 and March 28, 2016 respectively and were replaced by Mr. Ashwani Anand as CEO and Ms. Vanika Mahajan as the Company Secretary of the Company w.e.f. July 23, 2015 and May 3, 2016. In terms of Section 203 of Companies Act, 2013, your Company has Mr. Ashwani Anand as the Chief Executive Officer (CEO), Mr. Ravi Sharma as the Chief Financial Officer (CFO) and Ms. Vanika Mahajan as 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 4 (four) 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, Mr. Rohit Khosla and Mrs. Rukmani Devi as its members.

Your Company has a policy on vigil mechanism/Whistleblower Policy to provide a mechanism for the directors and employees to report actual or suspected fraud or violation or your Company's Code of Conduct. The provisions of this policy are in line with the provisions of section 177(9) of the Act and Clause 22 of the SEBI Listing Regulations. The Whistleblower Policy can be accessed on your Company's website www.benareshotelslimited.com.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013 (the Act), your Company has 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 brief outline of the Corporate Social Responsibility (CSR) Policy of your Company and the initiatives undertaken by your Company on CSR activities during the year are set out in "Annexure 2" of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of your Company www.benareshotelslimited.com.

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 thrice during the year on 7th May, 2015, 23rd July, 2015 and 15th March, 2016.

In terms of the requirement of section 178(3) and SEBI (Listing Obligations and Listing Requirements) Regulations, 2015, the Company has a policy relating to the remuneration for the directors, KMPs and other employees. 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.

During the financial year 2015-16, the Company received one complaint from an industrial trainee at The Gateway Hotel Ganges- Varanasi, on sexual harassment. The Investigation for the same has been completed and accused employee has since resigned from the Company.

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, the Company has an appropriate ongoing familiarization programme with respect to the roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of the familiarisation programme are disclosed on the Company's website under the weblink: www.benareshotelslimited.com.

LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186

During the year under report, the Company has placed/renewed a sum of ₹ 4.00 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.

Other than transactions entered in the normal course of business, the Company has not entered into any materially significant related party transaction during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives save and except the transaction with The Indian Hotels Co. Ltd., the ultimate holding company during the year exceeded 10% of the annual gross turnover of the Company for the previous year, the approval for which was taken from the shareholders by way of a special resolution at the AGM held on August 21, 2015.

CORPORATE GOVERNANCE

As required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 the provisions of section 134 of the Act, your Company has a Risk Management Policy 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 risk level, impact and mitigation action 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 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 to Note 27 and 28 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 the assessment of the Board/Committees followed by the discussions with the directors/members of the Committees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your 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 of the Board.

BENARES HOTELS LIMITED

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory and the reviews performed by Management and the relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 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 have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors have 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: 3rd May, 2016

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 2015-16.	1.	Dr. A. N. Singh 6.3 : 1
	2.	Mr. Rakesh Sarna N.A.
	3.	Mr. Shriraman 4.0 : 1
	4.	Mrs. Rukmani Devi 3.8 : 1
	5.	Mr. B. L. Passi 2.0 : 1
	6.	Mr. D. R. Kaarthikeyan 1.6 : 1
	7.	Mr. Prabhat Verma (resigned w.e.f. 29-4-2015) 2.0 : 1
	8.	Mr. Rohit Khosla N.A.
The percentage increase in remuneration of each Director*, Chief Financial Officer etc. in the financial year. <i>* Directors are entitled to get Commission on the net profit of the Company and the sitting fee for attending the Board / Committee Meetings.</i>	1.	Dr. A. N. Singh 51.4%
	2.	Mr. Rakesh Sarna N.A.
	3.	Mr. Shriraman 43.0%
	4.	Mrs. Rukmani Devi 34.5%
	5.	Mr. B. L. Passi -38.7%
	6.	Mr. D. R. Kaarthikeyan 32.1%
	7.	Mr. Prabhat Verma -1.2%
	8.	Mr. Ahmar Siddiqui/Mr Ashwani Anand (CEO) 26.2%
	9.	Mr. Ravi Sharma (CFO) 21.6%
	10.	Mr. P. K. Bhatia (CS) N.A.
The percentage increase in the median remuneration of employees in the financial year.	15.8%	
The number of permanent employees on the rolls of Company for the year 2015-16.	135	
The explanation on the relationship between average increase in remuneration and Company performance.	During the year, the PBT decreased by 10% from last year, while the average employee remuneration increased by 13.9%.	
Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company.	The remuneration paid to the KMP during the year amounts to 4.2% 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 31.3.2015- ₹ 164.97 Crs. As at 31.3.2016- ₹ 129.48 Crs. P/E Ratio As at 31.3.2015 – 17.9 As at 31.3.2016 – 15.6
	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: 9860%. The last public offer was in May 1987 by way of an at par rights issue.

BENARES HOTELS LIMITED

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 24.6% while the average percentile increase in the salaries of employees other than KMP is 13.4%.
Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	As against the increase in PBT by 10% the remuneration of KMP increased as follows: CEO- 26.2% CFO- 21.6% 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 Board / Committee 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 : 3rd May, 2016

Annexure 2

Annual Report on Corporate Social Responsibility Activities

[Pursuant to The 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
- 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

- Chairman: Dr. Anant Narain Singh
- Member: Mr. D.R. Kaarthikeyan
- Member: Mr. Rohit Khosla

3. Average Net Profit of the Company for the Last three Financial Years :- ₹ 1344.50 lacs

4. Prescribed CSR Expenditure : - ₹ 26.89 lacs

5. Details of CSR spend during the Financial Year 2015-16:

(i) Spent- ₹ 25.08 lacs

(ii) Committed but not spent as the work is in progress- ₹ 2.85 Lacs

Total- ₹ 27.93 Lacs

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

Sl. 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 up to 31st March, 2016	Amount spent: Direct or through implementing agency
1	Donation given for cleaning, maintenance, upkeep and daily Aarti at Dashashwamedh Ghat	Environment	Varanasi	₹ 4.90 Lacs	₹ 4.40 Lacs	₹ 4.40 Lacs	Charitable trust- Ganga Seva Nidhi
2	Adoption of Munshi Ghat and maintaining the same as Model Ghat for Varanasi setting an example of cleanliness and hygiene	Environment	Varanasi	₹ 1.80 Lacs	₹ 1.89 Lacs	₹ 1.89 Lacs	Direct

BENARES HOTELS LIMITED

Sl. 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 up to 31st March, 2016	Amount spent: Direct or through implementing agency
3	Set up of 3 nos. RO Plant at Sarai Mohana Village for providing clean drinkable water to the villagers, installation of 12 nos. solar lamps in the Sarai Mohana village. Salary of CSR staff (to the extent of 5% of CSR budget)	Health & Awareness	Varanasi	₹ 18.50 Lacs	₹ 15.56 Lacs- Actual Spent (Does not include- ₹ 2.85 Lacs- in progress)	₹ 16.90 Lacs	Direct
4	Cost of Medical Camps organised at Sarai Mohana Village including the cost of medicines and cost of artificial limbs. Food at New Year Eve	Health & Awareness	Varanasi	-	₹ 0.99 Lacs	₹ 0.99 Lacs	Direct
5	Providing training to underprivileged young students in hospitality trade through training in the Skills Certification Centre	Employability	Varanasi	₹ 2.00 Lacs	₹ 0.90 Lacs	₹ 0.90 Lacs	Direct
Total				₹ 27.20 Lacs	₹ 25.08 Lacs	₹ 25.08 Lacs	

Note:

- (i) The amount spent of ₹ 25.08 Lacs does not include an amount of ₹ 2.85 Lacs, which has been committed for installation of one RO plant at Sarai Mohana Village and the work is in progress. The amount will be accounted as spent on completion of the work.

6. The CSR Committee Responsibility Statement.

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

On behalf of the Board of Directors

Shriraman
Director
(DIN: 00114913)

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

Place : Mumbai
Date : May 3, 2016

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, 2016 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, 2016 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.
- (ii) The Listing Agreements entered into by the Company with respective Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. s

BENARES HOTELS LIMITED

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the laws applicable to the Company.

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 Secretary resigned during the period under review.

The meeting of the Independent Directors under section 149 read with schedule IV of the Companies Act, 2013 was duly held on 15th March, 2016.

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

Anil Kumar Bhayana
Prop.
Membership No. FCS1585
CP No. 624

Date : May 3, 2016

Place : New Delhi

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

The Members,
Benares Hotels Limited.

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,

Anil Kumar Bhayana
Prop.
Membership No.FCS No. 1585
CP No. 624

Date : May 3, 2016
Place : New Delhi

Annexure 4

Form No. MGT-9
Extract of Annual Return
(As on the financial year ended on 31/03/2016)

[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 as 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	L74999MH1902PLC000183	Ultimate Holding	53.70 (together with its 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
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	7,29,138		7,29,138	56.09	7,29,138		7,29,138	56.09	No Change
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	7,89,388	22,550	8,11,938	62.46	7,89,388	22,550	8,11,938	62.46	No Change

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	
(2) Foreign									
a) NRIs -	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
b) Other –	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	7,89,388	22,550	8,11,938	62.46	7,89,388	22,550	8,11,938	62.46	No Change
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp	27,938	815	28,753	2.21	22,213	815	23,028	1.77	0.44
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,54,933	86,727	3,41,660	26.29	2,60,780	84,552	3,45,332	26.56	0.27
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	61,852	20,000	81,852	6.30	61,852	20,000	81,852	6.30	No change

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	
c) Others									
– Trust	100	0	100	0.00	0	0	0	0	0
– Directors & their Relatives	798	9,000	9,798	0.75	1,106	9,000	10,106	0.77	0.02
– Non-resident Indians	2,120	0	2,120	0.16	3,066	0	3,066	0.24	0.08
– Clearing members	107	0	107	0.01	73	0	73	0.01	No Change
– HUF	23,672	0	23,672	1.82	24,605	0	24,605	1.89	0.07
Sub-total (B) (2):-	3,71,520	1,16,542	4,88,062	37.54	3,73,695	1,14,367	4,88,062	37.54	No change
Total Public									
Shareholding (B) = (B)(1) + (B)(2)	3,71,520	1,16,542	4,88,062	37.54	3,73,695	1,14,367	4,88,062	37.54	No Change
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	11,60,908	1,39,092	13,00,000	100.00	11,63,083	1,36,917	13,00,000	100	0

(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	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	0.08	-	1,050	0.08	-	-
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	Mahraj Kumari Vishnupriya	5,000	0.38	-	5,000	0.38	-	-
	TOTAL	8,11,938	62.46		8,11,938	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				
	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	No Change	No Change	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
1	Raghubirsingh 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	0.55	7,602	0.55
	At the End of the year	7,602	0.55	7,602	0.55
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	Sanjeev Vinodchandra Parekh				
	At the beginning of the year	4,105	0.32	4,105	0.32
	At the End of the year			6,883 (Purchased 2,778 shares on 23-10-2015)	0.52
9	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
10	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

BENARES HOTELS LIMITED

(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	24,000	1.85
	Date wise Increase/Decrease in Shareholding 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	24,000	1.85	24,000	1.85
2	Mr. Shriraman (Director)				
	At the beginning of the year	4,500	0.35	4,500	0.35
	Date wise Increase/Decrease in Shareholding 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	4,500	0.35	4,500	0.35
3	Mrs. Rukmani Devi (Director)				
	At the beginning of the year	798	0.06	798	0.06
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			Purchased 21 shares on 4-3-2016 and 287 shares on 11-3-2016	0.02
	At the End of the year			1,106	0.09

V. INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2015-16.

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	1,30,000	2,45,000	1,00,000	1,90,000	6,65,000
	• Commission @ (for 2014-15)	2,93,800	7,98,800	4,20,600	7,98,000	23,11,200
	• Others, please specify	—	—	—	—	—
	Total (1)	4,23,800	10,43,800	5,20,600	9,88,000	29,76,200

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
2	Other Non-Executive Directors	Dr. A N Singh	Mr. Prabhat Verma*	Mr. Rakesh Sarna	Mr. Rohit Khosla	
	• Fee for attending board / committee meetings	2,20,000	–	–	–	2,20,000
	• Commission @ (for 2014-15)	14,30,000	5,36,000	NA	NA	19,66,600
	• Others, please specify	–	–	–	–	–
	Total (2)	16,50,000	5,36,600	–	–	21,86,600
	Total (B)=(1+2)					51,62,800
	Total Managerial Remuneration					51,62,800
	Overall Ceiling as per the Act 3% of the net profit of the Company excluding sitting fees					

* Resigned w.e.f. 29th April, 2015.

@ An amount of ₹ 42.79 Lacs has been provided in the books of Accounts towards the commission payable to the Directors for the financial year ended 31st March, 2016 and shall be paid as may be decided by the Board on the recommendation of the Nomination and Remuneration Committee after adoption of accounts by the Shareholders at the Annual General Meeting to be held on 12th August, 2016.

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	33,37,485		17,99,940	51,37,425
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2,40,994	–	–	2,40,994
	(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)	-	-	-	-
	Total	35,78,479	-	17,99,940	53,78,419

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.

On behalf of the Board of Directors

Dr. Anant Narain Singh
Chairman

Place : Mumbai
Date : May 3, 2016

Management Discussion and Analysis

Foreign Tourist Arrival (FTA) to India during the period January- December 2015 exhibited a five year low growth rate of about 4.4% to 80.2 Lacs, as compared to the FTAs of 76.8 Lacs with a growth of 7.1% during January- December 2014 over the corresponding period of 2014. The drop in the growth rate in FTA can be primarily attributed to the global financial slowdown, particularly in key source markets like Russia, Germany, France and many Far East Asian countries which has forced many tourists across the globe to tighten their travel budgets. International tourist arrivals also grew by 4.4% in 2015, according to the latest UNWTO World Tourism Barometer. The demand increased but with mixed results across individual destinations due to unusually strong exchange rate fluctuations, the drop in oil prices and other commodities which increased disposable income in importing countries but weakened demand in exporters, as well as increased safety and security concerns.

Results from the UNWTO Confidence Index remain largely positive for 2016, though at a slightly lower level as compared to the previous two years. Based on the current trend and this outlook, UNWTO projects international tourist arrivals to grow by 4% worldwide in 2016. By region, growth is expected to be stronger in Asia and the Pacific (+4% to +5%) and the Americas (+4% to +5%), followed by Europe (+3.5% to +4.5%). The projections for Africa (+2% to +5%) and the Middle East (+2% to +5%) are positive, though with a larger degree of uncertainty and volatility.

In its World Economic Outlook Update, IMF pegged India's growth rate at 6.5% for 2016-17, while the World Bank has forecast it to be between 7 to 7.5% for the same period. According to a report 'World Economic Situation and Prospects, 2016' by the United Nations, the global economy has seen major challenges last year due to macroeconomic uncertainties, low commodity prices, rising volatility in exchange rates and capital flows among other things. Not just the developed economies, developing nations like China and other South East Asian countries also felt the impact of the financial slowdown. However, given the muted global economic outlook, FTAs growth for 2016 is expected to be subdued.

However, the millennia old city of Varanasi continues to get tourism boost, as the city is also a beneficiary of the budgetary allocations for tourism promotion. In the 2016-17 Budget, Ministry of Finance has proposed ₹ 707.40 crores for Integrated Development of Tourist Circuits around Specific Themes (Swadesh Darshan) and Rs 100 crores for national mission on Pilgrimage Rejuvenation and Spiritual Augmentation. Varanasi is one of the destinations being covered under both the schemes. Besides, other projects in Sarnath include the development of Buddha theme park and development of Sarang Kund. The other projects like cruising in Ganga between Rajghat to Assi Ghat and light and laser show at Assi Ghat are in the pipeline. The provision of tourism infrastructure relates to the expenditure on creation of infrastructure facilities for Integrated Development of Tourist Circuits around Specific Themes, to beautify and improve the amenities and infrastructure at pilgrimage centres of all faiths.

The risks in the Company's context are essentially slow growth rates in Food and Beverage revenues and rise in operating costs on account of local authority taxes, staff costs and maintenance costs, which is being mitigated by phased capital spend on upgrading the facilities and saving in costs with energy efficient equipment's, optimum headcount levels besides resorting to F&B promotion strategies to increase revenues. In the micro economic context, there is no significant new competition expected in Varanasi in the near future and The Gateway Hotel Ganges is expected to maintain its market dominance.

Financial Performance

During the year 2015-16, the total revenues increased from ₹ 48.24 Crs in 2014-15 to ₹ 51.00 Crs in 2015-16, however the operating expenses (excl. Depreciation) also increased from ₹ 31.31 Crs to ₹ 35.46 Crs in the same period. Resultantly, the Profit before tax registered decrease from ₹ 14.26 Crs in 2014-15 to ₹ 12.87 Crs in 2015-16, whereas Profit after Tax decreased from ₹ 9.23 Crs to ₹ 8.30 Crs. Being a listed company, board meetings are held 4 times a year and the results are communicated to BSE where the shares are listed. The Delhi Stock Exchange and UP Stock Exchange, where the shares of the Company were listed have been derecognized by SEBI.

Internal control systems and their adequacy

Your Company has in place an adequate system of internal controls, with documented procedures covering all functions in the hotel operating units. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and

compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies & procedures issued by the Management covering all critical and important activities viz. Revenue Management, Hotel Operations, Purchase, Finance, Human Resources, Safety, etc. These policies & procedures are updated from time to time and compliance is monitored continuously. The Company continues its efforts to align all its processes and controls with global best practices.

Certifications and Awards

Your Company has been participating in the globally recognised 'EarthCheck' benchmarking and certification system. EarthCheck certifications are a result of extensive assessments and audits by Independent Environmental Assessors' - mapping indicators ranging from energy & water consumption, waste management to sensitivity exhibited vis-à-vis social and cultural dimensions in all areas of hotel operations. The Company has been certified EarthCheck 'Gold' for its Gateway Hotel for the first time.

Workforce

Total manpower employed by the company was 309 as on March 31st, 2016 as against the previous year number of 307 as on March 31st, 2015.

REPORT ON CORPORATE GOVERNANCE

Philosophy on Corporate Governance

The Company's philosophy is based on the wealth creation, protection and interest enhancements for all the stakeholders including shareholders, creditors, customers, employees, suppliers and society. Complying with legal and regulatory requirements and meeting environmental and local community needs with the highest standards of integrity, transparency and accountability are the integral part of the Corporate Governance Policy. The Company continues to maintain steadfast commitment to ethics and code of conduct adhered by the Company and endeavors to maximize the Shareholder value while safeguarding and promising the interest of other shareholders. The articulator of the values, ethics and business principle that should be adhered to by the employees are part of its philosophy on Corporate Governance.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") your Company has executed fresh Listing Agreements with the Stock Exchanges.

The Company has complied with the requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub- regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to Corporate Governance details of which are as under:

Board of Directors:

1. The Board of Directors comprises Non-Executive, Independent Directors and as well as a Woman Director. More than half of the Board of Directors comprises Independent Directors, with the Chairman being a Promoter & Non-executive Director. The Directors possess experience in fields as diverse as hoteliering, finance, management, agriculture and social service. The experience and wisdom of the Directors, have proved to be of immense assistance to the Company. The details of Directors seeking re-appointment at the ensuing Annual General Meeting have been attached with the notice of the Annual General Meeting; None of the directors are related to each other.
2. "Independent Directors" i.e. Directors who apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which, in the judgement of the Board, may affect the independence of judgement of the Director, comprise half of the Board. The Board has received the declaration from all the Independent Directors of the Company under section 149(6) of the Companies Act, 2013 regarding meeting the criteria of independence.
3. During the year under review, the Board of Directors of the Company met four times and the period between any two meetings did not exceed one hundred and twenty days. The dates of the Board Meetings held during each quarter are as follows:

No.	Date of Meeting	For the quarter
1	May 7, 2015	April to June
2	July 23, 2015	July to September
3	November 4, 2015	October to December
4	January 28, 2016	January to March

As required under SEBI Listing Regulations, all the necessary information was placed before the Board from time to time.

4. The Non-Whole-time Directors of the Company are paid, in addition to commission, sitting fees @ ₹ 30,000/- per meeting for attending meetings of the Board of Directors and various Committee Meetings.
5. None of the Directors of the Board serve as members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per the requirements of the SEBI Listing Regulations. "Committees" for this purpose include the Audit Committee and the Stakeholders' Relationship Committee.

6. The details of the above are as follows:-

Board of Directors:

Names	Category	Remuneration paid ₹			No. of outside Directorships		No. of outside Committee positions held		No. of Board Meetings attended	No. of Audit Committee meetings attended	No. of NRC Committee Meetings attended	Attendance at the last Annual General Meeting held on 21.08.2015
		Salary & Perks 2015-2016	Sitting Fees 2015-2016	Commission 2014-15	Indian	Foreign	As Member	As Chairman				
Dr. Anant Narian Singh	Promoter Non-executive	N.A.	2,20,000	14,30,700	1	-	-	-	4	-	3	Yes
Mr. Rakesh Sarna	Promoter Non-executive	N.A.	NA	N.A.	7	-	3	-	2	-	-	No
Mr. Shriraman	Independent Non-executive	N.A.	2,45,000	7,98,800	-	-	-	-	3	3	2	Yes
Mrs. Rukmani Devi	Independent Non-executive	N.A.	1,90,000	7,98,000	-	-	-	-	4	4	3	Yes
Mr. B L Passi	Independent Non-executive	N.A.	1,00,000	4,20,600	1	-	-	-	3	3	-	No
Mr. D.R. Kaarthikeyan	Independent Non-executive	N.A.	1,30,000	2,93,800	-	-	-	-	4	-	-	Yes
Mr. Rohit Khosla**	Promoter Non-executive	N.A.	NA	NA	3	-	-	-	3	3	-	Yes
Mr. Prabhat Verma*	Promoter Non-executive	NA	-	5,36,600	-	-	-	-	-	-	-	NA

* Resigned from the directorship w.e.f. April 29, 2015.

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

NOTE: Traditionally, the Directors are paid commission each year, after the Annual Accounts are approved by the Members at the Annual General Meeting of the Company. A sum of ₹ 42.79 lakhs has been provided as commission to Non-Executive Directors for the year 2015-16.

- The Company has adopted a Code of Conduct for its Non-Executive Directors and all Non-Executive Directors have affirmed compliance with the said Code. All senior management of the Company have affirmed compliance with the Tata Code of Conduct.
- Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives save and except that the transaction with The Indian Hotels Co. Ltd., the ultimate holding company during the year exceeded 10% of the annual gross turnover of the Company for the previous year, the approval for which from the shareholders was taken by way of a special resolution at the Annual General Meeting held on August 21, 2015.

Committees of the Board:

The Committees constituted by the Board of Directors of the Company are as under:

1. Audit Committee:

As per Section 177 of the Companies Act, 2013, the Company has an Audit Committee and the Committee has, inter alia, the following terms of reference;

BENARES HOTELS LIMITED

- I. Reviewing with management the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:-
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause C of sub section 3 of Section 134 of the Companies Act, 2013
 - Any changes in accounting policies and practices and reasons thereof.
 - Major accounting entries based on exercise of judgment by the Management.
 - Qualifications in the draft audit report.
 - Significant adjustments made in the financial statements, arising out of audit findings.
 - The going concern assumptions.
 - Compliance with Accounting Standards.
 - Disclosure on any related party transactions.
 - Compliance with Listing and other legal requirements relating to financial statements.
- II. Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.
- III. Discussion with internal auditors on any significant findings and follow-up thereon.
- IV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- V. Discussion with external/statutory auditors before the audit commences, nature and scope of audit, as well as have post-audit discussion to ascertain any area of concern.
- VI. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- VII. Review and monitor the auditors independence, performance and effectiveness of audit process.
- VIII. Examination of the financial statement and auditors' report thereon.
- IX. Approval or any subsequent modification of transactions of the company with related parties.
- X. Scrutiny of Inter corporate loans and investments.
- XI. Valuation of undertakings or assets of the company, wherever it is necessary.
- XII. Evaluation of internal financial controls and risk management systems.
- XIII. Monitoring the end use of funds raised through public offers and related matters.

The details of the composition, names of Members of the Audit Committee as well as the number of meetings held and attendance there at during the year are as under:-

Sr. No.	Members	Attendance at Audit Committee Meetings held on			
		07.05.2015	23.07.2015	04.11.2015	28.01.2016
1	Mr. B L Passi, Chairman	✓	✓	-	✓
2	Mr. Shriraman	✓	-	✓	✓
3	Mr. Rohit Khosla*	-	✓	✓	✓
4	Mrs. Rukmani Devi	✓	✓	✓	✓

* appointed w.e.f. May 7, 2015

Mr. Ravi Sharma, CFO was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code

Audit Committee meetings are attended by invitation by the AVP Finance, Northern Region, Group Internal Audit and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

2. Nomination & Remuneration Committee:

As per Section 178(1) of the Companies Act, 2013 and as per the SEBI Listing Regulations, the Company has a Nomination & Remuneration Committee comprising with Dr. Anant Narain Singh, Mr. Shriraman, Mrs. Rukmani Devi as its members.

The role of Nomination and Remuneration Committee is as follows:

- To identify persons who are qualified to become directors and who are appointed in senior management.
- Recommend to the Board the appointment of directors/senior management and their removal.
- To carry out the evaluation of every director's performance.
- To formulate the criteria for discovering qualifications, positive attributes and independence of directors and recommending to the Board the policies relating to remuneration for the directors, KMP and other employees.

The said committee met thrice during the year on May 7, 2015, July 23, 2015 and March 15, 2016 and inter alia, considered the appointment of Key Managerial Personnel under Section 203 of the Companies Act, 2013 and the commission payable to directors on net profit for the year 2014-15.

Considering the requirement of Section 178(2) and (3), the Company had taken the criteria and determined qualifications, positive skill sets on the Board, eminent people having an independent standing in their respective field/profession, and relating to the remuneration for the Directors and Key Managerial Personnel and also the Committee had identified the qualified persons to become the Director of the Company and had carried out the evaluation of every Directors performance.

The Committee at their meeting noted that under Section 178(3) of the Companies Act, 2013, the Committee had recommended to the Board a policy relating to the remuneration for the directors and the same had been adopted by the Board for payment of commission on the net profit to the directors. The criteria for the remuneration was based on the meetings attended by the directors; contribution at the meetings and the contribution made by them other than in meetings in the ratio of 40%, 40% and 20% respectively.

3. Stakeholders Relationship Committee:

As per Section 178(5), the Company has a Share Transfer & Stakeholders Relationship Committee comprising with Dr. Anant Narain Singh, Mr. Shriraman and Mr. Rohit Khosla as its members to redress the shareholder and investor complaints like transfer of shares, non receipt of Annual Report, non receipt of dividends etc. Dr. Anant Narain Singh, Non-Executive Director, heads the Committee. The Secretary acts as the Compliance Officer to the Committee.

There were no pending investor complaints which remain unresolved. The company has also cleared all the complaints received through BSE and SEBI Complaints Redress System (SCORES) – a centralized web based complaints redress system which serves as a centralized database of all complaints received. The status of complaints received (inclusive of SCORES) from shareholders during the year 2015-16 is as under:-

Complaints received	Pending as on March 31, 2016
0	Nil

Amounts Transferred to IEPF

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer unpaid dividends, matured deposits, redeemed debentures and interest accrued thereon remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

BENARES HOTELS LIMITED

Given below are the proposed dates for transfer of the unclaimed dividend to the IEPF by the Company: -

Financial Year	Date of declaration of Dividend	Proposed Date of transfer to IEPF*
2008-09	27.08.2009	03.10.2016
2009-10	13.08.2010	19.09.2017
2010-11	10.08.2011	16.09.2018
2011-12	13.08.2012	19.09.2019
2012-13	16.08.2013	23.09.2020
2013-14	28.08.2014	04.10.2021
2014-15	21.08.2015	27.09.2022

* Indicative dates, actual dates may vary

During the year under review, the total amount transferred to IEPF of the Central Government was ₹ 3,48,816/-.

It may be noted that no claims will lie against the Company nor the IEPF in respect of the said unclaimed amounts transferred to the Fund.

Compliance Officer

Ms Vanika Mahajan

Company Secretary

Benares Hotels Ltd.

Address: Corporate Office, Taj Palace Hotel,
Sardar Patel Marg, New Delhi 110 021

Phone : 011-6650 3704

Fax : 011-2687 6043

E-mail : investorrelations@tajhotels.com

Disclosure regarding Remuneration of Directors & Shares held by them:-

Remuneration to Non-Executive Directors:

The remuneration drawn by the Non-Executive Directors is in the form of commission distributed out of the net profits of the Company subject to a maximum of 3%. The commission payable to Non-Executive Directors is decided by the Board on the recommendation of the Nomination and Remuneration Committee and is distributed based on a number of factors, including number of Board and Committee meetings attended, individual contribution thereat etc.

Details of shares of the Company held by the Non-Executive Directors as on March 31, 2016, are as under:

Dr. Anant Narain Singh	-	24000
Mr. Shriraman	-	4500
Mrs. Rukmani Devi	-	1106

Details on General Meetings:

Location, date and time of the General Meetings held in the last 3 years are as under:

Location	Date	Time	Special Resolution Passed
Annual General Meetings			
Registered office at Nadesar Palace Compound, Varanasi 221 002	August 21, 2015	3.00 p.m.	Approval of material related party transaction
	August 28, 2014	3.30 p.m.	
	August 16, 2013	3.00 p.m.	

The special resolution passed in the previous Annual General Meeting was passed with requisite majority.

Postal Ballot

The Company did not pass any resolution vide postal ballot during the year.

Means of Communication:

Quarterly, half-yearly and annual results of the Company were published in leading English and vernacular newspapers Indian Express and Hindustan.

The Annual Report containing inter alia the financial statement (Audited Accounts), Directors Report (Board's Report), Auditors Report, Secretarial Audit Report and other important information is circulated to the investors. Management Discussion and Analysis and Corporate Governance Report forms part of the Annual Report. The Annual Reports are also available in the Company's web site www.benareshotelslimited.com.

Disclosures:

The Board of Directors receive, from time to time, disclosures relating to financial and commercial transactions from Key Managerial Personnel of the Company, where they and / or their relatives have personal interest. There are no materially significant Related Party Transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party Transactions are placed before and reviewed by the Company's Audit Committee, in terms of the Companies Act, 2013 and SEBI Listing Regulations.

The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India/ statutory authorities on all matters relating to capital markets during the last 3 years.

Pursuant to the provisions of SEBI Listing Regulations regarding CFO Certification, the CFO has issued a certificate to the Board, for the year ended March 31, 2016.

General Shareholder Information

Annual General Meeting

Date and Time	August 12, 2016 at 3:00 p.m.
Venue	Nadesar Palace Compound Varanasi 221 002
Registered Office	Nadesar Palace Compound Varanasi 221 002
Telephone No.	91- 542 – 666 0001
Facsimile No.	91- 542- 2503291
Website	www.benareshotelslimited.com
E-mail	investorrelations@tajhotels.com

Financial Calendar

Financial reporting for:

- | | |
|---------------------------------------|--------------------------------|
| • Quarter ending 30th June, 2016 | on or before August 15, 2016 |
| • Quarter ending 30th September, 2016 | on or before November 15, 2016 |
| • Quarter ending 31st December, 2016 | on or before February 15, 2016 |
| • Quarter ending 31st March, 2017 | on or before May 30, 2017 |

Financial Year 2016-17

Date of Book Closure August 5, 2016 to August 18, 2016 (both days inclusive).s

Dividend Payment Date On or after August 22, 2016

BENARES HOTELS LIMITED

Listing on Stock Exchanges

➤ Equity Shares : BSE Limited

The Delhi Stock Exchange and UP Stock Exchange, where shares of the Company were listed have since been derecognised by SEBI.

Corporate identification no.(CIN) L55101UP1971PLC003480

ISIN NO.: INE750A01012

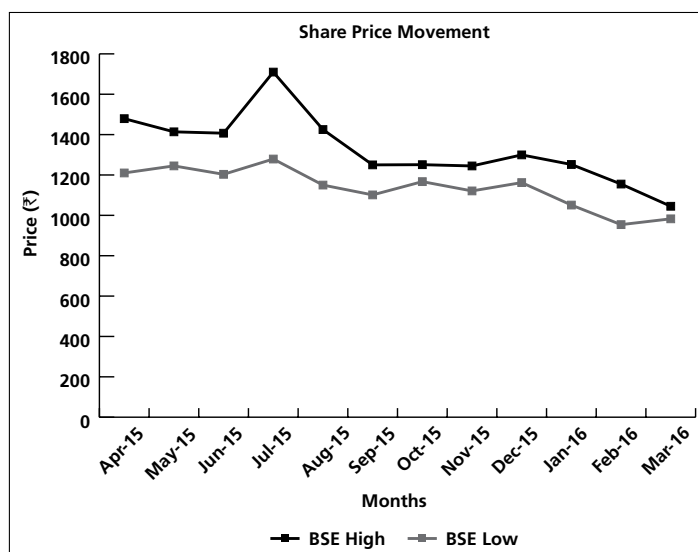
Stock Code: 509438

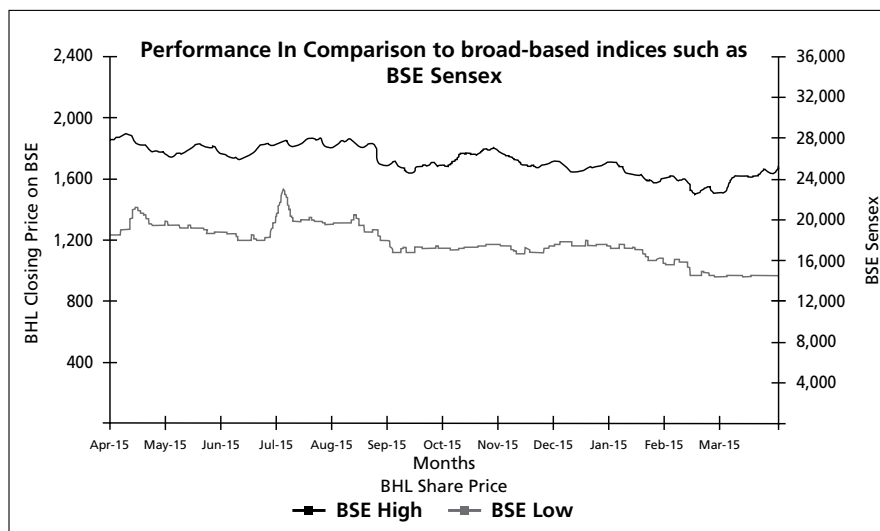
The Company has paid annual listing fees to each of the above Stock Exchanges in respect of the financial year 2015-16 & to BSE for 2016-17.

Market Price Data:

High/Low market price of the Company's shares and performance in comparison to Sensex Indices on Bombay Stock Exchange Limited, Mumbai during the financial year 2015-16 as furnished below:-

Months	BSE High	BSE Low
April 2015	1479.00	1210.00
May 2015	1413.75	1245.00
June 2015	1407.00	1203.25
July 2015	1709.75	1279.00
August 2015	1425.00	1150.00
September 2015	1250.00	1101.25
October 2015	1251.00	1167.00
November 2015	1244.75	1121.00
December 2015	1299.50	1162.25
January 2016	1252.00	1051.00
February 2016	1155.00	954.00
March 2016	1045.00	982.75





BHL Distribution of Shareholding as on March 31, 2016

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	8,11,938	62.46
Directors & their Relatives	10,106	0.77
Resident Individuals & HUF	4,51,789	34.75
Non-Resident Indians	3,066	0.24
Clearing Member	73	0.01
Corporate Bodies	23,028	1.77

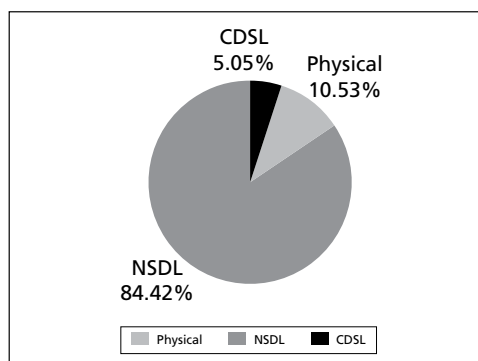
Secretarial Audit

In terms of Section 204 of the Companies Act, 2013, the secretarial audit of the Company for the year 2015-16 has been carried out by the Secretarial Auditor appointed by the Company. The report of the Secretarial Auditor forms part of the Board's Report.

In keeping with the requirement of the SEBI and the Stock Exchanges, a secretarial audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The said audit confirms that the total issued / paid – up capital tallies with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Dematerialisation of Shares & Liquidity

As of the end of March 31, 2016, shares comprising approximately 90% of the Company's Equity Share Capital have been dematerialised.



BENARES HOTELS LIMITED

Registrar & Share Transfer Agents -

The Indian Hotels Company Limited
Mandlik House
Mandlik Road
Mumbai 400 001.
Phone: 022 - 66395515
Fax: 022 - 22027442
Email: investorrelations@tajhotels.com

Location of Hotels -

The Gateway Hotel Ganges & Nadesar Palace, Varanasi
and the Gateway Hotel, Gondia.

Investor Correspondence

For any queries, investors are requested to get in touch at the following addresses:-

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

OR

Benares Hotels Ltd.
C/o Corporate Office
Taj Palace Hotel
S P Marg
New Delhi 110 021
Phone: 011-66503549
Fax- 011-26876043

Usage of Electronic Payment modes for making Cash Payments to the Investors

SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated march 21, 2013 has instructed all Companies for making cash payment to the investors, companies whose securities are listed on Stock Exchanges shall use, either directly or through their RTI and STA, any RBI (Reserve Bank of India) approved electronic mode of payment such as ECS [ECS (Local ECS)/RECS (Regional ECS)/ NECS (National ECS)], NEFT etc.

Investors are requested to kindly provide the requisite bank account particulars by quoting their reference folio number(s) in case shares are held in physical form.

In case shares are held in dematerialized form, investor may kindly provide the requisite bank account details to their Depository Participants, to ensure that future dividend payments are correctly credited to the respective account.

Declaration by the Chairman on behalf of the Board of Directors regarding Adherence to the CODE OF CONDUCT as specified in SEBI (Listing Obligations and Listing Requirements) Regulations, 2015

In accordance with SEBI Listing Regulations, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the Financial Year ended March 31, 2016.

For Benares Hotels Limited

Anant Narain Singh
Chairman.
(DIN 00114728)

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
BENARES HOTELS LIMITED

We have examined the compliance of conditions of Corporate Governance by BENARES HOTELS LIMITED ("THE Company") for the year 31st March, 2016 as stipulated in Chapter IV of the SEBI (Listing Obligations and Listing Requirements) Regulations, 2015 and Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements in all material respects.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N Krishnaswamy & Company
Chartered Accountants

N Krishnaswamy
Partner
(Regn No. 004797)

Place : Mumbai
Dated : 3rd May, 2016

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, 2016, 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, 2016;
- (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, 2016 ("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, 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B "; and
- (g) 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. 0015555)

N. Krishnaswamy
Partner (M. No. 004797)

Mumbai, 3rd May, 2016

Annexure-A to the Auditors' Report

The Annexure referred to in our report to the members of Benares Hotel s Limited for the year ended on 31/03/2016. 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
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (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, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (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:

Statute	Amt (₹ In Lacs)	Pertaining to Period	Forums where pending
Income Tax Act, 1961	117.97*	2008-09	Hon'ble High Court, Allahabad
Income Tax Act, 1961	23.90*	2009-10 to 2012-13	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

* net of amounts paid under protest.

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934

For and on behalf of
N. KRISHNASWAMY & CO.
Chartered Accountants
(Firm Registration No. 001555S)

N. Krishnaswamy
Partner (M. No. 004797)

Place : Mumbai
Dated : 3rd May, 2016

Annexure-B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Benares Hotel Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified / adverse audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For and on behalf of
N. KRISHNASWAMY & CO.
Chartered Accountants
(Firm Registration No. 0015555)

N. Krishnaswamy
Partner (M. No. 004797)

Place : Mumbai
Dated : 3rd May, 2016

BENARES HOTELS LIMITED

Balance Sheet as at 31st March, 2016

	Note	Mar 31, 2016 ₹ Lacs	Mar 31, 2015 ₹ Lacs
Equity and Liabilities			
Shareholders' Funds:			
Share Capital	3	130.00	130.00
Reserves and Surplus	4	5,306.20	4,790.57
		<u>5,436.20</u>	<u>4,920.57</u>
Non-current liabilities			
Deferred Tax Liabilities (net)	5	841.59	303.41
Other Long-term Liabilities	6	-	2.19
Long-term Provisions	7	26.69	21.39
		<u>868.28</u>	<u>326.99</u>
Current liabilities			
Trade Payables	8	391.15	405.10
Other Current Liabilities	9	355.70	362.45
Short-term Provisions	10	319.40	317.72
		<u>1,066.25</u>	<u>1,085.27</u>
Total		<u><u>7,370.73</u></u>	<u><u>6,332.84</u></u>
Assets			
Non-current assets			
Fixed Assets			
Tangible assets	11	4,215.43	4,259.83
Intangible assets	12	125.04	116.13
Capital Work-in-Progress		265.45	83.59
		<u>4,605.92</u>	<u>4,459.55</u>
Long-term Loans and Advances	13	480.65	82.40
		<u>5,086.57</u>	<u>4,541.95</u>
Current assets			
Inventories	14	117.16	115.28
Trade Receivables	15	365.99	240.06
Cash and Bank Balances	16	1,129.15	595.70
Short-term Loans and Advances	17	595.95	788.11
Other Current Assets	18	75.91	51.74
		<u>2,284.16</u>	<u>1,790.89</u>
Total		<u><u>7,370.73</u></u>	<u><u>6,332.84</u></u>
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the financial statements	1 - 32		

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 : May 3, 2016

Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh

Chairman

DIN: 00114728

Vanika Mahajan

Company Secretary

D. R. Kaarthikeyan

Director

DIN: 00327907

Ravi Sharma

Chief Financial Officer

Statement of Profit and Loss for the Year ended 31st March, 2016

	Note	Mar 31, 2016 ₹ Lacs	Mar 31, 2015 ₹ Lacs
Income			
Revenue			
Income from Operations	19	4,997.37	4,716.63
Other Income	20	102.83	107.43
Total		5,100.20	4,824.06
Expenses			
Food and Beverages Consumed	21	501.28	495.42
Employee Benefit Expense and Payment to Contractors	22	947.88	719.06
Finance Costs		-	-
Depreciation and Amortisation		266.46	267.23
Other Operating and General Expenses	23	2,098.00	1,916.56
Total		3,813.63	3,398.27
Profit Before Tax and Exceptional Items		1,286.57	1,425.78
Exceptional Items		-	-
Profit/(Loss) Before Tax		1,286.57	1,425.78
Tax Expenses			
Current Tax		336.40	445.84
Deferred Tax		538.18	57.77
Minimum Alternate Tax Credit		(269.44)	-
Short/ (Excess) Provision of Tax of Earlier Years (net)		(147.13)	(0.45)
Total		458.01	503.15
Profit/(Loss) After Tax		828.56	922.62
Earnings Per Share -	32		
Basic and Diluted - (₹)		63.74	70.97
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 - 32

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 : May 3, 2016

Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh

Chairman

DIN: 00114728

Vanika Mahajan

Company Secretary

D. R. Kaarthikeyan

Director

DIN: 00327907

Ravi Sharma

Chief Financial Officer

BENARES HOTELS LIMITED

Cash Flow Statement for the year ended March 31, 2016

	Note	Mar 31, 2016 ₹ Lacs	Mar 31, 2015 ₹ Lacs
Cash Flow From Operating Activities			
Net Profit Before Tax		1,286.57	1,425.78
Adjustments For :			
Depreciation and Amortisation		266.46	267.23
Provision for Doubtful Debts		2.22	(0.70)
Loss on sale of assets		3.21	1.25
Interest (Net)		(95.16)	(95.63)
Provision for Employee Benefits		6.98	6.17
		183.71	178.32
Cash Operating Profit before working capital changes		1,470.28	1,604.10
Adjustments For :			
Trade Receivables		(128.15)	6.63
Inventories		(1.88)	(10.25)
Long term loans and advances		(48.08)	4.00
Short term loans and advances		(7.84)	21.54
Other current assets		(19.42)	(11.95)
Trade Payables		(13.95)	94.97
Other current liabilities		(6.75)	59.40
Other long term liabilities		(2.19)	2.19
		(228.26)	166.53
Cash Generated from Operating Activities		1,242.02	1,770.63
Direct Taxes Paid		(270.00)	(425.00)
Net Cash From Operating Activities (A)		972.02	1,345.63
Cash Flow From Investing Activities			
Purchase of Fixed Assets		(420.88)	(1,125.85)
Sale of Fixed Assets		4.83	1.89
Short Term Inter Corporate Deposits encashed		200.00	350.00
Interest Received		90.41	95.49
Deposits placed with Banks (>3 months maturity)		(487.00)	-
Bank Balances not considered as Cash and Cash Equivalents		(4.30)	(6.87)
Net Cash Used In Investing Activities (B)		(616.94)	(685.34)
Cash Flow From Financing Activities			
Dividend Paid (Including tax on dividend)		(312.93)	(304.19)
Net Cash Used In Financing Activities (C)		(312.93)	(304.19)
Net Increase/ (Decrease) in Cash and cash equivalents (A + B + C)		42.15	356.10
Cash and cash equivalents - Opening - 1st April, 2015		559.43	203.33
Cash and cash equivalents - Closing - 31st March, 2016		601.58	559.43
Footnote :			
Reconciliation of Cash and cash equivalents with Cash and bank balances as per the Balance Sheet			
Cash and cash equivalents as above		601.58	559.43
Add : Other Cash and Bank Balances not considered Cash and Cash Equivalent			
Deposits placed with Banks (>3 months maturity)		487.00	-
Earmarked balances for Unclaimed Dividends		40.57	36.27
Cash and bank balances as shown in Note 16		1,129.15	595.70
The accompanying notes form an integral part of the financial statements			

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 : May 3, 2016

Place : Mumbai

For and on behalf of the Board

Dr. Anant Narain Singh

Chairman

DIN: 00114728

Vanika Mahajan

Company Secretary

D. R. Kaarthikeyan

Director

DIN: 00327907

Ravi Sharma

Chief Financial Officer

Notes to Financial Statements for the year ended March 31, 2016

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, which is promoted by Tata Sons Ltd.

Note 2. Significant Accounting Policies

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. 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 period of 1 year being reckoned from the reporting date. The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years.

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, however, differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under:-

(a) Revenue recognition :

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management and operating fees. Rebates and discounts granted to customers are reduced from revenue.

Interest

Interest income is accrued on a time proportion basis having regard to the amount outstanding and the rate applicable.

(b) Employee Benefits (other than for persons engaged through contractors):

i. Gratuity Fund

The Company makes annual contributions to Gratuity fund administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

ii. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

iii. Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

(c) Fixed Assets:

i. Tangible Fixed Assets:

Tangible fixed assets are stated at cost less depreciation/amortisation and impairment losses, if any. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Trade discounts, rebates and benefits arising from utilisation of duty free scrips are deducted in determining the cost of purchase. Projects under which the tangible fixed assets are not yet ready for their intended use are carried as capital work-in-progress at cost determined as aforesaid.

ii. **Intangible Fixed Assets:**

Intangible fixed assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its 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 had been re-assessed as under based on technical evaluation, taking into the 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.

Class of Assets

Estimated Useful Life

Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Assets costing less than ₹ 5000	4 years

In respect of Leasehold Buildings, the depreciation on buildings on leased property is based on the tenure which is lower of the life of the buildings or the expected lease period, including renewal. The renewal of these leases is considered as expected in view of past experience and existing renewal clauses in lease agreements. In select cases, where there is no specific renewal clause, the renewal period is estimated based on a management judgement on a case to case basis.

Improvements to buildings are depreciated on the basis of their estimated useful lives.

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 useful lives currently used for amortising intangible assets are as under:

Class of Assets	Estimated Useful Life
Website Development Cost	5 years
Service and Operating Rights	10 years

(e) **Inventories:**

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost includes the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits arising from utilisation of duty free scrips are deducted in determining the cost of purchase.

(f) **Taxes on income:**

- 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,

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

deductions and exemptions determined in accordance with the applicable tax rates and 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 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 the 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, carried forward losses and items relating to capital 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, carried forward losses and items relating to capital 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 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 the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(g) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised, 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.

(h) Cash and Cash Equivalent (for the purpose of cash flow statements):

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.

(i) 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. Cash flows for the year are classified by operating, investing and financing activities.

(j) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) 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 (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) 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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 3 : Share Capital

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ 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)]	130.00	130.00

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 as follows:

Name of Shareholder	Relationship	As at 31st March, 2016 No. of Shares held	As at 31st March, 2015 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, 2016		As at 31st March, 2015	
	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, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Capital Reserve		
Opening and Closing Balance	0.86	0.86
General Reserve		
Opening and Closing Balance	2,167.22	2,167.22
Surplus in Statement of Profit and Loss		
Opening Balance	2,622.49	2,012.80
Add : Net Profit for the current year	828.56	922.62
Less : Proposed Dividend	260.00	260.00
Less : Tax on Dividend	52.93	52.93
Closing Balance	<u>3,138.12</u>	<u>2,622.49</u>
	<u>5,306.20</u>	<u>4,790.57</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 5 : Deferred tax liabilities (net)

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Deferred Tax Liabilities:		
Depreciation on fixed assets	921.76	372.46
Total (A)	921.76	372.46
Deferred Tax Assets:		
Provision for Employee Benefits	11.48	9.06
Provision for Bad Debts	4.98	6.17
Others	63.70	53.81
Total (B)	80.16	69.04
Net Deferred Tax Liabilities (A-B)	841.59	303.41

Note 6 : Other Long-term Liabilities

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Trade Deposits		
Secured	-	-
Unsecured	-	2.19
	-	2.19

Note 7 : Long-term provisions

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Provision For Employee Benefits		
Compensated absences	26.69	21.39
	26.69	21.39

Note 8: Trade Payables

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Trade Payables		
Micro and Small Enterprises	-	-
Vendor Payables	120.98	211.86
Accrued expenses and others	270.17	193.24
	391.15	405.10

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 9 : Other current liabilities

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Payables on Current Account dues :		
Related Parties	3.28	0.96
Others	1.82	2.19
	<u>5.10</u>	<u>3.15</u>
Trade Deposits		
Secured	-	-
Unsecured	37.25	33.12
	<u>37.25</u>	<u>33.12</u>
Advances collected from customers	101.87	79.79
Creditors for capital expenditure	10.50	74.68
Unclaimed dividend	40.57	36.27
Other Liabilities	160.41	135.44
	<u>355.70</u>	<u>362.45</u>

Note 10 : Short-term provisions

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Provision for Employees Benefits		
Compensated absences	6.47	4.79
	<u>6.47</u>	<u>4.79</u>
Provision - Others		-
Proposed Dividend	260.00	260.00
Tax on Dividend	52.93	52.93
	<u>312.93</u>	<u>312.93</u>
	<u>319.40</u>	<u>317.72</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 11 : Tangible Assets

Particulars	Gross Block			Accumulated Depreciation		Net Block	
	Opening 01.04.2015	Additions	Deductions 31.03.2016	Opening 01.04.2015	Charge for the year	Closing 31.03.2016	Closing 31.03.2015
1. Freehold Land (PY)	13.05	-	-	13.05	-	-	13.05
	13.05	-	-	13.05	-	-	13.05
2. Buildings (PY)	2,761.13	33.62	(1.59)	2,793.15	52.74	(0.10)	2,463.48
	1,716.16	1,044.97	-	2,761.13	43.37	-	2,463.48
3. Plant & Machinery (PY)	2,388.77	153.71	(51.68)	2,490.80	141.55	(45.41)	1,431.20
	1,681.10	718.16	(10.49)	2,388.77	117.53	(7.70)	1,431.21
4. Furniture & Fixtures (PY)	751.95	16.84	(3.96)	764.84	40.92	(3.68)	297.19
	596.88	156.36	(3.94)	751.95	75.65	(0.94)	216.83
5. Office Equipments (PY)	178.33	9.55	(1.11)	186.76	14.87	(1.11)	54.74
	133.35	44.98	-	178.33	18.96	-	28.72
6. Vehicles (PY)	3.18	-	-	3.18	-	-	-
	3.18	-	-	3.18	0.21	-	0.16
					0.21	-	0.37
Total (PY)	6,096.40	213.72	(58.34)	6,251.78	250.08	(50.30)	4,215.42
	4,143.72	1,964.46	(11.78)	6,096.40	255.72	(8.64)	4,259.83

Note 12 : Intangible Assets

Particulars	Gross Block			Accumulated Depreciation		Net Block	
	Opening 01.04.2015	Additions	Deductions 31.03.2016	Opening 01.04.2015	Charge for the year	Closing 31.03.2016	Opening 01.04.2015
Service & Operating Rights (PY)	130.68	25.29	-	155.97	16.38	-	116.13
	18.62	112.06	-	130.68	12.10	-	116.13

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 13 : Long-term loans and advances

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
(Unsecured, considered good unless stated otherwise)		
Capital advances	11.41	-
Sundry Deposits		
Public Bodies and Others	44.15	44.37
Other loans and advances		
Advance Income Tax paid (net)	155.65	38.03
MAT credit entitlement	269.44	-
	425.09	38.03
	<u>480.65</u>	<u>82.40</u>

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

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Food and Beverages	51.18	55.08
Stores and Operating Supplies	65.98	60.20
	<u>117.16</u>	<u>115.28</u>

Note 15 : Trade Receivables

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Outstanding over six months :		
Considered good	59.99	18.07
Considered doubtful	14.40	17.82
	74.39	35.89
Others :		
Considered good	306.00	221.99
Considered doubtful	-	-
	306.00	221.99
	380.39	257.88
Less : Provision for Doubtful Debts	14.40	17.82
	<u>365.99</u>	<u>240.06</u>

Note 16 : Cash and bank balances

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Cash and cash equivalents		
Cash on hand	4.63	3.32
Balances with bank in current account	56.30	222.72
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	540.65	333.39
Total	601.58	559.43
Other Balances with banks :		
Call and Short-term deposit accounts	487.00	-
Earmarked balances	40.57	36.27
Total	527.57	36.27
Total Cash and bank balances	<u>1,129.15</u>	<u>595.70</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 17 : Short-term loans and advances

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Sundry Deposits		
Related parties	-	200.00
Public Bodies and Others	502.19	503.08
	<u>502.19</u>	<u>703.08</u>
Other advances		
Considered good	93.76	85.03
Considered doubtful	-	-
	<u>93.76</u>	<u>85.03</u>
	<u>595.95</u>	<u>788.11</u>

Note 18 : Other Current Assets

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Interest receivable		
Related Parties	0.00	1.87
Others	18.32	11.70
	<u>18.32</u>	<u>13.57</u>
On Current Account dues :		
Related Parties	36.14	30.32
Others	21.45	7.85
	<u>57.59</u>	<u>38.17</u>
	<u>75.91</u>	<u>51.74</u>

Note 19 : Income from Operations

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Room Income	2,605.56	2,359.93
Food, Restaurants and Banquet Income	2,133.76	2,161.43
Shop rentals	58.41	52.44
Membership fees	4.70	2.99
Car Hire Income	100.21	29.32
SPA Income	53.40	67.70
Laundry Income	23.33	24.18
Others	17.99	18.64
	<u>4,997.37</u>	<u>4,716.63</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 20 : Other Income

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Interest Income		
Inter-corporate deposits	55.15	34.00
Deposits with banks	39.71	12.47
Deposits with related parties	0.30	49.16
	95.16	95.63
Others	7.67	11.80
	102.83	107.43

Note 21 : Food and Beverages Consumed

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Opening Stock	55.08	45.75
Add : Purchases	497.38	504.75
	552.46	550.50
Less : Closing Stock	51.18	55.08
Food and Beverages Consumed	501.28	495.42

	March, 31 2016		March, 31 2015	
	₹ Lacs	%	₹ Lacs	%
Imported	-	-	-	-
Indigenous	501.28	100.00	495.42	100.00
Total	501.28	100.00	495.42	100.00

Note 22 : Employee benefit expense and Payment to Contractors

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Salaries, Wages, Bonus etc.	515.51	419.54
Company's Contribution to Provident and Other Funds	45.62	36.31
Reimbursement of Expenses on Personnel Deputed to the Company	163.27	120.52
Payment to Contractors	94.97	51.71
Staff Welfare Expenses	128.51	90.98
	947.88	719.06

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 23 : Other Operating and general expenses

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
(i) Operating expenses consist of the following :		
Linen and Room Supplies	54.64	67.29
Catering Supplies	30.55	44.43
Other Supplies	3.93	9.53
Fuel, Power and Light	402.65	366.78
Repairs to Buildings	51.47	50.86
Repairs to Machinery	87.43	66.47
Repair- Others	13.36	8.17
Garden Expenses	45.42	38.65
Linen and Uniform Washing and Laundry Expenses	63.94	56.16
Operating Fees	350.64	355.12
Payment to Orchestra Staff, Artistes and Others	3.15	2.65
Guest Transportation	52.56	17.49
Travel Agents' Commission	31.60	24.40
Discount to Collecting Agents	29.54	35.98
Other Operating Expenses	105.51	119.14
	1,326.39	1,263.12

Linen, Room, Catering and Other Supplies Consumed

	March, 31 2016		March, 31 2015	
	₹ Lacs	%	₹ Lacs	%
Imported	6.65	7.46	-	-
Indigenous	82.47	92.54	121.25	100.00
	89.12	100.00	121.25	100.00

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
(ii) General expenses consist of the following :		
Rent	28.73	29.65
Licence Fees	35.11	30.02
Rates and Taxes	96.90	93.43
Insurance	10.33	10.12
Advertising and Publicity	168.02	140.65
Printing and Stationery	17.50	21.95
Security Expenses	42.91	35.95
Corporate Services	50.43	46.55
CRS/ CIS Expenses	50.43	46.55
Passage and Travelling	24.92	18.99
CSR Expenses	25.09	12.34
Internet and Telephone Expenses	51.63	25.51
Provision for Doubtful Debts	2.22	(0.70)
Professional Fees	29.94	22.74

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 23 : Other Operating and general expenses (Contd.)

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
(ii) General expenses consist of the following :		
Outsourced Support Services	15.90	15.60
Exchange Loss (Net)	0.24	0.06
Loss on Sale of Fixed Assets (Net)	3.21	1.25
Payment made to Statutory Auditors (Refer Footnote ii)	4.18	4.19
Directors' Fees and Commission	48.57	44.13
Other Expenses	65.35	54.46
	771.61	653.44
	2,098.00	1,916.56

Footnotes :
(i) Expenditure recovered from other parties :

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Fuel, Power and Light	14.53	18.23
	14.53	18.23

(ii) Payment made to Statutory Auditors:

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
As Auditors	2.50	2.50
As Tax Auditors	1.30	1.30
For Management Services	0.15	0.14
For Other services	0.20	0.25
For out-of pocket expenses	0.03	-
	4.18	4.19

(iii) Provision for Doubtful Debts:

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Opening Balance	17.83	18.53
Add : Provision during the year	2.22	-
Total	20.05	18.53
Less : Bad debts written off	5.64	-
Less : Provision no longer required, written back	-	0.70
Closing Balance	14.41	17.83

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 24. Contingent Liabilities (to the extent not provided for):

- a) On account of Income Tax matters in dispute:
 - i. In respect of matters which have been decided in the Company's favour by both CIT-A and ITAT, but the Income Tax Department has preferred an appeal in Hon'ble Allahabad High Court – ₹127.97 Lacs (previous year - ₹ 127.97 Lacs).
 - ii. In respect of other matters for which Company's appeals are pending with appellate authorities against the order of the assessing officer – ₹ 28.90 Lacs (previous year – ₹ 23.21 Lacs)
- b) On account of other disputes in respect of:
 - i. Service Tax – ₹ 19.08 Lacs (previous year – ₹ 19.08 Lacs)
 - ii. Sales tax – ₹ 36.27 Lacs (previous year – ₹ 36.27 Lacs)
 - iii. Others - NIL (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 ₹ 39.65 Lacs (Previous year – ₹ 41.67 Lacs).

Note 26. Value of Imports

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Stores, Supplies and Spare Parts for Machinery	6.65	13.43
Value of Imports (CIF) Capital Imports	31.55	33.13

Note 27. Expenditure in Foreign Currency

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Professional and Consultancy Fees	17.31	6.65
Other Expenditure in Foreign Currency	27.19	12.33

Note 28. Earnings in Foreign Exchange

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Earnings in Foreign Exchange (As certified by the Management and verified by the Auditors)	1,700.53	1,809.09

Note 29. 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, 2016 (Contd.)
Note 30. 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
TIFCO Holdings Limited	India
Lands End Properties Private Limited	India
KTC Hotels Limited	India
United Hotels Limited	India
Taj SATS Air Catering Limited	India
Roots Corporation Limited	India
Taj Enterprises Limited	India
TAJ TRADE AND TRANSPORT COMPANY LIMITED	India
Inditravel Limited	India
Piem Hotels Limited	India
Northern India Hotels Limited	India
Skydeck Properties and Developers Private Limited	India
Sheena Investments Private Limited	India
Luthria & Lalchandani Hotel & Properties Private Limited	India
ELEL Hotels & Investments Limited	India
* became a subsidiary with effect from Ocoober 14, 2015	
Samsara Properties Limited	British Virgin Islands
Apex Hotel Management Services Pte Ltd	Singapore
Cheiftain Corporation NV	Netherlands Antilles
IHOCO BV	Netherlands
St. James Court Hotels Limited	United Kingdom
Taj International Hotels Limited	United Kingdom
INTERNATIONAL HOTEL MANAGEMENT SERVICES, INC	USA
Apex Hotel Mangement Services (Australia) Pty Ltd	Australia
Taj International Hotels (H.K) Limited	Hong Kong
PIEM International Hotels (H.K) Limited	Hong Kong
BAHC 5 (Pte Ltd)	Singapore
United Overseas Holdings Inc.	USA

iii. Key Managerial Personnel

Chief Executive Officer – Mr. Ahmar Siddiqui (till 28th June, 2015)
 Chief Executive Officer – Mr. Ashwani Anand (wef 28th June, 2015)
 Chief Financial Officer – Mr. Ravi Sharma

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

(b) Details of related party transactions during the year ended March 31, 2016:

Particulars	Holding Company	Fellow Subsidiaries Companies	KMP	Other
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
Interest received/accrued	-	0.30	-	-
	-	(49.16)	-	-
Operating / Management fees paid	343.25	-	-	-
	(345.73)	-	-	-
Fee Paid for Other Services	222.46	-	-	-
	(210.28)	-	-	-
Deputed Staff Salaries Paid	133.81	6.63	-	-
	(89.74)	-	-	-
Transportation and Conveyance Expenses	0.23	-	-	-
	-	(5.61)	-	-
License Fee paid (Nadesar Palace)	-	-	-	27.89
	-	-	-	(27.36)
Dividend Paid	58.60	81.01	-	-
	(58.60)	(81.01)	-	-
Other Income Earned	-	-	-	-
	-	(2.46)	-	-
ICD Placed during the year	-	-	-	-
	-	-	-	-
ICD Encashed during the year	-	200.00	-	-
	-	-	-	-
Remuneration Paid / Payable	-	-	53.77	-
	-	-	(43.15)	-
Balances outstanding at the end of the year				
Current Account Receivables	36.13	-	-	-
	(30.11)	-	-	-
Current Account Payables	-	3.28	-	-
	-	(0.75)	-	-
ICD Receivable	-	-	-	-
	-	(200.00)	-	-
Interest Receivable	-	-	-	-
	-	(1.86)	-	-

Footnotes:

(i) Figures within brackets and italics are of the previous year.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
(c) Statement of Material Transactions

Company Name	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Holding Company	As per note	As per note
The Indian Hotels Company Limited	33(b) above	33(b) above
Fellow Subsidiary Company		
Roots Corporation Limited		
Interest Received/ Accrued	0.30	49.16
ICD placed during the year	-	-
ICD encashed during the year	200.00	350.00
Piem Hotels Limited		
Deputed Staff Salaries Paid	6.63	-
Dividend Paid	10.81	10.81
Inditravels Limited		
Transportation and Conveyance Expenses	-	5.61
Other Incomes earned	-	2.46
TIFCO Holdings Limited		
Dividend Paid	70.17	70.17
Directors and Entities controlled by Director		
License Fee paid (Nadesar Palace)		
Dr. Anant Narain Singh (Chairman-BHL)	13.94	13.68
Companies/ Trust Controlled by Dr Anant Narain Singh		
Maharaja Prabhu Narain Physical Cultural trust	3.49	3.42
Aditya Dairies Pvt Ltd	6.97	6.84
Ananta Electric Lamp Works Pvt Ltd	3.49	3.42

Note 31. 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, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Provident Fund	27.46	24.12

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

- Funded : Post Retirement Gratuity

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

- (i) **Amount to be recognized in Balance Sheet and movement in net liability**

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Present Value of Funded Obligations	146.58	140.64
Fair Value of Plan Assets	128.22	135.00
Net (asset) / Liability	18.36	5.63

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 31. Employee Benefits (Contd.)

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

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Current Service Cost	10.02	7.77
Interest Cost	11.40	11.84
Expected return on Plan Assets	-9.65	-9.7
Actuarial Losses / (Gain) recognised in the year	6.17	5.82

(iii) Reconciliation of Defined Benefit Obligation

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Opening Defined Benefit Obligation	140.64	131.29
Current Service Cost	10.02	7.77
Interest Cost	11.40	11.84
Actuarial Losses / (Gain)	8.60	8.73
Benefits Paid	-24.07	-19.00
Closing Defined Benefit Obligation	146.58	140.63

(iv) Reconciliation of Fair Value of Plan Assets

	March 31, 2016 ₹ Lacs	March 31, 2015 ₹ Lacs
Opening Fair Value of Plan Assets	135.00	136.41
Expected return on Plan Assets	9.65	9.70
Actuarial (Gain) / Losses	2.42	2.90
Contribution by Employer	5.21	5.00
Benefits Paid	-24.07	-19.00
Closing Fair Value of Plan Assets	128.22	135.00
Expected Employer's contribution next year	18.36	5.63

(v) Description of Plan Assets

	March 31, 2016	March 31, 2015
Government of India Securities	0%	0%
Corporate Bonds	0%	0%
Special Deposit Scheme	7%	7%
Equity	0%	0%
Others	93%	93%
Grand Total	100%	100%

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 31. Employee Benefits (Contd.)

(vi) Actuarial Assumptions

	March 31, 2016	March 31, 2015
Discount rate (p.a.)	7.85%	7.90%
Expected Rate of Return on Assets (p.a.)	7.50%	7.50%
Salary Escalation Rate (p.a.)	4.00%	5.00%
Mortality Table Used	2006-08	2006-08

(vii) Experience Adjustments

	2015/16 ₹ Lacs	2014/15 ₹ Lacs	2013/14 ₹ Lacs	2012/13 ₹ Lacs	2011/12 ₹ Lacs
Defined Benefit Obligation	146.58	140.63	131.29	126.73	105.59
Plan Assets	128.22	134.99	136.40	133.82	111.44
Surplus/ (Deficit)	(18.36)	(5.63)	5.11	7.08	5.85
Experience Adjustment on Plan Liabilities	18.64	(2.40)	5.63	8.32	1.22
Experience Adjustment on Plan Assets	2.42	2.90	(2.89)	16.62	(1.75)

Note 32. 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, 2016	March 31, 2015
Profit after tax – (₹ Lacs)	828.56	922.62
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	63.74	70.97

DIRECTORS AND CORPORATE INFORMATION

INDITRAVEL LIMITED

Board of Directors

Mr. Faisal Momen	(DIN: 00064878)
Mr. Nabakumar Shome	(DIN: 03605594)
Mr. Himanshu Jain	(DIN: 06890639)

Registered Office

Mandlik House, Mandlik Road,
Mumbai – 400 001.
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-Sixth Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2016:

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

	Standalone ₹		Consolidated ₹	
	2015-2016	2014-2015	2015-2016	2014-2015
Total Income	1,19,51,518	41,25,36,746	1,19,51,518	41,25,36,746
Profit/ (Loss) before exceptional and extra-ordinary items & tax	(89,51,602)	42,25,679	(89,51,602)	42,25,679
Exceptional Items (Provision for diminution in value of investment)	(38,82,200)	(4,87,57,800)	(38,82,200)	(4,87,57,800)
Loss Before Tax	(1,28,33,802)	(4,45,32,121)	(1,28,33,802)	(4,45,32,121)
Current Tax (including tax on discontinued operations)	-	(3,80,385)	-	(3,80,385)
Deferred Tax	17,05,830	(6,06,867)	17,05,830	(6,06,867)
Minimum Alternate Tax Credit	-	3,80,385	-	3,80,385
Short Provision of Tax of earlier years (Net)	5,70,415	-	5,70,415	-
Loss After Tax from continuing operations	(1,05,57,557)	(4,51,38,988)	(1,05,57,557)	(4,51,38,988)
Profit/(Loss) from discontinuing operations	(2,27,38,403)	2,16,909	(2,27,38,403)	2,16,909
Tax credit of discontinuing operations	-	-	-	-
Loss for the year	(3,32,95,960)	(4,49,22,079)	(3,32,95,960)	(4,49,22,079)
Share of Profit/ (Loss) of Associates	-	-	(1,90,456)	2,00,229
Loss After Tax and Share of Associates	-	-	(3,34,86,416)	(4,47,21,850)
Balance brought forward from the previous year	8,22,60,255	17,91,77,857	8,44,21,827	18,11,39,200
Profit available for appropriation	4,89,64,295	13,42,55,778	5,09,35,411	13,64,17,350
Appropriations				
Proposed Equity Dividend	(1,26,00,210)	(4,32,00,720)	(1,26,00,210)	(4,32,00,720)
Tax on Proposed Equity Dividend	(25,65,151)	(87,94,803)	(25,65,151)	(87,94,803)
Interim Dividend	(2,52,00,420)	-	(2,52,00,420)	-
Tax on Interim Dividend	(51,30,213)	-	(51,30,213)	-
Transfer to General Reserve	-	-	-	-
Balance Profit/(Loss) carried to Balance Sheet	34,68,301	8,22,60,255	54,39,417	8,44,21,827

REVIEW OF BUSINESS OPERATIONS AND STATE OF COMPANY'S AFFAIRS

During the previous year, the Company had discontinued operations as the Taj group companies had decided to undertake car hire business directly with the vendors rather than through the Company and accordingly the Company had 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 had to further 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 stood at ₹ (3.33) crores.

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

The Directors had on September 24, 2015 declared an interim dividend of 350% i.e. ₹ 35 per Equity Share, on 7,20,012 Equity Shares of ₹ 10 each, amounting to ₹ 2,52,00,420 out of the surplus in the Profit and Loss Account pursuant to the provisions of Section 123 of the Companies Act, 2013. In addition, a dividend distribution tax of ₹ 51,30,302 was paid by the Company.

Further, the Directors have recommended a final dividend of 175% or ₹ 17.50 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

The Consolidated Financial Statements of the Company and its Associate viz. Taj Enterprises Limited, prepared in accordance with the relevant Accounting Standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the Consolidated Accounts.

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 in Form AOC-1 is attached to the financial statements of the Company.

The Company does not have any Subsidiary or Joint Venture 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. 13 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

The Board comprises of Mr. Faisal Momen, Mr. Nabakumar Shome and Mr. Himanshu Jain. 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 May 4, 2015, July 22, 2015, October 21, 2015 and January 21, 2016. 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.

The existing Auditors of the Company viz. M/s. SNB Associates, Chartered Accountants, Chennai (Firm Registration No. 015682N), have vide letter dated April 12, 2016, informed the Company of their decision not to continue as Statutory Auditors of the Company from the conclusion of this Thirty-Sixth Annual General Meeting.

The Members are requested to appoint M/s. Chandrashekhar Iyer & Co, Chartered Accountants (Firm Registration No. 114260W) as the Statutory Auditors for two financial years viz. 2016-17 and 2017-18, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty-Eighth Annual General Meeting of the Company (subject to ratification of their appointment at each AGM) and authorize the Board of Directors to fix their remuneration.

M/s. Chandrashekhar Iyer & 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.

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 Options to its employees during the year under review. None of the Directors of the Company hold shares of the Company as on March 31, 2016.

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

Based on the existing system of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (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, 2016 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;
- (v) it has laid down internal financial controls for the Company which are adequate and are operating effectively; and
- (vi) 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

Nabakumar Shome
Director
(DIN: 03605594)

Himanshu Jain
Director
(DIN: 06890639)

Mumbai, April 25, 2016

Registered Office:

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, 2016

[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 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	No business activities carried out during the year	N.A.	N.A.

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)
2	Taj Enterprises Limited Taj Palace Hotel, Sardar Patel Marg, Diplomatic Enclave, New Delhi 110 021.	U55101DL1979PLC009746	Associate	24.90%	2 (6)

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	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0

Subsidiaries Accounts 2015-2016

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	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
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 -	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
b) Other –									
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
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

INDITRAVEL 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	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
	Ceiling as per the Act					

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors <ul style="list-style-type: none"> Fee for attending board / committee meetings Commission Others, please specify 					
	Other Non-Executive Directors <ul style="list-style-type: none"> 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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1)	Gross salary <ul style="list-style-type: none"> (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 <ul style="list-style-type: none"> - 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					

Mumbai, April 25, 2016

On behalf of the Board of Directors

Registered Office:

Mandlik House, Mandlik Road,
Mumbai 400 001.

CIN: U74999MH1981PLC023924

Tel. No.: 022 66395515

Fax No.: 022 22027442

Nabakumar Shome
Director
(DIN: 03605594)

Himanshu Jain
Director
(DIN: 06890639)

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 INDI TRAVEL LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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. 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, 2016, and its 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, 2016("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 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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 19 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

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

Place : Mumbai
Dated: April 25, 2016

ANNEXURE -A 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, 2016)

- i. 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.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company .
- ii. The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company..
- iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a) , (b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.
- iv. According to the information and explanations given to us , the company has neither made any loans and investments. Accordingly, clause (iv) of paragraph 3 of the said order are not applicable.
- v. 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.
- vi. 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.
- vii. 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, 2016 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	₹ 10,41,995/-	Assessment Year 2007-08	Income Tax Appellate Tribunal
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

- viii. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders or Government and accordingly clause viii of paragraph 3 of the said order is not applicable.

- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Accordingly clause (xi) of paragraph 3 of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SNB ASSOCIATES
Chartered Accountants

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

Place : Mumbai
Dated: April 25, 2016

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2(f) of "Report on Other Legal and Regulatory Requirements" section of our report of even date for the year ended 31 March, 2016)

We have audited the internal financial controls over financial reporting of Inditravel Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act,

2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, considering the current operations of the company which is restricted to managing the balance assets, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SNB ASSOCIATES
Chartered Accountants

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

Place : Mumbai
Dated: April 25, 2016

INDITRAVEL LIMITED

Balance Sheet as at March 31, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	72,00,120	72,00,120
(b) Reserves and surplus	3	17,69,36,543	25,57,28,497
		<u>18,41,36,663</u>	<u>26,29,28,617</u>
2 Non-current liabilities			
(a) Long-term provisions	4	20,51,379	33,93,760
(b) Deferred tax liabilities (net)		-	77,972
		<u>20,51,379</u>	<u>34,71,732</u>
3 Current liabilities			
(a) Trade payables			
(i) Micro enterprises and small enterprises		-	-
(ii) other than Micro enterprises and small enterprises		49,66,327	1,29,84,407
(b) Other current liabilities	5	29,16,864	52,92,881
(c) Short-term provisions	6	1,52,38,784	5,21,58,771
		<u>2,31,21,975</u>	<u>7,04,36,059</u>
TOTAL		<u>20,93,10,017</u>	<u>33,68,36,408</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	7		
(i) Tangible assets		52,66,380	94,75,221
(ii) Intangible assets		14,533	36,18,989
(iii) Capital work-in-progress		-	3,24,461
		<u>52,80,913</u>	<u>1,34,18,671</u>
(b) Non-current investments	8	6,53,62,259	6,92,44,459
(c) Deferred tax assets (net)		16,27,858	-
(d) Long-term loans and advances	9	4,17,12,193	4,49,69,954
		<u>11,39,83,223</u>	<u>12,76,33,084</u>
2 Current assets			
(a) Current investments	10	1,85,38,343	9,36,69,910
(b) Trade receivables	11	43,503	1,28,59,516
(c) Cash and bank balances	12	2,89,86,706	5,29,32,014
(d) Short-term loans and advances	13	4,77,56,862	4,97,34,791
(e) Other current assets	14	1,380	7,093
		<u>9,53,26,794</u>	<u>20,92,03,324</u>
TOTAL		<u>20,93,10,017</u>	<u>33,68,36,408</u>
III. Notes Forming Part of the Financial Statements	1 - 32		

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

For and on behalf of the Board

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

Faisal Momen
Director
DIN:00064878

Nabakumar Shome
Director
DIN:03605594

Himanshu Jain
Director
DIN:06890639

Place : Mumbai
Dated : April 25, 2016

Profit and loss statement for the year ended March 31, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
IV INCOME			
I. Revenue from operations	15	-	39,30,49,521
II. Other income	16	<u>1,19,51,518</u>	<u>1,94,87,225</u>
III. Total Revenue (I + II)		<u>1,19,51,518</u>	<u>41,25,36,746</u>
V EXPENSES	17		
Operating Expenses		-	30,29,54,703
Employee Benefits Expense		<u>1,03,58,425</u>	<u>6,50,76,679</u>
Depreciation and amortization expense		<u>2,97,489</u>	<u>17,28,030</u>
Other expenses		<u>1,02,47,206</u>	<u>3,85,51,655</u>
Total Expenses		<u>2,09,03,120</u>	<u>40,83,11,067</u>
VI Profit / (Loss) before exceptional and extra ordinary items and tax (IV-V)		(89,51,602)	42,25,679
VII Exceptional Items (Provision for diminution in value of investment)		(38,82,200)	(4,87,57,800)
VIII Profit / (loss) before extraordinary items and tax (VI -VII)		(1,28,33,802)	(4,45,32,121)
IX Extraordinary Items Income / (Expenses)		-	-
X Profit / (Loss) before tax (VIII - IX)		<u>(1,28,33,802)</u>	<u>(4,45,32,121)</u>
XI Tax expense:			
(1) Current tax		-	3,80,385
(2) Deferred tax		<u>(17,05,830)</u>	<u>6,06,867</u>
(3) Short/Excess for earlier years		<u>(5,70,415)</u>	-
(4) Minimum Alternet Tax Credit		-	<u>(3,80,385)</u>
Total Taxes		<u>(22,76,245)</u>	<u>6,06,867</u>
XII Profit after tax for the year from continuing operations (X-XI)		<u>(1,05,57,557)</u>	<u>(4,51,38,988)</u>
XIII Profit/(loss) from discontinuing operations	18	(2,27,38,403)	2,16,909
XIV Tax credit of discontinuing operations		-	-
XV Profit/(loss) from Discontinuing operations (after tax) (XIII - XIV)		<u>(2,27,38,403)</u>	<u>2,16,909</u>
XVI Profit (Loss) for the year (XII+XV)		<u>(3,32,95,960)</u>	<u>(4,49,22,079)</u>
XVII Earnings per equity share:			
Basic & Diluted		(46)	(62)
III Notes Forming Part of the Financial Statements	1 - 32		

As per our report attached

For SNB ASSOCIATES
Chartered Accountants
For and on behalf of the Board

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

Faisal Momen
Director
DIN:00064878

Nabakumar Shome
Director
DIN:03605594

Himanshu Jain
Director
DIN:06890639

Place : Mumbai
Dated : April 25, 2016

Cash Flow Statement for the year ended March 31, 2016

	March 31, 2016 ₹	March 31, 2015 ₹
Cash flow from operating activities		
Net Profit before Tax	(3,55,72,205)	(4,43,15,212)
Adjustments For:		
Depreciaition/amortisation	6,98,428	18,06,024
Loss/(Profit) on sale of Fixed Assets	10,98,092	(1,000)
Asset written off	49,10,725	-
Provision for Contingencies	20,73,199	12,50,000
Provision for diminution in value of investments	38,82,200	4,87,57,800
Provision for Doubtful Debts (net)	74,07,181	-
Provision for Doubtful Debts written back	-	4,00,000
Dividend Income	(33,60,253)	(45,11,269)
Interest (Net)	(84,15,946)	(1,40,21,973)
Unrealised Exchange (Gain)/Loss on Borrowings/ (Sundry Balance Written Back)	(1,25,829)	-
	81,67,797	3,36,79,582
Cash flow from opeartions before working capital changes	(2,74,04,408)	(1,06,35,630)
Adjustments for:		
Decrease / (Increase) in Trade receivables	55,70,120	4,82,66,770
Decrease / (Increase) in Inventories	-	26,50,026
Decrease / (Increase) in long term loans and advances	31,30,554	9,16,396
Decrease / (Increase) in short term loans and advances	(11,77,625)	23,43,319
(Decrease) / Increase in Trade Payables	(80,18,080)	(3,38,70,866)
(Decrease) / Increase in short term borrowings	-	(1,20,09,560)
(Decrease) / Increase in long term provisions	(12,16,552)	(22,58,378)
(Decrease) / Increase in short term provisions	(89,825)	(13,16,645)
(Decrease) / Increase in other current liabilities	(23,76,017)	(20,96,604)
	(41,77,425)	26,24,458
Cash flow from operating activities	(3,15,81,833)	(80,11,172)
Direct Taxes Paid (net of refund)	(13,75,577)	(1,34,11,700)
Net cash flow from Operating activities	(3,29,57,410)	(2,14,22,872)
Cash flow from Investing Activities		
Purchase of Fixed Assets	-	(47,15,188)
Capital work in progress	-	(3,24,461)
Sale of Fixed Assets	12,69,225	2,85,462
Non-current Investments net of provision	-	(26,50,026)
Interest received	87,77,213	1,40,93,474
Dividend Received	33,60,253	45,11,269
Long/ Short Term Deposits Refunded by companies	1,81,00,000	13,68,00,000
Long/ Short Term Deposits placed with companies	(1,53,00,000)	(2,65,00,000)
Net Cash Used in Investing Activities	1,62,06,691	12,15,00,530

Cash Flow Statement for the year ended March 31, 2016

	March 31, 2016 ₹	March 31, 2015 ₹
Cash Flow from Financing Activities		
Dividend Paid (Including tax on dividend)	(8,23,26,156)	(5,05,42,682)
Net Cash Used In Financing Activities	(8,23,26,156)	(5,05,42,682)
Net Increase / (Decrease) in cash and cash equivalents	(9,90,76,875)	4,95,34,976
Effect of exchange difference on cash & cash equivalents held in foreign currency		
Cash and Cash Equivalents as at 1st April 2015	14,66,01,924	9,70,66,948
Cash and Cash Equivalents as at 31st March 2016	4,75,25,049	14,66,01,924
Components of Cash and Cash equivalents as at 1st April 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
Components of Cash and Cash equivalents as at 31st March 2016		
Cash and bank Balance	2,89,86,706	5,29,32,014
Current Investments	1,85,38,343	9,36,69,910
Total	4,75,25,049	14,66,01,924

III. Notes Forming Part of the Financial Statements

1 - 32

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

For and on behalf of the Board

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

Faisal Momen
Director
DIN:00064878

Nabakumar Shome
Director
DIN:03605594

Himanshu Jain
Director
DIN:06890639

Place : Mumbai
Dated : April 25, 2016

Notes to Financial Statements for year ended March 31, 2016

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	03 years	06 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 yearend & 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, 2016 (Contd.)

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.

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, 2016 (Contd.)
Note 2 : Share Capital

		March 31, 2016 ₹	March 31, 2015 ₹
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
		<u>30,00,00,000</u>	<u>30,00,00,000</u>
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	<u>72,00,120</u>	<u>72,00,120</u>
a.	Shareholders holding more than 5% shares in the Company		
	Name of the Company	March 31, 2016	March 31, 2015
		No. of Shares	No. of Shares
		% holding	% holding
	Equity share of ₹ 10/- each fully paid		
	The Indian Hotels Company Limited	2,40,004	2,40,004
		33.33%	33.33%
	TIFCO Holding Limited	99,005	99,005
		13.75%	13.75%
	Taj Trade and Transport company Limited	72,001	72,001
		10.00%	10.00%
	Piem Hotels Limited	1,89,002	1,89,002
		26.26%	26.26%
	Taj Enterprises Limited	72,000	72,000
		10.00%	10.00%
b.	Reconciliation of the shares outstanding at the beginning and at the end of reporting period		
		March 31, 2016	March 31, 2015
		No. of Shares	No. of Shares
		₹	₹
	Opening Balance	7,20,012	7,20,012
	Add : Issued during the year	-	-
	Less : Redeemed / Bought Back	-	-
	Closing Balance	<u>7,20,012</u>	<u>7,20,012</u>
c.	Shares in the Company held by its ultimate holding company including shares held by subsidiaries or associates of ultimate holding company		
		March 31, 2016	March 31, 2015
	Name of the Company	No. of Shares	No. of Shares
		% holding	% holding
	<u>Shares held by Ultimate Holding Company</u>		
	The Indian Hotels Company Limited	2,40,004	2,40,004
		33.33	33.33
		<u>2,40,004</u>	<u>2,40,004</u>
	<u>Shares held by Subsidiary of Ultimate Holding Company</u>		
	Piem Hotels Limited	1,89,002	1,89,002
		26.26%	26.26%
	Taj Trade and Transport Company Limited	72,001	72,001
		10.00%	10.00%
	TIFCO Holding Limited	99,005	99,005
		13.75%	13.75%
	Taj Enterprises Limited	72,000	72,000
		10.00%	10.00%
	Northern Indian Hotels Limited	24,000	24,000
		3.33%	3.33%
		<u>4,56,008</u>	<u>4,56,008</u>
		<u>63.34%</u>	<u>63.34%</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 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, 2016 (Contd.)

Note 3 : Reserves and Surplus

	March 31, 2016 ₹	March 31, 2015 ₹
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		
Closing Balance	12,00,00,000	12,00,00,000
	12,00,00,000	12,00,00,000
General Reserves		
Balance as per last Balance sheet		
Add :Current Year Transfer	5,19,18,242	5,19,18,242
Closing Balance	-	-
	5,19,18,242	5,19,18,242
Surplus in Profit and loss account		
Balance as per last Balance sheet	8,22,60,255	17,91,77,857
Add : Net Profit / (Net Loss) For the current year	(3,32,95,960)	(4,49,22,079)
Less :Proposed Dividend	1,26,00,210	4,32,00,720
Less :Tax on Proposed Dividend	25,65,151	87,94,803
Less: Interim Dividend	2,52,00,420	-
Less: Tax on Interim Dividend	51,30,213	-
Closing Balance	34,68,301	8,22,60,255
Grand Total	17,69,36,543	25,57,28,497

Note 4 : Long Term Provisions

	March 31, 2016 ₹	March 31, 2015 ₹
Provision for employee benefits		
Gratuity	17,26,721	27,95,708
Leave Encashment	3,24,658	5,98,052
Total	20,51,379	33,93,760

Note 5 : Other Current Liabilities

Other Current Liabilities consist of the following :

	March 31, 2016 ₹	March 31, 2015 ₹
Other Current Liabilities		
(i) Statutory Liabilities	1,91,815	9,97,769
(ii) Others	27,25,049	42,95,112
Total	29,16,864	52,92,881

Note 6 : Short term provisions

Short term provisions consist of the following :

	March 31, 2016 ₹	March 31, 2015 ₹
(a) Provision for Employee benefits		
Gratuity	45,285	71,009
Leave Encashment	28,138	92,239
(b) Proposed Dividend	1,26,00,210	4,32,00,720
(c) Tax on Dividend	25,65,151	87,94,803
Total	1,52,38,784	5,21,58,771

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 7 : Fixed Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	Opening as at 01.04.15	Additions	Deductions	Closing as at 31.03.16	Opening as at 01.04.15	Charge for the year	Closing as at 31.03.16	Opening as at 31.03.15
A. TANGIBLE ASSETS								
1. Building	58,42,623	-	-	58,42,623	16,51,430	77,994	17,29,424	41,13,199
Previous Year	58,42,623	-	-	58,42,623	15,73,436	77,994	16,51,430	41,91,193
2. Plant & Machinery	1,23,07,834	1,63,173	1,01,43,411	23,27,596	81,77,234	4,79,003	12,34,455	10,93,141
Previous Year	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
3. Furniture & Fixtures	14,90,671	-	14,16,554	74,117	8,03,623	58,622	19,568	41,30,600
Previous Year	14,87,365	3,306	-	14,90,671	7,28,050	75,573	8,03,623	40,40,538
4. Office Equipments	8,00,594	-	7,93,969	6,625	3,34,214	41,481	1,134	6,87,048
Previous Year	7,48,504	52,090	-	8,00,594	2,76,379	57,835	3,34,214	7,59,315
Total (A)	2,04,41,722	1,63,173	1,23,53,934	82,50,961	1,09,66,501	6,57,100	29,84,581	4,66,380
Previous Year	1,94,81,606	13,79,115	4,18,999	2,04,41,722	99,40,441	11,86,541	1,09,66,501	4,72,125
B. INTANGIBLE ASSETS								
5. Softwares	56,48,460	-	55,05,872	1,42,588	20,29,471	41,328	1,28,055	52,66,380
Previous Year	23,70,387	33,36,073	58,000	56,48,460	14,42,044	6,19,483	20,29,471	94,75,221
Grand Total (A+B)	2,60,90,182	1,63,173	1,78,59,806	83,93,549	1,29,95,972	6,98,428	31,12,636	95,41,165
Previous Year	2,18,51,993	47,15,188	4,76,999	2,60,90,182	1,13,82,485	18,06,024	1,29,95,972	1,04,69,508

Note :

Depreciation for the year includes ₹ 4,00,939 (Previous year ₹ 77,994) is in respect of discontinued operations refer note no. 18

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 8 : Non - Current Investments

Non-current investment consist of the following:

	Holdings as at March 31, 2016		Holdings as at March 31, 2015	
	No. of Shares	₹	No. of Shares	₹
(i) Investment in property *	-	26,50,026	-	26,50,026
	-	26,50,026	-	26,50,026
(ii) Investment in equity instruments				
Trade, Un-Quoted (at cost)				
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 Compnay 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
Less: Provision for Diminution in the value of Investment***		(5,26,40,000)		(4,87,57,800)
		6,27,12,233		6,65,94,433
TOTAL		6,53,62,259		6,92,44,459
1) Aggregate value of cost of unquoted Investments		11,53,52,233		11,53,52,233
2) Aggregate provision for diminution in value of investment		5,26,40,000		4,87,57,800
3) * Refer note no 29 of notes to accounts				
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 9 : Long term loans and advances

Long term loans and advances consist of the following:

	March 31, 2016	March 31, 2015
	₹	₹
(Unsecured, considered good)		
Security deposit	2,68,000	34,09,721
Advance tax (net of provision)	4,93,87,007	4,74,29,848
Less : Provision for Contingency	83,23,199	62,50,000
MAT Credit	3,80,385	3,80,385
Total	4,17,12,193	4,49,69,954

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 10 : Current Investments

Current investment consist of the following:

	Holdings as at March 31, 2016		Holdings as at March 31, 2015	
	No. of Units	₹	No. of Units	₹
(A) Investment - Others (Non - trade) - Quoted				
Kotak Liquid Scheme Plan A - Daily Dividend		-	463	5,66,062
ICICI Prudential Money Market Fund - Regular Plan-Daily Dividend		-	30,991	31,03,211
Birla Sun Life Cash Plus - Regular Plan - Daily Dividend	1,85,022	1,85,38,343	4,36,553	4,37,40,450
JPMorgan India Liquid Fund Super Inst. - Daily Dividend		-	5,19,190	52,06,394
Franklin Templeton Mutual Fund - Daily Dividend		-	41,024	4,10,53,793
	1,85,022	1,85,38,343	10,28,221	9,36,69,910
1) Aggregate cost of quoted Investments		1,85,38,343		9,36,69,910
2) Aggregate market value of quoted Investments		1,85,38,343		9,36,69,910

Note 11 : Trade receivables

Trade receivables consist of the following:

	March 31, 2016 ₹	March 31, 2015 ₹
Trade receivables (Unsecured)		
Exceeding six months		
Considered good	-	46,23,790
Considered doubtful	78,07,181	4,00,000
Total (1)	78,07,181	50,23,790
Others:		
Considered good	43,503	82,35,726
Total (2)	43,503	82,35,726
Total (1+2)	78,50,684	1,32,59,516
Less : Provision for doubtful debts	78,07,181	4,00,000
Grand Total	43,503	1,28,59,516

Note 12 : Cash and Bank balances

Cash and Bank Balances consist of the following:

	March 31, 2016 ₹	March 31, 2015 ₹
1 Cash and Cash equivalents		
(i) Cash on hand	-	15,445
(ii) Cheques, drafts on hand	2,00,000	11,68,958
(iii) Balance with Banks		
a) In current accounts	8,22,559	34,18,407
b) Call and Short Term Deposit Accounts less than 3 months	-	3,84,73,075
Total (1)	10,22,559	4,30,75,885
2 Other Bank balances		
(i) Call and Short Term Deposit Accounts more than 3 months and less than 12 months.	2,79,64,147	98,56,129
Total (2)	2,79,64,147	98,56,129
Total (1+2)	2,89,86,706	5,29,32,014

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 13 : Short term loans and advances

Short term loans and advances consist of the following:

	March 31, 2016	March 31, 2015
	₹	₹
(Unsecured, considered good)		
Interest receivable	4,94,218	8,55,485
Loans and advances to employees	64,557	74,434
Loans and advances to related parties	4,05,55,739	4,28,00,000
Loans and advances to others	66,42,348	60,04,872
Total	4,77,56,862	4,97,34,791

Note 14 : Other Current Assets

Other Current Assets consist of the following:

	March 31, 2016	March 31, 2015
	₹	₹
Prepaid Expenses	1,380	7,093
Total	1,380	7,093

Note 15 : Revenue from operation

Revenue from operation consist of revenues from:

	March 31, 2016	March 31, 2015
	₹	₹
Sale of service		
Car Hire Services	-	38,84,39,589
Travel Booking	-	4,57,526
Commission on Ticket Sale	-	20,750
Boat Hire Charges	-	41,31,656
Sub-Total	-	39,30,49,521

Note 16 : Other income

Other income consist of the following:

	March 31, 2016	March 31, 2015
	₹	₹
(a) Dividend Income from current investment	19,83,338	34,09,737
(b) Dividend Income (Non Current)	13,76,915	11,01,532
(c) Profit on sale of fixed assets (Net)	-	1,000
(d) Interest Income	84,15,946	1,40,21,973
Tax deducted at source: ₹ 8,41,595/- (Previous year: ₹ 14,02,197/-)		
(e) Miscellaneous Income	1,75,319	9,52,983
Sub-total	1,19,51,518	1,94,87,225
Total	1,19,51,518	41,25,36,746

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 17 : EXPENSES

Expenses consist of the following:

	March 31, 2016	March 31, 2015
	₹	₹
a) Operating Expenses		
Car Hire Charges	-	27,00,87,819
Ticket Booking / Service charges	-	22,53,355
Boat Hire Charges	-	29,72,124
License Fees	-	2,76,41,405
Sub-Total	-	30,29,54,703
b) Employees benefit expenses		
(i) Salaries, Wages, Bonus etc.	29,51,866	3,87,84,803
(ii) Company's Contribution to Retirement Funds & Other Funds	1,04,346	53,34,125
(iii) Reimbursement of Expenses on Personnel Deputed to the Company	65,22,101	1,76,34,387
(iv) Workmen / Staff Welfare Expenses	7,80,112	33,23,364
Sub-Total	1,03,58,425	6,50,76,679
Total	1,03,58,425	36,80,31,382
c) Other Expenses		
Rent Rates & Taxes	11,20,558	34,85,254
Electricity expenses	2,673	10,33,945
Repairs & Maintenance	1,75,575	6,43,781
Insurance	3,17,225	15,30,228
Credit Card Charges	2,481	33,20,031
Legal & Professional Fees	32,76,309	1,83,38,459
Provision for contingency	20,73,199	12,50,000
Miscellaneous expenses	16,08,324	72,39,906
Loss on sale of Assets	7,18,726	-
Assets written off	6,97,869	-
Provision for Doubtful Debts	-	4,00,000
Auditors' Remuneration		
i. As Auditors	1,72,500	8,14,610
ii. For Taxation matters	57,500	3,37,080
iii. Auditors other services	-	75,000
iv. For Reimbursement of expenses	24,267	83,361
Sub-Total	2,54,267	13,10,051
Sub-Total	1,02,47,206	3,85,51,655
TOTAL (a+b+c)	2,06,05,631	40,65,83,037

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 18 : Profit / (Loss) on Discontinued Operations

	March 31, 2016	March 31, 2015
	₹	₹
Car Hire Income	8,57,581	-
Rental Income	3,60,000	3,60,000
Total	12,17,581	3,60,000
<u>Expenses from discontinued operation</u>		
Salaries, Wages, Bonus etc.	11,41,559	-
Reimbursement of Expenses on Personnel Deputed to the Company	92,35,591	-
Car hire expenses	10,53,337	-
Rates and taxes	-	38,877
Repairs & Maintenance	66,715	26,220
Electricity	58,440	-
Depreciation	4,00,939	77,994
Loss on sale of Assets	3,79,366	-
Assets written off	42,12,856	-
Provision for Doubtful Debts	74,07,181	-
Sub - total	2,39,55,984	1,43,091
Profit /(loss) on Discontinued operation	(2,27,38,403)	2,16,909

Note 19 : Contingent Liabilities:

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

	March 31, 2016	March 31, 2015
	₹	₹
(i) Contingent Liabilities		
Claims against the company not acknowledged as debt		
Income tax demand under appeal	46,03,585	35,61,590
	46,03,585	35,61,590

(ii) Employee Related Matters

Some casual workers had claimed minimum wages/permanency in the company. The amount is unascertainable and the matter is pending in court. 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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 20 : Deferred Tax

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

	March 31, 2016	March 31, 2015
	₹	₹
Deferred tax Assets:		
Gratuity & Leave Encashment	6,56,563	11,67,145
Bonus	2,98,858	3,46,110
Unabsorbed Depreciation	13,06,268	8,53,259
Others	92,700	1,29,780
Total of Deferred tax assets (A)	23,54,389	24,96,294
Deferred tax liabilities:		
Depreciation on Fixed assets	(7,26,531)	(25,74,266)
Gratuity and Leave encashment	-	-
Total of Deferred tax liabilities (B)	(7,26,531)	(25,74,266)
Deferred tax net - Assets / (Liabilities) - (A-B)	(16,27,858)	(77,972)

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

Note 21 : Particulars of earnings per share :

	March 31, 2016	March 31, 2015
	₹	₹
Net profit /(loss) for the year as per the statement of profit and loss	(3,32,95,960)	(4,49,22,079)
Profit / (loss) to equity share holders	(3,32,95,960)	(4,49,22,079)
Weighted average number of equity shares	7,20,012	7,20,012
Nominal value per share	10	10
Earnings per share – Basic & Diluted	(46)	(62)

Note 22 : Closure of Units :

- a) The Company discontinued its printing, electroplating and other operations and Car Hire division with effect from March 2001 and December 2014 respectively. As at March 31, 2016, the Company carried the following assets and liabilities of discontinued operations:

	March 31, 2016		March 31, 2015	
	Assets	Liabilities	Assets	Liabilities
Divisions				
Printing	-	58,669	-	58,669
Others	67,63,223	2,75,000	69,72,681	2,75,000
Car Hire	5,84,109	7,12,178	-	-
Total	73,47,332	10,45,847	69,72,681	3,33,669

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

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

The Company has incurred Loss of ₹ 2,27,38,403/- (Previous Year Profit of ₹ 2,16,909/-) from discontinued business, which is included in the Profit and Loss Account, break-up of which is given as under:

Divisions	March 31, 2016			March 31, 2015		
	Particulars			Particulars		
	Revenue ₹	Expenses ₹	Profit/(Loss) ₹	Revenue ₹	Expenses ₹	Profit/(Loss) ₹
Printing	-	-	-	-	-	-
Others	3,60,000	2,03,149	1,56,851	3,60,000	1,43,091	2,16,909
Car Hire	8,57,581	2,37,52,835	(2,28,95,254)	-	-	-
Total	12,17,581	2,39,55,984	(2,27,38,403)	3,60,000	1,43,091	2,16,909

Note 23 : 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 24 : Amounts due to Micro, Small and Medium Enterprises:

- 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.
- The disclosures relating to Micro and Small Enterprises are as under:

	March 31, 2016	March 31, 2015
	₹	₹
(a) Principal amount due thereon remaining unpaid to any supplier at end of each accounting year.	-	-
(b) Interest due there on remaining unpaid to supplier as at end of each accounting year.	-	-
(c) The amount of interest paid in terms of Section 16 of Micro , Small and Medium Enterprises Development Act , 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting 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 and remaining unpaid at the end of the accounting year.	-	-
(f) The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro , Small and Medium Enterprises Development Act, 2006	-	-

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 25 : 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, 2016 ₹	March 31, 2015 ₹
Provident fund	2,10,743	16,87,126

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Non Funded

(C) (C) Defined benefit plans(Gratuity) – as per actuarial valuation on March 31, 2016 :-

(i) Principal Actuarial Assumptions as at 31st March 2016.

Particulars	March 31, 2016 ₹	March 31, 2015 ₹
Assumptions :		
Discount rate	8.04%	7.92%
Salary escalation rate	7%	7%
Employee Turnover rate	27%	27%

Data Summary :

No. of Employees	14	20
Total Salary	1,33,976	2,39,673
Total Past Service	13	14
Value of liability	17,72,006	28,66,717

Disclosure as per Revised AS15 :
Reconciliation of PBO

Projected Benefit Obligation at Beginning of year	28,66,717	58,65,979
Current Service Cost	1,89,126	3,76,919
Interest Cost	2,27,044	5,46,709
Actuarial (Gain) / Loss due to change in assumptions	(5,00,461)	(1,40,159)
Benefits Paid	(10,10,420)	(37,82,731)
Projected Benefit Obligation at End or year	17,72,006	28,66,717

Total actuarial gain/(loss) to be recognized immediately (included in Statement of Profit and Loss)	(5,00,461)	(1,40,159)
--	-------------------	-------------------

Amounts Recognized in the balance sheet

Projected Benefit Obligation at End or year	17,72,006	28,66,717
Funded Status asset / (liability)	(17,72,006)	(28,66,717)
Pre-Paid(+)/Accrued Liability(-) recognized in Balance Sheet	(17,72,006)	(28,66,717)

Statement of Profit and Loss

Current Service Cost	1,89,126	3,76,919
Interest Cost	2,27,044	5,46,709
Net actuarial (gain)/loss to be recognized in year	(5,00,461)	(1,40,159)
Expense recognized in the statement of Profit and Loss	(84,291)	7,83,469

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 26 : 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
	Piem Hotels Limited
	Taj Trade and Transport Company Limited
	Northern India Hotels Limited
	Taj Enterprises Limited
	Benares Hotels Limited
	Lands End Properties Private Limited
	Luthria & Lalchandani Hotel & Properties Private Limited
	Skydeck Properties & Developers Private Limited
	Sheena Investments Private Limited
	ELEL Hotels & Investments Limited
	Taj International Hotels (H.K) Limited
	Cheiftain Corporation NV
	IHOCO BV
	St. James Court Hotels Limited
	Taj International Hotels Limited
	Samsara Properties Limited
	Apex Hotel MGMT Services Pte Ltd
	PIEM International Hotels (H.K) Limited
	BAHC 5 (Pte Ltd)
	Apex Hotel Mangement Services (Australia) Pty Ltd
	United Overseas Holdings Inc.
	IHMS LLC
C. Joint Ventures of Holding Company	Taj Kerala Hotels & Resorts Limited
	Taj Safaris Limited
	Kaveri Retreat & Resorts Limited
	Taj Madras Flight Kitchen Pvt Ltd
	Taj Karnataka Hotels & Resorts Ltd
	Taj GVK Hotels & Resorts Ltd
	TAL Hotels & Resorts Ltd
	IHMS Hotels (SA) (proprietary) Ltd

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
b) Details of Transactions with related parties are as follows:

₹

Particulars	Holding Company		Subsidiaries of Holding Company	
	2015-16	2014-15	2015-16	2014-15
Re-imbursement of expenses	1,57,57,692	1,27,77,998	-	3,18,678
Professional Fees paid	-	1,50,00,000	-	-
Operating / Licence fees paid	-	2,18,71,444	-	15,59,118
Dividend received	-	-	13,76,915	11,01,582
Dividend Paid	2,28,00,380	1,44,00,240	4,33,20,760	2,73,60,480
Purchase of services	-	11,71,017	-	98,592
Rent Income	3,60,000	3,60,000	-	-
Sale or services rendered	10,23,431	7,60,21,876	-	57,74,404
Dues from Current Account	6,33,242	(8,44,866)	(86,603)	(1,69,537)

₹

Particulars	Associates of Holding Company		Joint Ventures	
	2015-16	2014-15	2015-16	2014-15
Interest Accrued	-	-	17,27,753	-
Operating / Licence fees paid	-	-	-	6,39,587
ICD given	-	-	-	2,45,00,000
Interest Received on ICD	-	-	44,55,956	36,92,004
Inter Corporate Deposits outstanding	-	-	4,00,00,000	4,00,00,000
Sale or services rendered	-	-	-	18,95,911
Due from Current Account	-	-	-	19,47,371

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

c) Statement of material transactions:

Company Name	March 31 2016 ₹	March 31 2015 ₹
Holding Company		
The Indian Hotels Company Ltd.		
Rental Income	3,60,000	3,60,000
Dividend paid	2,28,00,380	1,44,00,240
Professional Fees paid	-	1,50,00,000
Lease Rentals for Hotel/Factory Premises	-	2,18,71,444
Reimbursement of Deputed Staff Salary & Wages	1,57,57,692	1,27,77,998
Reimbursement of Laundry expenses	-	2,18,779
Reimbursement of Other expenses	-	9,52,238
Dues from Current Account	6,33,242	(8,44,866)
Sales or Services	10,23,431	7,60,21,876
Subsidiaries of Holding Company		
Piem Hotels Limited		
Dividend paid	1,79,55,190	1,13,40,120
Lease Rentals for Hotel/Factory Premises	-	12,67,878
Reimbursement of Other expenses	-	4,17,270
Sales of Services	-	51,62,927
Beneras Hotels Ltd.		
Lease Rentals for Hotel/Factory Premises	-	2,46,487
Due from Current Account	-	32,102
Sales of Services	-	5,61,477
Taj Trade & Transport Co. Ltd.		
Dividend paid	68,40,095	43,20,060
Dividend Received	13,76,915	11,01,582
Dues from Current Account	(86,603)	(2,01,639)
Sales of Services	-	50,000
TIFCO Holdings Limited		
Dividend paid	94,05,475	59,40,300
Roots Corporation Limited		
Lease Rentals for Hotel/Factory Premises	-	44,753
Taj Enterprises Limited		
Dividend paid	68,40,000	43,20,000

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Company Name	March 31 2016 ₹	March 31 2015 ₹
Northern India Hotels Limited		
Dividend paid	22,80,000	14,40,000
Joint Ventures		
Taj Kerala Hotels & Resorts Limited		
Lease Rentals for Hotel/Factory Premises	-	3,68,177
Sales or Services	-	4,73,810
Taj Safaris Limited		
Interest Income on Inter Corporate Deposits	44,55,956	36,92,004
Interest Accrued	17,27,753	-
Lease Rentals for Hotel/Factory Premises	-	1,13,165
Inter Corporate Deposits outstanding	4,00,00,000	4,00,00,000
Inter Corporate Deposit Given	-	2,45,00,000
Dues from Current Account	-	3,58,439
Kaveri Retreat & Resorts Limited		
Lease Rentals for Hotel/Factory Premises	-	1,58,245
Sales of Services	-	14,22,101

Note 27: 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	35,57,008
Additional provisioning	(1,25,829)
Amounts used during the year	13,06,377
Amounts reversed during the year	-
Closing Balance	21,24,802

Note 28 : 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 29 : The Company has investment in property amounting to ₹ 26,50,026/- where the right to title is executed through registered power of attorney.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 30 : Additional information :

	March 31, 2016 ₹	March 31, 2015 ₹
(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 31 : Sale of Services :

	March 31, 2016 ₹	March 31, 2015 ₹
Car Hire and other services	8,57,581	39,30,49,521

Note 32 : Previous year figures are regrouped and rearranged wherever necessary to match with current year's classification.

Signature to Schedule 1 to 32

For SNB ASSOCIATES
Chartered Accountants

For and on behalf of the Board

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

Faisal Momen
Director
DIN:00064878

Nabakumar Shome
Director
DIN:03605594

Himanshu Jain
Director
DIN:06890639

Place : Mumbai
Dated : April 25, 2016

DIRECTORS AND CORPORATE INFORMATION

KTC HOTELS LIMITED

Board of Directors

Mr. Prabhat S Verma

Mr. V. Mohan

Mr. Ashok Binnani

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 Thirty First Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2016 :

FINANCIAL RESULTS

	2015-16 (₹)	2014-15 (₹)
Income	32.47	28.92
Expenditure	8.00	7.27
Profit Before Tax	24.47	21.65
Less : Provision For Tax		
Current Tax	8.51	7.51
Deferred Tax	(0.93)	(0.89)
Taxation – Prior years	-	-
Profit After Tax	16.90	15.03
Balance profit brought forward from previous year	37.27	22.24
Profit / Loss carried to Balance Sheet	54.17	37.27

OPERATING RESULTS

The Total Income for the year was ₹ 32.47 lakh (Previous Year - ₹ 28.92 lakh) against which the Expenditure was ₹ 8.00 lakh (Previous Year - ₹ 7.27 lakh).

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

In accordance with the Companies Act, 2013, and the Articles of Association of the Company, one of your Director viz. Mr.V.Mohan 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 12, 2015, July 17, 2015, October 17, 2015 and January 14, 2016. 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. 0045325) as the Statutory Auditors for the financial year 2016-17 to hold office from the conclusion of this Annual General Meeting up to the conclusion of the Thirty Second 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 2016, 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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (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, 2016 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

Prabhat S Verma
Director
(DIN : 06548864)

V.Mohan
Director
(DIN: 00215718)

Place : Mumbai,
Dare : April 26, 2016

Registered Office:
KTC Hotels Limited
Taj Residency,
Shanmugham Road,
Marine Drive, Ernakulam,
Kerala - 682011
CIN: U55101KL1984PLC004105

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016

[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 Residency, 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			
2			
3			

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)
	The Company has no Subsidiary and Associate Company				

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
				% of Total Shares				% of Total Shares	
	Demat	Physical	Total		Demat	Physical	Total		
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	604,000	604,000	100	0	604,000	604,000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	604,000	604,000	100	0	604,000	604,000	100	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (A)=(A) (1)+(A)(2)	0	604,000	604,000	100	0	604,000	604,000	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions	0	0	0	0	0	0	0	0	0
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0

KTC HOTELS LIMITED

b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
1) Directors and Relatives	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	604,000	604,000	100	0	604,000	604,000	100	0

(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	503,698	83.39	0	503,698	83.39	0	0
2	IHCL jointly with Inditravel Ltd	1	0	0	1	0	0	0
3	IHCL jointly with Taida Trading and Industries Limited	100	0.02	0	100	0.02	0	0
4	IHCL jointly with Ideal Ice & Cold Storage Company Limited	1	0	0	1	0	0	0
5	IHCL jointly with Taj Trade and Transport Company Limited	7000	1.16	0	7000	1.16	0	0
6	IHCL jointly with Taj Air Limited	36,600	6.06	0	36,600	6.06	0	0
7	IHCL jointly with Taj Safaris Ltd	56,600	9.37	0	56,600	9.37	0	0
	TOTAL	604,000	100	0	604,000	100	0	0

(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
	Name of the promoter				
	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):	NIL			
	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):	None			
	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.		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
	Name of the Director				
	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				

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			₹ 3,50,00,000	₹ 3,50,00,000
ii) Interest due but not paid			Nil	Nil
iii) Interest accrued but not due			Nil	Nil
Total (i+ii+iii)			₹ 3,50,00,000	₹ 3,50,00,000
Change in Indebtedness during the financial year			Nil	Nil
Addition				
Reduction				
Net Change			Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount			₹ 3,50,00,000	₹ 3,50,00,000
ii) Interest due but not paid			Nil	Nil
iii) Interest accrued but not due			Nil	Nil
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 (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	The Company has no Executive Director on the Board	
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		
	Others, please Specify		
	Total		

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)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

INDEPENDENT AUDITOR'S REPORT

To the Members of
KTC HOTELS LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of KTC Hotels Limited ('the Company'), which comprise the balance sheet as at 31st March 2016, 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 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 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. 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 2016 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, 2016 ("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, 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 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in " Annexure B"; and
- (g) 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 17 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Varma and Varma
Chartered Accountants
FRN No:0045325

S.Raghunandan
Partner
M No. 23592

Place : Calicut
Dated : April 28, 2016

Annexure to the Independent Auditors' Report

ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT ON THE FINANCIAL STATEMENTS OF KTC HOTELS LIMITED FOR THE YEAR ENDED 31ST MARCH 2016.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) We are informed that major items of the fixed assets of the Company have been physically verified by the management during the year, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets and that no material discrepancies have been noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable properties are held in the name of the Company
- (ii) The Company is a service company, primarily engaged in business of renting of immovable property. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the order is not applicable to the Company.
- (iii) (a) The Company has not granted loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. 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, the Company has complied with the provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable.
- (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 Section 148 (1) of the Act for the Company at this stage.
- (vii) (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other statutory dues as applicable to the company.

According to the explanations given to us, there are no arrears of undisputed statutory dues outstanding for a period of more than six months from the date on which they become 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;

Nature of the Statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Income tax Act 1961	Income Tax	9,59,450/-	Assessment Year 2005 -06	CIT(Appeals), Kozhikode
Finance Act 1994	Service tax	22,47,062/-	Financial Year 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.

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders. Accordingly paragraph 3(viii) of the order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither

come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the Management.

- (xi) According to the information and explanations given to us, and the records of the Company examined by us, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, The Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the act wherever applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him during the year. Accordingly, paragraph 3(xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For **Varma and Varma**
Chartered Accountants
FRN No:004532S

S.Raghunandan
Partner
M No. 23592

Place : Calicut
Dated : April 28, 2016

ANNEXURE B TO AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KTC Hotels Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For Varma and Varma
Chartered Accountants
FRN No:0045325

S.Raghunandan
Partner
M No. 23592

Place : Calicut
Dated : April 28, 2016

KTC HOTELS LIMITED

Balance Sheet as at March 31, 2016

Particulars	Note No.	March 31, 2016 ₹	March 31, 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	6,040,000	6,040,000
Reserves and Surplus	3	8,717,332	7,027,460
		14,757,332	13,067,460
Non-current liabilities			
Long-term Borrowings	4	35,000,000	35,000,000
Deferred tax liabilities	5	7,614,267	7,707,739
		42,614,267	42,707,739
Current liabilities			
Trade Payables	6	-	-
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		68,363	37,921
Other current liabilities	7	9,250	5,899
		77,613	43,820
TOTAL		57,449,212	55,819,019
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	31,876,048	32,509,847
Long-term loans and advances	9	2,542,090	2,374,001
		34,418,138	34,883,848
Current assets			
Current investments		-	-
Trade receivables	10	22,066,787	20,031,443
Cash and Cash equivalents	11	928,682	875,860
Other current assets	12	35,605	27,868
		23,031,074	20,935,171
TOTAL		57,449,212	55,819,019
See accompanying notes forming part of the financial statements			

In terms of our report attached
For Varma & Varma
Chartered Accountants
FRN : 0045325

S.Raghunandan
Partner
M No.23592

Place : Calicut
Dated : April 28, 2016

For and on behalf of the Board of Directors

V.Mohan
Director
(DIN:00215718)

Prabhat Verma
Director
(DIN:06548864)

Statement of Profit and Loss for the year ended March 31, 2016

	Note No.	March 31, 2016	March 31, 2015
		₹	₹
Revenue			
Revenue from operations	13	3,180,058	2,811,295
Other income	14	67,415	80,604
Total revenue		3,247,473	2,891,899
Expenses			
Depreciation and amortisation expense	8	633,799	633,799
Other expenses	15	166,274	92,925
Total expenses		800,073	726,724
Profit / (Loss) before tax		2,447,400	2,165,175
Tax expense:			
Current tax expense		851,000	751,400
Deferred tax		(93,472)	(89,144)
Profit for the year		1,689,872	1,502,919
Earnings per share [nominal value of share ₹ 10/- (₹ 10/-)]			
Basic & Diluted (in ₹)	16	2.80	2.49

See accompanying notes forming part of the financial statements

In terms of our report attached

For Varma & Varma
Chartered Accountants
FRN : 0045325

S.Raghunandan
Partner
M No.23592

Place :Calicut
Dated : April 28, 2016

For and on behalf of the Board of Directors

V.Mohan
Director
(DIN:00215718)

Prabhat Verma
Director
(DIN:06548864)

KTC HOTELS LIMITED

Statement of Cash flow for the year ended 31, March 2016

Particulars	31 March, 2016 ₹	31 March, 2015 ₹
Cashflow from operating activities		
Net profit before Tax :	2,447,400	2,165,175
Adjustments for :-		
Add :Depreciation	633,799	633,799
Less: Interest Income	(67,415)	(59,900)
	566,384	573,899
Cash flow from operations before working capital changes	3,013,784	2,739,074
 Adjustments for:		
Trade and other receivables	(2,211,170)	(1,765,120)
Trade Payables	33,793	(22,297)
	(2,177,377)	(1,787,417)
Cash flow from operating activities	836,407	951,657
 Direct Tax Paid	851,000	751,400
Net cash flow from Operating activities	(14,593)	200,257
Cash flow from Investing Activities	-	-
Cash Flow from Financing Activities		
Interest Income received	67,415	59,900
Dividend paid (Including tax on dividend)	-	-
Net Cash Used In Financing Activities	67,415	59,900
 Cash and Cash Equivalents as at the beginning of the period	875,860	615,703
Cash and Cash Equivalents as at the year ending 31st March	928,682	875,860

See accompanying notes forming part of the financial statements

In terms of our report attached

For Varma & Varma
Chartered Accountants
FRN : 0045325

For and on behalf of the Board of Directors

S.Ragunandan
Partner
M No.23592

V.Mohan
Director
(DIN:00215718)

Prabhat Verma
Director
(DIN:06548864)

Place :Calicut
Dated : April 28, 2016

Notes to Financial Statements for year ended March 31, 2016

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. Cash and cash equivalents comprise cash and cash on deposit with banks..

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

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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.

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

	As at 31st March, 2016		As at 31 March, 2015	
	No. of shares	₹	No. of shares	₹
(i) Authorised				
15,00,000 Equity shares of ₹ 10/- each (15,00,000 Equity shares of ₹ 10/- each)	<u>15,00,000</u>	<u>15,00,000</u>	<u>15,00,000</u>	<u>15,00,000</u>
Issued, Subscribed and fully paid up				
6,04,000 Equity shares of ₹ 10/- each (6,04,000 Equity shares of ₹ 10/- each)	<u>6,04,000</u>	<u>6,04,000</u>	<u>6,04,000</u>	<u>6,04,000</u>

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2016		As at 31 March, 2015	
	Number	₹	Number	₹
Equity shares				
As at the beginning of the financial year				
- Number of shares		<u>604,000</u>		<u>604,000</u>
- Amount		<u>6,040,000</u>		<u>6,040,000</u>
As at the end of the financial year				
- Number of shares		<u>604,000</u>		<u>604,000</u>
- Amount		<u>6,040,000</u>		<u>6,040,000</u>

(iii) Terms/rights/restrictions attached to equity shares

- 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.
- 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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

(vi) Particulars of share holders holding more than 5% shares in the Company:

Class of shares / Name of shareholder	As at 31st March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares ;				
Indian Hotel Company Ltd	604,000	100.00%	604,000	100.00%

3. Reserves and Surplus

	March, 2016 ₹	March, 2015 ₹
General Reserve		
Opening balance	3,300,000	3,300,000
Add: Amount Transferred from Surplus	-	-
Closing balance	3,300,000	3,300,000
Surplus		
Opening balance	3,727,460	2,224,541
Add: Profit for the year	1,689,872	1,502,919
Less: Interim dividend	-	-
Less: Dividend tax	-	-
Less: Amount Transferred to General Reserve	-	-
Closing balance	5,417,332	3,727,460
Total	8,717,332	7,027,460

4. Long-term borrowings

	March, 2016 ₹	March, 2015 ₹
Deposits received from related parties		
Unsecured		
Indian Hotels Co Ltd, Calicut	35,000,000	35,000,000
Total	35,000,000	35,000,000

5. Deffered tax liabilities

	March, 2016 ₹	March, 2015 ₹
Deferred Tax liability		
On excess of net book value over Income Tax written down value of fixed assets	7,614,267	7,707,739
Total	7,614,267	7,707,739

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

6 Trade Payables

	March, 2016 ₹	March, 2015 ₹
Trade Payables for expense	68,363	37,921
	68,363	37,921

7. Other current liabilities

	March, 2016 ₹	March, 2015 ₹
Statutory remittances	9,250	5,899
Total	9,250	5,899

8. Fixed assets

Tangible assets	Gross block				Accumulated Depreciation and impairment				(Amount in ₹)	
	1 April, 2015	Additions	Disposals	31 March, 2016	1 April, 2015	Depreciation expenses for the year	Eliminated on disposal of assets	31 March, 2016	Net Block 31 March, 2016	31 March, 2015
Free-hold Land	4,252,675	-	-	4,252,675	-	-	-	-	4,252,675	4,252,675
	4,252,675	-	-	4,252,675	-	-	-	-	4,252,675	4,252,675
Buildings	39,971,449	-	-	39,971,449	11,714,277	633,799	-	12,348,076	27,623,373.00	28,257,172
	39,971,449	-	-	39,971,449	11,080,478	633,799	-	11,714,277	28,257,172	28,890,971
Total	44,224,124	-	-	44,224,124	11,714,277	633,799	-	12,348,076	31,876,048	32,509,847
	44,224,124	-	-	44,224,124	11,080,478	633,799	-	11,714,277	32,509,847	33,143,646

9. Long term loans and advances

	March, 2016 ₹	March, 2015 ₹
(a) Security deposits		
Unsecured, considered good	16,913	16,913
(b) Other loans and advances		
(i) Income Tax Advance (net of provisions)	1,882,487	1,721,205
(ii) Service Tax Recoverable	642,690	635,883
Total	2,542,090	2,374,001

10. Trade receivables

	March, 2016 ₹	March, 2015 ₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good (See Note below)	18,886,729	17,220,148
Others		
Unsecured, considered good (See Note below)	3,180,058	2,811,295
Total	22,066,787	20,031,443

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note: Trade receivables include amount due from:

Related Party:

Indian Hotels Co Ltd, Calicut

22,066,787

20,031,443

11. Cash and Bank balances

	March, 2016 ₹	March, 2015 ₹
Cash and Cash Equivalents		
(a) Balance with banks		
(i) In current accounts	19,896	220,010
(ii) In deposit accounts (See note below)	908,786	655,850
(b) Cash on hand	-	-
Total	928,682	875,860

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 ₹ 9,08,786/- (₹ 6,55,850/-) and [maturity period less than or equal to 3 months from the reporting date was Nil (Nil)], not under any lien, which can be withdrawn by the company at any point without prior notice or penalty on the principal.

12. Other current assets

	March, 2016 ₹	March, 2015 ₹
Interest accrued on deposits	35,605	27,868
Total	35,605	27,868

13. Revenue from operations

	March, 2016 ₹	March, 2015 ₹
License fee received	3,180,058	2,811,295
Total Revenue from Operations	3,180,058	2,811,295

14. Other income

	March, 2016 ₹	March, 2015 ₹
Interest income from bank deposits	67,415	59,900
Excess provision written back	-	20,704
Total	67,415	80,604

15. Other expenses

	March, 2016 ₹	March, 2015 ₹
Legal and Professional Charges	106,045	33,090
Payments to auditors (See Note below)	60,113	58,989
Miscellaneous expenses	116	846
Total	166,274	92,925

Notes to Financial Statements for year ended March 31, 2016 (Contd.)**Note Payments to the auditors**

	March, 2016 ₹	March, 2015 ₹
For statutory audit	48,663	42,135
For taxation matters	11,450	16,854
For other Services	-	-
For reimbursement of expenses	-	-
Total	60,113	58,989

16. Disclosures under Accounting Standards

	March, 2016 ₹	March, 2015 ₹
Earnings per share		
<u>Basic & Diluted</u>		
Net profit for the year	1,689,872	1,502,919
Number of equity shares	604,000	604,000
Par value per share	10	10
 Earnings per share	 2.80	 2.49

17. 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, 2016 ₹	March, 2015 ₹
1) Income Tax Demands disputed in Appeals not provided for AY 2005-06 (Refer note 17.1)	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 17.1: 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.

18. 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, 2016 ₹	March, 2015 ₹
	License fee.	31,80,058	28,11,295
Indian Hotels Company Ltd.	Deposit (Note 5)	3,50,00,000	3,50,00,000
(Holding Company)	Receivables	2,20,66,787	2,00,31,443
	Expenses Reimbursed	5,81,431	6,44,250

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

19. Earnings in Foreign Exchange on FOB basis : Nil (31.03.2015: Nil)
20. Value of imports on CIF basis : Nil (31.03.2015: Nil)
21. Expenditure in Foreign currency : Nil (31.03.2015: Nil)
22. 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 attached

For Varma & Varma

Chartered Accountants

FRN:004532S

For and on behalf of the Board of Directors

S.Raghunandan

Partner

M.No:23592

V.Mohan

Director

(DIN:00215718)

Prabhat Verma

Director

(DIN:06548864)

Place:Calicut

Dated : April 28, 2016

DIRECTORS AND CORPORATE INFORMATION

NORTHERN INDIA HOTELS LIMITED

Forty Fourth Annual Report 2015-16

Directors

Mr. Farhat Jamal

Mr. Sudhir Nagpal

Mr. Rajesh Nagpal

Mr. Taljinder Singh

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 Fourth Annual Report of the Company for the Financial Year ended March 31, 2016.

1. Financial Performance

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

₹ in Lacs

Particulars	Standalone	
	31/03/2016	31/03/2015
Total Income	353.42	338.68
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	333.08	319.74
Finance Charges	-	-
Depreciation	1.08	(17.33)
Provision for Income Tax (including for earlier years)	99.69	104.59
Net Profit/(Loss) After Tax	232.32	232.48
Profit/(Loss) brought forward from previous year	1961.19	1,728.72
Amount transferred consequent to Scheme of Merger	-	-
Profit/(Loss) carried to Balance Sheet	2193.51	1,961.19

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

2. Working Results

The Income for the year was ₹ 353.42 lacs compared to ₹ 338.68 lacs for the previous year after expenditure, depreciation and provision for taxes was ₹ 232.32 as compared to ₹ 232.48 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, Mr. Prabhat Verma resigned from the Directorship of the Company with effect from July 27, 2015. The Directors place on record their appreciation of the services rendered by Mr. Verma during his tenure as Director of the Company.

Mr. Farhat Jamal and Mr. Taljinder Singh were appointed as Additional Director(s) of the Company effective July 27, 2015 and in terms of Section 161 of the Companies Act, 2013 held the office as Director(s) till the Annual General Meeting of the Company for the year 2014-15. Mr. Farhat Jamal and Mr. Taljinder Singh were then, appointed as Additional Director(s) of the Company effective October 8, 2015 and October 21, 2015 respectively and hold office up to the date of the forthcoming Annual General Meeting. It is proposed to appoint Mr Jamal and Mr. Singh as Director(s) of the Company at the ensuing Annual General Meeting. The Board of Directors commends their appointment. Except Mr. Jamal and Mr. Singh, no other Director is interested in this item.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh 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 5 (five) 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/renewed 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 MGT 9 pursuant to Section 92 (3) of the Companies Act, 2013 (the Act) read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, are given in Annexure I.

8. Particulars of Contracts or Arrangements made with Related Parties

All related party transactions were at arm's length basis and in the ordinary course of business.

9. Risk Management

The operations of the Company primarily comprise only the license fee received from Piem Hotels Ltd, to whom The Gateway Hotel, Agra has been given on license 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 were 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. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm 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, 2016 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.

18. 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. Farhat Jamal
Director
(DIN: 01875688)

Place: Mumbai

Date: April 22, 2016

Annexure 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016 [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	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
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)

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	0	0	0	0	0	0	0	0	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt (s)	0	0	0	0	0	0	0	0	0
(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	0	0	0	0	0	0	0	0	0
(f) Any Other....	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0
(b) Other –									
Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
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

NORTHERN INDIA HOTELS LTD.

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.									
(i) Indian	Nil	2,000	2,000	0.46	Nil	2,000	2,000	0.46	Nil
(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)	4,07,567	30,033	4,37,600	100	4,07,567	30,033	4,37,600	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.	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

NORTHERN INDIA HOTELS LTD.

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				
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 Gahlaut				
	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

V. INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2015-16

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	Farhat Jamal	Taljinder Singh	Prabhat Verma*
		-	-	1,000	1,000	1,000
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	NIL	NIL	1,000	1,000	1,000
	Overall Ceiling as per the Act	(3% of the net profit of the Company), but no remuneration has been paid.				
* Mr. Prabhat Verma resigned from the Directorship of the Company w.e.f. July 27, 2015.						

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

Mr. Sudhir Nagpal
Director

Farhat Jamal
Director

Place:Mumbai

Date: April 22, 2016

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, 2016, 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.

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. 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, 2016 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, 2016 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" and
 - g) 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 22, 2016

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.
c) According to information and explanation given to us, the title deeds of Immovable Properties are held in the name of the company and the title deeds in respect of Land admeasuring 14744.60 Sq.Yards are pending Registration.
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, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The Company has complied with the provision of section 186 of the Companies Act, 2013 in respect of loan granted to other company during the year.
5. The Company has not accepted any deposit from the public.
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, Service Tax, Custom duty, Excise duty, Value Added Tax, cess and other statutory dues wherever applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, ESI, Income Tax, Sales Tax, Service Tax , customs duty, excise duty, value added Tax and cess were in arrears, as at 31.03.2016 for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax and cess which have not been deposited on account of any dispute.
8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year.
10. 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.
11. The company has not paid or provided any managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanation given to us, the transaction with Related Parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in Financial Statements etc, as required by the applicable accounting standards.
14. According to the information and explanation given to us, the Company has not made any Preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanation given to us, the Company has not entered into any non cash transaction with Director or persons connected with him during the year.
16. The Company is not required to registered U/s 45 IA of Reserve Bank of India Act, 1934.

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

O. P. Dadu
Partner (010871)
New Delhi, April 22, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Northern India Hotels Limited ("the Company") as of 31, March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

O. P. Dadu
Partner (010871)
New Delhi, April 22, 2016

Balance Sheet as at March 31, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
Equity and Liabilities			
Shareholders' Funds:			
Share Capital	2	44,15,250	44,15,250
Reserves and Surplus	3	21,93,51,325	19,61,19,377
		<u>22,37,66,575</u>	<u>20,05,34,627</u>
Non-current liabilities			
Deferred tax liabilities (Net)	4	8,68,000	9,00,000
		<u>8,68,000</u>	<u>9,00,000</u>
Current liabilities			
Other current liabilities	5	7,14,491	7,53,512
Short-term provisions	6	-	-
		<u>7,14,491</u>	<u>7,53,512</u>
Total		<u><u>22,53,49,066</u></u>	<u><u>20,21,88,139</u></u>
Assets			
Non-current assets			
Fixed Assets	7		
Tangible assets		41,22,661	42,17,653
Intangible assets		37,518	50,530
		<u>41,60,179</u>	<u>42,68,183</u>
Non-current investments	8	10,43,136	10,43,136
Long-term loans and advances	9	58,621	58,621
Other Non Current Assets	10	-	-
		<u>52,61,936</u>	<u>53,69,940</u>
Current assets			
Trade receivables	11	30,34,363	11,67,462
Cash and cash equivalents	12	17,55,23,066	19,44,97,343
Short-term loans and advances	13	4,05,42,414	11,53,394
Other current assets	14	9,87,287	-
		<u>22,00,87,130</u>	<u>19,68,18,199</u>
Total		<u><u>22,53,49,066</u></u>	<u><u>20,21,88,139</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 22, 2016

For and on behalf of the Board

Sudhir L. Nagpal

DIN 00044762

Rajesh R. Nagpal

DIN 00032123

Mumbai, April 22, 2016

Director

Director

NORTHERN INDIA HOTELS LTD.

Statement of Profit and Loss for the year ended March 31, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
Income			
Income from Hotel Operation	15	1,50,82,506	1,63,43,317
Other Income	16	2,02,59,994	1,75,24,674
Total		3,53,42,500	3,38,67,991
Expenditure			
Employee Benefits Expense	17	-	-
Depreciation / Amortization (Refer Note No. 20)	7	1,08,004	(17,33,017)
Other Operating and General Expenditure	18	20,33,592	18,94,401
Total		21,41,596	1,61,384
Profit Before Tax and Exceptional Items		3,32,00,904	3,37,06,607
Exceptional Items	19	-	-
Profit Before Tax		3,32,00,904	3,37,06,607
Tax Expenses			
Current Tax		1,00,00,000	99,00,000
Deferred Tax		(32,000)	5,70,000
Short / (Excess) Provision of Tax of earlier years (Net)		956	(11,240)
Profit After Tax		2,32,31,948	2,32,47,847
Earnings Per Share - (₹)			
Basic and Diluted	22	53.09	53.13
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 22, 2016

For and on behalf of the Board

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

Mumbai, April 22, 2016

Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the quarter ended 31 March, 2016		For the quarter ended 31 March, 2015	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Profit / (Loss) before extraordinary items and tax		3,32,00,904		3,37,06,607
<u>Adjustments for:</u>				
Depreciation and amortisation expense	1,08,004		(17,33,017)	
Provision for impairment of fixed assets				
Amortisation of share issue expenses and discount on shares				
(Profit) / loss on sale / write off of assets				
Expense on employee stock option scheme				
Finance costs				
Interest income	(1,78,50,499)		(1,59,55,038)	
Dividend income	(24,09,495)		(15,43,996)	
Net (gain) / loss on sale of investments				99
Rental income from investment properties				
Rental income from operating leases				
Share of profit from partnership firms				
Share of profit from AOPs				
Share of profit from LLPs				
Liabilities / provisions no longer required written back				
Adjustments to the carrying amount of investments				-
Provision for losses of subsidiary companies				
Provision for doubtful trade and other receivables, loans and advances				
Provision for estimated loss on derivatives			58,799	
Provision for estimated losses on onerous contracts				
Provision for contingencies				
Other non-cash charges	-		-	
Net unrealised exchange (gain) / loss		(2,01,51,990)		(1,91,73,153)
Operating profit / (loss) before working capital changes		1,30,48,914		1,45,33,454
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories				
Trade receivables	(18,66,901)		27,79,131	
Short-term loans and advances	(420)			
Long-term loans and advances				
Other current assets	(9,87,287)			
Other non-current assets				
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables				
Other current liabilities	(39,021)		(5,87,848)	
Other long-term liabilities				
Short-term provisions				
Long-term provisions		(28,93,629)		21,91,283
Cash flow from extraordinary items		-		-
Cash generated from operations		1,01,55,285		1,67,24,737
Net income tax (paid) / refunds		(93,89,556)		(98,62,839)
Net cash flow from / (used in) operating activities (A)		7,65,729		68,61,898

Cash Flow Statement for the year ended 31 March, 2016 (Contd.)

Particulars	For the quarter ended 31 March, 2016		For the quarter ended 31 March, 2015	
	₹	₹	₹	₹
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances			(16,500)	
Proceeds from sale of fixed assets				
Inter-corporate deposits (net)	(4,00,00,000)			
Bank balances not considered as Cash and cash equivalents				
- Placed				
- Matured			16,65,46,070	
Current investments not considered as Cash and cash equivalents				
- Purchased				
- Proceeds from sale				
Share application money given				
Share application money refund received				
Purchase of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others				
Proceeds from sale of long-term investments				
- Subsidiaries				
- Associates				
- Joint ventures				
- Business units				
- Others			1	
Loans given				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Loans realised				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others				
Interest received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others	1,78,50,499		1,59,55,038	
Dividend received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others	24,09,495		15,43,996	

Cash Flow Statement for the year ended 31 March, 2016 (Contd.)

Particulars	For the quarter ended 31 March, 2016		For the quarter ended 31 March, 2015	
	₹	₹	₹	₹
Rental income from investment properties				
Rental income from operating leases				
Amounts received from partnership firms				
Amounts received from AOPs				
Amounts received from LLPs				
		(1,97,40,006)		18,40,28,605
Cash flow from extraordinary items		-		-
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) investing activities (B)		(1,97,40,006)		18,40,28,605
C. Cash flow from financing activities				
Proceeds from issue of equity shares				
Proceeds from issue of preference shares				
Redemption / buy back of preference / equity shares				
Proceeds from issue of share warrants				
Share application money received / (refunded)				
Proceeds from long-term borrowings				
Repayment of long-term borrowings				
Net increase / (decrease) in working capital borrowings \$				
Proceeds from other short-term borrowings				
Repayment of other short-term borrowings				
Finance costs (includes borrowing costs capitalised - Refer Note 30.5)				
Dividends paid				
Tax on dividend				
Cash flow from extraordinary items				
Net cash flow from / (used in) financing activities (C)				
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(1,89,74,277)		19,08,90,503
Cash and cash equivalents at the beginning of the year		19,44,97,343		36,06,840
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
Cash and cash equivalents at the end of the year		17,55,23,066		19,44,97,343

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.

See accompanying notes forming 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 22, 2016

For and on behalf of the Board

Sudhir L. Nagpal

Director

DIN 00044762

Rajesh R. Nagpal

Director

DIN 00032123

Mumbai, April 22, 2016

Notes to Financial Statements for year ended March 31, 2016

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.

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, 2016 (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, 2016 (Contd.)

2 : Share Capital

	March 31, 2016 ₹	March 31, 2015 ₹
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
	60,00,000	60,00,000
Issued Share Capital		
4,49,050 (Previous Year - 4,49,050) Equity Shares of ₹ 10/- each	44,90,500	44,90,500
	44,90,500	44,90,500
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
	44,15,250	44,15,250

(a) Reconciliation of Number of Equity shares :

	March 31, 2016		March 31, 2015	
	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	4,37,600	43,76,000	4,37,600	43,76,000

- (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, 2016		March 31, 2015	
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PIEM Hotels Limited (PIEM)	407567	93.14	407567	93.14
Total	4,07,567	0.93	4,07,567	0.93

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

	March 31, 2016		March 31, 2015	
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PIEM Hotels Limited (PIEM)	4,07,567	93.14	4,07,567	93.14

3 : Reserves and Surplus

	March 31, 2016 ₹	March 31, 2015 ₹
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	19,61,19,377	17,28,71,530
Add : Profit for the year	2,32,31,948	2,32,47,847
Total	21,93,51,325	19,61,19,377

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

4 : Deferred Tax Liabilities (net)

	March 31, 2016 ₹	March 31, 2015 ₹
Deferred tax liability:		
Depreciation on fixed assets	8,68,000	9,00,000
Total	8,68,000	9,00,000

5 : Other Current Liabilities

	March 31, 2016 ₹	March 31, 2015 ₹
On Current Account dues		
- Holding Company	55,205	39,000
- Others	-	-
	55,205	39,000
Statutory liabilities	5,72,101	6,10,883
Other Liabilities	87,185	1,03,629
Total	7,14,491	7,53,512

6 : Short-term provisions

	March 31, 2016 ₹	March 31, 2015 ₹
Short-term Provision for Employee Benefits	-	-
Total	-	-

7 : Fixed Assets

Particulars	Gross Block (At Cost)				Depreciation / Amortization				Net Block	
	As At March 31, 2015 ₹	Additions ₹	Deductions ₹	As At March 31, 2016 ₹	As At March 31, 2015 ₹	For the year ₹	Deduction / Adjust- ments ₹	As At March 31, 2016 ₹	As At March 31, 2016 ₹	As At March 31, 2015 ₹
(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	33,68,223	94,992	-	34,63,215	27,55,466	28,50,458
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	44,65,490	94,992	-	45,60,482	41,22,661	42,17,653
Previous Year	86,83,143	-	-	86,83,143	61,89,197	(17,23,707)	-	44,65,490	42,17,653	24,93,946
(B) Intangible Assets										
Computer Software	1,42,380	-	-	1,42,380	91,850	13,012	-	1,04,862	37,518	50,530
Total	1,42,380	-	-	1,42,380	91,850	13,012	-	1,04,862	37,518	50,530
Previous Year	1,25,880	16,500	-	1,42,380	1,01,160	(9,310)	-	91,850	50,530	24,720
Total	88,25,523	-	-	88,25,523	45,57,340	1,08,004	-	46,65,344	41,60,179	42,68,183
Total Previous Year	88,09,023	16,500	-	88,25,523	62,90,357	(17,33,017)	-	45,57,340	42,68,183	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, 2016 (Contd.)

8 : Non-Current Investments

	Face Value ₹		As at March 31, 2016 Nos	₹	March 31, 2015 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	240,000	24,000	240,000	
Taj Trade and Transport Company Limited	10	49,998	791,635	49,998	791,635	
			<u>1,040,435</u>		<u>1,040,435</u>	
Fully Paid Quoted Equity Instruments						
Investment in Fellow Subsidiaries						
Beneras Hotels Limited	10	150	1,500	150	1,500	
			<u>1,500</u>		<u>1,500</u>	
Total of Trade Investments (A)			<u>1,041,935</u>		<u>1,041,935</u>	
Non Trade Investments :						
Fully Paid Unquoted Equity Instruments						
Sarswat Co-operative Bank Ltd.	10	1,000	10,000	1,000	10,000	
			<u>10,000</u>		<u>10,000</u>	
Total of Non Trade Investments (B)			<u>10,000</u>		<u>10,000</u>	
Total Long-Term Investments - (A + B)			<u>1,051,935</u>		<u>1,051,935</u>	
Less: Provision for Diminution in value of Investment			8,799		8,799	
Total Long-Term Investments -Net			<u>1,043,136</u>		<u>1,043,136</u>	
Notes :						
1 Aggregate of Quoted Investments - Gross : Cost			1,500		1,500	
Market value			149,400		190,350	
2 Aggregate of Unquoted Investments - Gross : Cost			1,050,435		1,050,435	

9 : Long-Term Loans and Advances

(Unsecured, considered good unless stated otherwise)

Deposits with Public Bodies and Others

Total

March 31, 2016
₹

March 31, 2015
₹

58,621

58,621

58,621

58,621

10 : Other Non-Current Assets

Deposit with banks with a maturity of more than 12 months

Total

March 31, 2016
₹

March 31, 2015
₹

-

-

-

-

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

11: Trade Receivables	March 31, 2016	March 31, 2015
	₹	₹
Unsecured		
Considered good		
Outstanding over six months	-	-
Others	30,34,363	11,67,462
Total	30,34,363	11,67,462

Note: Trade Receivables include debts due from Holding Company - ₹30,34,363/- (previous year - ₹ 11,67,462) in the ordinary course of business.

12 : Cash and Cash equivalents	March 31, 2016	March 31, 2015
	₹	₹
(a) Cash on Hand	19,500	26,692
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	62,97,765	85,65,049
(ii) In other deposit accounts	16,92,05,801	18,59,05,602
Total	17,55,23,066	19,44,97,343

13 : Short-Term Loans and Advances	March 31, 2016	March 31, 2015
	₹	₹
(Unsecured, considered good unless stated otherwise)		
Loans and Advance to Related Parties		
On Current Account dues		
Holding Company	-	-
	-	-
Other Advances		
Unsecured, considered good	420	-
	420	-
	420	-
Inter-corporate deposits		
Unsecured, considered good	4,00,00,000	-
	4,00,00,000	-
Advance Income Tax (net of provisions)	5,41,994	11,53,394
Total	4,05,42,414	11,53,394

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

14 : Other current assets	March 31, 2016 ₹	March 31, 2015 ₹
Accruals		
Interest accrued on deposits	9,87,287	-
Others	-	-
Total	9,87,287	-
15 : Income from Operations	March 31, 2016 ₹	March 31, 2015 ₹
Income from Hotel Operation	1,50,82,506	1,63,43,317
Total	1,50,82,506	1,63,43,317
16 : Other Income	March 31, 2016 ₹	March 31, 2015 ₹
Interest Income	1,78,50,499	1,59,55,038
Dividend Income from long-term Investments	24,09,495	15,43,996
Miscellaneous Non-Operating Income	-	25,640
Total	2,02,59,994	1,75,24,674
17 : Employee Benefits Expense	March 31, 2016 ₹	March 31, 2015 ₹
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, 2016 (Contd.)

18 : Other Operating and General Expenditure	March 31, 2016	March 31, 2015
	₹	₹
Advertising & Publicity	-	1,09,982
Printing & Stationery	12,000	27,593
Passage & Travelling	-	-
Loss on Sale of Investment	-	99
Payment made to Statutory Auditors:		
i. As Statutory Auditors	68,700	67,416
ii. As Tax Auditors	4,580	4,494
iii. For Taxation matters	14,535	12,750
iv. For Other Services	-	-
vi. For Reimbursement of expenses	17,190	13,402
Directors' Fees	3,000	6,000
Legal & Professional Expenses	46,393	1,38,340
Service Charges	17,06,363	13,21,706
Diminution in Value of Investment	-	8,799
Other Expenses	1,60,831	1,83,821
Total	20,33,592	18,94,401
19 : Exceptional Items	March 31, 2016	March 31, 2015
	₹	₹
Excess Depreciation Reserved Written Back	-	-
Total	-	-
20 : Contingent Liabilities	March 31, 2016	March 31, 2015
	₹	₹
Claims against the Company not acknowledged as debts	-	-
Total	-	-
21 : Information on assets given under License Agreement	March 31, 2016	March 31, 2015
	₹	₹
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	45,60,482	44,65,490
Net Book Value	27,56,260	28,51,252
License Fee income recognized in the Statement of Profit and Loss	1,50,82,506	1,63,43,317
Aggregate depreciation charged on the above assets	94,992	(17,23,707)

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

22 : Earnings Per Share	March 31, 2016	March 31, 2015
	₹	₹
a) Profit after tax	2,32,31,948	2,32,47,847
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)	53.09	53.13

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, 2016

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)

(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, 2016	March 31, 2015
		₹	₹
1.	Dividend Received	-	-
2.	Debenture Redeemed	-	-
3.	Interest Received on Debenture	-	-
4.	Sale of Investment	-	-

2) Piem Hotels Limited

S.No.	Particulars	March 31, 2016	March 31, 2015
		₹	₹
1.	Operating/License Fees Income	1,50,82,506	1,63,43,317
2.	Reimbursement of Services	17,06,363	13,21,706
	Balance at the year end	29,79,158	11,28,462

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

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

25 : 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 22, 2016

For and on behalf of the Board

Sudhir L. Nagpal

DIN 00044762

Director

Rajesh R. Nagpal

DIN 00032123

Director

Mumbai, April 22, 2016

DIRECTORS AND CORPORATE INFORMATION

PIEM HOTELS LIMITED

Board of Directors

Mr. Rakesh Sarna	Chairman & Managing Director
Mr. Rajesh R. Nagpal	Joint Managing Director
Mr. Sudhir L. Nagpal	Joint Managing Director
Mr. Rajkumar M. Nagpal	Executive Director
Mr. G. Anantharaman	
Mr. K. B. Dadiseth	
Mr. Anil P. Goel	
Ms. Ninotchka Malkani Nagpal	
Mr. Sanjay Ubale	
Ms. Beryl Fernandes Nagpal	
Mr. Farhat Jamal	(appointed w.e.f. October 9, 2015)
Mr. Rohit Khosla	(appointed w.e.f. October 9, 2015)
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
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DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Forty Eighth Annual Report together with the Audited Financial Statements for the year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

			₹ in Lakhs	
	Standalone		Consolidated	
Financial Results	2015-16	2014-15	2015-16	2014-15
Total Income	34,743.17	32,277.42	35,263.84	32,773.61
Expenditure	30,202.93	27,452.48	30,167.93	27,583.34
Profit before Tax and Exceptional Items	4,540.24	4,824.94	5,095.91	5,190.27
Exceptional item	-	-	-	-
Profit before Tax	4,540.24	4,824.94	5,095.91	5,190.27
<u>Less : Provision for taxes</u>	<u>1,436.83</u>	<u>1,642.00</u>	<u>1,536.52</u>	<u>1,746.59</u>
Profit after Tax	3,103.41	3,182.94	3,559.39	3,443.68
Less: Profit attributable to Minority Interest	-	-	15.94	15.96
Add: Share of Profit/ (Loss) of Associates	-	-	1,190.71	336.33
Profit After Minority Interest & Share of Associates	3,103.41	3,182.94	4,734.16	3,764.05
Add: Balance Brought Forward from the previous year	32,965.52	31,931.30	49,761.17	48,145.84
Amount available for appropriation	36,068.93	35,114.24	54,495.33	51,909.89
Appropriations :				
General Reserve	-	320.00	-	320.00
Dividend *	1,524.00	1,524.00	1,524.00	1524.00
-Tax on Dividend	310.26	304.72	310.26	304.72
Balance carried to Balance Sheet	34,234.67	32,965.52	52,661.07	49,761.17
	36,068.93	35,114.24	54,495.33	51,909.89

* Interim Dividend of 400% was declared and paid in March, 2016 for the year 2015-16. In the previous year, a final dividend of 400% was declared and paid.

BUSINESS REVIEW

Your Company earned a total income of ₹ 34,743.17 lakhs, which is 8% more than the previous year's income of ₹ 32,277.43 lakhs.

Room income was ₹ 14,971.38 lakhs which is 9% more than the previous year's income of ₹ 13,690.69 lakhs. F&B income was ₹ 16,818.53 lakhs which is 9% more than the previous year's income of ₹ 15,386.33 lakhs. Profit for the year has decreased by 6% to ₹ 4,540.24 lakhs, compared to ₹ 4,824.95 lakhs in the previous year. Although Average Room Rate for the year increased by 2%, occupancies remained flat.

The Company completed its expansion project at The Gateway Hotel, Nashik, wherein the inventory increased from 70 keys to 148 keys. A new Banquet Hall was also added. Work on the Amritsar hotel is in progress & likely to be completed shortly.

Your Company earned a total consolidated income of ₹ 35,263.84 lakhs which is 7.6% more than the previous year's consolidated income of ₹ 32,773.61 lakhs. Consolidated Profit before tax for the year ₹ 5,095.91 lakhs has decreased by 1.82% as compared to ₹ 5,190.27 lakhs of previous year.

DIVIDEND

Taking into account the Company's performance during the year, an Interim Dividend of 400% i.e. ₹ 40/- per equity share (Previous Year ₹ 40/- per Equity Share) on 38,10,000 Equity Shares was declared and paid in March, 2016. No final dividend has been recommended for the year ended March 31, 2016.

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 Statement are provided in the Annual Report.

SUBSIDIARIES AND ASSOCIATES

Your Company has one domestic and two international subsidiaries and four associates. During the year, Premium Aircraft Leasing Corporation Limited, the Company's step down subsidiary, was dissolved effective February 10, 2016. 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 Statement. The statement also provides the details of performance & 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. Sudhir L. Nagpal was initially appointed as Joint Managing Director of the Company for a period of five years with effect from April 1, 2011 up to March 31, 2016. The Board of Directors re-appointed Mr. Sudhir L. Nagpal as a Joint Managing Director of the Company for a period of five years with effect from April 1, 2016 upto and including March 31, 2021.

Mr. Farhat Jamal and Mr. Rohit Khosla were appointed as the Additional Directors of the Company by the Board of Directors in a Non-Executive capacity during the year. They respectively hold office upto the date of the Annual General Meeting of the Company, but are eligible for appointment as Directors of the Company.

The Board of Directors, based on the declarations received from the Independent Directors, confirms that the Independent Directors of the Company meet the criteria of independence as prescribed under the Act and the Rules thereunder.

Pursuant to the provisions of Section 152 of the Act and Article 135 of the Articles of Association of the Company, Mrs. Beryl Fernandes Nagpal and Mr. Sanjay Ubale are liable to retire by rotation and are eligible for re-appointment.

Your approval for the appointments / re-appointment 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, six Board Meetings were convened and held and the gap between the Meetings was within the prescribed period under the Act. A separate meeting comprising only of the Independent Directors, was also held during the year.

COMMITTEES

Pursuant to the provisions of Sections 135, 177 and 178 of the Act and the Rules thereunder as amended from time to time, the Company had the following committees:-

AUDIT COMMITTEE

The Audit Committee of the Company currently 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

The role and terms of reference of Audit Committee cover the areas mentioned in Section 177 of the Act, besides other terms which may be referred by the Board of Directors of your Company. During the year, five Audit Committee Meetings were convened and held.

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, and was adopted by the Board.

Procedure for Nomination and Appointment of Directors:

The Nomination and Remuneration Committee (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.

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, key managerial personnel 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 shareholders. 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/EDs 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, a brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure B of this report (Annual Report on CSR activities) in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Mr. Rakesh Sarna stepped down from the CSR Committee during the year and the CSR Committee now comprises four Directors, of which one is an Independent Director, as detailed below:

- (i) Mr. G. Anantharaman (Independent Director) - Chairman
- (ii) Mr. Anil P. Goel
- (iii) Mr. Rajesh Nagpal
- (iv) 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 ₹ 8,818.67 Lakhs and Outflow was ₹ 584.68 Lakhs during the year under review.

LOANS, GUARANTEES OR INVESTMENTS

The Company is exempt from the provisions of Section 186 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 Statement.

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.

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 members are requested to re-appoint M/s. Price Waterhouse, Chartered Accountants (Registration No. 012754N) and M/s PKF Sridhar & Santhanam, Chartered Accountants, (Registration No. 0039905) as Joint Statutory Auditors of the Company for the current year 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 there under, 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 has been no qualification, reservation or adverse remark or disclaimer 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 2015-16, the Company has received no complaints on sexual harassment.

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 shareholders, 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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to the provisions of Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that for the financial year ended March 31, 2016:

- (a) in the preparation of the Financial Statements, 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, 2016 and of the profit of the Company for the year ended March 31, 2016;

- (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 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, 2016

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016

[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 and contact details: Vivanta by Taj- President, 90 Cuffe Parade, 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:-

Sr. No.	Name and Description of main products / services	NIC Code (Division) 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

Sr. 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	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)
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

Dissolved w.e.f. February 10, 2016

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

Name of the Shareholder	No. of Shares held at the beginning of the year (i.e 01.04.2015)			No. of Shares held at the end of the year (i.e 31.03.2016)			% Change during the year
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares	
A. Promoters							
(1) Indian							
a) Individual	15,03,830	15,03,830	39.47	15,03,830	15,03,830	39.47	-
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 (A)=(A)(1)+(A)(2)	35,03,600	35,03,600	91.96	35,03,600	35,03,600	91.96	-
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	-

Name of the Shareholder	No. of Shares held at the beginning of the year (i.e 01.04.2015)			No. of Shares held at the end of the year (i.e 31.03.2016)			% Change during the year
	Physical	Total	% of Total Shares	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	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*** see notes	-	-	-	-	-	-	-
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)	38,10,000	38,10,000	100	38,10,000	38,10,000	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.

PIEM HOTELS LIMITED

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e 01.04.2015)			Share holding at the end of the year (i.e 31.03.2016)			% 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 Holdings Limited	9,78,010	25.67	-	9,78,010	25.67	-	-
3	Tata Investment Corporation Limited	35,000	0.92	-	35,000	0.92	-	-
4	Sudhir L Nagpal	3,89,398	10.22	-	3,89,398	10.22	-	-
5	Pushpa L Nagpal	1,20,359	3.16	-	1,20,359	3.16	-	-
6	Rajesh R. Nagpal	4,99,429	13.11	-	499,429	13.11	-	-
7	Rajkumar M. Nagpal	2,46,088	6.46	-	246,088	6.46	-	-
8	Subhadra R. Nagpal	1,99,418	5.23	-	1,99,418	5.23	-	-
9	Ninotchka Malkani Nagpal	14,321	0.38	-	14,321	0.38	-	-
10	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)

Sr. No.	Name of the Share Holder	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
NO CHANGE					

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

Sr. No.	For Each of the Top 10 Shareholders Name of the Shareholder	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	New Vernon Private Equity Limited	2,59,000	6.80	2,59,000	6.80
2	Sudha Karve	8000	0.21	8000	0.21
3	Vasanti V. Agnihotri	4000	0.10	4000	0.10
4	L. A. Menezes	3000	0.08	3000	0.08
5	Munira M. Pancha	2200	0.06	2200	0.06
6	Naomi Menezes	2000	0.05	2000	0.05
7	Jamshyd D.F.Lam	2000	0.05	2000	0.05
8	J. K. Delvadawalla	2000	0.05	2000	0.05
9	Parvathy Krishnamurthy	1800	0.05	1800	0.05
10	Suman Munjal	1600	0.04	1600	0.04

(v) Shareholding of Directors:

Sr. 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	Rajkumar M. Nagpal				
	At the beginning of the year	246,088	6.46	246,088	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):	0	0	0	0
	At the End of the year	246,088	6.46	246,088	6.46
2	Sudhir R. Nagpal				
	At the beginning of the year	389,398	10.22	389,398	10.22
	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	389,398	10.22	389,398	10.22
3	Rajesh R. Nagpal				
	At the beginning of the year	499,429	13.11	499,429	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):	0	0	0	0
	At the End of the year	499,429	13.11	499,429	13.11
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):	0	0	0	0
	At the End of the year	14,321	0.38	14,321	0.38
5	Beryl Fernandes Nagpal (2nd Holder with Sudhir Nagpal)				
	At the beginning of the year	51,832	1.36	51,832	1.36
	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	51,832	1.36	51,832	1.36

PIEM HOTELS LIMITED

V. INDEBTEDNESS

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

The Company has no outstanding debt.

	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	N.A.			
Addition				
Reduction	N.A.			
Net Change				
Indebtedness at the end 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)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

Sr. no.	Particulars of Remuneration	Rajesh Nagpal	Sudhir Nagpal	Rajkumar Nagpal	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	116.24
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17.49	77.94	59.05	154.48
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - others, specify...	60	60	40	160
5	Others, please specify	0	0	0	0
	Total (A)	122.98	185.59	122.05	430.72

Note: Mr. Rakesh Sarna, Managing Director, does not draw any remuneration from the Company

B. Remuneration to other directors:
Independent Directors

₹ in Lakhs

Sr. No.	Particulars of Remuneration	K. B. Dadiseth	G Anantharaman	Total Amount
1	Fee for attending Board / Committee Meetings - 2015-16	1.50	1.80	3.30
2	Commission for 2014-15	6.92	20.06	26.98
3	Others, please specify	NIL	NIL	NIL
	Total	8.42	21.86	30.28

Non Executive Directors

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Sanjay Ubale	N M Nagpal	Beryl Nagpal	Total Amount
1	Fee for attending Board / Committee Meetings - 2015-16	0.60	1.20	0.60	2.40
2	Commission for 2014-15	2.03	4.06	2.86	8.95
3	Other, please specify	NIL	NIL	NIL	NIL

Overall Ceiling as per the Act is ₹ 50.52 Lakhs (@ 1% of the profits calculated under Section 198 of the Companies Act, 2013). Fees for attending Board / Committee meetings are excluded from the overall ceiling as per the Companies Act, 2013.

Mr. Anil Goel, Mr. Farhat Jamal and Mr. Rohit Khosla being Nominees 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/MTD- Not Applicable

Sr. 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	N.A	
2	Stock Option	N.A	-
3	Sweat Equity		-
4	Commission - as % of profit - others, specify...		-
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, 2016

Annexure - B**CORPORATE SOCIAL RESPONSIBILITY REPORT OF PIEM HOTELS****THE 2015-16 PIEM 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 –

Giving back to the local community is an integral part of the way your Company does business. This philosophy stems from the Tata legacy of recognizing communities as a key stakeholder in the way business is conducted. The Tata Sustainability Group and Tata Affirmative Action Program continue to guide the Tata Group's CSR approach and strategy including that of your Company. The Company's CSR Policy imbibes the values and traditions of giving back to the society & outlines key programmes, initiatives & mechanism followed for driving Corporate Social Responsibility. In the last year the Company focused on driving our CSR theme of Building Sustainable Livelihoods through imparting employment-enhancing vocational skills in hospitality, allied trades & small scale enterprises and promoting national heritage, art, culture & handicrafts. The Hotels, wherever located, also contributed to their local neighbourhoods by maintaining public gardens, taking up activities to promote Clean India movement & undertaking welfare activities encompassing food donations, engagement with local charity homes, educational support to deserving families & other allied initiatives. These programmes & initiatives are undertaken in association with local partners, including communities, Self Help Groups, Non-Governmental & Governmental bodies in & around the regions of our operations. The last quarter has seen your Company set forth a renewed strategic direction in the realm of Corporate Social Responsibility – in line with that of IHCL. Your Company has devised a CSR framework based on the thematic areas of 'Livelihoods, Neighbourhoods and Welfare' from 2016-17 onwards.

2. The composition of the CSR Committee is as under:

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

3. Average net profit of the Company for last three financial years: ₹ 5709.83 lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 114.20 lakhs

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: ₹ 114.20 lakhs

(b) Amount unspent, if any: ₹ 54.62 lakhs

(c) Manner in which the amount spent during the financial year 2015-16 is detailed in the table below:

Sr. No.	CSR project or activity defined	Projects or Programmes: 1) Local area or other 2) the State and district where projects or programs were undertaken	Amount outlay (budget) for project or programs wise 2015-16 (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs (₹ Lakhs)	Programme Impact	Amount spent: Direct or through implementing agency*
Building Sustainable Livelihoods						
1)	Skill training & cortication of less-privileged, school dropout youth	Maharashtra, Uttar Pradesh, Karnataka	45.20	14.52	297 students trained & certified in hospitality skills	Direct + Implementing Agency
2)	Support provided to artisans, craftsmen, rural/ small-scale entrepreneurs/ Self Help Groups	Maharashtra, Karnataka		3.08	Support provided to income generation programmes of partner NGOs & local artisans in Bangalore & Nasik	Direct

Sr. No.	CSR project or activity defined	Projects or Programmes: 1) Local area or other 2) the State and district where projects or programs were undertaken	Amount outlay (budget) for project or programs wise 2015-16 (₹ Lakhs)	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs (₹ Lakhs)	Programme Impact	Amount spent: Direct or through implementing agency*
Contributing to Neighborhoods						
3)	Cleanliness drives in our hotel peripheries like beaches/roads/maintenance of public gardens/other tourist areas in & around areas of operation	Maharashtra, Uttar Pradesh, Karnataka	23.50	13.92	All 6 PIEM hotels undertake such initiatives around their hotel peripheries	Direct
4)	Environment projects (like tree plantation, waste management, etc.) undertaken outside of hotel premises to benefit the local community	Karnataka	15.50	1.00	Dry waste disposal, road maintenance done in Bangalore	Direct
Welfare Initiatives						
5)	Food donations, festival celebrations at charity homes/NGOs, clothing, spectacles, shoes, educational aid, books and other items donated to schools, NGO's, old age homes, orphanages, etc.	Maharashtra, Uttar Pradesh, Karnataka	30.00	27.06	Over 500 beneficiaries	Direct + Implementing Agency
Total			114.2	59.58		

* CSR Partners for Compliance & Beyond Compliance Initiatives include Don Bosco Tech skill centre, Chinchwad; Pratham skill training centre, Lucknow; Waste Wise Trust, Art & Culture for Deaf, Don Bosco Frazer Town in Bangalore; Manisha Mandir in Lucknow; Premdaan, Women's India Trust, SPJ Sadhana, ITI Mulund in Mumbai; Leprosy Mission, Nashik; Pragati Pratishthan, Jawahar; Saranathan Children Home, Agra among various other charitable partnerships & associations

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.

In line with our Group culture & belief in long-term, theme-based societal contribution, our hotels have been involved in various skilling & livelihoods promotion initiatives which involve volunteering, knowledge contribution, pro bono sharing of our hotels' venue for promotions of arts/crafts & indigenous cultures, sourcing products & services for operational use directly from target communities, social enterprises & income generation projects of partner NGOs & so on. During the year, the Company, in addition to CSR spends eligible to be reported under the Act, undertook various other forms of efforts & contributions 'in kind' – in line with the our above mentioned thematic focus areas.

While the Company has been actively involved in activities for the betterment of local communities; we shall endeavor to ensure timely & complete deployment of allocated CSR budgets, going forward.

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)
DIN: 00044762

(Mr. Rajesh Nagpal)
DIN: 00032123

(Mr. G. Anantharaman)
DIN: 02229822

(Mr. Anil P. Goel)
DIN: 00050690

Annexure - C

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDING 31st MARCH, 2016

[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 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 the Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2016, 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 are not applicable to the Company as the shares of the Company are in physical form;
- (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;
- (vi) 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. 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:

- (i) Public/Right/Preferential issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / Amalgamation / Reconstruction, etc.
- (v) Foreign Technical Collaborations.

FOR: NEVILLE DAROGA & ASSOCIATES

(Neville K. Daroga)
Proprietor
ACS No.: 8663
C PNo.: 3823

Place: Mumbai

Date: 6th May, 2016

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, 2016, 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, 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

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 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 financial statements. The procedures selected depend on the auditors' 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. 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.
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, 2016, 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, 2016', 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 B 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' 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, 2016. on its financial position in its standalone financial statements – Refer Note 27;
 - ii The Company has long-term contracts including derivative contracts as at March 31, 2016 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, 2016.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pankaj Khandelia

Partner

Membership Number 102022

Place : Mumbai

May 6, 2016

For PKF Sridhar and Santhanam LLP

Chartered Accountants

Firm Registration Number : 003990S / S200018

R. Suriyanarayanan

Partner

Membership Number 201402

Place : Mumbai

May 6, 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) 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, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Piem Hotels Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pankaj Khandelua

Partner

Membership Number 102022

Place : Mumbai

May 6, 2016

For PKF Sridhar and Santhanam LLP

Chartered Accountants

Firm Registration Number : 0039905 / S200018

R. Suriyanarayanan

Partner

Membership Number 201402

Place : Mumbai

May 6, 2016

Annexure B to 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, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been 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.
- (c) The title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company, except in case of a piece of land at Agra having a gross block and net block of ₹ 4.32 lacs, where registration has not been effected after purchase. However a settlement reached in a tripartite agreement with the vendors and a claimant has been duly recorded in Court, where the company's rights are adequately safeguarded.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. 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, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.
- 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, service tax, duty of customs, duty of excise, 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 duty of customs, duty of excise, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

PIEM HOTELS LIMITED

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	1.00	Financial year 1996-97	Commissioner of Sales Tax, Agra
The U.P Sales Tax Act	Sales Tax	14.06	Financial year 2006-07	Commissioner of Sales Tax, Agra
The U.P Sales Tax Act	Sales Tax	1.06	Financial year 2006-07 to 12-13	Commissioner of Sales Tax, Agra
The Finance Act, 1994	Service Tax	95.24	Financial year 2006-07 to 2011-12	Commissioner of Central Excise and Customs and Service tax, Agra
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 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 Bombay Sales Tax Act, 1959	Sales tax	230.98	April 1, 2006 - March 31, 2007	Joint Commissioner of Sales Tax Appeal, Mumbai
The Finance Act, 1994	Service Tax	648.00	April 1, 2004 - March 31, 2003	Commissioner of Central Excise and Customs and Service tax, Lucknow
The Finance Act, 1994	Service tax	129.87	April 1, 2009 - March 31, 2010	Commissioner of Central Excise, Pune
The Finance Act, 1994	Service tax	27.73	April 1, 2010 - March 31, 2011	Commissioner of Central Excise, Pune
The U.P Sales Tax Act	Sales Tax	15.77	April 1, 2007 - March 31, 2012	Commissioner of Sales Tax, Lucknow
The Finance Act, 1994	Service tax	339.29	April 1, 2006 - March 31, 2010	Customs Excise and Service Tax Appellate Tribunal and Commissioner of Central Excise and Customs and Service tax, Bangalore

- vii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration Number: 012754N / N500016

Pankaj Khandelia

Partner

Membership Number 102022

Place : Mumbai

May 6, 2016

For PKF Sridhar and Santhanam LLP

Chartered Accountants

Firm Registration Number : 003990S / S200018

R. Suriyanarayanan

Partner

Membership Number 201402

Place : Mumbai

May 6, 2016

Balance Sheet as at March 31, 2016

			₹ in lakhs
	Note	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	381.00	381.00
Reserves and Surplus	3	49,532.32	48,263.17
		49,913.32	48,644.17
Non-current liabilities			
Deferred Tax Liabilities (Net)	4	1,447.73	1,494.90
Other Long Term Liabilities	5	239.13	13.27
Long Term Provision	6	424.13	321.07
		2,110.99	1,829.24
Current liabilities			
Short-term borrowings	7	-	-
Trade payables	8	2,375.06	1,647.06
Other current liabilities	9	3,383.40	2,643.14
Short-term provisions	10	608.41	2,554.46
		6,366.87	6,844.66
Total		58,391.18	57,318.07
ASSETS			
Non-current Assets			
Fixed assets	11		
Tangible assets		29,390.83	23,625.90
Intangible assets		297.51	161.28
Capital work-in-progress		12,860.48	9,086.69
		42,548.82	32,873.87
Non-current investments	12	9,474.14	9,474.14
Long-term loans and advances	13	1,270.82	1,587.44
Other non-current assets	14	430.55	401.70
		53,724.33	44,337.15
Current assets			
Current investments	15	166.24	4,115.59
Inventories	16	872.27	798.27
Trade receivables	17	1,391.50	1,084.99
Cash and Bank Balances	18	1,185.63	1,008.32
Short-term loans and advances	19	1,047.00	5,862.00
Other current assets	20	4.21	111.75
		4,666.85	12,980.92
Total		58,391.18	57,318.07

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

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration No.

012754N / N500016

R. Suriyanarayanan

Partner (201402)

Pankaj Khandelia

Partner (102022)

Mumbai, May 06, 2016

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

Statement of Profit and Loss for the year ended March 31, 2016

	Note	March 31, 2016	₹ in lakhs March 31, 2015
Income			
Rooms, Restaurants, Banquets and Other Operating Income	21	33,436.57	30,437.63
Other Income	22	1,306.60	1,839.79
Total		34,743.17	32,277.42
Expenditure			
Food and Beverages Consumed	23	3,988.45	3,734.86
Employee Benefits Expense	24	8,425.75	7,465.08
Depreciation / Amortization	11	1,989.17	1,862.20
Other Operating and General Expenditure	25	15,799.56	14,390.34
Total		30,202.93	27,452.48
Profit Before Tax		4,540.24	4,824.94
Tax Expenses			
Current Tax		1,484.00	1,550.00
Deferred Tax		(47.17)	92.00
Profit After Tax		3,103.41	3,182.94
Earnings Per Share - (₹) (Basic and Diluted)	37	81.45	83.54
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.

0039905 / S200018

For Price Waterhouse Chartered Accountants LLP

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(Director)

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Ms. Farzana Sam Billimoria

Company Secretary

Cash Flow Statement for the year ended March 31, 2016

Particulars	₹ in lakhs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
A. Cash Flow from Operating Activities		
Profit / (Loss) before extraordinary items and tax	4,540.24	4,824.94
<u>Adjustments for:</u>		
Depreciation and amortisation expense	1,989.17	1,862.20
(Profit) / loss on sale / write off of assets	7.26	10.74
Interest income	(466.76)	(804.47)
Dividend income	(429.78)	(433.59)
	1,099.89	634.88
Operating profit / (loss) before working capital changes	5,640.13	5,459.82
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(74.00)	(68.52)
Trade receivables	(306.51)	(21.63)
Short-term loans and advances	(332.00)	372.46
Long-term loans and advances	(103.87)	(150.17)
Other non-current assets	(28.85)	(10.13)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	728.00	(349.06)
Other current liabilities	77.07	(77.16)
Other long-term liabilities	-	2.46
Short-term provisions	(117.33)	409.93
Long-term provisions	103.06	58.01
	(54.43)	166.19
Cash generated from operations	5,585.70	5,626.01
Net income tax (paid) / refunds	(1,372.64)	(1,403.69)
Net Cash Flow from / (used in) Operating Activities (A)	4,213.06	4,222.32

Subsidiaries Accounts 2015-2016

Particulars	₹ in lakhs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
B. Cash Flow from Investing Activities		
Capital expenditure on fixed assets, including capital advances	(10,521.17)	(4,982.26)
Proceeds from sale of fixed assets	47.97	35.90
Inter-corporate deposits (net)	5,147.00	(776.00)
Current investments not considered as Cash and cash equivalents		
- Proceeds from sale (Net)	3,949.35	3,031.18
Proceeds from sale of long-term investments		
- Associates (₹ 4)	-	-
Interest received		
- Others	574.30	726.58
Dividend received		
- Associates	212.53	141.94
- Others	217.25	291.64
	(372.77)	(1,531.01)
Net Cash Flow from / (used in) Investing Activities (B)	(372.77)	(1,531.01)
C. Cash Flow from Financing Activities		
Dividends paid	(3,048.00)	(2,286.00)
Tax on dividend	(614.98)	(388.51)
	(3,662.98)	(2,674.51)
Net Cash Flow from / (used in) Financing Activities (C)	(3,662.98)	(2,674.51)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	177.31	16.80
Cash and Cash equivalents at the beginning of the year	1,008.32	991.52
Cash and Cash equivalents at the end of the year	1,185.63	1,008.32

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

R. Suriyanarayanan

Partner (201402)

Mumbai, May 06, 2016

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

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(Jt. Managing Director)

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Anil P. Goel

(Director)

DIN No : 00050690

Ms. Farzana Sam Billimoria

Company Secretary

Notes to Financial Statements for year ended March 31, 2016

1 a. Nature of Business

Piem Hotels Limited is a subsidiary of The Indian Hotels Company Limited. The Company is primarily engaged in the business of owning hotels.

1 b. 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 Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016.

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,

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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
Operating Supplies on opening of new property	2 to 3 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	5 years
Cost of Customer Reservation System (including licensed software)	6 years

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

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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.

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, 2016 (Contd.)

2. Share Capital

	₹ in lakhs	
	As at March 31, 2016	As at March 31, 2015
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	<u>381.00</u>	<u>381.00</u>

a. Reconciliation of Number of Equity shares :

Particulars	As at		As at	
	No. of shares	March 31, 2016	No. of shares	March 31, 2015
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 the Company has declared and paid interim dividend to equity shareholders @ ₹ 40/- per share (Previous year ₹ Nil)

During the year ended March 31, 2016, the amount of per share dividend recognised as distribution to equity shareholder was ₹ Nil (Previous year ₹ 40/-)

c. Shares held by Holding Company and Subsidiary of Holding Company

Name of Shareholder	March 31, 2016		March 31, 2015	
	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)	<u>9,78,010</u>	<u>25.67</u>	<u>9,78,010</u>	<u>25.67</u>
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, 2016 (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, 2016		March 31, 2015	
	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	3,89,398	10.22
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, 2016	As at March 31, 2015
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	12,834.04	12,514.04
Add : Transferred from Surplus in Statement of Profit and Loss	-	320.00
Balance as at the end of the year	12,834.04	12,834.04
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	32,965.52	31,931.30
Add : Profit for the year	3,103.41	3,182.94
Less : Appropriations		
Proposed Dividend	-	1,524.00
Tax on Proposed Dividend	-	304.72
Interim Dividend	1,524.00	-
Tax on Interim Dividend	310.26	-
Transfer to General Reserve	-	320.00
Balance as at the end of the year	34,234.67	32,965.52
Total	49,532.32	48,263.17

4. Deferred Tax Liabilities (net)

	₹ in lakhs	
	As at March 31, 2016	As at March 31, 2015
Deferred tax liability:		
Depreciation on fixed assets	1,948.77	1,751.70
	1,948.77	1,751.70
Deferred tax asset:		
Provision for doubtful debts and advances	21.78	7.31
Liabilities / Provisions that are deducted for tax purposes when paid	311.91	122.33
Provision for compensated absences	167.35	127.16
	501.04	256.80
Total	1,447.73	1,494.90

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

5. Other Long-Term Liabilities

	As at March 31, 2016	₹ in lakhs As at March 31, 2015
Trade Payables		
Others	239.13	13.27
Total	239.13	13.27

6. Long-Term Provisions

	As at March 31, 2016	₹ in lakhs As at March 31, 2015
Provision For Employee Benefits		
Compensated Absences (Refer Note 26 (B))	424.13	321.07
Total	424.13	321.07

7. Short-Term Borrowings

	As at March 31, 2016	₹ in lakhs As at March 31, 2015
Loans And Advances From Related Parties	-	-

8. Trade Payables

	As at March 31, 2016	₹ in lakhs As at March 31, 2015
Trade Payables (Refer Note below)	2,351.39	1,626.43
Total Outstanding dues of micro and small enterprises (Refer Note 28 for outstanding dues of Micro Small Medium Enterprises)	23.67	20.63
Total	2,375.06	1,647.06

Footnote :

Includes Commission to Non-Executive Directors ₹ 40 lakhs (previous year ₹ 40 lakhs) and due to related parties ₹ 242.60 lakhs (previous year ₹ 23.50 lakhs)

9. Other Current Liabilities

	As at March 31, 2016	₹ in lakhs As at March 31, 2015
Security Deposits (includes related party ₹ 48 lakhs (previous year ₹ 48 lakhs))	68.56	58.99
On Current Account dues		
- Related Parties	94.27	65.84
- Others	13.33	10.45
	107.60	76.29
Advance from Customers	393.26	465.17
Income received in advance	17.38	22.99
Creditors for capital goods	1,320.21	657.02
Unclaimed dividend *	-	3.00
Statutory liabilities	601.93	483.12
Other Liabilities (Refer Note below)	874.46	876.56
Total	3,383.40	2,643.14

Footnote :

Payables towards voluntary retirement scheme ₹ 4.19 lakhs (previous year ₹ 11.33 lakhs), Employee benefits payable ₹ 666.60 lakhs (previous year ₹ 671.33 lakhs), Commission to Executive Directors ₹ 160 lakhs (previous year ₹ 160 lakhs) and Others ₹ 43.67 lakhs (previous year ₹ 33.90 lakhs),

* No dues to be transferred to Investor Education and Protection Fund.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
10. Short-Term Provisions

	As at March 31, 2016	As at March 31, 2015
Short-term Provision for Employee Benefits		
Compensated Absences (Refer Note 26 (B))	62.77	48.99
Gratuity (Refer Note 26 (A))	42.64	261.64
Provision for contingencies (Refer Note 38)	503.00	415.11
Others:		
Proposed dividend on equity shares	-	1,524.00
Tax on proposed dividend	-	304.72
Total	608.41	2,554.46

11. Fixed Assets

	Gross block (At cost)				Depreciation / Amortization **				(Amount in ₹ in lakhs)	
	As at 1 April, 2015	Additions	Deduction/ Adjustments	As at 31 March, 2016	As at 1 April, 2015	For the year	Deduction/ Adjustments (Refer Note 4 below)	As at 31 March, 2016	Net Block	
									As at 31 March, 2016	As at 31 March, 2015
A. Tangible assets *										
Freehold Land (Refer Note 1 below)	1,971.78	-	-	1,971.78	-	-	-	-	1,971.78	1,971.78
Leasehold Land	1,339.20	-	-	1,339.20	235.61	19.18	-	254.79	1,084.41	1,103.59
Buildings (Refer Note 2 below)	15,574.84	3,102.78	-	18,677.62	4,464.81	650.45	0.46	5,114.80	13,562.82	11,110.03
Plant and Equipment	17,120.29	3,026.71	596.77	19,550.23	9,714.29	843.40	544.67	10,013.02	9,537.21	7,406.00
Furniture, Fixtures	6,230.36	1,271.66	30.93	7,471.09	4,430.94	317.28	30.54	4,717.68	2,753.41	1,799.42
Office Equipment	1,019.20	265.68	110.55	1,174.33	873.41	67.31	110.89	829.83	344.50	145.79
Vehicles	244.44	88.39	2.76	330.07	155.15	40.98	2.76	193.37	136.70	89.29
Total	43,500.11	7,755.22	741.01	50,514.32	19,874.21	1,938.60	689.32	21,123.49	29,390.83	23,625.90
Previous Year	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
B. Intangible Assets										
Goodwill	369.84	-	-	369.84	369.84	-	-	369.84	-	-
Computer Software	316.29	178.82	7.85	487.26	182.94	47.59	5.27	225.26	262.00	133.35
Customer Reservation System	35.77	16.07	-	51.84	12.22	5.71	(0.96)	18.89	32.95	23.55
Website Development Cost	28.16	-	-	28.16	23.78	1.82	-	25.60	2.56	4.38
Total	750.06	194.89	7.85	937.10	588.78	55.12	4.31	639.59	297.51	161.28
Previous Year	707.47	42.59	-	750.06	546.70	42.08	-	588.78	161.28	160.77

* For Assets given on Operating Lease (Refer Note No 36)

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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 - ₹ 6,555.79 lakhs ; (previous year - ₹ 3,464.28 lakhs).
 - (b) Cost of shares of Co-operative Societies in case of Residential Buildings
 - (c) Cost of improvements to Buildings taken on lease - ₹ 2,808.12 lakhs (previous year ₹ 2,807.44 lakhs)
- (3) ** Fixed Assets pertaining to (a) Amritsar Project amounting to ₹ 34.40 lakhs (previous year ₹ 17.78 lakhs) have been capitalised and depreciation on the same ₹ 4.55 lakhs (previous year ₹ 2.72 lakhs) have been debited to Capital Work in Progress Account (b) In the previous year Nashik Project amounting to ₹ 29.07 lakhs have been capitalised and depreciation on the same ₹ 3.52 lakhs have been debited to Capital Work in Progress Account. In the current year, Nashik Project amounting to ₹ 6,609 lakhs has been capitalized and the depreciation on the same has been charged to Profit & Loss Account.
- (4) Deductions / adjustments are on account of sale, discarding and reclassification of assets

12. Non Current Investments

				₹ in lakhs	
	Face value	March 31, 2016 Nos		March 31, 2015 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	<u>2,825.34</u>	8,00,000	<u>2,825.34</u>
			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
Inditravel Limited	10	1,89,002	18.91	1,89,002	18.91
Taj Trade and Transport Company Limited	10	8,86,500	<u>140.38</u>	8,86,500	<u>140.38</u>
			204.29		204.29
Investment in Fellow Subsidiaries					
Roots Corporation Limited	10	65,35,948	<u>5,000.00</u>	65,35,948	<u>5,000.00</u>
			5,000.00		5,000.00
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	<u>30.00</u>	3,00,000	<u>30.00</u>
			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	<u>562.95</u>	4,07,567	<u>562.95</u>
			562.95		562.95

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

				₹ in lakhs	
	Face value	March 31, 2016 Nos		March 31, 2015 Nos	
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		9,405.00
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
Total of Non Trade Investments (B)			111.69		111.69
Total Long-Term Investments - Gross (A +B)			9,516.69		9,516.69
Less : Provision for Diminution in value of Investment (Refer note 3 below)			42.55		42.55
Total Long-Term Investments - Net			9,474.14		9,474.14

		₹ in lakhs	
Footnote :		As at March 31, 2016	As at March 31, 2015
1. Aggregate of Quoted Investments - Gross (Refer Note 4 below)			
	Cost	753.29	753.29
	Market value	7,459.12	8,544.49
2. Aggregate of Unquoted Investments - Gross			
	Cost	8,200.45	8,200.45
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
Smile and Care Products		4.98	4.98
MPOWER Information Systems Pvt.Ltd.		3.00	3.00
Total		42.55	42.55

4. The Cost and Market value of quoted investments does not include investment in Northern India Hotels Limited, as market quotation is not available.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

13. Long-Term Loans and Advances

	As at March 31, 2016	₹ in lakhs As at March 31, 2015
(Unsecured, considered good unless stated otherwise)		
Capital Advances	225.53	534.65
Long-Term Security Deposits placed for Residential premises	72.52	85.22
Deposits with Public Bodies and Others	628.58	517.04
Other Loans and advances (Refer Note below)	63.97	58.94
Advance Income Tax	280.22	391.59
Total	1,270.82	1,587.44

Footnote :

Other loans and advances comprise Prepaid expenses of ₹ 18.47 lakhs (previous year ₹ 20.17 lakhs), Loans and advances to employees of ₹ 45.50 lakhs (previous year ₹ 38.77 lakhs)

14. Other Non-current assets

	As at March 31, 2016	₹ in lakhs As at March 31, 2015
Margin Money Deposit with banks with a maturity of more than 12 months (Refer Note below)	348.45	344.84
Interest Accrued on Margin Money Deposit	82.10	56.86
Total	430.55	401.70

Footnote :

Margin money deposits comprise (a) ₹ 287.91 (previous year ₹ 287.91 lakhs) which is given against performance guarantee and (b) ₹ 60.54 lakhs (previous year ₹ 56.93 lakhs) which are deposited with excise, customs and other government authorities.

15. Current investments

	Face Value	As at March 31, 2016 No. of units		As at March 31, 2015 No. of units	
Lower of cost or Fair value					
Investment in Mutual Funds - Unquoted					
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
Taurus Liquid Fund - Super Institutional Daily Dividend Reinvestment	1000	-	-	1,40,999.118	1,410.36
Kotak Floater Short Term - Daily Dividend	1012	-	-	69,259.201	700.64
Birla Sun Life Cash Plus - Daily Dividend-Regular Plan - Reinvestment	100	1,65,920.89	166.24		-
			166.24		4,115.59
Total			166.24		4,115.59
Aggregate of Unquoted Investments - Gross	Cost		166.24		4,115.59

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
16. Inventories*

	₹ in lakhs	
	As at	As at
	March 31, 2016	March 31, 2015
Food and Beverages	666.40	611.93
Stores and Operating Supplies	205.87	186.34
Total	872.27	798.27

* Refer Note No 1 (f) for basis of Valuation and Note No 35 for details of Food and Beverage Inventory

17. Trade Receivables

	₹ in lakhs	
	As at	As at
	March 31, 2016	March 31, 2015
Unsecured		
Outstanding over six months :		
Considered good	62.05	34.86
Considered doubtful	48.92	17.19
	110.97	52.05
Others:		
Considered good	1,329.45	1,050.13
Considered doubtful	-	-
	1,329.45	1,050.13
	1,440.42	1,102.18
Less : Provision for Doubtful Debts (Refer Note No 39)	48.92	17.19
Total	1,391.50	1,084.99

18. Cash and Bank balances

	₹ in lakhs	
	As at	As at
	March 31, 2016	March 31, 2015
Cash and Cash equivalents		
Cash on Hand	42.84	35.78
Cheques, Drafts on Hands	87.48	39.43
Balances with Banks		
Current Accounts	1,055.26	530.06
Unclaimed Dividend Bank Account	0.05	3.05
Call and Short-term Deposit accounts (less than 3 months)	-	400.00
Total	1,185.63	1,008.32

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

19. Short-term Loans and Advances

	As at March 31, 2016	₹ in lakhs As at March 31, 2015
(Unsecured, considered good unless stated otherwise)		
Loans and Advances on Current Account dues:		
Related Parties	4.32	1.03
Others	17.82	39.22
	<u>22.14</u>	<u>40.25</u>
Deposit with Public bodies and others :		
Security deposits placed for residential premises	99.98	86.12
Others	1.10	-
	<u>101.08</u>	<u>86.12</u>
Other Advances (Refer Note below) :		
Considered good	923.78	5,735.63
Considered doubtful	3.93	3.93
	<u>927.71</u>	<u>5,739.56</u>
Provision for Doubtful Advances (Refer Note No 41)	3.93	3.93
	<u>923.78</u>	<u>5,735.63</u>
Total	<u>1,047.00</u>	<u>5,862.00</u>

Footnote :

Other advances comprise Loans and Advances to employees ₹ 98.66 lakhs (previous year ₹ 81.34 lakhs), Prepaid Expenses ₹ 274.45 lakhs (previous year ₹ 227.34 lakhs) Inter Corporate Deposits ₹ Nil (previous year ₹ 5,147 lakhs), Deputed Staff Recoverable from Related Parties ₹ 53.12 lakhs (previous year ₹ 3.14 lakhs) and Other Advances of ₹ 497.55 lakhs (previous year ₹ 276.81 lakhs)

20. Other Current Assets

	As at March 31, 2016	₹ in lakhs As at March 31, 2015
Interest Accrued on : (Net of TDS)		
Intercompany Deposits - Related Parties	-	0.56
Deposits with Banks and Others	4.21	111.19
Total	<u>4.21</u>	<u>111.75</u>

21. Rooms, Restaurants, Banquets and Other Operating Income

	Year ended March 31, 2016	₹ in lakhs Year ended March 31, 2015
Room Income	14,971.38	13,690.69
Food, Restaurants and Banquets Income	16,818.52	15,386.33
Others	1,646.67	1,360.61
Total	<u>33,436.57</u>	<u>30,437.63</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
22. Other income

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2016	March 31, 2015
Interest Income	466.76	804.47
Dividend Income from long-term Investments		
From related parties	212.53	141.94
From Others	96.11	58.25
Dividend Income from Current Investments	121.14	233.39
Provision / liabilities no longer required written back	175.53	372.78
Other Non-Operating Income	234.53	228.96
Total	1,306.60	1,839.79
Interest Income (Gross)		
Inter Corporate Deposits	394.04	731.26
Deposit with Banks	40.34	58.99
Income Tax refunds	17.49	-
Others	14.89	14.22
	466.76	804.47

23. Food and Beverages Consumed

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2016	March 31, 2015
Food and Beverages Consumed (Refer Note 35)	3,988.45	3,734.86
Total	3,988.45	3,734.86

24. Employee Benefits Expense

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2016	March 31, 2015
Salaries, Wages, Bonus etc. (Refer Note below)	4,963.94	4,262.04
Company's Contribution to Provident and Other Funds	289.20	501.83
Salaries of Personnel Deputed to the Company	1,501.40	1,211.40
Payment to Contractors	579.97	585.19
Staff Welfare Expenses	1,091.24	904.62
Total	8,425.75	7,465.08

Net of deputed out staff salary recoveries of ₹ 749.46 lakhs (previous year ₹ 668.12 lakhs)

Notes to Financial Statements for year ended March 31, 2016 (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, 2016	March 31, 2015
Provident Fund	223.02	209.89
Retiring Gratuity (net of recovery for deputed employees)	33.10	252.73
Others	33.08	39.21
Total	289.20	501.83

- ii. Details of the managerial remuneration of executive director's included in the Employee Benefits Expenses :

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2016	March 31, 2015
Salaries	259.13	229.81
Contribution to Provident and Other Funds	11.59	11.58
Commission on Profits	160.00	160.00
Total	430.72	401.39

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, 2016	March 31, 2015
Linen and Room Supplies	580.23	527.40
Catering Supplies	336.92	297.24
Other Supplies	114.38	57.23
Fuel and Power	2,950.13	2,809.03
Repairs to Buildings	288.40	293.10
Repairs to Machinery	533.32	499.19
Repairs to Others	345.77	322.61
Linen and Uniform Washing and Laundry Expenses	456.11	389.74
Payment to Orchestra Staff, Artistes and Others	138.81	126.74
Guest Transportation	3.09	47.72
Travel Agents' Commission	412.01	278.95
Discount to Collecting Agents	323.06	311.98
Other Operating Expenses	523.67	476.06
Total (A)	7,005.90	6,436.99

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
ii. General Expenses consists of the following :

	₹ in lakhs	
	Year ended March 31, 2016	Year ended March 31, 2015
Rent (Refer Note 27)	877.48	354.69
License Fees	1,381.53	1,297.24
Consultation Fees	1,698.18	1,531.82
Rates and Taxes	563.55	882.82
Insurance	77.39	76.70
Advertising & Publicity	1,566.15	1,337.65
Printing and Stationery	116.97	99.60
Passage and Travelling	77.08	74.03
Provision for Doubtful Debts (Refer Note 40)	33.42	6.23
Professional Fees (Refer Note below)	509.23	489.37
Loss on Sale of Fixed Assets (Net)	7.26	10.74
Payment made to Statutory Auditors:		
i. As Auditors	55.96	51.05
ii. As Tax Auditors	8.06	8.01
iii. For Other Services	4.16	7.51
iv. For Reimbursement of expenses	3.12	4.00
Directors' Fees and Commission	45.92	40.00
Reservation and Information System expenses	339.14	305.60
Brand Common cost	339.14	305.60
Expenditure towards Corporate Social Responsibility Activities	76.60	78.99
Other Expenses	1,013.32	991.70
Total (B)	8,793.66	7,953.35
Total - Other Operating and General Expenditure (A + B)	15,799.56	14,390.34

Professional Fees includes lobby design fees paid in earlier years, lying as Capital work in progress till last year, amounting to ₹ 99.83 lakhs, expensed off on account of delay in project

Expenditure recovered from other parties :

	₹ in lakhs	
	Year ended March 31, 2016	Year ended March 31, 2015
Fuel and Power	93.98	89.71
Total	93.98	89.71

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

26. 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.

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	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Discount Rate	7.55%	7.90%
Rate of Return on Plan Assets*	7.50%	7.50%
Future Salary Rise**		
Staff	5.00%	5.00%
Executives	4.00%	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.

II. Table showing change in Benefit Obligation:

	₹ in lakhs	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Liability at the beginning of the year	1,734.04	1,381.80
Current service cost	95.89	73.26
Interest cost	134.71	124.74
Actuarial loss/(gain) on obligations	(38.08)	262.01
Benefits paid	(132.45)	(107.77)
Liability at the end of the year	1,794.11	1,734.04

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
III. Fair Value of Plan Assets :

	₹ in lakhs	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Fair value of Plan Assets at the beginning of the year	1,472.40	1,315.66
Expected Return on Plan Assets	104.45	96.87
Actuarial (loss)/gain on Plan Assets	53.20	101.50
Contribution by Employer	253.88	66.14
Benefits paid	(132.45)	(107.77)
Fair value of Plan Assets at the end of the year	1,751.48	1,472.40

IV. Actual Return on Plan Assets :

	₹ in lakhs	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Expected return on Plan Assets	104.45	96.87
Actuarial gain/(loss) on Plan Assets	53.20	101.50
Actual return on Plan Assets	157.65	198.37

V. Amount Recognized in the Balance Sheet :

	₹ in lakhs	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Liability at the end of the year	1,794.11	1,734.04
Fair value of plan assets at the end of the year	1,751.48	1,472.40
Difference	42.63	261.64
Amount not recognized as an Asset, because of limit in para 59 (b) of AS – 15	-	-
Amount recognized in the Balance Sheet [(asset) / Liability]	42.63	261.64

VI. Percentage of each category of Plan Assets to total fair Value of Plan Assets :

	₹ in lakhs	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Government of India Securities	3%	3%
Corporate Bonds	0%	0%
Special Deposit Scheme	4%	4%
Insurer Managed funds	92%	92%
Others	1%	1%
Total	100%	100%

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

VII. Expenses recognized in the Statement of Profit and Loss :

	₹ in lakhs	
	March 31, 2016	March 31, 2015
Current service cost	95.89	73.26
Interest cost	134.71	124.74
Expected return on Plan Assets	(104.45)	(96.87)
Net actuarial (gain)/loss to be recognized	(91.28)	160.51
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	34.87	261.64

VIII. Balance Sheet Reconciliation :

	₹ in lakhs	
	March 31, 2016	March 31, 2015
Opening net liability / (asset)	261.64	66.14
Expense / (Reversal) as above	42.63	261.64
Employers contributions	(253.88)	(66.14)
Amount recognized in Balance Sheet (asset) / Liability	42.63	261.64
Expected Employer's Contributions next year	100.00	90.00

IX. Experience Adjustments :

	₹ in lakhs				
	Year ended				
	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016
Defined benefit Obligations	1,239.65	1,396.10	1,381.80	1,734.04	1,794.11
Plan Assets	1,169.18	1,381.24	1,315.66	1,472.40	1,751.47
Surplus / (Deficit)	(70.47)	(14.86)	(66.14)	(261.64)	(42.63)
Experience Adjustments on Plan Liabilities – Gain/(Loss)	106.32	141.58	53.16	133.05	(37.45)
Experience Adjustments on Plan Assets Gain/(Loss)	(25.73)	39.09	(54.12)	101.50	53.20

(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:

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Privileged Leave

	₹ in lakhs	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Opening Balance of Compensated Absences (X)	367.44	297.98
Present value of Compensated Absences (As per actuary valuation) as at the year end (Y)	483.55	367.44
(Excess) / Unfunded liability of Compensated Absences recognized in the Statement of Profit and Loss for the year (Y – X)	116.11	69.46

Sick Leave

	₹ in lakhs	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Opening Balance of Compensated Absences (X)	2.62	2.80
Present value of Compensated Absences (As per actuary valuation) as at the year end (Y)	3.35	2.62
(Excess) / Unfunded liability of Compensated Absences recognized in the Statement of Profit and Loss for the year (Y – X).	0.73	(0.18)

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

	₹ in lakhs	
	<u>March 31, 2016</u>	<u>March 31, 2015</u>
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. (Refer Note A)	-	900.00
Employee termination/ resignation cases	2.84	42.03
Demand raised by Tahsildar towards evacuation not approved	94.75	60.75
Total	<u>97.59</u>	<u>1,002.78</u>
(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	<u>1,007.11</u>	<u>1,007.11</u>
(c) Other money for which the Company is contingently liable		
Income Tax	62.92	62.92
Luxury Tax	253.87	253.87
Entertainment Tax	106.63	118.95
Sales Tax/VAT	970.75	839.31
Property Tax	36.18	81.68
Service Tax	1,310.88	1,139.54
Others (Water & Sewerage Tax)	44.52	44.52
Total	<u>2,785.75</u>	<u>2,540.79</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note:

- A. The Company has made payment of ₹ 4.98 crore towards Concession Fee to the Punjab Urban Development Authority (PUDA) as per the order of the Appellate Authority - Punjab Infrastructure Regulatory Authority (PIRA). As PIRA has conclusively determined the date of commencement of fee payment due to PUDA, the Company does not foresee any further claims.

Details of amounts paid under protest and accounted under Advance/Receivable

Water Tax	44.00	44.00
Property Tax	150.60	84.82
VAT	172.52	152.30
Service Tax	3.50	3.65
Total	370.62	284.77
ii. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	3,581.60	8,817.20
Intangible assets	43.30	23.70
Total	3,624.90	8,840.90

28. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	₹ in lakhs	
	March 31, 2016	March 31, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	23.67	20.63
(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.

29. Details on derivative instruments and unhedged foreign currency exposures

	₹ in lakhs	
	March 31, 2016	March 31, 2015
The Company has no outstanding derivative instruments		
Un-hedged foreign currency exposures as at the year end	-	-

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
30. Value of imports calculated on CIF basis :

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2016	March 31, 2015
Raw materials	291.41	411.43
Components & Spare parts	24.11	31.62
Capital goods	1,282.01	674.78

31. Expenditure in foreign currency :

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2016	March 31, 2015
Professional and consultation fees	94.63	116.45
Commission brokerage and discount charges	287.09	166.80
Sales marketing and advertising expenses	67.29	54.81
Salaries and Wages	52.95	31.92
Others	82.72	80.66

32. Earnings in foreign exchange:

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2016	March 31, 2015
Rooms, Restaurants, banquets and Other Services	8,818.67	7,653.15

33. Reimbursement of expenses from other parties

	₹ in lakhs	
	Year ended	Year ended
	March 31, 2016	March 31, 2015
Fuel, Power and Light	93.98	89.71
Linen and Uniform washing	0.39	1.23
Rent	5.34	3.60
Other Expenses - Chemicals, Food cost etc.	16.90	18.68
Total	116.61	113.22

34. 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, 2016	March 31, 2015
Employee Benefit Expense	125.66	93.90
Fuel, Power and Light	25.67	-
Depreciation	8.28	6.24
Other Expenses (Net)	155.78	93.25
Total	315.39	193.39

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

35. Food & Beverage Consumed

	₹ in lakhs	
	Year ended March 31, 2016	Year ended March 31, 2015
Opening Stock	611.93	563.62
Add: Purchases	4,042.92	3,783.17
Less: Closing Stock	666.40	611.93
Food and Beverage Consumed	3,988.45	3,734.86
Break up of Value of Food and Beverage Consumed		
Imported	291.41	460.45
Indigenous	3,697.04	3,274.41
Total	3,988.45	3,734.86

36. Details of leasing arrangements

	₹ in lakhs	
	Year ended March 31, 2016	Year ended March 31, 2015
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	53.64	48.00
later than one year and not later than five years	-	-
later than five years	-	-
Value of lease assets		
Cost	291.86	279.53
Accumulated Depreciation	80.98	64.52
Net Book Value	210.88	215.01
Depreciation recognised on the leased assets	10.74	10.49

37. Earnings per share

	₹ in lakhs	
	Year ended March 31, 2016	Year ended March 31, 2015
<u>Basic and Diluted</u>		
<u>Total /Continuing operations</u>		
Profit for the year	3,103.41	3,182.94
Weighted average number of equity shares	38.10	38.10
Par value per share	10	10
Earnings per share Basic and Diluted	81.45	83.54

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
38. 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:

₹ in lakhs

Particulars	As at 1 April, 2015	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2016
Provision for other contingencies					
Entertainment Tax	- (55.51)	34.00 -	- -	- (55.51)	34.00 -
Sales Tax	125.00 -	- (125.00)	- -	- -	125.00 (125.00)
Property Tax	290.11 (130.81)	51.89 (159.30)	- -	- -	342.00 (290.11)
Others	- -	2.00 -	- -	- -	2.00 -
Total	415.11 (186.32)	87.89 (284.30)	- -	- (55.51)	503.00 (415.11)

Note: Figures in brackets relate to the previous year.

39.

₹ in lakhs

Particulars	As at 1 April, 2015	Provisions during the year	Debtors written off against past provision	Provision no longer required, written back	As at 31 March, 2016
Provision for doubtful debts	17.19 (10.96)	42.22 (12.08)	2.63 (3.19)	7.86 (2.66)	48.92 (17.19)

40.

₹ in lakhs

Particulars	As at 1 April, 2015	Provisions during the year	Provision no longer required, written back	Debts written off in the past recovered	As at 31 March, 2016
Bad and Doubtful debts charged to P&L a/c	- -	43.91 (12.08)	7.86 (2.66)	2.63 (3.19)	33.42 (6.23)

41.

₹ in lakhs

Particulars	As at 1 April, 2015	Provisions during the year	Advances written off against past	Debts written off in the past recovered	As at 31 March, 2016
Provision for doubtful advances	3.93 (3.93)	- -	- -	- -	3.93 (3.93)

Note: Figures in brackets relate to the previous year.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

42. 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

(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

United Hotels Limited

Benares Hotels Ltd

Luthria & Lalchandani Hotel & Properties Pvt. Ltd. - Note 1

Lands End Properties Private Limited - Note 1

Skydeck Properties and Developers Private Ltd. - Note 1

Sheena Investments Private Limited - Note 1

ELEL Hotels & Investments Limited - Note 1

International:

Taj International Hotels (H.K) Limited

Cheiftain Corporation NV

IHOCO BV

Taj International Hotels Limited

Samsara Properties Limited

International Hotel Management Services LLC

United Overseas Holdings Inc - Note 2

Apex Hotel Management Services (Australia) Pty. Ltd.

St. James Court Hotel Limited

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

(v) Key Management Personnel

Mr. Rakesh Sarna - Managing Director
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 3

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 Logistics Pvt. Ltd.
MPOWER Information Systems Pvt Ltd.
Omnicom India Marketing Advisory Services Pvt. Ltd.

Notes:

- 1 Became fellow subsidiaries from 14 October 2015.
- 2 Became fellow subsidiaries from 25 August 2015.
- 3 Parties with whom transactions were conducted during the year.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

(b) The details of transactions with related parties for March 2016 are as follows

Particulars	Holding Company		Subsidiaries		Associates		Fellow Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Firm in which Key Management Personnel are Interested	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Purchase of Goods & Services and Sharing of Expenses (Note 2)	1,426.64	1,287.70			32.45		68.54						1.61	1.24
Sale of Services														0.13
Purchase of Fixed Assets														
Interest Income	-	-			14.25		-	250.18					-	
Lease Rent Income	53.64	49.65												
Lease Rent Expense	36.00	36.00												
License Fee Income					15.52	43.35								
Dividend Received					201.71	131.13	10.81	586.81	907.93	649.85	293.89	219.26		
Dividend Paid	789.41	592.06	-				782.41							
Inter Corporate Deposits Receivable							-							
Interest Accrued							-	0.63						
Inter Corporate Deposits Placed	-						-							
Inter Corporate Deposits Refunded	-						-							
Consultation / License Fees	1,656.47	1,497.32	150.83	167.47				2,250.00	430.72	401.39	6.92	3.87		
Commission / Remuneration														
Deputed Staff Salary expenses	1,453.40	1,050.44			0.75	-	14.57	9.51						
Net Balance at year end - Receivable / (Payables)	(254.49)	(109.98)	(29.79)	(11.28)	0.65	(10.31)	2.92	(1.01)	-				-	

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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Disclosure of transactions between the Company and related parties and the status of outstanding balances as on March 31, 2016, 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	2015-16	2014-15
Fellow Subsidiaries		
a) TIFCO Holdings Ltd		
- Dividend Paid	782.41	586.81
b) Roots Corporation Limited		
- Interest income	-	250.18
- Inter Corporate Deposits Refunded	-	2,250.00
- Interest Accrued	-	0.63
c) United Hotels Limited		
- Amount Receivable/ (Payable)	(0.50)	(2.20)
Associates		
a) Inditravel Limited		
- Dividend Received	179.55	113.40
- License Fee Income	-	12.68
- Purchase of Services	-	68.54
b) Taj Trade and Transport Company Limited		
- Dividend Received	22.16	17.73
- Amount Receivable/ (Payable)	0.65	(10.31)
- License Fee Income	15.52	30.67
Subsidiaries		
a) Northern India Hotels Limited		
- Consultation / Licence Fees	150.83	167.47
- Receivable /(Payable) at the year end	(29.79)	(11.28)
Key Management Personnel		
a) Mr Rajkumar Nagpal		
- Dividend Paid	196.87	147.65
- Commission / Remuneration	122.15	83.23
b) Mr Sudhir L Nagpal		
- Dividend Paid	311.52	202.54
- Commission / Remuneration	185.59	174.85
c) Mr Rajesh R Nagpal		
- Dividend Paid	399.54	299.66
- Commission / Remuneration	122.98	143.31
Relatives of Key Management Personnel		
a) Mrs. Pushpa L Nagpal		
- Dividend Paid	96.29	71.06
b) Mrs. Subhadra R Nagpal		
- Dividend Paid	159.53	119.65
- Lease rent expense	-	9.60
Firms in which Key Management Personnel are Interested		
a) MPOWER Information Systems Pvt Ltd.		
- Purchase of Services	1.61	1.24
b) TRIL Roads Pvt. Ltd.		
- Sale of Services	-	0.13

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

43. During the previous year ended March 31, 2015 pursuant to schedule II of the Companies Act, 2013 ("schedule") becoming effective from April 1, 2014, the company had applied the useful life of assets as prescribed in the schedule or the estimated useful life, whichever is lower, for ascertaining the depreciation expense. Had the company not changed the useful life of the assets, the depreciation expense for the year ended March 31, 2015 would have been lower by ₹.284 lakhs.

44. 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.

45. 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.

0039905 / 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

R. Suriyanarayanan

Partner (201402)

Pankaj Khandelia

Partner (102022)

Anil P. Goel

(Director)

DIN No : 00050690

Ms. Farzana Sam Billimoria

Company Secretary

Mumbai, May 06, 2016

DIRECTORS AND CORPORATE INFORMATION

Roots Corporation Limited

Board of Directors :

Mr. Rakesh Sarna, Chairman

Mr. Anil P. Goel

Ms. Renu Basu

Mr. Padmanabh Sinha

Mr. Bobby Pauly

Mr. Anupam Narayan

Mr. Rahul Pandit (w.e.f 22nd June 2015)

Ms. Hiroo Mirchandani (w.e.f 16th July 2015)

Ms. Ireena Vittal (w.e.f 16th July 2015)

Chief Financial Officer :

Mr. Manish Jain

Company Secretary :

Mr. Dhanraj Mulki (resigned w.e.f 17th August 2015)

Ms. Somya Agarwal (w.e.f 5th January 2016)

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, Ahmedabad

Bankers :

Axis Bank Limited

ICICI Bank Limited

State Bank of India

HDFC Bank

IDBI Bank Limited

State Bank of Travancore

DIRECTOR'S REPORT

TO THE MEMBERS

The Directors submit the 13th Annual Report of the Company together with the Audited financial statements for the financial year ended March 31, 2016.

Particulars	2015-16 ₹ Lakhs	2014-15 ₹ Lakhs
Total Income	14,285	12,774
Less: Operating Expenses	11,855	10,655
Profit/(Loss) before interest depreciation and tax	2,430	2,119
Less: Depreciation	1,589	1,608
Less: Interest(Net)	427	396
Profit/(Loss) before tax	414	115
Less: Exceptional Items	1,523	–
Profit/(Loss) after exceptional items	(1,109)	115
Less: Provision for Tax	–	(25)
Profit/(Loss) after tax	(1,109)	140

INCOME

During the financial year 2015-16, the Company generated total income of ₹ 14,285 Lakhs which was higher by 12% than in 2014-15. The majority of the Company's income is from room sales which accounts for 89 % of total income.

EXPENSES

The total operating expenditure of the Company was ₹ 11,855 Lakhs, 11% higher than 2014-15 .

Depreciation for the year of ₹ 1,589 Lakhs was lower than last year and interest cost of ₹ 427 Lakhs was 8% higher than last year.

BUSINESS OVERVIEW

During the financial year 2015-16, one new Management Contract (119 rooms), i.e Tirupati, one Fully Fitted Lease (46 rooms), i.e. Thane were added to the portfolio.

OPERATIONS

Continuing with the spirit of 2014-15, Execution excellence was the center of focus and the execution strategy adopted was Communicate, Empower and Review. This was also a year of consolidation and introspection for operations. A more organized approach has been introduced by setting up an Operations Support team at the center to support the unit teams. The support team going forward will also be responsible for executing the tactical plan and budget in FY 16-17.

The focus in FY 15-16 has been shifted gradually from an In-house GSTS to Social Media monitoring & response. The response time in social media has been reduced from 48 hours to 24 hours with the first level of response going back within 4 hours for all feedbacks received till 5 pm.

GSTS - The overall score dropped from 70% top two box score (last year) to 58% for 2015-16. The areas of cleanliness, food and associate response are identified as major concern areas and are being addressed.

Trip Advisor – Total 7 hotels retain the rating of 4 - Baroda, Jamshedpur (existing Ginger) Agartala, Noida, Jaipur, Chandigarh and Nasik. Going forward, the focus is put on month-on-month review and improvement of excellent and very good scores.

Safety - The overall safety scores for Ginger has improved. The HSE initiative was started in Ginger in 2013-14 with 6 hotels. In 2014-15, all the hotels were brought under the purview of HSE. The highest score for 15-16 was 93% (Jaipur) followed by Mangalore at 90% and Pune Wakad at 89%.

ROOTS CORPORATION LIMITED

AWARDS & ACCOLADES

- Hasanullah Mohammed , Hotel Manager Ginger Nashik won the General Manager of the Year (Budget Category) in Hotelier India Awards

HUMAN RESOURCES

1. New Talent acquisition venues explored to scout for better talent. This also included process changes in Recruitment and Pre-Joining formalities to include Reference checks from Independent Agencies. Going forward the Company would introduce competency assessments as a pre-screening tool for better job fit.
2. New Talent acquisition portals explored and initiated with greater focus on Internal Reference Program.
3. Internal Career Progression at hotel operations explored to add on an additional level of Guest Service Executive.
4. Business Remodeling for Operational efficiencies was initiated as a pilot project in Ginger Mangalore with In-Sourcing of F&B and Housekeeping staff. This is to be taken a step forward to include Managerial staff in the Engineering function as well.
5. Salary benchmarking done with the competitive set, accordingly varied salaries been offered considering experience.
6. Monthly monitoring of Total Manning being done including outsourced manpower.

LEARNING & DEVELOPMENT

1. Annual Training Actualization, conducted trainings to achieved 29,540 man-hours and total of 3,696 Man-days.
2. Fire Training conducted across Ginger hotels covering all departments.
3. Identification and development of associate competency mapping done focus with area on frontline competencies.
4. Hotel level training continued with emphasis on basic soft skills and enhancement of levels of service delivery.

SALES AND MARKETING

Ginger hotels at Goa, Bangalore-Whitefield, Mysore, Indore, Jaipur, Mangalore, Nashik, Pantnagar, Trivandrum, Bangalore-IRR, Guwahati, Noida & Pune - Wakad were the Top performers in terms of registering a growth of more than 10% over the previous year's performance. This was achieved through a simultaneous growth in corporate (10% YOY) & Transient (14% YOY), in the existing properties (which had completed a year plus of operations). New corporate accounts contributed 128 room nights per day and the online travel partners contributed 85 additional room nights per day for the existing properties.

Content Marketing: - For the year 2015-16, Ginger Brand communication was positioned the concept of Smart Stay. The medium used was through content marketing on Ginger's digital platforms namely website and social media platforms.

Promotions: A series of Radio commercials were done on popular radio network RedFM for increasing brand recall in locations like Mumbai, Delhi NCR and Gujarat (Ahmedabad, Baroda and Rajkot).

New Alliances for the year – Ginger reached out to a database 7 Lac plus frequent flyers through Co-promotions with Vistara Boarding Cards delights program. Some the other new brands with which Ginger partnered are Times-HDFC Cards, Free charge, PayTM, HSBC Credit Cards, Flywidus, Comedy Central – LOL Club, Maruti Suzuki, Croma, Iosis Spa These activities contributed 3,750 room nights.

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".

- Promo code Functionality.
- Building new I –frame technology on Web site for seamless experience to guest & increasing the success ratio
- Digital Signature - E-Invoice
- Wifi Authentication flow changed from dynamic password via SMS to Room No & Last Name for smooth hassle free wifi connectivity.

- SAP payroll
- Enhanced Wifi experience across Ginger.
- Sales Dashboard

Following initiatives are underway / planned for the fiscal year i.e. 2016-17

- Digital Registration Card with digital signature
- Simplified digital check in process
- HR Dashboard
- Real time integration with OTAs
- HCM on Smart Phones

EXPANSION

As of 31st March 2016, Ginger Hotels has 28 owned/leased hotels with an inventory of 2,651 rooms, 6 hotels under management contract with an inventory of 525 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, Katra, Tirupati and Thane and one transit guest house in Pune Hinjewadi.

At present, your Company has around 8 hotels at various stages of construction and expects 6 to be operational in the financial year 2016-17.

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 2016, the company had Long term Borrowings of ₹ 9,180 Lakhs. The Company had Short Term Borrowings of ₹ 200 Lakhs.

CAPITAL EXPENDITURE

During the year under the review, the Company has incurred ₹ 3,001 Lakhs 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.

No complaint has been reviewed during the year.

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

ROOTS CORPORATION LIMITED

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	4/5	Yes
2.	Mr. Anil P Goel	3/5	Yes
3.	Ms. Renu Basu	5/5	Yes
4.	Mr. Padmanabh Sinha	4/5	NA
5.	Mr. Bobby Pauly	5/5	NA
6.	Mr. Anupam Narayan	4/5	NA
7.	Mr. Rahul Pandit (w.e.f 22 nd June 2015)	4/5	Yes
8.	Ms. Hiroo Mirchandani (w.e.f 16 th July 2015)	4/5	NA
9.	Ms. Ireena Vittal (w.e.f 16 th July 2015)	2/5	NA

AUDIT COMMITTEE

The Audit Committee of the Company is constituted of Mr. Anil Goel, Ms. Hiroo Mirchandani and Ms. Ireena Vittal 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 2015-16. The attendance of each Committee member is as under

Sr. No	Name of the Director	No of the Audit Committee Meeting attended
1.	Mr. Anil P Goel	3/4
2.	Ms. Renu Basu	2/4
3.	Mr. Bobby Pauly	2/4
4.	Ms. Hiroo Mirchandani (w.e.f July 16, 2015)	2/4
5.	Ms. Ireena Vittal (w.e.f July 16, 2015)	2/4

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted of Mr. Anil Goel, Mr. Padmanabh Sinha, Ms. Hiroo Mirchandani and Ms. Ireena Vittal as its Members. The role and terms of reference 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 the Company.

The Board has accepted all the recommendations of the Nomination and Remuneration Committee of the Company.

The Nomination and Remuneration Committee had 1 meeting during the year 2015-16. The attendance of each Committee member is as under:

Sr. No	Name of the Director	No of the Meeting attended
1.	Mr. Anil P Goel	1/1
2.	Mr. Padmanabh Sinha	1/1
3.	Ms. Hiroo Mirchandani (w.e.f 16 th July 2015)	1/1
4.	Ms. Ireena Vittal (w.e.f 16 th July 2015)	1/1

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. Omnibus approval of the Audit Committee is obtained for transactions which are of foreseen and repetitive in nature. The transactions entered into pursuant to the Omnibus 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)

Ms. Deepika Rao (DIN 00403604) was appointed as the interim Chief Executive Officer of the Company effective for the period of 3 months from April 1, 2015 to June 30, 2015.

Mr. Rahul Pandit (DIN00003036) was appointed as Managing Director and Chief Executive Officer of the Company for a period of 4 years with effect from June 22, 2015. Mr. Rahul Pandit during the earlier part of his career worked for the Taj Group and for the last decade, has worked with Lemon Tree Hotels. During his stint in Lemon Tree Hotels, Mr. Rahul Pandit has played an important role in developing diverse aspects of new business from Operations to Human Resources, Technology and Sales and led the Lemon Tree Hotels to develop and grow into three distinct Brands with 27 hotels across 16 cities in India.

In terms of Section 149 of the Act, the Members at their meeting held on August 10, 2015, had appointed Ms. Hiroo Mirchandani (DIN 6992518) and Ms Ireena Vittal (DIN 5195656) as Independent Directors of the Company for a period of five years or upto their date of retirement whichever was earlier.

Ms. Hiroo Mirchandani's professional career of over thirty years has been in customer-facing roles where she grew from Branch Manager to Business Unit Director with top and bottom-line responsibilities. She has built great brands in healthcare, foods, jewellery, telecom and paints. She brings consumer insights and financial literacy combined with an ability to raise strategic issues from her diverse operational experience and innate curiosity.

Ms. Ireena Vittal was a founding member of the economic-development practice and the global emerging-markets practice at McKinsey & Co. After 25 years in the corporate world, she is currently working in the urban and agriculture space and is also an Independent Director on the board of select Indian companies such as Axis Bank, Titan Company, Indian Hotels, Godrej Consumer, Tata Global Beverages and Wipro and also on the global advisory board of IDEO.org, a non-profit organisation dedicated to applying human-centered design to alleviate poverty

ROOTS CORPORATION LIMITED

In accordance with the Companies Act 2013, and the Article of Association of the Company, two of the Directors, i.e., Mr. Padmanabh Sinha (DIN 00101379) and Mr. Anupam Narayan (05224075) 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. Rahul Pandit, Managing Director & Chief Executive Officer
2. Mr. Manish Jain, Chief Financial Officer
3. Ms. Somya Agarwal, Head Legal & Company Secretary

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 March 31, 2016, 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 March 31, 2016 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 Fourteenth 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, to undertake the Secretarial Audit of the Company for the financial year 2016. 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 threshold 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. 34 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

Rakesh Sarna
Chairman

Rahul Pandit
Managing Director & CEO

Mumbai
May 6, 2016

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 2016

[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:-

Sr. 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 –

Sr. 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									
b) Central Govt									
c) State Govt(s)									
c) Bodies Corp.		5,10,00,000	5,10,00,000	59.33		5,10,00,000	5,10,00,000	59.33	NIL
d) Banks / FI									
e) 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

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	
(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)		5,10,00,000	5,10,00,000	59.33		5,10,00,000	5,10,00,000	59.33	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):-									
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 ₹ 1lakh									
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	NIL

ROOTS CORPORATION LIMITED

(ii) Shareholding of Promoters

Sr. 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	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):

Sr. 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

₹/Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,160	400	-	7,560
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29	-	-	29
Total (i+ii+iii)	7,189	400	-	7,589
Change in Indebtedness during the financial year				
Addition	2,500			2,500
Reduction	(480)	(200)		(680)
Net Change	2,020	(200)	-	1,820
Indebtedness at the end of the financial year				
i) Principal Amount	9,209	200	-	9,409
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	77	-	-	77
Total (i+ii+iii)	9,286	200	-	9,486

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Mr P K Mohan Kumar, Managing Director and Chief Executive Officer (01.04.2015 to 05.05.2015)	Mr Rahul Pandit, 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	47,25,000	75,05,100	1,22,30,100
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		26,27,720	26,27,720
	(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)	47,25,000	1,01,32,820	1,48,57,820
	Ceiling as per the Act		95,19,000	

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Anupam Narayan (Non Executive Director)	Ms. Ireena Vittal (Independent Director)	Ms. Hiroo Mirchandani (Independent Director)
1.	Independent Directors			
	– Fee for attending board / committee meetings		2,30,000	3,30,000
	– Commission			
	– Others, please specify			
	Total (1)		2,30,000	3,30,000
2.	Other Non-Executive Directors	2,00,000		
	– Fee for attending board / committee meetings			
	– Commission			
	– Others, please specify			
	Total (2)	2,00,000		
	Total (B)=(1+2)	2,00,000	2,30,000	3,30,000
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

ROOTS CORPORATION LIMITED

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO Ms. Deepika Rao (from 01.04.2015 to 15.06.2015)	CFO Mr. Manish Jain	CS Mr. Dhanraj Mulki (from 01.04.2015 to 17.08.2015)	CS Ms. Somya Agarwal (from 01.01.2016 to 31.03.2016)	Total
1.	Gross salary					
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	10,28,716	65,15,881	26,45,488	10,59,545	1,12,49,630
	(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 - Bonus	11,51,955				
	Total	21,80,671	65,15,881	26,45,488	10,59,545	1,12,49,630

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, 2016, 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 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements 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. 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 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, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) 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 27 and 36 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 36 to the financial statements. The Company did not have any derivative contracts for which there were any material foreseeable losses as at the year-end;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Mukesh Jain
Partner
Membership No. 108262

Mumbai, May 6, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ROOTS CORPORATION LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Roots Corporation Limited (the "Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Mukesh Jain
Partner
(Membership No. 108262)

Mumbai, May 6, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in point 2 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.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans taken by the Company are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) According to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (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. Hence reporting under clause (vi) of the Order is not applicable.
- (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, 2016 for a period of more than six months from the date they became payable.
 - (c) There were 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, 2016 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans from financial institutions or government and has not issued any debentures.
- (ix) 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. The Company has not raised any money by way of initial public offer.

- (x) According to the information and explanations given to us, no fraud by the Company has been noticed or reported during the course of our audit. Further according to the information and explanations given to us by the management no fraud on the Company has been noticed or reported during the course of our audit except for three cases, where few employees misappropriated cash amounting to ₹ 30 lakhs of which the Company has recovered ₹ 14 lakhs from such employees.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in excess of the limits and approvals prescribed under Section 197 read with Schedule V of the Companies Act, 2013 to the following managerial personnel:

Managerial Position	Excess amount of remuneration paid/ provided (₹/lakhs)	Financial year ending	Treatment of the excess remuneration in the respective year financial statements	Steps taken by the Company for securing refund
Managing Director and CEO	6	2015-16	The same is shown as recoverable in the financial statements.	The Company is in the process of filing with Central Government for approval.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Mukesh Jain
Partner
(Membership No. 108262)

Mumbai, May 6, 2016

ROOTS CORPORATION LIMITED

Balance Sheet as at March 31, 2016

Balance Sheet as at March 31, 2016		₹/Lakhs	
Particulars	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	8,597	8,597
(b) Reserves and surplus	4	19,840	20,948
		<u>28,437</u>	<u>29,545</u>
Non-current liabilities			
(a) Long-term borrowings	5	8,700	6,680
(b) Other Long term liabilities	6	140	54
(c) Long-term provisions	7	60	52
		<u>8,900</u>	<u>6,786</u>
Current liabilities			
(a) Short-term borrowings	8	200	400
(b) Trade payables	9		
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,467	2,246
(c) Other current liabilities	10	1,619	1,393
(d) Short-term provisions	11	80	85
		<u>4,366</u>	<u>4,124</u>
		<u>41,703</u>	<u>40,455</u>
TOTAL			
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	28,206	29,535
(ii) Intangible assets	12	773	755
(iii) Capital work-in-progress		4,974	3,766
(iv) Intangible assets under development		39	157
(b) Long-term loans and advances	13	4,169	3,500
(c) Other non-current assets	14	378	266
		<u>38,539</u>	<u>37,979</u>
Current assets			
(a) Inventories	15	158	280
(b) Trade receivables	16	1,813	1,412
(c) Cash and Cash Equivalents	17	355	125
(d) Short-term loans and advances	18	792	604
(e) Other current assets	19	46	55
		<u>3,164</u>	<u>2,476</u>
		<u>41,703</u>	<u>40,455</u>
TOTAL			

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 6, 2016

For and on behalf of the Board of Directors

Rahul Pandit
Managing Director & CEO
DIN:00003036

Manish Jain
Chief Financial Officer

Somya Agarwal
Company Secretary

Rakesh Sarna
Chairman
DIN:01875340

Anil P. Goel
Director
DIN:00050690

Statement of Profit and Loss for the year ended March 31, 2016

Particulars		Notes	For the year ended March 31,2016	₹/Lakhs For the year ended March 31,2015
INCOME				
1	Revenue from operations	20	14,158	12,573
2	Other income	21	127	201
3	Total Revenue (1 + 2)		14,285	12,774
4 EXPENSES				
	Employee benefits expense	23	2,194	1,704
	Food & Beverages Consumed	22	41	-
	Finance costs	24	427	396
	Depreciation and amortisation expense		1,589	1,608
	Other expenses	25	9,620	8,951
	Total Expenses		13,871	12,659
5	Profit/(Loss) before tax and Exceptional Items (3-4)		414	115
6	Exceptional Items	26	(1,523)	-
7	Profit/(Loss) after Exceptional Items before Tax (5-6)		(1,109)	115
8 Tax Expense				
	– Short/ (Excess) provision for tax relating to prior years		-	(25)
9	Profit / (Loss) after tax for the year (7-8)		(1,109)	140
10 Earnings per equity share:				
	Basic and Diluted	37	(1.29)	0.16
	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 6, 2016

For and on behalf of the Board of Directors
Rahul Pandit

Managing Director & CEO

DIN:00003036

Manish Jain

Chief Financial Officer

Somya Agarwal

Company Secretary

Rakesh Sarna

Chairman

DIN:01875340

Anil P. Goel

Director

DIN:00050690

ROOTS CORPORATION LIMITED

Cash Flow Statement for the year ended March 31, 2016

Particulars			₹/Lakhs	
	For the period ended March 31, 2016		For the period ended March 31, 2015	
A. Cash flow from operating activities		(1,109)		115
Net (Loss)/ Profit before extraordinary items and tax				
Adjustments for:				
Depreciation and amortisation	1,589		1,608	
Loss on sale / write off of assets	53		54	
Finance costs	427		396	
Interest income	(31)		(25)	
Net Gain on Sale of Investments	(9)		(2)	
Impairment of Projects and Write off Capital Expenses	1,523		-	
Provision for Compensated Absences & Gratuity	28		18	
Bad Debts Written Off	53		-	
Liabilities / provisions no longer required written back	(82)		(140)	
Provision for doubtful trade and other receivables, loans and advances	(28)	3,523	26	1,933
Operating (loss)/ profit before working capital changes		2,414		2,048
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	122		35	
Trade receivables	(427)		(206)	
Loans and Advances	(660)		(253)	
Other assets	(103)		(8)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	303		415	
Other liabilities	313		(94)	
Provisions	3	(449)	-	(110)
Cash generated from operations		1,965		1,938
Net income tax (paid) / refunds		(196)		(174)
Net cash flow from operating activities (A)		1,769		1,764
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(3,001)		(2,227)	
Proceeds from sale of fixed assets	29		53	
Current investments not considered as Cash and cash equivalents				
– Purchased	(1,240)		(1,477)	
– Proceeds from sale	1,249		1,481	
Interest received	31	(2,932)	23	(2,147)
Net cash flow from investing activities (B)		(2,932)		(2,147)

Cash Flow Statement for the year ended March 31, 2016

Particulars	₹/Lakhs	
	For the period ended March 31, 2016	For the period ended March 31, 2015
C. Cash flow from financing activities		
Proceeds from long-term borrowings	2,500	5,000
Repayment of long-term borrowings	(480)	(480)
Proceeds from other short-term borrowings	400	4,020
Repayment of other short-term borrowings	(600)	(7,271)
Finance cost (Net of Capitalisation)	(427)	(886)
Cash flow from extraordinary items	1,393	383
Net cash used in financing activities (C)	1,393	383
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	230	(0)
Cash and cash equivalents at the beginning of the year	125	125
Cash and cash equivalents at the end of the year	355	125
	230	0
CASH AND CASH EQUIVALENT		
Cash and Bank Balances as per Note 17	603	373
Less: Deposits under lien	248	248
Cash and cash equivalents at the end of the year	355	125

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 6, 2016

For and on behalf of the Board of Directors

Rahul Pandit

Managing Director & CEO

DIN:00003036

Manish Jain

Chief Financial Officer

Somya Agarwal

Company Secretary

Rakesh Sarna

Chairman

DIN:01875340

Anil P. Goel

Director

DIN:00050690

Notes forming part of the financial statements as at and for the year ended March 31, 2016

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. RCL envisages creating a chain of no-frill hotels for the Indian market currently, and the international market in the near future. "Smart Basics" is a philosophy of providing intelligent thought-out facilities and services at a 'value' pricing. Currently, the Company has 34 hotels including 6 hotels on management contracts across various geographical locations in India. The Company is also managing one transit quarter .

2. Significant Accounting Policies

2.1 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. The financial statements have been prepared on an 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.

2.2 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 recognised in the period in which the results are known / materialised.

2.3 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 recognised 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 Recognised Employees' Provident Fund scheme paid/payable during the year is recognised 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.

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 recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised 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 recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. 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 recognised based on the likely entitlement thereof.

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (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. EndUser 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 recognised, 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 forming part of the financial statements as at and for the year ended March 31, 2016 (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 recognised 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 forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)

k) Government Grants:

Government grants are recognised 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 recognised 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 forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)
Note 3 : Share Capital
₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Authorised		
Equity Shares		
10,00,00,000 Equity Shares of ₹ 10/- each	10,000	10,000
Preference Shares		
1,50,00,000 Preference Shares of ₹ 100/- each	15,000	15,000
Total	25,000	25,000
(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	8,597	8,597
Total	8,597	8,597

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2016		March 31, 2015	
	Equity Shares		Equity Shares	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	8,59,67,320	8,597	8,59,67,320	8,597
Shares outstanding at the end of the year	8,59,67,320	8,597	8,59,67,320	8,597

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	As at March 31, 2016		As at March 31, 2015	
	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 had an option but not the obligation to subscribe such number of Equity Shares as is equal to the aggregate consideration of upto ₹ 10,000 Lakhs on or before December 31, 2015, or such other date as may be mutually agreed between parties provided that the Company requires an amount equivalent to the consideration and such requirement is a part of business plan.

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)
Note 4 : Reserves and Surplus

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Securities Premium Account		
Opening Balance	25,467	25,467
Add : Premium on Shares issued during the year	-	-
Less: Share Issue Expenses	-	-
Closing Balance	25,467	25,467
(b) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance	(4,518)	(4,658)
Add: Profit/(Loss) for the year	(1,109)	140
Closing Balance	(5,627)	(4,518)
Total	19,840	20,948

Note 5 : Long Term Borrowings

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
Term loan		
From bank		
Secured	9,180	7,160
Less: Current Maturities of Long term loan(Refer Note No. 10)	(480)	(480)
Total	8,700	6,680

- a) Loan of ₹ 7,500 Lakhs carrying interest rate of 10% 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 has created a charge in April 2016 by way of hypothecation and mortgage of 4 hotel properties and fixed assets contained therein.
- b) Loan of ₹ 1,680 Lakhs carrying interest rate of 9.70% p.a. payable at monthly rests is repayable in equal quarterly installments of ₹ 120 Lakhs 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

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
Contractor's Retention Money	140	54
Total	140	54

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

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity (Refer Note No. 31)	60	52
Total	60	52

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)

Note 8: Short Term Borrowings

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Deposits		
Unsecured		
Inter Corporate Deposits from Related Parties (Refer Note 32)	200	400
Total	200	400

Note 9 : Trade Payables

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables		
Payable to Vendors	1,667	1,436
Accrued Expenses	800	810
Total	2,467	2,246

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 said Act.

Note 10: Other Current Liabilities

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Current maturities of long-term debt (Refer Note No. 5)	480	480
(b) Interest accrued but not due on borrowings	77	29
(c) Advances collected from customers	269	303
(d) Other Payables		
Statutory Dues	154	145
Payables related to Capital Projects	169	73
Payable to Holding Company	2	4
Contractors Retention Money	20	34
Security Deposits Received	70	63
Other Payables (Refer Note ii)	378	262
Total	1,619	1,393

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 dues to Employees ₹ 334 Lakhs (Previous Year ₹ 231 Lakhs)

Note 11: Short Term Provisions

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Contribution to Provident & Other Funds		
(a) Gratuity (Refer Note No. 31)	2	7
(b) Compensated absences	78	78
Total	80	85

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)
Note 12 : Fixed Assets (Tangible and Intangible)
₹/Lakhs

Particulars		Gross Block				Accumulated Depreciation and Impairment				
		As at April 1, 2015	Additions / Adjustments	Deductions/ Adjustments	As at March 31, 2016	As at April 1, 2015	Charge for the year	Impairment losses recognised in Statement of Profit and Loss	Deductions	As at March 31, 2016
TANGIBLE ASSETS										
1. Freehold Land	CY	1,139	-	-	1,139	-	-	-	-	
	PY	1,139	-	-	1,139	-	-	-	-	-
2. Leasehold Land	CY	1,001	22	-	1,023	122	16	-	-	138
	PY	1,001	-	-	1,001	106	16	-	-	122
3. Buildings										
a. Hotel Building (Refer notes 1 and 2)	CY	11,444	40	3	11,481	1,470	190	-	0	1,660
	PY	11,422	33	11	11,444	1,283	188	-	1	1,470
b. Improvements to leasehold buildings	CY	11,731	198	17	11,912	1,776	391	447	2	2,612
	PY	11,538	223	30	11,731	1,381	395	-	0	1,776
Total Buildings	CY	23,175	238	20	23,393	3,246	581	447	2	4,272
	PY	22,960	256	41	23,175	2,664	583	-	1	3,246
4. Plant, Machinery & Data Processing Equipments (Refer note 3)	CY	9,776	428	265	9,939	3,614	677	53	192	4,152
	PY	9,528	398	150	9,776	3,048	695	-	129	3,614
5. Furniture and Fixtures (Refer note 3)	CY	2,837	88	95	2,830	1,419	201	20	79	1,561
	PY	2,808	66	37	2,837	1,234	207	-	22	1,419
6. Office Equipment	CY	40	-	4	36	32	2	-	3	31
	PY	40	-	-	40	26	6	-	-	32
Sub-Total	CY	37,968	774	384	38,360	8,433	1,477	520	276	10,154
	PY	37,476	720	229	37,968	7,078	1,507	-	152	8,433
INTANGIBLE ASSET										
1. Computer Software	CY	1,101	133	5	1,229	346	112	-	2	456
	PY	945	150	(6)	1,101	209	101	-	(36)	346
Sub-Total	CY	1,101	133	5	1,229	346	112	-	2	456
	PY	945	150	(6)	1,101	209	101	-	(36)	346
Total	CY	39,069	909	389	39,589	8,779	1,589	520	278	10,610
	PY	38,421	870	222	39,069	7,287	1,608	-	116	8,779

1. Buildings include ₹ 4,460 Lakhs (Previous Year 4,460 Lakhs) constructed on leasehold land.

2. Capital Grants amount to ₹ 351 Lakhs (Previous Year ₹ 351 Lakhs) relating to certain Hotel projects has been reduced from the Gross value of Fixed Assets.

3. Impairment includes provision for Impairment for assets for Ludhiana Hotel Property

ROOTS CORPORATION LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)

Note 13 : Long Term Loans and Advances

₹/Lakhs

Unsecured, considered good

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Capital Advances	656	569
	656	569
(b) Security Deposit		
(i) Long Term Deposits for Hotel properties	2,594	2,254
(ii) Other Deposits	264	229
	2,858	2,483
(c) Prepaid Expenses		
Unsecured, considered good	34	23
(d) Advance Income Tax		
Net of Provision ₹ 43 Lakhs (Previous Year ₹ 43 Lakhs)	621	425
	655	448
Total	4,169	3,500

Note 14 : Non-Current Assets

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
Unamortised Borrowing Costs *	18	18
Margin Money Deposits (Refer Note No. 17)	8	8
Deposits pledged with Bank (Refer Note No. 17)	240	240
Loans and Advances to employees	112	-
Total	378	266

* Represents expenses on loans amortised over the period of the loan

Note 15: Inventories (At Lower of Cost and Net Realisable Value)

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
Stores and Operating Supplies	158	280
Total	158	280

Note 16: Trade Receivables

₹/Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
Trade receivables		
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	436	189
Considered Doubtful	37	65
Less: Provision for doubtful debts	(37)	(65)
	436	189
Others:		
Unsecured, considered good	1,377	1,223
	1,377	1,223
Total	1,813	1,412

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)
Note 17: Cash and Cash Equivalents

₹/Lakhs

Particulars

	As at March 31, 2016	As at March 31, 2015
--	-------------------------	-------------------------

Cash and Cash equivalents

(a) Cash on Hand	10	17
(b) Cheques, Drafts on hand	1	-
(c) Balance with Banks in Current Accounts	344	108
Total	355	125

Other Balances with Banks

Margin Money Deposits	8	8
Deposits pledged with Bank	240	240
Total	248	248

Total Cash & Bank Balances

	603	373
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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)

	(248)	(248)
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Total

	355	125
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Note 18: Short term Loans and Advances

₹/Lakhs

Unsecured, considered good
Particulars

	As at March 31, 2016	As at March 31, 2015
--	-------------------------	-------------------------

a. Loans and Advances to related parties (Refer Note No. 32)	6	-
b. Prepaid Expenses	157	201
c. Balances with government authorities		
Service Tax Receivable	72	27
d. Advance to Suppliers	490	371
e. Loans and Advances to employees	67	5
Total	792	604

Note 19: Other Current Assets

₹/Lakhs

Particulars

	As at March 31, 2016	As at March 31, 2015
--	-------------------------	-------------------------

Others

Unamortised Borrowing Costs (Refer Note No.14)	5	4
Interest Accrued on Deposits	10	10
Contractually Reimbursable Expenses	10	-
Others	21	41
Total	46	55

Note 20 : Revenue from Operations

₹/Lakhs

Particulars

	For the year ended March 31, 2016	For the year ended March 31, 2015
--	---	---

Room Income	12,745	11,607
Food and Beverages Income	93	-
Management and operating fees	451	192
Rental Income	629	619
Others	240	155
Total	14,158	12,573

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)

Note 21 : Other Income

	₹/Lakhs	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income	31	25
Net Gain on sale of Current investments	9	2
Other Non-Operating Income		
Write back of Credit Balances	82	140
Miscellaneous Income	5	32
Net Gain on Foreign Currency Transactions and Translation	0	2
Total	127	201

Note 22: Food and Beverages Consumed

	₹/Lakhs	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Stock	-	-
Add: Purchases	43	-
	43	-
Less: Closing Stock	2	-
Food And Beverages Consumed	41	-

Note 23 : Employee Benefits Expense

	₹/Lakhs	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and Wages (Refer Note No. 30)	1,781	1,316
Deputed Staff Cost	24	18
Contribution to Provident and Other Funds	77	74
Retiring Gratuity	13	28
Staff Welfare Expenses	299	268
Total	2,194	1,704

Note 24 : Finance Costs

	₹/Lakhs	
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Expenses on Borrowings (Refer Note No. 30)	423	394
Other Borrowing Costs	4	2
Total	427	396

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)
Note 25 : Other Expenses

₹/Lakhs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Other Operating Expenses		
Linen and Room Supplies	450	366
Housekeeping Charges	618	541
Maintenance Charges	252	217
Power and Fuel	1,612	1,482
Water Charges	98	95
Repairs to Buildings	155	164
Repairs to Machinery	307	294
Repairs to Others	499	375
Linen, Uniform Washing & Laundry Expenses	442	429
Travel Agent's Commission	35	14
Collecting Agent's Commission	101	118
Cable / satellite TV Subscription	59	185
Security Charges	395	357
General Expenses		
Rent	2,646	2,428
License Fees	176	167
Rates and Taxes	251	237
Insurance	21	24
Advertising & Publicity	464	455
Printing & Stationery	64	71
Passage & Travelling (Refer Note No. 30)	118	108
Provision for Doubtful Debts	-28	26
Legal and Professional Fees	318	343
Loss on Sale of Fixed Assets	53	54
Telephone & Communications Expenses	193	175
Director's Sitting Fees	8	0
Bad Debts	53	7
Courier expenses	19	20
Other Miscellaneous Expenses	167	134
Payment to Auditors		
i. As Auditors'	43	32
ii. For Taxation matters	10	10
iii. For other Services	20	18
iv. For Reimbursement of Expenses	1	5
Total	9,620	8,951

Note 26 : Exceptional Items

₹/Lakhs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Provision for Impairment of Fixed Assets	520	-
Expensed off overheads capitalised on Projects	650	-
Expenditure on discontinued project charged off	353	-
Total	1,523	-

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)

Note 27 : Contingent Liabilities and Commitments (to the extent not provided for):

(a) Guarantees issued on behalf of the Company ₹ 67 Lakhs (Previous Year ₹ 67 Lakhs).

(b) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 2475 Lakhs (net of advances) (Previous year ₹ 3049 lakhs (net of advances)).

Note 28 : 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 recognised 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:

Particulars	₹/Lakhs	
	As at March 31, 2016	As at March 31, 2015
Deferred tax liability		
Depreciation on Fixed Assets	4,992	5,131
Total (A)	4,992	5,131
Deferred tax asset		
Employee Benefits	48	46
Others	13	22
Carry forward loss of Specified Business	2,940	2,905
Unabsorbed Depreciation (restricted)	1,991	2,158
Total (B)	4,992	5,131
Net deferred tax asset/ (liability) not recognised	-	-

Note 29 : (a) 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	₹/Lakhs	
	Current Year	Previous Year
Not Less than one Year	2,576	2,352
More than one Year but not later than five Year	10,738	10,053
More than five years	86,542	85,953

The minimum lease rentals charged to the Statement of Profit and Loss 2492 Lakhs (Previous Year: ₹ 2285 Lakhs).

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 ₹ 75 Lakhs (Previous Year: ₹ 59 Lakhs).

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)

Note 30 : Following expenses are disclosed in the Statement of Profit and Loss, at net of amounts capitalised for projects and recoveries made under management contract:

Particulars	₹/Lakhs	
	Current Year	Previous Year
Salaries and Wages	2,074	1,788
Less : Salary Capitalised	203	412
Less : Recoveries made under Management contracts	90	60
Salaries and Wages (Net)	1,781	1,316
Passage and Travelling	126	131
Less : Passage and travelling Capitalised	3	17
Less : Recoveries made under Management contracts	5	5
Passage and travelling (Net)	118	109
Interest Expenses	903	830
Less: Interest Capitalised	480	436
Interest Expenses (Net)	423	394

Note 31 : 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:

	₹/Lakhs	
	Gratuity(Un-funded)	
	Current Year	Previous Year
Expense recognized		
Current Service cost	14	11
Interest Cost	6	5
Actuarial Losses / (Gains)	(6)	7
Past Service costs	-	-
Total expenses	14	23
Change in the obligation		
Present value of Defined Benefit Obligation at the beginning of the year	59	45
Current Service Cost	14	11
Interest Cost	6	5
Actuarial Losses / (Gains)	(6)	7
Liabilities Assumed on Acquisition/(Settled on Divesture)	(0)	(7)
Benefits Paid	(10)	(3)
Present value of Defined Benefit Obligation at the end of the year	63	58

Actuarial Assumptions:

	Current Year	Previous Year
(i) Discount Rate	7.95%	8.00%
(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	Indian
	Assured Lives	Assured Lives
	Mortality	Mortality
	(2006-08)	(2006-08)
	Ultimate	Ultimate

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)

₹/Lakhs

Experience Adjustments	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16
Defined Benefit Obligation	42	43	45	59	62
Plan Assets					
Surplus/(Deficit)	(42)	(43)	(45)	(59)	(62)
Exp.Adj on Plan Liabilities	1	(9)	(0)	3	(6)
Exp.Adj on Plan Assets					

The estimates 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.

Further the gratuity liability in the financial statements includes amount of ₹ 19 Lakhs (Previous Year ₹ 15 Lakhs) transferred towards employees transferred to company for their past services.

The company has recognised the following amounts in Statement of Profit and Loss in respect of defined contribution schemes:

₹/Lakhs

Particulars	Current Year	Previous Year
Provident Fund	66	63
ESIC	11	11
Labour Welfare Fund	0	0

Note 32 : 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. Rahul Pandit was appointed as Managing Director on 22nd June 2015.

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)

The details of transactions with related parties are as follows:

Sr. No.	Description	₹/Lakhs	
		Current Year	Previous Year
I	The Indian Hotels Company Limited		
1.	Operating Fees	138	122
2.	Rent Paid	4	4
3.	Room Revenue	4	3
4.	Balance payables	2	4
II	TIFCO Holdings Limited		
1.	ICD's received	400	200
2.	ICD's repaid	400	-
3.	Interest Paid	18	-
4.	Interest accrued but not due	-	1
5.	Balance payables	200	200
III	United Hotels Limited		
1.	ICD's repaid	-	800
2.	Interest Paid	-	89
IV	PIEM Hotels Limited		
1.	ICD's repaid	-	2,250
2.	Interest Paid	-	250
3.	Interest accrued but not due	-	1
V	Benares Hotels Limited.		
1.	ICD's repaid	200	350
2.	Interest Paid	-	47
3.	Interest accrued but not due	-	2
4.	Balance payables	-	200
VI	Inditravel Pvt. Limited.		
1.	Rental Income	-	0
VII	Taj SATS Air Catering Ltd.		
1.	Balance Receivable	10	2
VIII	Mr. Rahul Pandit		
1.	Managerial Remuneration*	95	-
2.	Amount recoverable*	6	-
3.	Loans & Advances outstanding	94	-
IX	Mr. PK Mohankumar		
1.	Managerial Remuneration	-	104

* The Company is in the process of taking approval from the Central Government for the managerial remuneration. The amount of ₹ 6 lakhs is exceeding the managerial remuneration as calculated under Sec - 197 of the Companies Act, 2013. The same is held as trust, awaiting approval from Central Government.

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)

Note 33 : Value of imports (CIF value):

The CIF value of Capital Goods imported by the Company is ₹ 80 lakhs (Previous Year ₹ 84 lakhs)

Note 34 : (a) Earnings in Foreign Exchange from sale of rooms/food & beverages based on actual receipts amount to ₹ 91 lakhs. (Previous Year ₹ 199 Lakhs).

(b) Expenditure in Foreign Exchange towards Travel, Architectural services and commission amount to ₹ 138 Lakhs. (Previous Year ₹ 46 Lakhs).

Note 35 : 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 36 : The Company had invested ₹ 809 Lakhs (written down value 'Nil' as on 31st March, 2016 as the company has created Impairment provision of the WDV of ₹ 520 lakhs) 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 F&B, 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 ₹ 4,412 Lakhs towards arrear rentals, CAM charges and rental for period between August 2012 till October, 2038. Further, they have 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 & legal advice sought by the Company from senior lawyers, the Company feels that it has a strong case to recover the investment /damages from the owner & it also intends to file a suit for damages against the owner. In view of the above, the Company does not expect either any loss on account of the amount invested in the property nor any legal liability to arise for claims raised by Mr. Sunil Gupta, the purported owner.

Note 37 : Earnings Per Share (EPS):

Earnings per share is calculated by dividing the net profit/ loss attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars	Current Year	Previous Year
(a) Profit/(Loss) after Tax (₹/Lakhs)	(1,109)	140
(b) Profit/(Loss) after Tax (attributable to equity shareholders) (₹/Lakhs)	(1,109)	140
(c) Equity Shares at the year end (Nos.)	860	860
(d) Weighted Average no. of equity shares outstanding during the year (Nos.)	860	860
(e) Earning per share – Basic/Diluted (₹)	(1.29)	0.16
(f) Nominal Value per Share (₹)	10	10

Notes forming part of the financial statements as at and for the year ended March 31, 2016 (Contd.)

Note 38 : The Company has reassessed the useful lives of its tangible fixed assets during the previous 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 believed 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, was lower by ₹ 82 lakhs as compared to the useful lives estimated in earlier periods.

Note 39 : The Company has regrouped / reclassified the previous year figures in accordance with the requirements applicable in the current year.

For and on behalf of the Board of Directors

Rahul Pandit
Managing Director & CEO
DIN:00003036

Rakesh Sarna
Chairman
DIN:01875340

Manish Jain
Chief Financial Officer

Anil P. Goel
Director
DIN:00050690

Somya Agarwal
Company Secretary

Mumbai, May 6, 2016

DIRECTORS AND CORPORATE INFORMATION

TIFCO HOLDINGS LIMITED

Board of Directors

Mr. Anil P. Goel Chairman

Mr. R. H. Parekh

Mr. Rajeev Newar

Audit Committee

Mr. Anil Goel Chairman

Mr. R. H. Parekh

Mr. Rajeev Newar

Director & Company Secretary

Mr. R. H. Parekh

CFO & 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 38th Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2016:

FINANCIAL RESULTS

Particulars	2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
Income	1,794.29	1,602.46
Expenditure	18.92	34.46
Profit before Tax	1,775.37	1,568.00
Less : Provision For Tax	120.00	109.11
Profit after Tax for the year	1,655.37	1,458.89
Earning per Equity share in ₹		
Basic	2.04	1.79
Diluted	2.04	1.79

REVIEW OF BUSINESS OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Income for the year under review increased by 12% from ₹ 16.02 crores in the previous year to ₹ 17.94 crores in the current year. The Profit after tax increased by 13% from ₹ 14.59 crores in the previous year to ₹ 16.55 crores 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.

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. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

DIVIDEND

Your Directors declared an interim dividend of 10% (₹ 1 per Ordinary Share), involving an outflow of ₹ 8.15 crores excluding dividend distribution tax of ₹ 1.66 crores. The interim dividend was paid in June, 2015. No final dividend has been recommended for the year ended March 31, 2016.

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 are given in the notes to the Financial Statements.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company currently has two Associate Companies i.e. Kaveri Retreats and Resorts Limited and Taj Karnataka Hotels & 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 companies in Form AOC-1 is attached to the financial statements of the Company.

DIRECTORS

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

The Company is required to appoint Independent Directors who are suitably qualified, experienced and well versed in financial matters and whose appointment would be within the limit for the number of directorships prescribed under the Companies Act, 2013. Considering these requirements, the Company is still in the process of appointing Independent Directors on the Board of the Company. However, the Company has now short listed certain persons who can be appointed as Independent Directors and who may be willing to act as Independent Directors of the Company. It is expected that the appointments would be finalised shortly.

RE-APPOINTMENT OF MANAGER

Mr. Zubin M. Mehta was initially appointed as Manager of the Company for a period of three years with effect from May 1, 2013 up to April 30, 2016. Accordingly, the Board of Directors re-appointed Mr. Zubin M Mehta as a Manager of the Company as well as the CFO of the Company for a period of five years with effect from May 1, 2016 upto and including April 30, 2021.

BOARD MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the Financial Year 2015-16, a total of five Board Meetings were held on April 24, 2015, May 21, 2015, September 7, 2015, October 30, 2015 and February 26, 2016 out of which Mr. Anil P. Goel, Mr. Rajeev Newar and Mr. R. H. Parekh attended Two, Five and Four meetings respectively. The intervening gap between the meetings did not exceed the period prescribed under the Companies Act, 2013.

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. During the Financial Year 2015-16, a total of three Committee Meetings were held on May 21, 2015, October 30, 2015 and February 26, 2016 out of which Mr. Anil P. Goel, Mr. Rajeev Newar and Mr. R. H. Parekh attended Two, Five and Four meetings respectively.

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. During the Financial Year 2015-16, one Meeting was held on October 30, 2015 which was attended by Mr. Anil P. Goel and Mr. Rajeev Newar.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility 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 Corporate Social Responsibility Committee covers the areas mentioned under Section 135 of the Act, besides other terms as may be referred to by the Board of Directors of

your Company. During the Financial Year 2015-16, one Meeting was held on February 26, 2016 which was attended by all the Directors.

The Company is a part of the Taj Group which has historically been voluntarily spending on a variety of community initiatives and CSR activities, including but not limited to distribution of food to local charities / orphanages, setting up skill training centres, providing support & training to less privileged & marginalised youth, donations to support community education etc. However, some of the Group's voluntary expenditure does not strictly qualify as CSR under the interpretation of the Companies Act, 2013 and thus although the Company has developed and adopted a CSR Policy, it has not spent the amounts prescribed. Various options of spending, including tying up with other companies are being examined for the future.

Statutory Auditor

The Statutory Auditor retires at the ensuing Annual General Meeting of the Company and is eligible for re-appointment. The Statutory Auditor has confirmed its eligibility under the provisions of Sections 139 and 141 of the Act and the Rules framed there under for re-appointment as Auditor of the Company.

The Audit Committee and Board recommend the re-appointment. The Members are requested to re-appoint M/s. Patel & Deodhar, Chartered Accountants (Registration No. 107644W) as the Statutory Auditor of the Company for the financial year 2016-17 and authorize the Board of Directors to fix the remuneration.

Secretarial Auditor

Mr. Shreepad Korde, Company Secretary in Practice, was appointed as the Secretarial Auditor for the Financial Year 2015-16. The Secretarial Audit Report received by the Company is annexed herewith as Annexure A.

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. An 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 regular basis.

BUSINESS 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 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.

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 B.

HUMAN RESOURCES

During the year under review, the Company did not have any employees drawing salary requiring disclosure in terms of Section 134 of the Companies Act, 2013, read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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 Companies Act, 2013
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.

DIRECTOR'S RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to the provisions of Section 134 of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, hereby confirms that for the financial year ended March 31, 2016:

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, 2016 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.

On behalf of the Board of Directors

Mumbai, May 9, 2016

Anil Goel
Chairman
DIN: 00050690

Registered Office:
Mandlik House,
Mandlik Road,
Mumbai 400 001
CIN: U65910MH1977PLC019873
Tel. No.: 022 6639 5515
Fax No.: 022 6137 1717

ANNEXURE A

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2016

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),(CIN U65910MH1977PLC019873)having its registered office at Mandlik House,Mandlik Road,Mumbai-400001.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,2016,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, 2016,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 there under
- iii) The Depositories Act,1996 and the regulations and Bye laws framed there under.
- iv) Foreign Exchange Management Act,1979 and the rules and regulations made there under 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 there under 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 it is not applicable.

I have examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India for meetings held after July 1, 2015. During the period 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 constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the year under review.

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. There were no dissenting directors' views.

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 9th May, 2016.

Shreepad M. Korde
Company Secretary
A.C.S.- 563- CP-1079.

ANNEXURE A to my Report of even date.

1. The Company has identified and short-listed the names of Independent directors and is in the process of appointing them in due course. As such no meetings of Independent Directors were held during the year.
2. The Related Party contracts are approved by the Board of directors/Audit Committee as per the Company's policy framework.
3. The Company has appointed Key Managerial Persons as required under the law during the year.
4. The present constitution of the Board of Directors is in tune with the provisions of the Articles of Association.
5. The Directors' Report including the Directors' Responsibility statement for the year 2015-16 cover all the aspects prescribed under the Companies Act, 2013.
6. 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 and has followed the directions of Reserve Bank of India from time to time.

Place: Mumbai
Dated 9th May, 2016.

Shreepad M. Korde
Company Secretary
A.C.S.- 563- CP-1079.

ANNEXURE B**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2016

[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:

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	-

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)
3	Taj Karnataka Hotels & Resorts Limited Taj West End, PO 5330, 23, Race Course Road, Bangalore 560 001	U85110KA1995PLC017192	Associate	21.15	2 (6)

TIFCO HOLDINGS LIMITED

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 01.04.2015)				No. of Shares held at the end of the year (i.e 31.03.2016)				% 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.	-	8,15,00,000	8,15,00,000	100	-	8,15,00,000	8,15,00,000	100	-
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) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Category of Shareholders	No. of Shares held at the beginning of the year (i.e 01.04.2015)				No. of Shares held at the end of the year (i.e 31.03.2016)				% 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 01.04.2015)		Cumulative Shareholding during the year (i.e 31.03.2016)	
		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)	Total Amount
1)	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,22,000	2,22,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL
2)	Stock Option	NIL	NIL
3)	Sweat Equity	NIL	NIL
4)	Commission	NIL	NIL
	- as % of profit		
	- others, specify		
5)	Others, please specify	NIL	NIL
	Total (A)	2,22,000	2,22,000
	Ceiling as per the Act @ 5% of profits calculated under Section 198 of the Companies Act, 2013 ₹ 88,87,932		

B. Remuneration to other directors:
Non Executive Directors

Sl. no.	Particulars of Remuneration	Name of Director	Total Amount
1)	Fee for attending board / committee meetings	NIL	NIL
2)	Commission	NIL	NIL
3)	Other, please specify	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
3)	Sweat Equity	NIL	NIL
4)	Commission	NIL	NIL
	- as % of profit		
	- others, specify		
5)	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 (Penalties / Punishment/ Compounding Of Offences)			NIL		
B. Directors (Penalties / Punishment/ Compounding Of Offences)					
C. Officer in Default (Penalties / Punishment/ Compounding Of Offences)					

On behalf of the Board of Directors

Mumbai, May 9, 2016

Anil Goel
Chairman
DIN: 00050690

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 comprises the Balance Sheet as at March 31, 2016, 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 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 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. 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, 2016, 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, 2016 ("CARO 2016") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure-A, 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. There are no branch offices of the company
 - d. Company's Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and returns;
 - e. 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 as amended to date;
 - f. There are no financial transactions or matters which have adverse effect on functioning of the Company.
 - g. On the basis of written representations received from the Directors as on 31st March 2016 none of the Directors is disqualified as at 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
 - h. There are no qualifications, reservations or adverse remarks relating to maintenance of accounts and other matters connected therewith
 - i. With respect to adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure-B; and
 - j. With respect to the other matters as prescribed in 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:
 - i. Company has disclosed Contingent Liability relating to pending litigations in Note 12 viz-
 - a. Contingent Liability of ₹ 104.30 lakh, as explained in the Note 12.
 - b. The company has filed an appeal before CIT (Appeals) against Income Tax demand of ₹ 98,01,800 for AY 2012-13. Having regard to the grounds of appeals, the Company has disclosed this as a Contingent Liability in Note 12.
 - c. The Company has filed a Request for Rectification of mistake, against Notice of demand of ₹ 70,04,690 for AY-2013-14. The company has not disclosed this as a Contingent Liability in the Standalone Financial Statements as the Company expects that the rectification will be carried out.
 - ii. The Company did not have any long term contracts including derivative contracts having 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 during the year.

For Patel and Deodhar
Chartered Accountants
Firm Registration No. 107644 W
Deepa M. Bhide
Partner
Membership No.49616
Mumbai, 9th May, 2016

Annexure - A to the Independent Auditor's Report on the Standalone Financial Statements of Report of TIFCO Holdings Limited

[Referred to in paragraph 5(1) of our report of even date]

1. (a) Company has maintained proper records showing full particulars including quantitative details and situation of its leasehold land and buildings. [Clause 3(i)(a)]
- (b) Company has Fixed Assets in the form of Building and Leasehold land. It carries out physical inspection of Land at regular intervals generally once in 3 years. There were no material discrepancies noticed during the year in such verifications.[Clause 3(i)(b)]
- (c) Mutation of Title to Buildings in favour of the Company is in process (Refer Note 7 to Standalone Financial Statements). Building is constructed on land leased by Mumbai Port Trust and the lease period expired in 2000. Company has filed a Writ Petition in High Court of Mumbai on 15th January, 2013 for granting right of renewal of Lease and matter is sub-juiced. [Clause 3(i)(c)]
2. Company does not carry/ have any inventory and hence this clause is not applicable to the Company. [Clause 3(ii)]
3. Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act and hence clauses relating to such loans given are not applicable. [Clause 3(iii)(a)(b)(c)]
4. Company has not given any loans, guarantees and security and thus provisions of section 185 of the Act are not applicable. Company is a NBFC and hence provisions of Section 186 of the Act are not applicable to the Company. [Clause 3(iv)]
5. Company has not accepted any deposits from its members. Therefore, directives issued by RBI in this regard, provisions of section 73 to 76 or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. [Clause 3(v)].
6. Company is not engaged in production of any goods or providing any services and hence provisions of Section 148 of the Act relating to maintenance of cost records is not applicable to the Company. [Clause 3(vi)]
7. (a) The Company, to the extent applicable to it, was 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 were no arrears of outstanding statutory dues as at the last day of the financial year 2015-16 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, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, or Value Added Tax which are unpaid as of 31st March, 2016 except income tax demand of ₹ 98.02 lakh for AY 2012-13 for which Company has filed an appeal before CIT (Appeals). Further, the Company has filed a Request for Rectification of mistake, against Notice of demand of ₹ 70,04,690 for AY-2013-14. The Company has not disclosed this as a Contingent Liability in the Standalone Financial Statements as the Company expects that the rectification will be carried out. [Clause 3(vii)(b)]
8. Company has not taken any loans or borrowing from Financial Institutions, Banks, Government or Debenture holders and hence this clause is not applicable to the Company. [Clause 3(viii)]
9. Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence this clause is not applicable to the Company. [Clause 3 (ix)]
10. To the best of our knowledge and belief and according to the information and explanations given and from records made available to us, there was no fraud by the Company or on the Company by its Officers or Employees which was noticed or reported during the year. [Clause 3(x)]
11. Managerial Remuneration was paid in accordance with requisite approvals mandated under section 197 of the Act read with Schedule V of the Act. [Clause 3(xi)]

12. Company is not a Nidhi Company and hence this clause is not applicable to the Company. [Clause 3(xii)]
13. All Related Party Transactions (RPTs) are in compliance with Section 188 of the Act, to the extent applicable. However, relating to compliance with Section 177 of the Act, the Audit Committee approving the RPTs is in the process of being reconstituted including majority of Independent Directors. Details of all RPTs have been disclosed in Financial Statements as required by the applicable Accounting Standards. [Clause 3(xiii)]
14. Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence this clause is not applicable to the Company. [Clause 3(xiv)]
15. Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable [Clause 3(xv)].
16. Company is required to obtain registration under section 45IA of Reserve Bank of India Act, 1934 and has obtained required registration.[Clause 3(xvi)]
17. Having regard to our report on clauses under Para 3 of the Order given above, reporting under Para 4 is not applicable except for our comment in case of Clause 13 above. As confirmed and explained by the Management of the Company, Company is in the process of appointing independent directors on the Board of the Company after which Audit Committee will be reconstituted including majority of Independent Directors pursuant to Section 177 of the Act.

For Patel and Deodhar
Chartered Accountants
Firm Registration No. 107644 W
Deepa M. Bhide
Partner
Membership No.49616
Mumbai, 9th May, 2016

Annexure - B to the Independent Auditor's Report on the Standalone Financial Statements of TIFCO Holdings Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") [Referred to in paragraph 5(2) (i) of our report of even date]

We have audited the internal financial controls over financial reporting of TIFCO Holdings Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I / we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

For Patel and Deodhar
Chartered Accountants
Firm Registration No. 107644 W
Deepa M. Bhide
Partner
Membership No.49616
Mumbai, 9th May, 2016

Balance Sheet as at March 31, 2016

	Note no.	As at March 31, 2016 ₹ lakhs	As at March 31, 2015 ₹ lakhs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	8,150.00	8,150.00
Reserves and Surplus	4	15,532.39	14,857.94
Money received against share warrants		-	-
		<u>23,682.39</u>	<u>23,007.94</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	30.06	14.94
Short term provisions		-	-
		<u>30.06</u>	<u>14.94</u>
TOTAL		<u>23,727.45</u>	<u>23,037.88</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	89.23	91.67
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
		<u>89.23</u>	<u>91.67</u>
Non-current investments	8	16,141.80	16,141.80
Deferred tax assets (net)		-	-
Long-term loans and advances		-	-
Other non-current assets		-	-
		<u>16,231.03</u>	<u>16,233.47</u>
Current assets			
Current investments	9	622.73	2,482.94
Inventories		-	-
Trade receivables		-	-
Cash and cash equivalents	10	30.99	5.62
Short-term loans and advances	11	6,842.70	4,315.85
Other current assets		-	-
		<u>7,496.42</u>	<u>6,804.41</u>
TOTAL		<u>23,727.45</u>	<u>23,037.88</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
Membership No. 49616
Mumbai, 9 May 2016

For and on behalf of the Board

R. H. Parekh
Director & Company Secretary
(DIN: 01942405)

Zubin M. Mehta
CFO & Manager

Anil P. Goel
Director
(DIN: 00050690)

Rajeev Newar
Director
(DIN: 00468125)

Profit and Loss Statement for the year ended March 31, 2016

	Note no.	2015-16 ₹ lakhs	2014-15 ₹ lakhs
Revenue from Operations	13	1,732.88	1,497.58
Other income	14	61.41	104.88
Total Revenue		1,794.29	1,602.46
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	15	2.22	0.42
Finance costs		-	-
Depreciation and amortization expense	7	2.44	2.52
Other expenses	16	14.26	31.52
Total expenses		18.92	34.46
Profit before exceptional and extraordinary items and tax		1,775.37	1,568.00
Exceptional items		-	-
Profit before extraordinary items and tax		1,775.37	1,568.00
Extraordinary Items		-	-
Profit before tax		1,775.37	1,568.00
Tax expense:			
Current Tax		120.00	110.00
Deferred Tax		-	-
Short Provision of Tax of earlier years		-	(0.89)
Total Tax		120.00	109.11
Profit (Loss) for the period from continuing operations		1,655.37	1,458.89
Profit / (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinuing operations (after tax)		-	-
Profit (loss) for the period		1,655.37	1,458.89
Earnings per equity share in ₹			
Basic		2.04	1.79
Diluted		2.04	1.79

Notes to the Financial Statements

1-18

As per our report attached

For Patel & Deodhar
Chartered Accountants
FRN - 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616
Mumbai, 9 May 2016

For and on behalf of the Board

R. H. Parekh
Director & Company Secretary
(DIN: 01942405)

Zubin M. Mehta
CFO & Manager

Anil P. Goel
Director
(DIN: 00050690)

Rajeev Newar
Director
(DIN: 00468125)

Cash Flow Statement for the year ended 31 March, 2016

	2015-16 ₹ lakhs	2014-15 ₹ lakhs
A Operating activities		
1 Profit before tax	1,775.37	1,568.00
2 Add: Non-Cash items		
a) Depreciation / Amortization	2.44	2.52
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)
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	(62.15)	11.71
b) Increase / (Decrease) in Sundry Creditors and other payables	15.12	(47.03)
6 Cash generated from Operations	1,730.78	1,592.06
7 Less: Direct taxes paid (net)	(114.70)	(147.35)
8 Net Cash from Operating activities	1,616.08	1,444.71
B Investing activities		
1 Investments made / Share application monies paid	(4,359.23)	(568.33)
2 Sale / (Purchase) of Fixed Assets	-	(0.85)
3 Investments sold / redeemed	6,219.44	4.34
4 (Increase) / Decrease in loans / deposits placed	(2,470.00)	(428.00)
5 Net Cash from Investing activities	(609.79)	(992.84)
C Financing activities		
1 Increase / (Decrease) in deposits / loans from:		
a) Holding Company	-	-
b) Others	-	-
2 Dividend Paid (including tax on dividend)	(980.92)	(476.75)
3 Net Cash from Financing activities	(980.92)	(476.75)
D Net increase / (decrease) in cash and cash equivalents	25.37	(24.88)
E Opening Cash balance as at 1 April	5.62	30.50
F Closing Cash balance as at 31 March	30.99	5.62

As per our report attached

For Patel & Deodhar
Chartered Accountants
FRN - 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616
Mumbai, 9 May 2016

For and on behalf of the Board

R. H. Parekh
Director & Company Secretary
(DIN: 01942405)

Zubin M. Mehta
CFO & Manager

Anil P. Goel
Director
(DIN: 00050690)

Rajeev Newar
Director
(DIN: 00468125)

Notes to Financial Statements for year ended March 31, 2016

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

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, 2016		As at March 31, 2015	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised:				
Equity shares of ₹ 10 each	<u>9,00,00,000</u>	<u>9,000</u>	<u>9,00,00,000</u>	<u>9,000</u>
Issued, Subscribed and Paid-up:				
Equity shares of ₹ 10 each	<u>8,15,00,000</u>	<u>8,150</u>	<u>8,15,00,000</u>	<u>8,150</u>

Particulars	Equity Shares	
	Number	₹ in lakhs
Shares outstanding at the beginning of the year	<u>8,15,00,000</u>	<u>8,150.00</u>
Shares outstanding at the end of the year	<u>8,15,00,000</u>	<u>8,150.00</u>

All the above shares are held by The Indian Hotels Company Limited.

4. Reserves and Surplus

	As at March 31, 2016 ₹ in lakhs	As at March 31, 2015 ₹ in lakhs
Reserve Fund (In terms of Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	3,910.00	3,610.00
Add: Transfer from Profit and loss statement	<u>332.00</u>	<u>300.00</u>
Closing Balance	<u>4,242.00</u>	<u>3,910.00</u>
Surplus		
Opening Balance	10,947.94	10,265.80
Add: Net profit for the current year	1,655.37	1,458.89
Less: Interim Dividends paid for the current year	(815.00)	(407.50)
Less: Tax on Interim Dividends	(165.92)	(69.25)
Less: Transfer to Reserve fund	<u>(332.00)</u>	<u>(300.00)</u>
Closing Balance	<u>11,290.39</u>	<u>10,947.94</u>
Total	<u>15,532.39</u>	<u>14,857.94</u>

5. Long Term Provisions

	As at March 31, 2016 ₹ in lakhs	As at March 31, 2015 ₹ in lakhs
Others		
Contingent Provisions against Standard Assets [Made pursuant to 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
Total	<u>15.00</u>	<u>15.00</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

6. Other Current Liabilities

	As at March 31, 2016 ₹ in lakhs	As at March 31, 2015 ₹ in lakhs
Income received in advance		
From Tenants	0.03	0.07
Other payables / provisions		
To Related Parties	25.45	-
To Micro Small & Medium Enterprises	-	-
To Others	4.58	4.51
	30.03	4.51
Provision for Corporate Social Responsibility	-	10.36
Total	30.06	14.94

7. Fixed Assets

Fixed Assets													
Sr #	Particulars of Assets	Gross Block				Depreciation / Amortization						Net Block	
		As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	On Opening balance	Additions	Deductions	For the year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
1	Leasehold Land	7.24	-	-	7.24	3.15	0.27	-	-	0.27	3.42	3.82	4.09
		6.39	0.85	-	7.24	2.80	0.28	0.07	-	0.35	3.15	4.09	3.59
2	Building (See Note 2 below)	130.01	-	-	130.01	42.43	-	-	-	2.17	44.60	85.41	87.58
		130.01	-	-	130.01	40.26	-	-	-	2.17	42.43	87.58	89.75
	Totals	137.25	-	-	137.25	45.58	0.27	-	-	2.44	48.02	89.23	91.67
	Previous year	136.40	0.85	-	137.25	43.06	0.28	0.07	-	2.52	45.58	91.67	93.34

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 in process.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

8. Non-current Investments

	Sub Note	Face Value ₹	As at March 31, 2016		As at March 31, 2015	
			Holding	Book Value	Holding	Book Value
			Nos.	₹ in lakhs	Nos.	₹ in lakhs
A Trade Investments						
a Quoted Equity Shares						
i Fellow Subsidiaries						
1 Benaras Hotels Ltd		10	3,50,825	196.98	3,50,825	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 Fellow Subsidiaries						
1 Inditravel Pvt Ltd		10	99,005	9.90	99,005	9.90
2 Piem Hotels Ltd		10	9,78,010	2,875.05	9,78,010	2,875.05
3 Taj Enterprises Ltd		100	15,298	23.40	15,298	23.40
4 Taj Trade and Transport Co Ltd		10	3,62,999	53.33	3,62,999	53.33
5 United Hotels Ltd		10	21,01,680	39.40	21,01,680	39.40
				3,001.08		3,001.08
ii Associates						
1 Kaveri Retreats & Resorts Pvt Ltd	(e) & (f)	10	82,35,293	2,800.00	82,35,293	2,800.00
iii Others						
1 MPower Information Systems Pvt Ltd		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
Total Trade Investments				16,191.58		16,191.58
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

Notes to the Financial Statements year ended 31 March 2014 (contd)

8. Non-current Investments

	Sub Note	Face Value ₹	As at March 31, 2016		As at March 31, 2015	
			Holding Nos.	Book Value ₹ in lakhs	Holding Nos.	Book Value ₹ in lakhs
(b) Unquoted Equity Shares						
i Others						
Hindusthan Engineering & Industries Ltd	(d)	10	7	*	7	*
Total Other Investments				<u>0.02</u>		<u>0.02</u>
C Total Investments (A + B)				<u>16,191.60</u>		<u>16,191.60</u>
D Less: Provision for diminution in value of investments				<u>49.80</u>		<u>49.80</u>
E Total				<u>16,141.80</u>		<u>16,141.80</u>
F SUB-NOTES:						
(a) Aggregate of Quoted Investments:						
Cost				2,360.80		2,360.80
Market Value				7,134.12		7,885.37
(b) Aggregate of Unquoted Investments:						
Cost				13,830.80		13,830.80
(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

Current Investments		As at	
		As at	
	Units nos.	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Investments in Mutual Funds at cost			
1	Unquoted		
(a)	JM High Liquidity Fund - Dividend Option	-	1,040.89
(b)	Franklin India Treasury Mgt Account - Super IP - DDR	-	1,442.05
(c)	HDFC Liquid Fund - Dividend - Daily Reinvest	14,860	-
(d)	ICICI Prudential Liquid Fund - Regular Plan - DDR	4,10,924	-
Total		622.73	2,482.94

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

10. Cash and Cash equivalents

	As at March 31, 2016 ₹ in lakhs	As at March 31, 2015 ₹ in lakhs
1 Balance with banks in current accounts	30.98	5.62
2 Cheques, Drafts on hand	-	-
3 Cash on hand	0.01	*
Total	30.99	5.62

(* Amounts below ₹ 500/-)

11. Short term Loans and Advances

	As at March 31, 2016 ₹ in lakhs	As at March 31, 2015 ₹ in lakhs
1 Loans and advances to related parties		
(a) Unsecured, considered good	1,500.00	1,535.00
2 Other Loans and advances		
(a) Unsecured, considered good	5,184.00	2,679.00
(b) Interest due from related parties	32.09	0.65
(c) Interest due from other companies	62.26	31.52
(d) Other Advances	0.03	0.06
Total '2'	5,278.38	2,711.23
3 Advance payment of taxes (Net of Provisions)	64.32	69.62
Total	6,842.70	4,315.85

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

	As at March 31, 2016 ₹ in lakhs	As at March 31, 2015 ₹ in 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 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	98.02
Total	202.32	202.32

13. Revenue from Operations

	2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
1 Dividend income from Long-term Investments	1,127.11	920.90
2 Dividend income from other Current Investments	111.55	120.61
3 Interest received on Inter-corporate deposits	494.22	456.07
Total	1,732.88	1,497.58

Notes to Financial Statements for year ended March 31, 2016 (Contd.)**14. Other Income**

	2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
1 Rent and related income	51.05	45.15
2 Interest received on Income tax refunds.	-	59.73
3 Provision written back	10.36	-
Total	61.41	104.88

15. Employee Benefits Expense

	2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
1 Remuneration to Manager	2.22	0.42

16. Other Expenses

	2015-16 ₹ lakhs	2014-15 ₹ lakhs
1 Payments to auditor :		
(a) as auditor	2.86	2.81
(b) for taxation matters	0.87	0.84
(c) for other services	0.34	0.48
	4.07	4.13
2 Professional fees and charges	3.13	9.47
3 Loss on sale of investments (net)	-	0.67
4 Lease rent	6.14	5.90
5 Expenditure on Corporate Social Responsibility	-	10.36
6 Other expenses	0.92	0.99
Total	14.26	31.52

17. Minimum Alternate Tax

Credit for minimum Alternate Tax available to the Company as at the Balance sheet date amounts to ₹ nil (Previous year ₹ 0.76 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

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

19. Related party disclosures:

(a) Related parties and their relationship

Holding Company

The Indian Hotels Company Limited

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.]

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
 ELEL Hotels and Investments Limited
 Ihoco BV
 Inditravel Limited
 International Hotel Management Services LLC
 KTC Hotels Limited
 Lands End Properties Pvt Limited
 Luthria and Lalchandani Hotel and Properties Pvt Limited
 Northern India Hotels Limited
 Piem Hotels Limited
 Piem International (H.K.) Limited
 Premium Aircraft Leasing Corporation Limited
 (ceased w.e.f. 10 February 2016)
 Roots Corporation Limited
 Samsara Properties Limited
 Sheena Investments Pvt Ltd
 Skydeck Properties and Developers Pvt Ltd
 St. James Court Hotel Limited
 Taj Enterprises Limited
 Taj International Hotels (H.K.) Limited
 Taj International Hotels Limited
 Taj SATS Air Catering Limited
 Taj Trade and Transport Company Limited
 United Hotels Limited
 United Overseas Holdings Inc

Key Management Personnel

Board of Directors
 CFO & Manager

Notes to Financial Statements for year ended March 31, 2016 (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	(35.00)	1,300.00
Current account dues	25.45	25.45	-	-	-	-
Interest received on ICDs placed	-	-	18.02	-	144.08	32.09
Rent received	52.71	-	-	-	-	-
Dividend paid	815.00	-	-	-	-	-
Manager's remuneration	-	-	-	-	2.22	-
Previous 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	-

As per our report attached

For Patel & Deodhar
Chartered Accountants
FRN - 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616
Mumbai, 9 May 2016

For and on behalf of the Board

R. H. Parekh
Director & Company Secretary
(DIN: 01942405)

Zubin M. Mehta
CFO & Manager

Anil P. Goel
Director
(DIN: 00050690)

Rajeev Newar
Director
(DIN: 00468125)

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

Part "B": Associates and Joint Ventures

Name of Associates/Joint Ventures		Kaveri Retreats & Resorts Limited		Taj Karnataka Hotels & Resorts Limited	
1.	Latest audited Balance Sheet Date	31/03/2016		31/03/2016	
2.	Shares of Associate/Joint-Ventures held by the company on the year end	No.		5,98,740	
	Amount of Investment in Associates/Joint-Venture	82,35,293		59,87,400	
	Extend of Holding %	27,99,99,962		21.15%	
3.	Description of how there is significant influence	40.23%		Company holds more than 20%	
4.	Reason why the associate/joint-venture is not consolidated	Company holds more than 20%		Tifco is exempted from consolidating its books.	
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	Tifco is exempted from consolidating its books.		Tifco is exempted from consolidating its books.	
6.	Profit / Loss for the year	14,37,91,715		(1,37,14,937)	
i.	Considered in Consolidation				
ii.	Not Considered in Consolidation	2,83,66,135		80,863	

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

R. H. Parekh Director & Company Secretary (DIN: 01942405)	Anil P. Goel Director (DIN: 00050690)
Zubin M. Mehta CFO & Manager	Rajeev Newar Director (DIN: 00468125)

DIRECTORS AND CORPORATE INFORMATION

TAJ SATS AIR CATERING LIMITED

Board of Directors

Mr. Rakesh Sarna	Chairman
Mr. M. S. Kapadia	Vice Chairman
Mr. Anil P. Goel	Director
Mr. Thomas Ching Chun Fong	Director (appointed w.e.f January 22, 2016)
Mr. Cho Wee Peng	Director (appointed w.e.f January 22, 2016)
Mr. Goh Siang Han	Director (appointed w.e.f April 28, 2016)
Ms. Gita Nayyar	Independent Director (appointed w.e.f July 27, 2015)
Ms. Vibha Paul Rishi	Independent Director (appointed w.e.f September 14, 2015)
Mr. Prabhat Pani	Executive Director (resigned w.e.f December 30, 2015)
Mr. Wong Hong	Director (resigned w.e.f March 30, 2016)
Mr. Chang Seow Kuay	Director (resigned w.e.f July 27, 2015)
Mr. Ferry Chung	Director (resigned w.e.f July 27, 2015)

Management

Mr. Sagar Dighe	Chief Operating Officer
Mr. Sudeep Pal	Chief Financial Officer
Mr. Sanjeev Gujral	Manager
Ms. Neha Khanna	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, Tel.: 022 66395515 Fax: 022 22027442

Corporate Office

International Airport Approach Road,
Sahar, Andheri (East), Mumbai – 400099
Tel.: 022 28393692 Fax: 022 28302066, Website: www.tajsats.com

DIRECTORS REPORT

TO THE MEMBERS,

The Directors are pleased to present the Fifteenth Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2016.

FINANCIAL RESULTS:

	₹ lakhs	
Particulars	2015-16	2014-15
Income	32,112.38	26,696.18
Less: Operating costs	30,235.95	24,864.31
Gross Operating Profit	1,876.43	1,831.87
Less: Depreciation and amortization expense	1,086.30	1,083.75
Less: Finance costs	19.32	19.33
Profit before tax and before exceptional items	770.81	728.79
Exceptional Items	354.57	-
Profit before tax	1,125.38	728.79
Tax expense / (benefit)		
Current tax expense	210.23	124.05
MAT credit	(105.23)	(124.05)
Short / (Excess) provision for tax relating to prior years	1.00	(189.72)
Deferred tax expense/(credit)	101.00	5.22
Net tax expense / (credit)	207.00	(184.50)
Profit after tax	918.38	913.29
Basic & Diluted Earnings Per Share (₹)		
(Face Value = ₹ 10/-)	5.28	5.25

OPERATING RESULTS

The business climate in FY 15-16 remained challenging with no scheduled international airlines operating into India accompanied with intense competition amongst the flight caterers vying for each other's customers. Though there were substantial increases in business sourced from domestic airlines in comparison to the previous year, the rising operating costs eroded margins, as many airlines continued to decline annual rate increase. The high dependency on domestic carriers resulted in volatile operating environment with the airlines shifting their business between in-flight caterers from time to time.

RESERVES:

The Company proposes to carry ₹ 20,811.78 lakhs to reserves.

TAJ SATS AIR CATERING LIMITED

INCOME:

Income for the year was ₹ 32,112.38 lakhs which was more than the previous year by ₹ 5416.20 lakhs, an increase of 20.29%. This increase in-flight catering income was primarily on account of increased business sourced from major domestic airlines.

PROFIT / (LOSS):

The Profit before Tax of the Company for the year ended March 31, 2016 was ₹ 1,125.38 lakhs as against a Profit of ₹ 728.79 lakhs recorded during the previous year. The profit before tax for the year under review was boosted by one time non recurring extraordinary income of ₹ 354.57 lakhs on account on refund of electricity duty pertaining to previous periods.

FINANCE:

During the year under review, the Company had utilized Cash Credit / short term overdraft facility of ₹ 19.96 lakhs from State Bank of Patiala, HDFC Bank and others. The Company held Cash and cash equivalents balances of ₹ 463.30 lakhs as at March 31, 2016. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were continuously monitored to ensure operational efficiency.

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, 2016.

SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on March 31, 2016 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, 2016, none of the Directors of the Company hold shares of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company is a Joint Venture between SATS Ltd holding 49 % and The Indian Hotels Company Limited (IHCL) holding 51% of the Share Capital of the Company, thereby making IHCL its Holding Company. The Company does not have any Subsidiary or Associate Company.

BOARD OF DIRECTORS:

In accordance with the Companies Act, 2013 (Act) and the Articles of Association of the Company, Mr. Anil P. Goel and Mr. Rakesh Sarna, 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.

The Board of Directors had appointed Ms. Gita Nayyar and Ms. Vibha Paul Rishi as Additional Directors of the Company for a term of five years with effect from July 27, 2015 and September 14, 2015 respectively, subject to the approval of the Members. In terms of Section 161 of the Act, read with Article 72 of the Articles of Association of the Company, they hold office as Additional Directors up to the date of the forthcoming Annual General Meeting of the Company, but are eligible for appointment as Directors. The Company has received Notices under Section 160 of the Act, from a Member of the Company proposing their candidatures for the office of the Directors of the Company at the forthcoming AGM of the Company.

Ms. Gita Nayyar and Ms. Vibha Paul Rishi are Non-Executive Directors and considered as Independent under the Act. As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Ms. Gita Nayyar and Ms. Vibha Paul Rishi have given declarations to the Board that they meet the criteria of independence as provided under Section 149 of the Act. The Company would greatly benefit from the appointment of Ms. Gita Nayyar and Ms. Vibha Paul Rishi. The Board in view of their diverse experience commends their appointment as Directors of the Company and Resolution No. 5 and 6 of the accompanying Notice for acceptance of the Members.

Mr. Cho Wee Peng, Mr. Ching Chun Fong and Mr. Goh Siang Han were appointed as Additional Directors of the Company with effect from January 22, 2016, January 22, 2016 and April 28, 2016 respectively. Mr. Cho Wee Peng, Mr. Ching Chun Fong and Mr. Goh Siang Han hold office up to the date of the forthcoming Annual General Meeting of the Company and are eligible for appointment. Taking into consideration their knowledge and experience, the Board commends their respective appointment as Directors of the Company to its Members. The Members' approval for their respective appointment as Directors of the Company has been sought in the Notice convening the Annual General Meeting of the Company.

Mr. Prabhat Pani, Whole time Director of the Company had resigned w.e.f. December 30, 2015. Mr. Ferry Chung, Director of the Company had resigned w.e.f July 27, 2015. Mr. Chang Seow Kuay, Director of the Company had resigned w.e.f July 27, 2015 and Mr. Wong Hong, Director of the Company had resigned w.e.f March 30, 2016. The Board places on record its appreciation for the valuable services rendered and enormous contribution extended by Mr. Prabhat Pani, Mr. Ferry Chung, Mr. Chang Seow Kuay and Mr. Wong Hong to the Company during their tenure as Directors

KEY MANAGERIAL PERSONNEL:

Ms. Neha Khanna, Company Secretary, Mr. Sudeep Pal, CFO and Mr. Sanjeev Gujral, Manager were appointed by the Board of Directors as the Key Managerial Personnel as per the Act.

Mr. Prabhat Pani resigned as Executive Director w.e.f. December 30, 2015 and Mr. Sanjeev Gujral was appointed as Manager-Key Managerial Personnel as per the Act w.e.f February 1, 2016.

BOARD MEETINGS:

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, four Board Meetings were held and the intervening gap between the Meetings was within the period prescribed under the Act. The Board Meetings were held on: April 27, 2015, July 27, 2015, October 22, 2015 and January 22, 2016.

AUDIT COMMITTEE:

The Audit Committee currently comprises of Mr. Anil P. Goel, Ms. Vibha Paul Rishi and Ms. Gita Nayyar as its Members. 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.

The Board has accepted all the recommendations of the Audit Committee of the Company.

During the year, four Audit Committee Meetings were held on April 27, 2015, July 27, 2015, October 22, 2015 and January 22, 2016.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee (NRC) of the Company currently comprises of Mr. Rakesh Sarna, Mr. Cho Wee Peng, Ms. Gita Nayyar and Ms. Vibha Paul Rishi, 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. During the year, one NRC Meeting was held on January 22, 2016.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to the provisions of Section 135 of the Act the Company has constituted a Corporate Social Responsibility Committee comprising of Mr. Mehernosh Kapadia, Mr. Ching Chun Fong and Ms. Vibha Paul Rishi, 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 incurred in previous financial years, the Company was unable to spend any amounts towards Corporate Social Responsibility activities.

EXTRACT OF 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.

STATUTORY 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 authorize the Board of Directors to fix their remuneration.

The report of the Statutory Auditors along with the Notes to Schedules is enclosed to this report and does not contain any qualification, reservation or adverse remark or disclaimer.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Neville Daroga, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report of the Company 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 improved operating results for the year under review. To retain its leadership in the in-flight catering business, the Company continues to innovate and customizes its human resource (HR) strategy to meet changing operational requirements and employee needs.

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.

The Internal Complaints 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.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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. The statement is supported by a Certificate from the 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 NRC 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 POLICY:

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.

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.

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.

FIXED DEPOSIT:

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Act 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 Act are given in the Notes to the Financial Statements.

DIRECTORS' RESPONSIBILITY STATEMENT:

Based on the existing system of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

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

- (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, 2016 and of the profit of the Company for that period;

TAJ SATS AIR CATERING 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;
- (v) it has laid down internal financial controls for the Company which are adequate and are operating effectively; and
- (vi) it has 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 that 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

Rakesh Sarna

Chairman

(DIN: 01875340)

Mumbai, April 28, 2016

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN : U55204MH2001PLC133177
Tel.: 91 22 66395515 Fax: 91 22 22027442
Website: www.tajsats.com

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

as at the financial year ended on March 31, 2016

[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)

TAJ SATS AIR CATERING 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				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 ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 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

(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 Shareholding 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

TAJ SATS AIR CATERING LIMITED

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	1.76	159.77	-	161.53
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	1.76	159.77	-	161.53
Change in Indebtedness during the financial year				
i) Addition	18.20		-	18.20
ii) Reduction		(159.77)		(159.77)
Net Change	18.20	(159.77)	-	(141.57)
Indebtedness at the end of the financial year				
i) Principal Amount	19.96	-	-	19.96
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	19.96	-	-	19.96

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	Mr. Sanjeev Gujral	Total Amount
1)	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	86,20,065	37,19,304	1,23,39,369
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,49,580	6,94,058	8,43,638
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2)	Stock Option	Nil	Nil	Nil
3)	Sweat Equity	Nil	Nil	Nil
4)	Commission	Nil	Nil	Nil
	- as % of profit			
	- others, specify			
5)	Others, please specify			
	Total (A)	87,69,645	44,13,362	1,31,83,007

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
	1. Independent Directors	Gita Nayyar	Vibha Paul Rishi	3,00,000
	i) Fee for attending board / committee meetings	1,50,000	1,50,000	
	ii) Commission			
	iii) Others, please specify			
	2. Other Non-Executive Directors			
	i) Fee for attending board / committee meetings			
	ii) Commission			
	iii) Others, please specify			
	Total (B)=(1+2)	1,50,000	1,50,000	
	Total Managerial Remuneration	1,50,000	1,50,000	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. Sudeep Pal, CFO	Mr. Neha Khanna, Company Secretary	Total
1)	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55,85,175	6,21,743	62,06,918
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	59,120	34,901	94,021
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil	Nil
2)	Stock Option	Nil	Nil	Nil
3)	Sweat Equity	Nil	Nil	Nil
4)	Commission	Nil	Nil	Nil
	- as % of profit			
	- others, specify...			
5)	Others, please Specify	Nil	Nil	Nil
6)	Total	56,44,295	6,56,644	63,00,939

TAJ SATS AIR CATERING 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	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

Rakesh Sarna

Chairman

(DIN: 01875340)

Mumbai, April 28, 2016

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.

Annexure B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2016

[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,
Taj SATS Air Catering Limited
Mandlik House, Mandlik Road,
Mumbai -400001

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and adherence to good corporate practices of your Company M/s. Taj SATS Air Catering Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us 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 our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2016, 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;
- (vi) 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, subject to the following observations:

The Company has appointed Independent Directors during the year under review, however we have been informed by the Company that the Independent Directors being appointed in the second half of the year are yet to conduct their Meeting as required under the Act.

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, Committee 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:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / Amalgamation / Reconstruction, etc.
- (v) Foreign Technical Collaborations

FOR NEVILLE DAROGA & ASSOCIATES

(Neville K. Daroga)
ACS No.8663
C.P No. 3823

Place: Mumbai
Date: April 28, 2016

INDEPENDENT AUDITOR'S 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 31st March, 2016, 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 prescribed under section 133 of the Act, as applicable.

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 and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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. 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, 2016, 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 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 prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)

Mumbai, April 28, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1.f under 'Report on Other Legal and Regulatory Requirements of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Taj SATS Air Catering Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali

Partner

(Membership No. 105828)

Mumbai, April 28, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (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 once in 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, none of the fixed assets were physically verified by the Management during the year. As there were no physical verification carried out during the year, the comment relating to material discrepancy is not applicable.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and building	Whether Title of property is in name of Company	Gross Amount (as at 31st March 2016)	Net Amount (as at 31st March 2016)	Remarks
Freehold land located at Mumbai having effective plot area of 11888.43 sft.	No	₹ 2,658,096	₹ 2,658,096	The title deeds are in the name of Indian Hotels Company Limited (holding company of the Company) from whom the asset was transferred to the Company based on Business Transfer Agreement
Freehold land and building located at Amritsar wherein land admeasuring 3 Kanal 16 Marla	Yes (Under Dispute)	Freehold Land at ₹ 19,472,766 Building at ₹ 46,521,501	Freehold Land at ₹ 19,472,766 Building at ₹ 32,694,188	There is a dispute on the land title based on the claim made by Gram Panchayat. The dispute is pending for hearing before Civil Judge Senior Division Amritsar. In respect of such dispute, the Company has represented that the title deed in its name for the aforesaid immovable properties and that it will be able to defend any counter claims to such property.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted loans, unsecured, to companies 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, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from public.

TAJ SATS AIR CATERING LIMITED

- (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 has not been specified 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:
- 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, Cess and other material statutory dues applicable to it to the appropriate authorities and the Company was not required to pay Duty of Customs 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.
 - 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, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ In lakh)
West Bengal Sales Tax Act, 1994	Commercial Tax	Deputy Commissioner of Commercial Taxes	2002-03	1.44
West Bengal Sales Tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2006-07	82.52
West Bengal Sales Tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2008-09	3.92
West Bengal Sales Tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2010-11	14.60
West Bengal Sales Tax Act, 1994	Commercial Tax	The West Bengal Commercial Taxes Appellate and Revisional Board	2011-12	8.43
Karnataka Sales Tax Act, 1957	Commercial Tax	Additional Commissioner of Commercial Taxes (Enforcement)	2013-14	13.00
Maharashtra VAT Act, 2002	Value Added Tax	Deputy Commissioner of Sales Tax	2004-05	149.51
Maharashtra VAT Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax-V	2009-10	71.57
Finance Act, 1994	Service Tax	Office of the Commissioner of service Tax, Delhi - III	2003-2004 to 2011-2012	282.73
Finance Act, 1994	Service Tax	Office of the Commissioner of service Tax, Delhi - III	2012-2013	180.58
Finance Act, 1994	Service Tax	Office of the Commissioner of service Tax, Delhi - III	2013-2014	126.62
Finance Act, 1994	Service Tax	Office of the Commissioner of service Tax, Delhi - III	2014-2015	130.28
			TOTAL	1,065.21

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to 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 and government. The Company has not issued any debentures.

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year except in case of fraudulent payment made by an employee of the company for ₹ 3.45 lakh.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali

Partner

(Membership No. 105828)

Mumbai, April 28, 2016

TAJ SATS AIR CATERING LIMITED

Balance Sheet as at March 31, 2016

	Notes	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,740.00	1,740.00
Reserves and Surplus	4	20,811.78	19,893.40
		22,551.78	21,633.40
Non-current liabilities			
Deferred Tax Liabilities (Net)	5	2,802.95	2,701.95
Long term provisions	6	418.85	354.69
		3,221.80	3,056.64
Current liabilities			
Short-term borrowings	7	19.96	161.53
Trade payables	8		
Micro enterprises and small enterprises		23.69	17.46
Other trade payables		4,200.28	3,494.90
Other current liabilities	9	1,380.49	1,350.57
Short-term provisions	10	935.13	859.02
		6,559.55	5,883.48
		32,333.13	30,573.52
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		9,088.62	9,291.52
Intangible assets		7,852.61	7,911.65
Capital work-in-progress		224.10	133.84
		17,165.33	17,337.01
Long-term loans and advances	12	3,253.77	2,744.58
		20,419.10	20,081.59
Current assets			
Current investments	13	471.25	2,524.76
Inventories	14	417.47	428.31
Trade receivables	15	7,921.99	6,845.83
Cash and bank balances	16	463.30	339.22
Short-term loans and advances	17	2,618.36	347.79
Other current assets	18	21.66	6.02
		11,914.03	10,491.93
		32,333.13	30,573.52
See the accompanying notes forming part of the financial statements	1-37		

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)

Rakesh Sarna
Chairman
DIN :01875340

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Anil P. Goel
Director
DIN :00050690

Mohammed Bengali
Partner
(Membership No. 105828)
Mumbai, April 28, 2016

Sudeep Pal
Chief Financial Officer

Neha Khanna
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2016

	Notes	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Revenue from operations (gross)	19	31,937.64	25,845.18
Less. Excise Duty		95.33	87.47
Revenue from operations (net)		31,842.31	25,757.71
Other Income	20	270.07	938.47
Total Revenue		32,112.38	26,696.18
Expenses			
Food & beverages consumed	21	10,796.80	8,366.33
Employee benefits expense	22	11,854.47	9,797.06
Finance costs	23	19.32	19.33
Depreciation and amortisation	11	1,086.30	1,083.75
Other operating and general expenses	24	7,584.68	6,700.92
Total expenses		31,341.57	25,967.39
Profit Before Exceptional Items and Tax		770.81	728.79
Exceptional Items	25	354.57	-
Profit Before Tax		1,125.38	728.79
Tax expense / (benefit)			
(a) Current tax expenses		210.23	124.05
(b) MAT credit		(105.23)	(124.05)
(c) Short / (Excess) provision for tax relating to prior years		1.00	(189.72)
(d) Net current tax expense / (credit)		106.00	(189.72)
(e) Deferred tax expense	5	101.00	5.22
Net tax expense / (credit)		207.00	(184.50)
Profit for the year		918.38	913.29
 Earnings per share -			
Basic and Diluted - (₹)	35	5.28	5.25
Face Value per Ordinary share - (₹)		10.00	10.00

See the accompanying notes forming part of the financial statements

1-37

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)

Rakesh Sarna
Chairman
DIN :01875340

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Anil P. Goel
Director
DIN :00050690

Mohammed Bengali
Partner
(Membership No. 105828)
Mumbai, April 28, 2016

Sudeep Pal
Chief Financial Officer

Neha Khanna
Company Secretary

Cash Flow Statement for the year ended March 31, 2016

	Notes	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before tax		1,125.38	728.29
Adjustments for :			
Depreciation and amortisation expenses		1,086.30	1,083.75
Loss/(Profit) on sale / disposal of fixed assets (net)		(17.38)	13.18
Liabilities / provisions no longer required written back		(49.14)	(320.22)
Provision for doubtful debts / advances		55.37	19.66
Bad debts written off		2.20	-
Provision for Employee Benefits		140.30	244.78
Dividend income from current investments		(140.58)	(124.26)
Interest income		(52.58)	(483.76)
Finance Cost		19.32	19.33
Operating Profit before Working Capital changes		2,169.19	1,181.25
<i>(Increase) / Decrease in :</i>			
Trade receivables		(1,133.74)	(490.25)
Long term loans & advances		31.48	(88.50)
Short term loans & advances		(70.60)	(104.51)
Inventories		10.83	(99.99)
Other Current assets		(0.50)	-
<i>(Decrease) / Increase in :</i>			
Trade payables		711.62	557.37
Other current liabilities		94.08	413.05
Other long term liabilities		-	(7.67)
		(356.83)	179.50
Cash Generated from Operations		1,812.36	1,360.75
Net income taxes (paid) / refunds		(541.70)	974.07
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)		1,270.66	2,334.82
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of fixed assets (including advances for capital expenditure)		(1,068.64)	(1,056.38)
Inter corporate deposit		(2,200.00)	-
Proceeds on sale/disposal of fixed assets		51.43	54.17
Purchase of current investments in Mutual funds		(1,540.58)	(3,424.26)
Sale proceed of current investments in Mutual funds		3,594.08	900.00
Restricted bank balances paid		(35.71)	(3.87)
Dividend income from current investments		140.58	124.26
Interest received		37.45	483.76
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)		(1,021.39)	(2,922.32)

Cash Flow Statement for the year ended March 31, 2016

	Notes	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Repayment of other short-term borrowings		(141.58)	(278.17)
Finance cost		(19.32)	(19.33)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)		(160.90)	(297.50)
 NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		88.37	(884.99)
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		282.58	1,167.57
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		370.95	282.58
 Reconciliation of Cash and Cash Equivalents with the Balance Sheet			
Cash and bank balances as per Note 16		463.30	339.22
Less:- Restricted bank balances		92.35	56.64
Cash and cash equivalents at the end of the year		370.95	282.58

See the accompanying notes forming part of the financial statements 1-37

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)

Rakesh Sarna
Chairman
DIN :01875340

Mehernosh Kapadia
Vice Chairman
DIN :00050530

Anil P. Goel
Director
DIN :00050690

Mohammed Bengali
Partner
(Membership No. 105828)
Mumbai, April 28, 2016

Sudeep Pal
Chief Financial Officer

Neha Khanna
Company Secretary

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 maybe, 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

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.

Notes to Financial Statements for year ended March 31, 2016 (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.

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 (9 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 (2 to 6 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 (7 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.

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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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.

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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

(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.

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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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.

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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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, 2016 (Contd.)
Note 3 : Share capital

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ 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, 2016		As at March 31, 2015	
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, 2016		As at March 31, 2015	
Particulars	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Indian Hotels Company Ltd. ("IHCL") (includes 3 (as at March 31, 2015 - 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, 2016		As at March 31, 2015	
Name of Shareholder	No. of shares	% of Holding	No. of shares	% of Holding
SATS Ltd. (includes 2 (as at March 31, 2015 - 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, 2016 (Contd.)

Note 4 : Reserves and Surplus

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ 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	7,945.22	7,031.93
Add : Net Profit for the year	918.38	913.29
Closing balance as at the end of the year (C)	8,863.60	7,945.22
Total (A+B+C)	20,811.78	19,893.40

Note 5 : Deferred Tax Liabilities

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Deferred tax liability:		
Depreciation on tangible fixed assets and amortisation on intangible assets.	3,233.98	3,121.68
Total (A)	3,233.98	3,121.68
Deferred tax assets:		
Provision for doubtful debts and advances	76.71	57.31
Provision for employee benefits	354.32	354.71
Other timing differences	-	7.71
Total (B)	431.03	419.73
Net Deferred Tax Liability (A-B)	2,802.95	2,701.95

Deferred tax asset and deferred tax liability have been offset as they relate to same governing taxation laws.

Note 6 : Long Term Provisions

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Provision For employee benefits		
Gratuity	394.55	316.81
Superannuation	24.30	37.88
Total	418.85	354.69

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 7 : Short Term Borrowings

March 31, 2016	March 31, 2015
₹ in lakhs	₹ in lakhs

Loans repayable on demand
From banks

Secured -Working capital loans (Refer footnote below)	19.96	1.76
Unsecured	-	159.77

Total	19.96	161.53
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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 8 : Trade payables

March 31, 2016	March 31, 2015
₹ in lakhs	₹ in lakhs

Trade payables

Dues to micro and small enterprises (Refer footnote 1)	23.69	17.46
Dues to others (Refer footnote 2)	4,200.28	3,494.90
Total	4,223.97	3,512.36

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, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs

(a) Principal amount due to supplier, registered under the MSMED Act, as at the end of the year	23.69	17.46
(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 end of the accounting year	-	-
(f) The amount of further interest remaining due and payable in the succeeding years	-	-

- Included in Trade Payables (Dues to others) are Accrued Payroll ₹ 1,242.96 Lakh (March 31, 2015 ₹ 898.53 Lakh) and Accrued Expenses ₹ 390.98 Lakh (March 31, 2015 ₹ 457.91 Lakh)

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 09 : Other current liabilities

	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Other Liabilities		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	324.94	345.12
(ii) Advances from customers	247.50	266.56
(iii) Creditors for capital goods and services	93.82	108.86
(iv) Trade / security deposits received	51.43	49.43
(v) Airport Authority of India (AAI) Levy	507.48	409.63
(vi) Others (includes Inter company balances towards reimbursement of expenses)	155.32	170.97
Total	1,380.49	1,350.57

Note 10 : Short Term Provisions

	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Provision for employee benefits		
Compensated Absences	905.45	844.14
Superannuation	29.68	14.88
Total	935.13	859.02

TAJ SATS AIR CATERING LIMITED

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 11 : Fixed Assets

₹ in lakhs

	Gross Block					Accumulated Depreciation and Amortisation					Net Block
	Opening	Adjustment	Additions	Disposals	Closing	Upto	Adjustment	for the	on Disposals	Upto	as at
	as at 01.04.2015	to the Opening			as at 31.03.2016	31.03.2015	to the Opening	Year		31.03.2016	31.03.2016
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	27.46	-	1.96	-	29.42	128.60
	158.02	-	-	-	158.02	24.30	-	3.16	-	27.46	130.55
Buildings (own use)											
- On Leasehold land	3,509.74	-	81.11	-	3,590.85	1,818.31	0.24	202.10	-	2,020.65	1,570.20
	3,501.90		10.11	2.27	3,509.74	1,618.55	-	200.88	1.12	1,818.31	1,691.43
- On Freehold land	3,864.39	0.56	-	-	3,864.95	1,541.72	-	115.17	-	1,656.89	2,208.06
	3,860.92	-	3.47	-	3,864.39	1,426.77	-	114.95	-	1,541.72	2,322.67
Plant and Equipment	10,141.32	18.34	331.73	56.74	10,434.65	6,881.90	13.77	546.71	29.29	7,413.09	3,021.56
	10,110.82	-	159.66	129.16	10,141.32	6,341.79	-	604.98	64.87	6,881.90	3,259.42
Data processing equipment	312.39	(13.56)	25.69	-	324.52	243.43	(11.88)	18.04	-	249.59	74.93
	286.47	-	29.71	3.79	312.39	226.45	-	20.77	3.79	243.43	68.96
Furniture and Fixtures	375.18	(8.24)	7.35	4.94	369.35	257.79	(4.91)	15.19	1.38	266.69	102.66
	368.20	-	10.90	3.92	375.18	246.21	-	14.79	3.21	257.79	117.39
Office equipment	55.81	(0.24)	3.12	-	58.69	32.34	(0.05)	2.17	-	34.46	24.23
	54.11	-	2.96	1.26	55.81	30.75	-	2.15	0.56	32.34	23.47
Vehicles	3,256.71	-	409.43	156.01	3,510.13	1,929.98	-	125.61	152.95	1,902.64	1,607.49
	2,852.51	-	491.40	87.20	3,256.71	1,919.12	-	97.63	86.77	1,929.98	1,326.73
	22,024.45	(3.14)	858.43	217.69	22,662.05	12,732.93	(2.83)	1,026.95	183.62	13,573.43	9,088.62
	21,543.84	-	708.21	227.60	22,024.45	11,833.94	-	1,059.31	160.32	12,732.93	9,291.52
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	653.39	3.14	-	-	656.53	113.87	2.83	56.37	-	173.07	483.46
	114.06	-	539.33	-	653.39	92.41	-	21.46	-	113.87	539.52
Business Rights	44.90	-	-	-	44.90	20.68	-	2.98	-	23.66	21.24
	44.90	-	-	-	44.90	17.70	-	2.98	-	20.68	24.22
	8,046.20	3.14	-	-	8,049.34	134.55	2.83	59.35	-	196.73	7,852.61
	7,506.87	-	539.33	-	8,046.20	110.11	-	24.44	-	134.55	7,911.65
Total	30,070.65	0.00	858.43	217.69	30,711.39	12,867.48	-	1,086.30	183.62	13,770.16	16,941.23
	29,050.72	-	1,247.54	227.60	30,070.65	11,944.05	-	1,083.75	160.32	12,867.48	17,203.17
	-	-	-	-	-	-	-	-	-	-	-

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) 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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 12 : Long Term Loans and Advances

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
(Unsecured, considered good unless stated otherwise)		
Capital Advances	232.20	127.22
Security Deposits : Considered Good	325.85	359.96
: Considered Doubtful	1.16	1.16
Less : Provision for doubtful advances	(1.16)	(1.16)
	<u>325.85</u>	<u>359.96</u>
Advance Income Tax (Net of Provision ₹ 763.27 Lakh) (March 31, 2015 ₹ 2,008.25 Lakh)	2,444.89	2,115.14
MAT credit Entitlement	230.00	124.05
Fringe Benefit Tax (Net of Provision ₹ 94.13 Lakh) (March 31, 2015 ₹ 94.13 Lakh)	4.68	4.68
Prepaid Expenses	16.15	13.53
Total	<u>3,253.77</u>	<u>2,744.58</u>

Note 13 : Current Investments

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Non Trade Investments (lower of Cost and Fair value)		
Units (Unquoted) Fully Paid up		
TATA Liquid Fund Plan A - Daily Dividend - 33,305.316 units (March 31, 2015, 75,236.144 units) of face value ₹ 1000.	371.19	838.52
TATA Money Market Fund Plan A - Daily Dividend - Nil units (March 31, 2015, 83,498.668 units) of face value ₹ 1000	-	836.25
BSL Floating rate Fund - STP - Daily Dividend - Reinvestment - Nil units (March 31, 2015, 4,29,523.621 units) of face value ₹ 100.	-	429.61
BSL Cash Plus - Daily Dividend - Regular Plan - Reinvestment - 99,869.834 units (March 31, 2015, 4,19,059.244 units) of face value ₹ 100.	100.06	419.88
Investments in Government Securities		
Government Securities - 6 Year National Savings Certificate (Deposited as security with Kerala VAT Authority)	-	0.50
Cost of ₹ 0.50 lacs		
	<u>471.25</u>	<u>2,524.76</u>

Note 14 : Inventories

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Food and beverages	223.29	234.60
Stores and operating supplies	194.18	193.71
Total	<u>417.47</u>	<u>428.31</u>

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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 15 : Trade Receivables

March 31, 2016	March 31, 2015
₹ in lakhs	₹ in lakhs

Unsecured

Outstanding for a period exceeding six months from the date they are due for payment :

Considered good	545.71	268.31
Considered doubtful	226.28	170.91
	<u>771.99</u>	<u>439.22</u>

Others :

Considered good	7,376.28	6,577.52
	<u>7,376.28</u>	<u>6,577.52</u>

	8,148.27	7,016.74
	<u>(226.28)</u>	<u>(170.91)</u>

Less : Provision for Doubtful Debts

Total	<u><u>7,921.99</u></u>	<u><u>6,845.83</u></u>
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Note 16 : Cash and bank balances

March 31, 2016	March 31, 2015
₹ in lakhs	₹ in lakhs

Cash and Cash equivalents as defined in Accounting Standard (AS-3) on Cash Flow Statements

Cash on Hand	19.37	13.03
Cheques, drafts on hands	55.00	202.14

Bank Balances:

- Current Accounts	296.58	67.41
- Call and Short Term Deposit Accounts (with original maturity upto 3 months)	-	-
	<u>370.95</u>	<u>282.58</u>

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 ₹ 14.17 Lakh (As at March 31, 2015 : ₹ 29.93 Lakh)	92.35	56.64
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The Deposits include ₹ 45.05 Lakh (As at March 31, 2015: ₹ 42.47 Lakh) placed with various banks for issuance of bank guarantees and ₹ 14.17 Lakh (As at March 31, 2015: ₹ 14.17 Lakh) pledged with the Airport Authority of India.

	<u>92.35</u>	<u>56.64</u>
Total	<u><u>463.30</u></u>	<u><u>339.22</u></u>

Note 17 : Short Term Loans and Advances

March 31, 2016	March 31, 2015
₹ in lakhs	₹ in lakhs

(Unsecured, considered good unless stated otherwise)

Prepaid Expenses	139.16	114.69
Deposit with public bodies and others	31.55	12.66
Inter Corporate Deposits	2,200.00	-
Carried Over	<u><u>2,370.71</u></u>	<u><u>127.35</u></u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Brought Over	2,370.71	127.35
Other advances		
Considered good	247.65	220.44
Considered doubtful	4.57	4.57
	252.22	225.01
Less: Provision for doubtful advances	(4.57)	(4.57)
	247.65	220.44
Total	2,618.36	347.79

Footnote :

Inter Corporate Deposit placed with Taj Air Ltd. ₹ 800 Lakh (Previous Year - Nil) and Oriental Hotels Ltd. ₹ 1,400 Lakh (Previous year - Nil) for a period of 90 days starting March 14, 2016 bearing interest @11% per annum for working capital funding.

Note 18 : Other current assets

	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Investments in Government Securities	0.50	-
Government Securities - 6 Year National Savings Certificates (Deposited as security with Kerala VAT Authority) Cost of ₹ 0.50 Lakh		
Interest accrued on intercorporate deposits	11.93	-
Interest accrued on bank deposits	9.23	6.02
Total	21.66	6.02

Note 19 : Revenue from Operations

	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Sale of food and beverages	25,876.43	20,764.06
Sale of air catering and allied services	5,905.26	4,946.77
Other operating income		
- Sale of Empties & Others	137.57	122.68
- Management and operating fee received	18.38	11.67
Total	31,937.64	25,845.18

Note 20 : Other Income

	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Interest Income (includes ₹ 25.87 Lakh (Previous Year ₹ 468.89 Lakh) towards interest on income tax refund)	40.65	483.76
Interest accrued but not due on intercorporate deposits	11.93	-
Dividend income from current investments	140.58	124.26
Profit on sale of fixed assets	27.77	10.22
Miscellaneous Income : provisions / liabilities written back for earlier years	49.14	320.23
Total	270.07	938.47

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 21 : Food & Beverages Consumed

	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Opening stock	234.60	164.90
Add: Purchases	10,785.49	8,436.03
Less: Closing stock	223.29	234.60
Food & Beverages consumed	10,796.80	8,366.33

Particulars	March 31, 2016	%	March 31, 2015	₹ in lakhs	%
Imported	-	0.00%	-		0.00%
Indigenous Raw Material Consumed	10,796.80	100.00%	8,366.33		100.00%
Total	10,796.80	100.00%	8,366.33		100.00%

Note 22 : Employee Benefits Expenses

	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Salaries, Wages, Bonus etc.	6,697.39	5,799.87
Company's contribution to provident and other funds (Refer footnote i.)	349.55	388.56
Reimbursement of expenses on personnel deputed to the Company	302.42	165.27
Payment to contractors	3,128.06	2,302.39
Gratuity & other Retirement benefits	285.74	138.01
Compensated Absences	106.90	148.93
Staff welfare expenses	984.41	854.03
Total	11,854.47	9,797.06

- i. The Company has recognised the following amounts under the head "Company's Contribution to Provident Fund and Other Funds":

Particulars	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Provident Fund	147.99	172.30
Company's Contribution to Family Pension Scheme	172.29	129.56
Employee Deposit Linked Insurance	6.48	5.15
Superannuation Fund	22.79	81.55
Total	349.55	388.56

- 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 23 : Finance Costs

	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Interest expense - on working capital loan	19.32	19.33
Total	19.32	19.33

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 24 : Operating and General Expenses

i. Operating Expenses consists of the following :

	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Catering Supplies	1,246.46	983.88
Other Supplies	285.54	263.09
Fuel, Power & Light	2,612.14	2,574.65
Repairs to Buildings	202.60	125.67
Repairs to Machinery	228.77	205.66
Repairs to Others	344.33	382.87
Linen & Uniform Washing and Laundry Expenses	171.01	163.65
Commission to agents	87.21	81.67
Other Operating Expenses	605.61	412.93
Total	5,783.67	5,194.07

ii. General Expenses consists of the following :

	March 31, 2016	March 31, 2015
	₹ in lakhs	₹ in lakhs
Rent	216.91	218.18
Licence Fees	25.46	29.37
Rates & Taxes	422.90	305.12
Insurance	109.40	89.54
Advertising & Publicity	5.23	5.65
Printing & Stationery	97.39	70.71
Passage & Travelling	94.85	72.10
Provision for Doubtful debts and advances	55.37	19.66
Bad Debts	2.20	-
Professional Fees	497.02	471.62
Loss on Sale of Fixed Assets	10.39	19.98
Fixed Assets written off	-	3.42
Payment to Auditors :		
i. As Auditors	22.35	20.22
ii. As Tax Auditors	7.82	6.18
iii. For Taxation matters	-	-
iv. For Management Services	-	-
v. For Other Services	30.25	22.19
vi. For Reimbursement of expenses	0.56	0.56
Directors' Fees and Commission	6.30	-
Miscellaneous Expenses	196.61	152.35
Total	1,801.01	1,506.85
Total	7,584.68	6,700.92

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 25 : Exceptional Items

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Electricity duty refund	354.57	-
(Consists of credit received for earlier periods on account of Electricity Tariff and Electricity Duty due to change in classification from Commercial to Industrial user, aggregating ₹ 354.57 Lakh (net of consultancy charges of ₹ 45.68 Lakh).		
Total	354.57	-

Note 26 : 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 claims 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			₹ in Lakh
	Taxes	Interest and penalty	Total	Paid under protest
Service tax	720.21	-	720.21	-
	(463.31)	-	(463.31)	-
Excise Duty	-	-	-	-
	(681.34)	(681.34)	(1,362.68)	-
Sales tax and State value added taxes	213.32	131.68	345.00	4.94
	(263.11)	(131.98)	(395.09)	(4.94)
Profession Tax	3.92	1.67	5.59	1.60
	(3.92)	(1.67)	(5.59)	(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 Lakh (As at March 31, 2015: ₹ 9.17 Lakh) 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;

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

- (ii) the proceedings are in early stages;
- (iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;
- (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 27 : Commitments:

Estimated amount of contracts (net of advances) remaining to be executed on capital account ₹ 476.95 Lakh (As at March 31, 2015: ₹ 211.47 Lakh).

Note 28 : Operating Leases:

The Company has no lease arrangements (other than lease agreements to use lands) which are non-cancellable in nature.

Note 29 : Value of imports on CIF Basis:

Particulars	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Raw Materials	Nil	Nil
Capital Goods	187.02	60.84
Components & spare parts	16.86	14.80

Note 30 : Earnings in Foreign Exchange :

Particulars	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Earnings in Foreign Exchange:		
(On accrual basis)	6,946.26	7,429.86

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 31 : Expenditure in Foreign Currency:

Particulars	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Passage and Travelling	5.30	6.33

Note 32: 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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 33 : Employee Benefits

A. Defined Benefit Plans- As per Actuarial Valuation on 31st March, 2016

1. 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.

- i. Amount to be recognised in Balance Sheet and Movement in net liability :

Particulars	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Present Value of Unfunded Obligation	41.16	52.76

- ii. Expenses recognised in the Statement of Profit and Loss :

Particulars	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Current Service Cost	2.50	2.39
Interest on Defined Benefit Obligation	3.80	3.90
Net Actuarial Losses/(Gains) recognised during the year	(17.91)	6.43
Net expenses/(income) included in employee benefit expenses	(11.61)	12.72

- iii. Reconciliation of Benefit Obligation :

Particulars	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Opening Defined Benefit Obligation	52.76	40.04
Current Service Cost	2.50	2.39
Interest Cost	3.80	3.90
Actuarial (Gain)/Loss	(17.91)	6.43
Benefits Paid	Nil	Nil
Closing Defined Benefit Obligation	41.16	52.76

- iv. Experience Adjustments :

		₹ in Lakh				
		Year Ended				
		31 Mar 16	31 Mar 15	31 Mar 14	31 Mar 13	31 Mar 12
Defined Benefit	Obligation	41.16	52.76	40.04	70.36	64.00
	Deficit Experience	(41.16)	(52.76)	(40.04)	(70.36)	(64.00)
	Adjustment on Plan Liabilities	(19.37)	(1.39)	(34.29)	(8.55)	22.12

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

v. Summary of Actuarial Assumptions :

Particulars	As at 31.03.2016 (%)	As at 31.03.2015 (%)
Discount Rate	7.70	7.95
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

vi. Expected contribution

Particulars	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Contribution expected to be paid to the plan during the next financial year	16.86	14.86

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 :

Particulars	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Present Value of Funded Obligation	2,871.47	2,691.14
Fair value of Plan Assets	(2,476.92)	(2374.33)
Net (Asset)/Liability recognised in the Balance Sheet	394.55	316.81

ii. Expenses recognised in the Statement of Profit and Loss :

Particulars	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Current Service Cost	138.73	121.14
Interest on Defined Benefit Obligation	211.93	213.86
Expected Return on Plan Assets	(169.51)	(154.51)
Net Actuarial Losses/(Gains) recognised during the year	104.59	(42.48)
Net expenses included in payments to and provision of employees	285.74	138.01

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

iii. Reconciliation of Benefit Obligation :

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Opening Defined Benefit Obligation	2,691.14	2,391.18
Current Service Cost	138.73	121.14
Interest Cost	211.93	213.86
Actuarial (Gain) / Loss	66.17	188.11
Liability transferred in	-	-
Benefits Paid	(236.49)	(223.15)
Closing Defined Benefit Obligation	2,871.48	2,691.14

iv. Reconciliation of Fair Value of Plan Assets :

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Opening Fair Value of Plan Assets	2,374.33	2,197.91
Expected Return on Plan Assets	169.51	154.51
Actuarial Gain / (Loss)	(38.43)	230.59
Contributions by Employer	207.99	14.47
Assets transferred in	-	-
Benefits Paid	(236.49)	(223.15)
Closing Fair Value of Plan Assets	2,476.92	2,374.33

v. Actual Return of Plan Assets :

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Expected Return on plan assets	169.51	154.51
Actuarial gain / (loss) on plan assets	(38.43)	230.59
Actual return on plan assets	131.08	385.10

vi. Description of Plan Assets (Managed by an Insurance Company) :

	March 31, 2016 (%)	March 31, 2015 (%)
Government of India Securities	43	47
Corporate / Infrastructure Bonds	28	32
Equity	12	14
Others	17	7
Grand Total	100	100

vii. Experience Adjustments :

	Year Ended				₹ in lakhs
	31 Mar 16	31 Mar 15	31 Mar 14	31 Mar 13	31 Mar 12
Defined Benefit Obligation	2,871.48	2,691.14	2,391.18	2,391.75	2,014.27
Plan Assets	2,476.92	2374.33	2,197.91	2,150.55	1,872.78
(Deficit) / Surplus	(394.55)	(316.81)	(193.27)	(241.20)	(141.49)
Experience Adjustment on Plan Liabilities	13.74	(47.59)	199.33	52.04	1.73
Experience Adjustment on Plan Assets	(38.43)	230.59	(41.51)	65.25	(22.52)

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

viii. Summary of Actuarial Assumptions :

	March 31, 2016 (%)	March 31, 2015 (%)
Discount Rate	7.70	7.95
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.

ix. Expected Contribution :

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ 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, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Provident Fund	147.99	172.30
Company's contribution to Family Pension Scheme	172.29	129.56
Employee Deposit Linked Insurance	6.48	5.15
Superannuation Fund	22.79	81.55
Total	349.55	388.56

Note 34 : Related Party Transactions:

Holding Company	The Indian Hotels Company Limited (IHCL)
-----------------	--

Fellow Subsidiary	United Hotels Limited
(with whom transactions have	Roots Corporation Ltd.
taken place during the year)	Taj Trade & Transport Ltd.

Entity having substantial interest	SATS Ltd.
Key Management Personnel	Mr. Prabhat Pani (Executive Director)
(Left the Company effective 30th December 2015)	

Transactions with Related Parties:

a. Holding Company - IHCL

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Purchase of Goods	4.46	2.46
Sale of Services	9.68	30.32
Purchase of Services	268.84	229.40
Sale of Goods	54.76	94.93
Purchase of Fixed Assets	-	25.05
Sale of Fixed Assets	-	27.51
Balance Payable	16.38	23.55

b. Fellow Subsidiaries

Particulars

Particulars	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Purchase of Goods	0.15	-
Sale of Services	2.67	5.07
Purchase of Services	32.06	1.76
Sale of Goods	1.62	1.34
Purchase of Fixed Assets	-	36.21
Balance (Receivable)/Payable	5.92	1.72

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Transactions included in (b) above which are in excess of 10% of the total related party transactions of the same type are given below:

	₹ in Lakh		
	Taj Trade & Transport Ltd.	Roots Corporation Ltd.	United Hotels Ltd.
Sale of services	2.67 <i>5.07</i>	- <i>Nil</i>	- <i>Nil</i>
Purchase of Services	- <i>Nil</i>	32.06 <i>0.95</i>	- <i>0.81</i>
Purchase of Goods	- <i>-</i>	- <i>-</i>	0.15 <i>-</i>
Sale of Goods	- <i>Nil</i>	- <i>Nil</i>	1.62 <i>1.33</i>
Purchase of Fixed Assets	- <i>Nil</i>	- <i>36.21</i>	- <i>Nil</i>

Figures in italics relate to the previous year.

c. Entity having substantial interest– SATS Ltd.

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Balance (Receivable) / Payable	0.71	2.95

d. Key Managerial Personnel

	March 31, 2016 ₹ in lakhs	March 31, 2015 ₹ in lakhs
Managerial Remuneration to Mr. Prabhat Pani	90.16	104.22

Note: Reimbursement of expenses are not considered as related party transaction.

Note 35 : Earnings Per Share:

	March 31, 2016	March 31, 2015
Profit after tax / (Loss) as per Statement of profit and Loss (₹ in lakhs)	918.38	913.29
Weighted Average No. of Equity Shares	17,400,000	17,400,000
Basic and Diluted Earnings Per Share (EPS) (₹)	5.28	5.25
(Face Value per share ₹ 10/-)		

Note 36 : The Company did not have any long term contracts including derivative contracts as at 31st March 2016 for which there were any material foreseeable losses.

Note 37 : 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

Rakesh Sarna
Chairman
DIN: 01875340

Mehernosh Kapadia
Vice Chairman
DIN: 00050530

Anil P. Goel
Director
DIN: 00050690

Sudeep Pal
Chief Financial Officer

Neha Khanna
Company Secretary

Mumbai, April 28 , 2016

DIRECTORS AND CORPORATE INFORMATION

TAJ ENTERPRISES LIMITED

Board of Directors

Mr. P.K. Bhatia

Mr. S Chakravarty

Mr. Ashok Binnani

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 Seventh Annual Report of the Company, together with the Audited Statements of Account for the year ended 31st March, 2016.

Financial Results

The operations of the Company for the period under report reflect a profit of ₹ 60,75,230/- (previous year Profit ₹ 51,24,204/-). An amount of ₹ 3,22,20,099/- inclusive of ₹ 2,61,44,869/- 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 Companies Act 2013, (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. 10 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. Ashok Binnani, 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 Act, 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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory auditors, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

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

- (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, 2016 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 : 25th April, 2016

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 31.03.2016)

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 Limited Company 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				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	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				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	
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)	Nil	3,404	3,404	6.81	Nil	3,404	3,404	6.81	Nil
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 2015-16.

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 (B)					
	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/ 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 : 25th April, 2016

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, 2016, 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 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, 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. 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, 2016, 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, 2016 ("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 "Annexure-A" 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B".
 - g) 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:
 - a.i. The Company does not have any pending litigations which would impact its financial position.
 - a.ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - a.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: 25 April, 2016

ANNEXURE-A 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.
 - c. Title deed of immovable property is held in the name of the Company.
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, limited liability partnerships 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, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with in respect of Loans and Investments made by the Company. The Company has not given any guarantee or security to any party during the year.
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 there under.
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, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and any other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no disputed demands for Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise or Value Added Tax.
8. In our opinion and according to the information and explanations given to us, the Company has not borrowed either from financial institution, bank, Government or by way of debentures. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company.
9. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. According to the information and explanations given to us and to the best of our knowledge and belief, no fraud by the Company, or any fraud on the Company by its officers and employees has been noticed or reported by the Company during the year.

11. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not paid managerial remuneration during the year. 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, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, all transactions entered into with the Related Parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and details have been disclosed in the Financial Statements as required by the applicable accounting standard.
14. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. According to the information and explanations given to us and to the best of our knowledge and belief, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. : 002816N

(Sudhir Chhabra)
Partner
Membership No. 083762

Place: New Delhi

Date: 25 April, 2016

ANNEXURE-B TO THE AUDITOR'S REPORT

(This is the annexure referred to in Para 2(f) of 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Taj Enterprises Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sahni Natarajan and Bahl
Chartered Accountants
Firm Registration No. : 002816N

(Sudhir Chhabra)
Partner
Membership No. 083762

Place: New Delhi
Date: 25 April, 2016

TAJ ENTERPRISES LIMITED

Balance Sheet as at March 31, 2016

	Note No.	March 31, 2016 ₹	March 31, 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	50,00,000	50,00,000
Reserves and Surplus	3	3,22,20,099	2,61,44,869
Current Liabilities			
Other Current Liabilities	4	4,57,267	1,01,865
Short Term Provisions	5	19,353	-
TOTAL		3,76,96,719	3,12,46,734
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	6	18,00,927	18,21,227
Non Current Investments	7	7,20,000	7,20,000
Long Term Loans and Advances	8	-	1,74,161
Current Assets			
Cash and Bank Balances	9	2,45,49,543	2,00,74,139
Short Term Loans and Advances	10	1,00,38,600	80,01,753
Other Current Assets	11	5,87,649	4,55,454
TOTAL		3,76,96,719	3,12,46,734
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: 25 April, 2016

For and on behalf of the Board

Subhrangsu Chakravarty Director
(DIN:05250602)

PK Bhatia Director
(DIN: 00080285)

Profit and Loss Statement for year the year ended March 31, 2016

	Note No.	March 31, 2016 ₹	March 31, 2015 ₹
Income			
Other Income	12	95,92,297	64,88,938
Total Revenue		<u>95,92,297</u>	<u>64,88,938</u>
Expenses			
Finance Costs	13	9,70,371	-
Depreciation	6	20,300	24,077
Other Expenses	14	6,70,645	6,68,549
Total Expenses		<u>16,61,316</u>	<u>6,92,626</u>
Profit Before Tax		79,30,981	57,96,312
Tax Expense			
Current Tax		8,50,459	6,70,202
Taxes for Earlier Years		10,05,292	1,906
Profit After Tax		<u>60,75,230</u>	<u>51,24,204</u>
Significant Accounting Policies	1		
Earning Per Share:			
Basic & Diluted		121.50	102.48
(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: 25 April, 2016

For and on behalf of the Board

Subhrangsu Chakravarty Director
(DIN:05250602)

PK Bhatia Director
(DIN: 00080285)

TAJ ENTERPRISES LIMITED

Cash Flow for the year ended March 31, 2016

	March 31, 2016 ₹	March 31, 2015 ₹
A. Cash Flow from Operating Activities		
Net Profit Before Tax	79,30,981	57,96,312
Adjustment for:		
Depreciation	20,300	24,077
Dividend Income	(68,40,000)	(43,20,000)
Interest on Income Tax	9,70,371	
Interest Income	(27,52,297)	(21,68,938)
Operating Profit before Working Capital Changes (1)	(6,70,645)	(6,68,549)
Increase/(Decrease) in Trade and Other Payables	3,55,402	(9,135)
Changes in Working Capital (2)	3,55,402	(9,135)
Cash generated/(used in) Operations (1+2)	(3,15,243)	(6,77,684)
Direct Tax Paid	(6,69,455)	(2,94,117)
Net Cash Flow from/(used in) Operating Activities (A)	(9,84,698)	(9,71,801)
B. Cash Flow from Investing Activities		
Interest Received	26,20,102	23,97,695
Fixed Deposit made	(40,40,084)	(49,19,970)
Dividend Received	68,40,000	43,20,000
Inter Corporate Deposits Made	(40,00,000)	(10,00,000)
Net Cash Flow from/(used in) Investing Activities (B)	14,20,018	7,97,725
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)	4,35,320	(1,74,076)
Cash & Cash Equivalents as at the beginning of the year	81,696	2,55,772
Cash & Cash Equivalents as at the end of the year (Refer Note No. 9)	5,17,016	81,696

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: 25 April, 2016

For and on behalf of the Board

Subhrangsu Chakravarty Director
(DIN:05250602)

PK Bhatia Director
(DIN: 00080285)

Notes to Financial Statements for year ended March 31, 2016

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 substantively enacted 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, 2016 (Contd.)
Note 2 : SHARE CAPITAL

	March 31, 2016 ₹	March 31, 2015 ₹
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, 2016		March 31, 2015	
	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%

* In the process of transmission.

b) Shares held by the Holding Company and by Subsidiaries of the Holding Company

	March 31, 2016 No. of Shares	March 31, 2015 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, 2016 No. of Shares	March 31, 2015 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, 2016 ₹	March 31, 2015 ₹
Statement of Profit and Loss		
Balance brought forward from previous year	2,61,44,869	2,10,20,665
Add:- Profit for the year	60,75,230	51,24,204
TOTAL	<u>3,22,20,099</u>	<u>2,61,44,869</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 4 : OTHER CURRENT LIABILITIES

	March 31, 2016	March 31, 2015
	₹	₹
Other Payables		
Auditors' Remuneration Payable	51,525	39,330
Professional Fee Payable	45,800	22,476
Security Expense Payable	-	40,059
IHCL	3,59,942	-
TOTAL	4,57,267	1,01,865

Note 5 : SHORT TERM PROVISIONS

	March 31, 2016	March 31, 2015
	₹	₹
Provision for Income Tax	19,353	-
TOTAL	19,353	-

NOTE 6 : FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.4.15	Additions During the Year	Deletions During the Year	As at 31.03.16	As at 01.4.15	For the Year	On Deletions	As at 31.03.16	As at 31.03.16	As at 31.03.15
Land (Freehold)	16,91,916	-	-	16,91,916	-	-	-	-	16,91,916	16,91,916
Building	3,10,372	-	-	3,10,372	1,81,061	20,300	-	2,01,361	1,09,011	1,29,311
Total	20,02,288	-	-	20,02,288	1,81,061	20,300	-	2,01,361	18,00,927	18,21,227
Previous year figures	20,02,288	-	-	20,02,288	1,56,984	24,077	-	1,81,061	18,21,227	18,45,304

Note 7 : NON-CURRENT INVESTMENTS

	March 31, 2016	March 31, 2015
	₹	₹
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

Notes:

Aggregate cost of Investments

a) Unquoted	7,20,000	7,20,000
b) Quoted	-	-
Market Value	-	-

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
Note 8 : LONG TERM LOANS AND ADVANCES

March 31, 2016	March 31, 2015
₹	₹

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

(Unsecured and considered good)

MAT Credit Entitlement	-	1,74,161
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TOTAL	-	1,74,161
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Note 9 : CASH AND BANK BALANCES

March 31, 2016	March 31, 2015
₹	₹

(a) Cash and Cash Equivalents

- Balances with Banks		
- In Current Account	5,17,016	81,696

(b) Other Bank Deposits

- Fixed Deposit having maturity period more than 3 months but less than 12 months	2,40,32,527	1,99,92,443
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TOTAL	2,45,49,543	2,00,74,139
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Note 10 : SHORT TERM LOANS AND ADVANCES

March 31, 2016	March 31, 2015
₹	₹

Other Advances (Unsecured and Considered good)

Taj Air Limited*	1,00,00,000	60,00,000
Deposit-Appeals	-	19,63,153
Income Tax Refundable	38,600	38,600

TOTAL	1,00,38,600	80,01,753
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* For General Business Purposes.

Note 11 : OTHER CURRENT ASSETS

March 31, 2016	March 31, 2015
₹	₹

Interest Accrued on Deposits	5,87,649	4,55,454
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TOTAL	5,87,649	4,55,454
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Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 12 : OTHER INCOME	March 31, 2016	March 31, 2015
	₹	₹
Interest		
- Inter Corporate Deposits	9,49,918	5,81,356
- Fixed Deposits with Banks	18,02,379	15,87,582
Dividend		
- Long Term Trade Investments	68,40,000	43,20,000
TOTAL	95,92,297	64,88,938

Note 13 : FINANCE COST	March 31, 2016	March 31, 2015
	₹	₹
Interest on Income Tax	9,70,371	-
TOTAL	9,70,371	-

Note 14 : OTHER EXPENSES	March 31, 2016	March 31, 2015
	₹	₹
Security Services	5,37,242	5,65,081
Bank Charges	1,769	1,685
Travelling & Conveyance	1,184	
Electrical Charges	-	536
Miscellaneous Expenses	47	-
Printing & Stationery	4,568	3,607
Legal & Professional	1,23,135	92,640
Filing Fee	2,700	5,000
TOTAL	6,70,645	6,68,549

Note 15 :

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 sixteen years.

Note 16 :

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).

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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), which was decided by the ITAT in favour of Revenue and demand was confirmed. Company has decided not to appeal further in High Court and hence the advance given has been adjusted against the demand during the year.

Note 17 : Contingent Liabilities

Claims against the Company, not acknowledged as debt:

	March 31, 2016	March 31, 2015
	₹	₹
Income Tax, Assessment year 1997-98	-	19,63,153
(Amount Paid ₹ 19,63,153 as detailed in Note - 16 above)		

Note 18 :

As the Company is not carrying any operations, there are no reportable segments, as required by AS- 17 'Segment Reporting'.

Note 19 :

The Company does not have any employee on its payroll during the period under report.

Note 20 : AUDITOR'S REMUNERATION (EXCLUDING SERVICE TAX)

Particulars	March 31, 2016	March 31, 2015
	₹	₹
Statutory Audit	40,000	20,000
Taxation Matters	15,000	15,000
Total	55,000	35,000

Note 21 :

The investments of the Company have been valued at cost price and are in the nature of long-term investments.

Note 22 : EARNING PER SHARE (EPS)

		March 31, 2016	March 31, 2015
		₹	₹
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	60,75,230	51,24,204
Earning Per Share (Basic and Diluted) (₹)	B/A	121.50	102.48

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 23 : 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, 2016	March 31, 2015
	₹	₹
The Indian Hotels Company Limited		
- Reimbursements	10,68,415	15,85,445
- Balance Receivable/ (Payable)	(3,59,942)	-
Inditravel Limited		
Dividend received	68,40,000	43,20,000

Note 24 :

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 25 :

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: 25 April, 2016

For and on behalf of the Board

Subhrangsu Chakravarty Director
(DIN:05250602)

PK Bhatia Director
(DIN: 00080285)

TAJ TRADE AND TRANSPORT COMPANY LIMITED

DIRECTORS AND CORPORATE INFORMATION

TAJ TRADE AND TRANSPORT COMPANY LIMITED

THIRTY-NINTH ANNUAL REPORT 2015-2016

Board of Directors

Farhat Jamal Chairman
(Appointed w.e.f October 5, 2015)
Faisal Momen
Rajeev Newar
Sudhir Nagpal

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
Central Bank of India
State Bank of India

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Thirty-Ninth Annual Report of the Company together with its Audited Financial Statements for the year ended March 31, 2016.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

Particulars	2015-16 (₹)	2014-15 (₹)
Total Income	20,75,57,142	28,19,91,479
Operating Profit/(Loss) for the year	39,96,974	3,08,32,710
Depreciation	(74,73,618)	(79,74,488)
Assets Written Off	(12,78,597)	-
Profit / (Loss) Before Tax	(47,55,241)	2,28,58,222
Provision for Current Tax	-	(55,00,000)
Provision for Deferred Tax	(1,27,60,628)	6,14,442
Minimum alternative tax credit	-	28,88,475
Profit / (Loss) After Tax	(1,75,15,869)	2,08,61,139
Balance brought forward from previous year	5,71,09,124	4,66,83,701
Profit available for appropriation	3,95,93,255	6,75,44,840

APPROPRIATIONS :

Dividend		
- Proposed Dividend	86,70,563	86,70,563
- Tax on Dividend	17,65,153	17,65,153
Profit & Loss Account Balance	2,91,57,539	5,71,09,124
	3,95,93,255	6,75,44,840

REVIEW OF BUSINESS OPERATIONS AND STATE OF COMPANY'S AFFAIRS

During the year under review, the Total Income of the Company was ₹ 2,075 Lakhs. Profit/(Loss) before Tax was ₹ (47) lakhs and Profit/(Loss) after Tax was ₹ (175) Lakhs.

The Salon business of the Company was operated within the Taj hotel premises taken on lease by the Company. The hotels had since terminated the lease agreements with the Company. Consequently, the Company had significantly scaled down its Salon business. The Company had transferred the assets along with the skilled work force pertaining to the respective salons on a going concern basis to the owners of the respective Taj hotels. The Company is in the process of a settlement on this matter which is under negotiation.

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

Your Directors recommend a Dividend of 25 % i.e. ₹ 2.50/- per Equity Share (Previous Year ₹ 2.5/- 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.

TAJ TRADE AND TRANSPORT COMPANY LIMITED

SHARE CAPITAL

As on March 31, 2016 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, 2016.

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. Farhat Jamal was appointed as an Additional Director of the Company with effect from October 5, 2015.

In accordance with the Act and the Articles of Association of the Company, one of your Director viz. Mr. Faisal Momen retires by rotation and is eligible for re-appointment.

Your approval for their appointment/re-appointment 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 29, 2015; July 23, 2015; October 27, 2015 and January 22, 2016 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 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 there under for prevention and redressal of complaints of sexual harassment at workplace.

The Company has received one complaint on sexual harassment during the year under review which has been disposed of and appropriate action taken and no case remains pending.

AUDITORS

M/s SNB Associates the current Statutory Auditors of the Company, have not offered themselves for re-appointment as Statutory Auditors for the year 2016/17 vide their letter dated April 12, 2016.

At the Annual General Meeting, the Members will be requested to appoint M/s Chandrashekhar Iyer & Co, Chartered Accountants (Registration No. 114260W), as the Statutory Auditors for the financial years 2016/17 and 2017/18 to hold office from the conclusion of this Annual General Meeting upto the conclusion of the Forty -First 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. Chandrashekhar Iyer & 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 Act and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

The report of the Statutory Auditors along with the notes to Schedules is enclosed to this report and does not contain any qualification, reservation or adverse remark or disclaimer.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors, including audit of internal financial controls over Financial reporting by the Statutory Auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015/16.

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

- (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 on March 31, 2016 and of the loss 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) The directors have laid down internal financial controls for the Company, which are adequate and operating effectively.
- (vi) 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

Farhat Jamal
Chairman
(DIN: 01875688)

Mumbai, April 22, 2016

Registered Office :
Mandlik House,
Mandlik Road,
Mumbai 400 001
CIN: U60300MH1977PLC019952
Tel.: 022 6639 5515
Fax: 022 2202 7442
Email: investorrelations@tajhotels.com

Annexure 1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[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: | Company Limited by Shares / Indian Non- Government Company |
| 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	64%
2	Beauty Salons	9602	29%

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 i.e 01/04/2015				Shares held at the end of the year i.e 31/03/2016				% 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

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01/04/2015				Shares held at the end of the year i.e 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other (1):-	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
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):-	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-
1) Directors and Relatives	-	-	-	-	-	-	-	-	-
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 i.e. 01/04/2015			Share holding at the end of the year i.e. 31/03/2016			% 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	2.89	-	1,00,500	2.89	-	-
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.	Name of the Share Holder	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
	Name of the Promoter				
	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
	Name of the Share holder				
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

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
6	B. Arvind Kumar	6,750	0.19	6,750	0.19
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	0.10
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		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:
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		

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 (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 (Penalties / Punishment/ Compounding Of Offences)			NIL		
B. Directors (Penalties / Punishment/ Compounding Of Offences)					
C. Officer in Default (Penalties / Punishment/ Compounding Of Offences)					

On behalf of the Board of Directors

Farhat Jamal
Chairman
(DIN: 01875688)

Mumbai, April 22, 2016

Registered Office :
Mandlik House,
Mandlik Road,
Mumbai 400 001
Tel.: 022 6639 5515
Fax: 022 2202 7442
CIN: U60300MH1977PLC019952

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TAJ TRADE AND TRANSPORT COMPANY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of TAJ TRADE AND TRANSPORT COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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. 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, 2016, and its loss 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, 2016("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.

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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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 21 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
April 22, 2016

ANNEXURE -A TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAJ TRADE AND TRANSPORT COMPANY 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, 2016)

- i. 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.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has no immoveable property. Accordingly, sub clause (c) of clause (i) of paragraph 3 of the said order are not applicable.
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records have been adequately provided for in the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, sub-clauses (a) , (b) and (c) of clause (iii) of paragraph 3 of the said order are not applicable.
- iv. According to the information and explanations given to us , the company has neither made any loans and investments. Accordingly, clause (iv) of paragraph 3 of the said order are not applicable.
- v. 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.
- vi. 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.
- vii. 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, 2016 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 pending before West Bengal Appellate Authority ,Lease 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) , income tax liability of ₹ 11,07,750/- for AY 2012-13 pending before Commissioner of Income Tax (Appeals), Mumbai and Maharashtra Value Added Tax liability of ₹ 1,52,32,340/- pending before Commissioner of Sales 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.
- viii. According to the information and explanations given to us, the company has not borrowed any funds from financial institutions or banks or debenture holders or Government and accordingly clause viii of paragraph 3 of the said order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

TAJ TRADE AND TRANSPORT COMPANY LIMITED

- x. 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.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Accordingly clause (xi) of paragraph 3 of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

The salon business of the company was operated within the hotel premises taken on lease. The hotels have since terminated the lease agreement with the Company. Consequently, the Company had significantly scaled down its salon business. The Company had transferred the assets along with the skilled work force pertaining to the respective salons on a going concern basis to the owners of the hotels. Negotiations are in progress between concerned parties and reporting on this matter during the current period does not arise.

- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SNB ASSOCIATES
Chartered Accountants

(S. LAKSHMANAN)
Partner

Membership No.20045
Firm Registration No. 015682N

Place : Mumbai

Dated : April 22, 2016

Annexure - B to the Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Taj Trade and Transport Company Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act,

2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SNB ASSOCIATES
Chartered Accountants**

**(S. LAKSHMANAN)
Partner**

**Membership No.20045
Firm Registration No. 015682N**

Place : Mumbai

Dated : April 22, 2016

BALANCE SHEET AS AT MARCH 31, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share capital	2	3,46,82,250	3,46,82,250
(b) Reserves and surplus	3	10,69,66,812	13,49,18,397
		<u>14,16,49,062</u>	<u>16,96,00,647</u>
2) Non-current liabilities			
(a) Long-term provisions	4	10,00,824	15,66,942
		<u>10,00,824</u>	<u>15,66,942</u>
3) Current liabilities			
(a) Trade payables	5		
(i) Micro enterprises and small enterprises		1,25,700	15,600
(ii) Other than Micro enterprises and small enterprises		9,04,39,155	7,52,58,460
(b) Other current liabilities	6	1,96,19,303	2,27,07,638
(c) Short-term provisions	7	1,07,25,856	1,28,46,327
		<u>12,09,10,014</u>	<u>11,08,28,025</u>
TOTAL		<u>26,35,59,900</u>	<u>28,19,95,614</u>
II. ASSETS			
1) Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		2,47,11,411	3,44,51,584
(ii) Intangible assets		1,43,679	7,70,814
(iii) Capital work-in-progress		86,105	-
		<u>2,49,41,195</u>	<u>3,52,22,398</u>
(b) Non-current investments	9	1,94,44,221	1,94,44,221
(c) Deferred tax assets (net)		-	1,27,60,628
(d) Long-term loans and advances	10	1,44,40,730	1,77,06,445
(e) Other non-current assets	11	14,00,000	20,40,570
		<u>6,02,26,146</u>	<u>8,71,74,262</u>
2) Current assets			
(a) Current investments	12	4,55,34,425	5,34,17,773
(b) Inventories	13	8,00,02,846	8,49,67,118
(c) Trade receivables	14	41,15,919	68,29,665
(d) Cash and bank balances	15	6,57,54,862	4,13,82,999
(e) Short-term loans and advances	16	69,58,028	63,57,917
(f) Other current assets	17	9,67,674	18,65,880
		<u>20,33,33,754</u>	<u>19,48,21,352</u>
TOTAL		<u>26,35,59,900</u>	<u>28,19,95,614</u>
Notes Forming Part of the Financial Statements	1-36		

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

S. Lakshmanan
Partner
Membership No. 20045
Firm's Registration No. 015682N

Place : Mumbai
Dated : April 22, 2016

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, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
IV INCOME :			
I. Revenue from operations	18	19,23,17,363	26,90,38,218
II. Other income	19	1,52,39,779	1,29,53,261
III. Total Revenue (I + II)		20,75,57,142	28,19,91,479
V EXPENSES :	20		
Material Purchased		8,96,22,771	8,33,24,315
Changes in Inventories		34,35,176	1,82,36,868
Employee Benefits Expenses		5,66,21,662	8,24,24,265
Finance Costs		-	16,116
Depreciation and amortization expense		74,73,618	79,74,488
Other expenses		5,51,59,156	6,71,57,205
Total Expenses		21,23,12,383	25,91,33,257
VI PROFIT / (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (IV-V)		(47,55,241)	2,28,58,222
VII Exceptional Item		-	-
VIII Profit / (Loss) before extraordinary items and tax (VI + VII)		(47,55,241)	2,28,58,222
IX Extraordinary Items Income / (Expenses)		-	-
X Profit / (Loss) before tax (VIII- IX)		(47,55,241)	2,28,58,222
XI Tax expense:			
(1) Current tax		-	55,00,000
(2) MAT Credit utilised		-	(28,88,475)
(3) Deferred tax		1,27,60,628	(6,14,442)
Total Taxes		1,27,60,628	19,97,083
XII Profit / (Loss) for the year from continuing operations (X-XI)		(1,75,15,869)	2,08,61,139
XIII Profit / (Loss) for the year (X-XI)		(1,75,15,869)	2,08,61,139
XIV Earnings per equity share:			
Basic & Diluted		(5.05)	6.01
Notes Forming Part of the Financial Statements	1-36		

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

S. Lakshmanan
Partner
Membership No. 20045
Firm's Registration No. 015682N

Place : Mumbai
Dated : April 22, 2016

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, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax		(47,55,241)	2,28,58,222
Adjustments For:			
Depreciation/amortisation		74,73,618	79,74,488
Loss/(Profit) on sale of Fixed Assets		(2,31,062)	(6,164)
Assets written off		12,78,597	-
Dividend Income		(1,01,23,883)	(84,21,623)
Interest (Net)		(26,93,134)	(25,49,215)
Provision for devaluation of stock		15,29,095	12,56,166
Provision for Employee Benefits		(26,86,589)	11,68,331
		(54,53,358)	(5,78,017)
CASH FLOW FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES		(1,02,08,599)	2,22,80,205
Adjustments for:			
Decrease / (Increase) in Trade receivables		27,13,746	(15,60,038)
Decrease / (Increase) in Inventories		34,35,177	1,82,36,867
Decrease / (Increase) in long term loans and advances		41,95,631	30,25,458
(Decrease) / Increase in other current assets		8,98,206	-
Decrease / (Increase) in short term loans and advances		(2,57,147)	15,42,792
Decrease / (Increase) in other non-current assets		6,40,570	(61,393)
(Decrease) / Increase in Trade Payables		1,52,90,795	(2,81,67,375)
(Decrease) / Increase in long term provisions		-	5,82,394
(Decrease) / Increase in short term provisions		-	(5,82,394)
(Decrease) / Increase in other current liabilities		(30,88,335)	4,71,590
		2,38,28,643	(65,12,099)
Cash flow from operating activities		1,36,20,044	1,57,68,106
Direct Taxes Paid (net of refund)		(10,26,396)	(49,48,832)
Net cash flow from Operating activities		1,25,93,648	1,08,19,274
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(41,45,640)	(47,46,153)
Sale of Fixed Assets		59,91,795	44,137
Capital Work in Progress		(86,105)	-
Sale of Non-current Investments		-	2
Interest received		24,46,650	26,24,793
Dividend Received		1,01,23,883	84,21,623
Net Cash Used in Investing Activities		1,43,30,583	63,44,402
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		-	(16,116)
Dividend Paid (Including tax on dividend)		(1,04,35,716)	(81,15,300)
Net Cash Used In Financing Activities		(1,04,35,716)	(81,31,416)
Net Increase / (Decrease) in cash and cash equivalents		1,64,88,515	90,32,260
Effect of exchange difference on cash & cash equivalents held in foreign currency			

TAJ TRADE AND TRANSPORT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016 (Contd.)

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
Cash and Cash Equivalents as at 1st April 2015		9,48,00,772	8,57,68,512
Cash and Cash Equivalents as at 31st March 2016		11,12,89,287	9,48,00,772
Components of Cash and Cash equivalents as at 1st April 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
Components of Cash and Cash equivalents as at 31st March 2016			
Cash and bank Balance		6,57,54,862	4,13,82,999
Current Investments		4,55,34,425	5,34,17,773
Total		11,12,89,287	9,48,00,772
Notes Forming Part of the Financial Statements	1-36		

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

S. Lakshmanan
Partner
Membership No. 20045
Firm's Registration No. 015682N

Place : Mumbai
Dated : April 22, 2016

For and on behalf of the Board

Faisal Momen
DIN:00064878

Rajeev Newar
DIN:00468125

} **Directors**

Notes to Financial Statements for year ended March 31, 2016

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	03 years	06 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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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) 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'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, 2016 (Contd.)

NOTE 2 : SHARE CAPITAL

The Authorised, issued, Subscribed and fully paid up share capital comprises of equity shares.

SHARE CAPITAL	March 31, 2016 ₹	March 31, 2015 ₹
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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

NOTE 3 : RESERVES AND SURPLUS

	March 31, 2016 ₹	March 31, 2015 ₹
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	4,68,66,523
Add : Current Year Transfer	-	-
Closing Balance	4,68,66,523	4,68,66,523
Surplus in Profit and Loss account		
Opening Balance	5,71,09,124	4,66,83,701
Add : Net Profit / (Net Loss) For the current year	(1,75,15,869)	2,08,61,139
Less : Proposed Dividend	86,70,563	86,70,563
Less : Tax on Proposed Dividend	17,65,153	17,65,153
Closing Balance	2,91,57,539	5,71,09,124
Grand Total	10,69,66,812	13,49,18,397

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, 2016 ₹	March 31, 2015 ₹
Provision for employee benefits		
Leave Encashment	10,00,824	15,66,942
Total	10,00,824	15,66,942

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

NOTE 5 : TRADE PAYABLES

	March 31, 2016	March 31, 2015
	₹	₹
Trade payables consist of the following :		
(a) Micro and small enterprises (refer note no. 32)	1,25,700	15,600
(b) Others	9,04,39,155	7,52,58,460
Total	9,05,64,855	7,52,74,060

NOTE 6 : OTHER CURRENT LIABILITIES

Other Current Liabilities consist of the following :

	March 31, 2016	March 31, 2015
	₹	₹
(a) Other Payables		
(i) Statutory Liabilities	1,06,20,056	1,13,16,671
(ii) Related Parties	-	2,89,392
(iii) Others	89,99,247	1,11,01,575
Total	1,96,19,303	2,27,07,638

NOTE 7 : SHORT TERM PROVISIONS

Short term provisions consist of the following :

	March 31, 2016	March 31, 2015
	₹	₹
(a) Provision for employee benefits		
Leave Encashment	95,777	1,72,496
Gratuity	1,94,363	22,38,115
(b) Proposed Dividend	86,70,563	86,70,563
(c) Tax on Dividend	17,65,153	17,65,153
Total	1,07,25,856	1,28,46,327

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

NOTE 8 : FIXED ASSETS

Fixed assets consist of the following :

	Gross Block			Accumulated Depreciation			Net Block	
	As on 1.4.2015	Additions	Deductions	As on 31.3.2016	Charge for the year	Deductions 31.3.2016	As on 31.3.2016	As on 31.3.2015
A. TANGIBLE ASSETS								
1. Buildings								
Improvements to leasehold buildings	4,94,49,710	1,76,854	1,72,54,127	3,23,72,437	27,20,469	1,63,47,267	21,45,501	55,95,976
Previous Year	5,18,08,205	20,07,042	43,65,537	4,94,49,710	42,08,424	28,38,381	55,95,976	77,97,357
2. Plant & Equipment	2,86,58,052	38,49,348	1,89,22,335	1,35,85,065	26,63,814	1,35,19,789	59,03,704	1,01,20,716
Previous Year	2,84,32,064	6,76,664	4,50,676	2,86,58,052	17,14,298	1,85,37,336	1,01,20,716	1,11,48,803
3. Furniture & Fixtures	3,64,78,107	1,19,438	34,94,347	3,31,03,198	19,29,198	32,36,151	1,66,61,006	1,87,28,962
Previous Year	3,45,52,324	20,62,447	1,36,664	3,64,78,107	19,12,031	89,143	1,87,28,962	1,86,26,067
4. Office Equipments	53,069	-	5,199	47,870	-	469	-	4,730
Previous Year	53,069	-	-	53,069	29,920	-	4,730	34,650
5 . Vehicles *	49,39,770	-	-	49,39,770	-	-	1,200	1,200
Previous Year	49,39,770	-	-	49,39,770	-	-	1,200	1,200
Total (A)	11,95,78,708	41,45,640	3,96,76,008	8,40,48,340	73,13,481	3,31,03,676	2,47,11,411	3,44,51,584
Previous Year	11,97,85,432	47,46,153	49,52,877	11,95,78,708	78,64,673	31,24,733	3,44,51,584	3,76,08,077
B. INTANGIBLE ASSETS								
6. Goodwill	1,05,74,151	-	-	1,05,74,151	-	-	-	-
Previous Year	1,05,74,151	-	-	1,05,74,151	-	-	-	-
7. Software	20,93,419	-	4,93,849	15,99,570	1,60,137	26,851	1,43,679	7,70,814
Previous Year	20,93,419	-	-	20,93,419	1,09,815	-	7,70,814	8,80,629
Total (B)	1,26,67,570	-	4,93,849	1,21,73,721	1,60,137	26,851	1,43,679	7,70,814
Previous Year	1,26,67,570	-	-	1,26,67,570	1,09,815	-	7,70,814	8,80,629
Grand Total (A + B)	13,22,46,278	41,45,640	4,01,69,857	9,62,22,061	74,73,618	3,31,30,527	2,48,55,090	3,52,22,398
Previous Year	13,24,53,002	47,46,153	49,52,877	13,22,46,278	79,74,488	31,24,733	3,52,22,398	3,84,88,706
Note:-								
* Cars & Vehicles including Leased Cars upto March 31, 2003 costing ₹ 49,39,770/- (Previous Year ₹ 49,39,770/-), 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, 2016 (Contd.)

Note 9 : NON-CURRENT INVESTMENTS

Non current investments consist of the following :

	Holding as at March 31, 2016		Holding as at March 31, 2015	
	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
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>8,08,740</u>
B. Investment - Government Securities				
National Saving Certificate *		95,000		95,000
		<u>95,000</u>		<u>95,000</u>
		1,95,12,220		1,95,12,220
Less :Provision for Diminution in value of investments **		(67,999)		(67,999)
Total Long Term Investments - Net		<u>1,94,44,221</u>		<u>1,94,44,221</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	3,42,80,254	3,31,15,391
3) Aggregate value of unquoted Investments	9,03,740	9,03,740
4) Aggregate provision for diminution in value of investment	(67,999)	(67,999)
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		

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

NOTE 10 : LONG TERM LOANS & ADVANCES

Long term loans and advances consist of the following :

	March 31, 2016	March 31, 2015
	₹	₹
(Unsecured, considered good)		
Capital Advances	-	22,49,379
Security Deposit to related parties	61,950	26,14,950
Loans and advances to Employees	1,28,330	2,52,990
<u>Other loans and advances</u>		
Advance income tax paid (net of provision for tax)	1,42,26,909	1,22,77,831
MAT Credit entitlement	3,11,295	3,11,295
Total	1,47,28,484	1,77,06,445
Less : Provision for doubtful Advances	2,87,754	-
Total	1,44,40,730	1,77,06,445

NOTE 11 : OTHER NON CURRENT ASSETS

Other non-current assets consist of the following :

	March 31, 2016	March 31, 2015
	₹	₹
1. Interest Receivable	-	96,480
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	14,00,000	19,44,090
Total	14,00,000	20,40,570

NOTE 12 : CURRENT INVESTMENTS

Current Investment consist of the following :

	Holdings as at March 31, 2016		Holdings as at March 31, 2015	
	Number of Units	Amount ₹	Number of Units	Amount ₹
(A) Investment - Others (Non - trade) - Quoted				
Non-Trade Investment, Quoted				
Icici Prudential Mutual Fund	3,32,708	3,37,59,507	3,19,806	3,20,21,975
Birla Sun Life Cash Plus	1,11,531	1,13,04,740	1,07,170	1,07,22,356
JPMorgan India	46,338	4,70,178	10,64,375	1,06,73,442
	4,90,577	4,55,34,425	14,91,351	5,34,17,773
1. Aggregate cost of quoted Investments		4,55,34,425		5,34,17,773
2. Aggregate market value of quoted Investments		4,55,34,425		5,34,17,773

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

NOTE 13 : INVENTORIES

Inventories consist of the following :

(As taken, valued and certified by the management)

	March 31, 2016 ₹	March 31, 2015 ₹
Stock in Trade *	8,84,04,666	9,18,39,843
Less: Provision for Devaluation of Stock	84,01,820	68,72,725
Total	8,00,02,846	8,49,67,118

* Stock in Trade is valued at lower of Cost and Market Value

NOTE 14 : TRADE RECEIVABLES

Trade receivables consist of the following :

	March 31, 2016 ₹	March 31, 2015 ₹
Exceeding six months:		
Unsecured, considered good	-	6,58,123
Total (1)	-	6,58,123
Others:		
Unsecured, considered good	41,15,919	61,71,542
Total (2)	41,15,919	61,71,542
Total (1 + 2)	41,15,919	68,29,665

NOTE 15 : CASH AND BANK BALANCES

Cash and bank balances consist of the following :

	March 31, 2016 ₹	March 31, 2015 ₹
(1) Cash and Cash equivalents		
(i) Cash on Hand	4,13,222	4,54,865
(ii) Cheques, Drafts on hands	11,88,694	27,72,579
(iii) Balance with Banks		
a) In current Accounts	52,55,549	1,39,93,595
b) Call and Short Term Deposit Accounts (less than 3 months held as security against Bank overdraft)	55,53,858	1,63,27,776
Total (1)	1,24,11,323	3,35,48,815
(2) Other Bank Balances :		
(i) Call and Short Term Deposit Accounts more than 3 months and less than 12 months (Of which ₹ 1,77,99,449 is held as security against Bank overdraft and ₹ 5,44,090 is held as security against Bank Guarantee)	5,33,43,539	78,34,184
(ii) Long Term Bank Deposit held as security against Bank guarantee	14,00,000	19,44,090
	5,47,43,539	97,78,274
Less : Long term bank deposit with bank for more than 12 months transferred to other non current assets refer to note no. 11	14,00,000	19,44,090
Total (2)	5,33,43,539	78,34,184
Total (1 + 2)	6,57,54,862	4,13,82,999

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

NOTE 16 : SHORT TERM LOANS & ADVANCES

Short - term loans and advances consist of the following :

	March 31, 2016	March 31, 2015
	₹	₹
(Unsecured, considered good)		
Loans and Advances to Employees	4,220	41,333
Loans and Advances to related parties	2,91,848	2,02,900
Loans and Advances to Others	52,25,887	50,20,575
Interest Receivable	14,36,073	10,93,109
Total	69,58,028	63,57,917

NOTE 17 : OTHER CURRENT ASSETS

Prepaid Expenses

	9,67,674	18,65,880
Total	9,67,674	18,65,880

NOTE 18 : REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from :

	March 31, 2016	March 31, 2015
	₹	₹
Sale of Goods	13,68,92,997	15,67,38,650
Sale of Services	5,54,24,366	11,22,99,568
Total	19,23,17,363	26,90,38,218

NOTE 19 : OTHER INCOME

Other income consist of the following :

	March 31, 2016	March 31, 2015
	₹	₹
Interest Income	26,93,134	25,65,331
{Tax deducted at source : ₹ 2,69,313/- (Previous Year ₹ 2,56,533/-)}		
Dividend Income - Non-Current (Trade)	6,65,636	9,15,250
Dividend Income - Non-Current (Non Trade)	68,41,595	22,70,063
Dividend Income - Current Investment	26,16,652	52,36,310
Profit and loss on sale of Fixed Assets	2,31,062	6,164
Miscellaneous Income	20,39,426	18,07,613
Exchange gain (Net)	1,52,274	1,52,530
Total	1,52,39,779	1,29,53,261

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

NOTE 20 : EXPENSES

Expenses consist of the following :

	March 31, 2016 ₹	March 31, 2015 ₹
1. Operating Expenses :		
Material purchased		
Purchase of stock in trade - Trading	7,83,60,381	6,24,98,683
Purchase of stock in trade - Salon	1,12,62,390	2,08,25,632
Total Material purchased	8,96,22,771	8,33,24,315
Changes in Inventories		
(i) Trading		
Opening Stock	8,12,19,238	10,13,71,699
Closing Stock	8,84,04,666	8,12,19,237
Total (i)	(71,85,428)	2,01,52,462
(ii) Salon		
Opening Stock	1,06,20,604	87,05,010
Closing Stock	-	1,06,20,604
Total (ii)	1,06,20,604	(19,15,594)
Total (i + ii)	34,35,176	1,82,36,868
Employees benefit expenses		
(i) Salaries, Wages, Bonus etc.	3,54,14,649	5,52,46,442
(ii) Company's Contribution to Retirement Funds & Other Funds	33,34,453	54,13,993
(iii) Reimbursement of Expenses on Personnel Deputed to the Company	1,07,92,312	1,22,75,291
(iv) Workmen / Staff Welfare Expenses	70,80,248	94,88,539
Total	5,66,21,662	8,24,24,265
2. Finance costs		
Interest on Bank Overdraft	-	16,116
Total	-	16,116
3. Other expenses		
Electricity Expenses	40,82,981	53,87,538
Rent	3,06,18,881	4,09,54,622
Repair to Machinery	1,42,077	75,639
Repair Others	16,59,242	22,20,158
Insurance	19,41,545	16,19,330
Rates & Taxes	7,20,273	4,21,421
Travelling & Conveyance Expenses	14,43,764	15,63,141
Credit Cards Charges	26,19,115	31,66,472
Commission to others	4,932	-
Legal & Professional Charges	41,01,836	49,83,649
Business Promotion Expenses	16,13,366	20,35,770
Miscellaneous Expenses	42,64,249	40,45,675
Auditors' Remuneration		
As Auditors	4,86,625	4,84,500
For Taxation matters	1,15,000	1,14,000
For Reimbursement of expenses	66,673	85,290
Sub -total	6,68,298	6,83,790
Assets Written Off	12,78,597	-
Total	5,51,59,156	6,71,57,205
TOTAL	20,48,38,765	25,11,58,769

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

NOTE 21 : CONTINGENT LIABILITIES:

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

	March 31, 2016	March 31, 2015
	₹	₹
Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
(i) Sales tax demand under appeal	1,52,69,448	5,37,108
(ii) Income tax demand under appeal	11,07,750	11,07,750
	1,63,77,198	16,44,858
(b) Other money for which the company is contingently liable Employee Related Matters	79,87,804	80,17,888
(c) Guarantees given by banks on behalf of the company	5,44,090	5,44,090
	85,31,894	85,61,978
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	13,06,462
	2,49,09,092	1,15,13,298

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 22 :

The Company is carrying slow-moving/non-moving inventory of ₹ 84,01,820 (P.Y. ₹ 68,72,725) which is more than one year old in its books. An amount of ₹ 84,01,820 (P.Y. ₹ 68,72,725) is being carried forward as provision for obsolescence against this stock.

NOTE 23 :

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 24 :

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 ₹ 4,43,27,981 (P.Y. ₹ 5,64,66,736).

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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, 2016 ₹	March 31, 2015 ₹
Provident fund	15,19,865	23,77,707

(B) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(i) Post retirement gratuity – Funded

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

(C) Defined benefit plans – as per actuarial valuation on March 31, 2016: -

Principal Actuarial Assumptions as at 31st March 2016.

	March 31, 2016 ₹	March 31, 2015 ₹
Assumptions :		
Discount rate	7.99%	7.95%
Salary escalation rate -	7%	7%
Employee Turnover rate	12%	12%
Expected future working life		

Data Summary :

No. of Employees	47	83
Total Salary	4,18,140	6,80,436
Value of liability	1,04,56,210	1,22,69,928

Disclosure as per Revised AS15 : Reconciliation of PBO

Projected Benefit Obligation at Beginning of year	1,22,69,928	1,12,48,115
Current Service Cost	5,89,428	5,03,295
Interest Cost	9,75,459	10,52,824
Actuarial (Gain) / Loss due to change in assumptions	1,38,374	10,30,404
Benefits Paid	(35,16,979)	(15,64,710)
Projected Benefit Obligation at End or year	1,04,56,210	1,22,69,928

Plan Asset at Fair Value

Plan Asset at beginning of year	1,00,31,813	95,82,032
Asset Gain / (Loss)	(5,76,237)	(4,85,229)
Expected Return on Plan Asset	7,97,529	8,33,637
Benefit Payments	(35,16,979)	(15,64,710)
Contribution / Settlements	35,25,720	16,66,083
Ending Asset at Fair Value	1,02,61,846	1,00,31,813

Total actuarial gain/(loss) to be recognised immediately (included in Statement of Profit and Loss)

Amounts recognised in the balance sheet

Projected Benefit Obligation at End of year	(1,04,56,210)	(1,22,69,928)
Ending Asset at Fair Value	1,02,61,846	1,00,31,813
Funded Status asset / (liability)	(1,94,364)	(22,38,115)
Pre-Paid(+)/Accrued Liability(-) recognized in Balance Sheet	(1,94,364)	(22,38,115)

Statement of Profit and Loss

Current Service Cost	5,89,428	5,03,295
Interest Cost	1,77,930	2,19,187
Net actuarial (gain)/loss to be recognised in year	7,14,611	15,15,633
Expense recognised in the statement of Profit and Loss	14,81,969	22,38,115

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, 2016 (Contd.)

NOTE 27 : Following are the Major component of Deferred tax (asset)/Liability:

	March 31, 2016	March 31, 2015
	₹	₹
Deferred tax Assets:		
Depreciation on Fixed assets	-	1,00,12,670
Provision for diminution of inventory	-	22,29,856
Business Loss	-	-
Others	-	5,18,102
Total of Deferred tax assets (A)	-	1,27,60,628
Deferred tax liabilities (B)	-	-
Deferred tax Assets (Net)	-	1,27,60,628

No provision has been made in respect of Deferred Tax assets as there is no virtual certainty of having adequate taxable profit in the near future to realize such assets.

NOTE 28 : Additional information

	March 31, 2016	March 31, 2015
	₹	₹
(i) Value of imports on CIF basis :- Trading Goods	Nil	Nil
(ii) Expenditure in Foreign Currency –		
- Passage and Travelling	-	38,038
- Professional Fees	-	3,12,100
(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)	6,37,43,115	6,68,78,269
(b) Export – F.O.B. value	15,24,189	16,87,269

NOTE 29 : Details of opening stock, purchases, sales and closing stock of traded items for the year ended March 31, 2016

	Opening Stock	Purchase	Sale	Closing Stock
	₹	₹	₹	₹
Crafts and wall coverings	1,64,22,517	1,18,54,609	2,08,34,951	1,16,99,304
Previous year	2,06,74,077	94,54,775	2,50,11,972	1,64,22,517
Costume Jewellery	39,96,161	44,26,632	1,16,04,299	59,98,669
Previous year	87,07,145	11,84,545	1,28,65,695	39,96,161
Fabric/ Garments/ Leather	1,04,08,349	1,34,26,330	2,35,80,402	1,03,32,595
Previous year	1,24,65,218	1,26,14,187	2,50,24,562	1,04,08,349
Saree and stoles	3,73,22,615	2,71,34,190	5,02,61,215	3,52,93,937
Previous year	4,29,74,847	2,53,12,921	5,54,23,419	3,73,22,615
Assorted	1,30,69,596	2,15,18,621	3,06,12,129	2,50,80,161
Previous year	1,65,50,412	1,39,32,255	3,84,13,002	1,30,69,596
Total	8,12,19,238	7,83,60,381	13,68,92,997	8,84,04,666
Previous year	10,13,71,699	6,24,98,683	15,67,38,650	8,12,19,238

Notes to Financial Statements for year ended March 31, 2016 (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, 2016 ₹	March 31, 2015 ₹
A. Numerator used for calculating basic and diluted Earnings per share		
- Profit/(Loss) after taxation	(1,75,15,869)	2,08,61,139
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 (₹)	5.05	6.01

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	39,77,553
Additional provisioning	4,82,097
Benefits paid during the year	(31,68,686)
Closing Balance	12,90,964

NOTE 32 : AMOUNTS DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES:

- 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.
- The disclosures relating to Micro and Small Enterprises are as under:

	March 31, 2016 ₹	March 31, 2015 ₹
(a) Principal amount due thereon remaining unpaid to any supplier at end of each accounting year.	1,25,700/-	15,600/-
(b) Interest due there on remaining unpaid to supplier as at end of each accounting year.	-	-
(c) The amount of interest paid in terms of Section 16 of Micro , Small and Medium Enterprises Development Act , 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting 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 and remaining unpaid at the end of the accounting year.	-	-
(f) The amount further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro , Small and Medium Enterprises Development Act, 2006	-	-

Notes to Financial Statements for year ended March 31, 2016 (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.

Taj Khazana – Retail outlets

Salon - Beauty Salons

	Business Segments		
	Khazana	Salon	Total
Revenue	13,30,20,831	5,92,96,532	19,23,17,363
Previous Year	14,90,84,509	11,99,53,709	26,90,38,218
Segment Result	(75,56,346)	(18,38,674)	(93,95,020)
Previous Year	(1,19,85,256)	2,70,48,777	1,50,63,521
Unallocable Expenses			1,06,00,000
Previous Year			31,12,232
Other Income			1,52,39,779
Previous Year			1,09,06,933
Profit / (Loss) before Tax			(47,55,241)
Previous Year			2,28,58,222
Tax Expenses			1,27,60,628
Previous Year			19,97,083
Net Profit / (Loss) for the period			(1,75,15,869)
Previous Year			2,08,61,139

	Business Segments		
	Khazana	Salon	Total
Segment Assets	11,28,92,215	2,46,429	11,31,38,644
Previous Year	11,18,10,663	2,65,46,843	13,83,57,506
Unallocable Assets			15,04,21,256
Previous Year			14,36,38,108
Total Assets			26,35,59,900
Previous Year			28,19,95,614
Segment Liabilities	12,04,48,564	10,31,107	12,14,79,671
Previous Year	8,46,24,713	19,66,018	8,65,90,731
Unallocable Liabilities			4,31,167
Previous Year			2,58,04,236
Total Liabilities			12,19,10,838
Previous Year			11,23,94,967

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Note 34 : Related Party Disclosure under AS – 18, issued by the Institute of Chartered Accountants of India

(a) Names of Related Parties are as under:

A. Holding Company	The Indian Hotels Company Limited
B. Subsidiaries of Holding Company	Taj SATS Air Catering Limited
	TIFCO Holdings Limited
	KTC Hotels Limited
	United Hotels Limited
	Roots Corporation Limited
	Piem Hotels Limited
	Inditravel Limited
	Northern India Hotels Limited
	Taj Enterprises Limited
	Benares Hotels Limited
	Lands End Properties Private Limited
	Luthria & Lalchandani Hotel & Properties Private Limited
	Skydeck Properties and Developers Private Limited
	Sheena Investments Private Limited
	ELEL Hotels & Investments Limited
	Taj International Hotels (H.K) Limited
	Cheftain Corporation NV
	IHOCO BV
	St. James Court Hotels Limited
	Taj International Hotels Limited
	Samsara Properties Limited
	Apex Hotel MGMT Services Pte Ltd
	PIEM International Hotels (H.K) Limited
	BAHC 5 (Pte Ltd)
	Apex Hotel Mangement Services (Australia) Pty Ltd
	United Overseas Holdings Inc.
	IHMS LLC
C. Joint Venture of Holding Company	Taj Kerala Hotels & Resorts Limited
	Taj Safaris Limited
	Kaveri Retreat & Resorts Limited
	Taj Madras Flight Kitchen Pvt Ltd
	Taj Karnataka Hotels & Resorts Ltd
	Taj GVK Hotels & Resorts Ltd
	TAL Hotels & Resorts Ltd
	IHMS Hotels (SA) (proprietary) Ltd

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

(b) The details of related parties transactions during the year and outstanding balances as at 31st March 2016 are as follows:

	Holding Company		Subsidiaries of Holding Company	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹	₹	₹	₹
Deputed Staff cost	12,31,550	75,46,858	9,44,839	17,38,264
Operating / Licence fees paid	2,30,95,042	3,18,72,659	15,95,109	31,40,068
Dividend received	-	-	68,40,095	43,20,000
Sale of Inventory	85,65,317	-	29,35,777	-
Sale of Fixed Assets	47,57,940	-	12,93,415	-
Dividend Paid	31,35,000	25,08,000	46,25,658	37,00,526
Security Deposit with Related Party	-	25,00,000	-	-
Purchase of services	42,01,614	62,44,544	7,30,050	15,54,711
Balance outstanding at the end of the year	-	-	-	-
Due from Current Account (Debit)	8,72,265	8,20,209	(1,08,674)	10,05,669

	Associates of Holding Company		Joint Ventures	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹	₹	₹	₹
Operating / Licence fees paid	12,89,853	11,91,750	2,81,952	7,74,750
Dividend received	6,65,636	9,15,250	-	-
Dividend Paid	2,51,250	2,01,000	-	-
Purchase of services	1,70,139	1,51,713	-	51,180
Balance outstanding at the end of the year	-	-	-	-
Due from Current Account (Debit)	81,892	(85,996)	3,28,122	1,57,006

TAJ TRADE AND TRANSPORT COMPANY LIMITED

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

(c) Statement of material transactions:

Company name	March 31, 2016 ₹	March 31, 2015 ₹
Holding Company		
The Indian Hotels Company Limited		
Dividend paid	31,35,000	25,08,000
Lease Rentals for Hotel/Factory Premises	2,30,95,042	3,18,72,659
Deposit with Related Party	-	25,00,000
Reimbursement of Deputed Staff Salary & Wages	12,31,550	75,46,858
Reimbursement of Fuel, Power, Light Etc	12,05,749	29,80,622
Reimbursement of Laundry expenses	7,19,417	9,28,171
Reimbursement of Other expenses	22,76,448	23,35,751
Sale of Inventory	85,65,317	-
Sale of Fixed Assets	47,57,940	-
Closing balance(net balance)	8,72,265	8,20,209
Subsidiaries of Holding Company		
Piem Hotels Limited		
Dividend paid	22,16,250	17,73,000
Lease Rentals for Hotel/Factory Premises	15,95,109	31,40,068
Reimbursement of Deputed Staff Salary & Wages	6,41,652	12,31,309
Reimbursement of Fuel, Power, Light Etc	5,83,891	10,60,038
Reimbursement of Laundry expenses	83,159	41,548
Reimbursement of Other expenses	63,000	4,03,125
Sale of Inventory	29,35,777	-
Sale of Fixed Assets	12,93,415	-
Closing balance(debit)	(221)	11,00,423
Inditravel Limited		
Dividend Income - Non-Current Investment	68,40,095	43,20,000
Dividend paid	13,76,915	11,01,532
Reimbursement of Other expenses	-	50,000
Closing balance(debit)	86,603	2,01,639
St. James Courts Hotels Limited		
Closing balance(debit)	(1,95,056)	(2,96,393)
Taj Sats Air Catering Limited		
Reimbursement of Deputed Staff Salary & Wages	3,03,187	5,06,955
TIFCO Holdings Limited		
Dividend paid	9,07,498	7,25,998

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

(c) Statement of material transactions: (contd.)

Company name	March 31, 2016 ₹	March 31, 2015 ₹
Northern India Hotels Limited		
Dividend paid	1,24,995	99,996
Associates of Holding Company		
Oriental Hotels Limited		
Lease Rentals for Hotel/Factory Premises	12,89,853	11,91,750
Dividend Income - Non-Current Investment	6,65,636	9,15,250
Dividend paid	2,51,250	2,01,000
Reimbursement of Laundry expenses	64,987	49,091
Reimbursement of Other expenses	1,05,152	1,02,622
Closing balance (debit)	81,892	(85,996)
Joint Ventures of Holding Company		
Kaveri Retreat & Resorts Limited- Corporate		
Lease Rentals for Hotel/Factory Premises	2,81,952	24,000
Closing balance(debit)	3,28,122	1,57,006
Taj GVK Hotels & Resorts Limited		
Lease Rentals for Hotel/Factory Premises	-	7,50,750
Reimbursement of Other expenses	-	51,180

NOTE 35 : The salon business of the company was operated within the hotel premises taken on lease. The hotels have since terminated the lease agreement with the Company. Consequently, the Company had significantly scaled down its salon business. The Company had transferred the assets along with the skilled work force pertaining to the respective salons on a going concern basis to the owners of the hotels. The company is in the process of a settlement on this matter which is under negotiation.

NOTE 36 : 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 Notes 1 to 36

As per our report attached

For SNB ASSOCIATES
Chartered Accountants

S. Lakshmanan
Partner
(Membership No. 20045)
Firm's Registration No. 015682N

Place : Mumbai
Dated : April 22, 2016

For and on behalf of the Board

Faisal Momen
DIN:00064878

Rajeev Newar
DIN:00468125

Directors

UNITED HOTELS LIMITED

DIRECTORS AND CORPORATE INFORMATION

United Hotels Limited

CIN No. U74899DL1950PLC001861

Board of Directors

Rohit Khosla	Chairman
Rajinder Kumar	Working Director
Virinder Kumar	Working Director
Narinder Kumar	Working Director
Rajeev Newar	Director
Gaurav Pokhariyal	Director
Satyajeet Krishnan (appointed w.e.f. May 2, 2016)	Director

Audit Committee

Rohit Khosla
Rajinder Kumar
Rajeev Newar

Corporate Social Responsibility Committee

Rohit Khosla
Rajinder Kumar
Gaurav Pokhariyal

Company Secretary

P.K. Bhatia

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
Sujaan Singh Park
New Delhi – 110 003

DIRECTORS' REPORT

The Directors hereby present the Sixty Fifth Annual Report of the Company together with the Financial Statement (Audited Statements of Account) for the year ended 31st March, 2016.

Financial Results

	Current year 2015-16 ₹	Previous year 2014-15 ₹
Income	37,29,13,709	35,69,36,439
Expenditure	29,87,63,666	30,94,77,177
Operating Profit	7,41,50,043	4,74,59,262
Less:		
Depreciation	1,31,97,000	(3,37,66,900)
Profit before Tax	6,09,53,043	8,12,26,162
Provision for Taxation	2,40,00,000	2,00,00,000
Deferred Tax trod. To P&L Account	(16,73,831)	78,09,928
Minimum Alternate Tax Credit	(22,72,283)	-
Net Profit after Tax	4,08,99,157	5,34,16,234
Balance brought forward from previous year	2,22,00,835	1,42,79,792
Balance Available for Appropriations	6,30,99,992	6,76,96,026
Add/(Less) :		
(i) Profit brought forward from Previous Year	2,22,00,835	1,42,79,792
Balance available for appropriation	6,30,99,992	6,76,96,026
Appropriation:		
(i) Dividend @ 40 % i.e ₹ 336 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 July 20, 2016 will be paid out of the provision for Dividend	3,36,00,000	3,78,00,000
(ii) Tax on Dividend	68,40,288	76,95,191
(iii) General Reserves	-	-
(iv) Balance carried forward	2,26,59,704	2,22,00,835

OPERATIONS

The Company achieved a Total Income of ₹ 37.29 crores during 2015-16 as against the Total Income of ₹ 35.69 crores in the previous year. The Profit before Tax for the current year was ₹6.09 crores as against ₹ 8.12 crores in the previous year. The Profit after Tax was ₹ 4.08 crores as against ₹ 5.34 crores in the previous year.

DIVIDEND

In view of the performance of the Company, your Directors recommend the payment of a dividend @ 40 % i.e. ₹ 4.00 per share on 84,00,000 Equity Shares of ₹10/- each amounting to ₹ 3.36 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. P.K. Bhatia resigned from the Directorship of the Company w.e.f. April 20, 2016. The Directors place on record its appreciation of the services rendered by Mr. Bhatia during his tenure as Director of the Company.

Mr. Satyajeet Krishnan was appointed as an Additional Director of the Company effective May 2, 2016 and holds office up to the date of the forthcoming Annual General Meeting.

Your approval for his appointment as Director has been sought in the Notice convening the Annual General Meeting of the Company.

UNITED HOTELS LIMITED

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Virinder Kumar and Mr. Rohit Khosla, Directors of the Company are liable to retire by rotation and being eligible to seek reappointment.

HOLDING, SUBSIDIARY COMPANIES

The Indian Hotels Company Limited (IHCL) is the ultimate Holding Company of the Company. The Company does not have any subsidiary 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

Your Company 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 Company has a Corporate Social Responsibility (CSR) Committee 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 Act, 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 2015-16.

LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186

During the year under report, the Company has placed/renewed a sum of ₹ 1.75 crores as short term Inter Corporate Deposits with bodies corporate within the limits prescribed under Section 186 of the Act.

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. A statement giving details of all related party transactions is placed before the Audit Committee for its approval on quarterly basis.

ANNUAL RETURN

The extract 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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, 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 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, 2016 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 27 to 29).

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.

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, 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 V 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

Regd. Office:
Vivanta by Taj – Ambassador
Sujan Singh Park
New Delhi 110 003

Place : New Delhi
Date : May 2, 2016

Rohit Khosla
Chairman
(DIN : 07163135)

Annexure 1

Annual Report on Corporate Social Responsibility Activities

[Pursuant to the 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 :- ₹ 734 lacs

4. Prescribed CSR expenditure :- ₹ 15 lacs

5. Details of CSR spend for the financial year is :- ₹ 15.06 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 up to 31st March, 2016 (₹ In lacs)	Amount spent: Direct/ through implementing agency
1	Hospitality Skills Training to the differently abled people in various departments through NGO's	Employment Enhancing Vocational Skills/ Promotion of Education	Local area/others	3.80	3.74	3.74	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	0.75	0.39	0.39	Direct
4	Contribution to Swachh Bharat Kosh	SWACHH BHARAT KOSH set up by the Central government	Local area/others	1.80	1.80	1.80	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 up to 31st March, 2016 (₹ In lacs)	Amount spent: Direct/ through implementing agency
5	Contribution to 'AADI' and 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	3.00	3.00	3.00	through implementing agency
6	Contribution to 'Salaam Baalak Trust' NGO for distribution of clothes, Slippers and Notebook to poor and under privileged children's.	Promotion of Education	Local area/others	1.00	1.00	1.00	through implementing agency
7	Contribution to 'Zion Social Welfare Society' for 4 Girl's Education, reimbursement of Annual School fees.	Promotion of Education	Local area/others	1.84	2.33	2.33	through implementing agency
			TOTAL	15.00	15.06	15.06	

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

Rajindra Kumar
Director
(DIN: 00053878)

Rohit Khosla
Chairman, CSR Committee
(DIN: 07163135)

Place : New Delhi
Date : May 2, 2016

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2016)

[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 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)

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	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

UNITED 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	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
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 ₹ 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

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	2518320	29.98	Nil	2518320	29.98	Nil	Nil
2	TIFCO Holdings Limited	2101680	25.02	Nil	2101680	25.02	Nil	Nil
3	New Delhi Hotels Limited	302400	3.60	Nil	302400	3.60	Nil	Nil
4	Narinder Kumar	672000	8.00	Nil	786240	9.36	Nil	1.36
5	Bimla Devi	571200	6.80	Nil	Nil	Nil	Nil	-6.80
6	Veena Khanna	537600	6.40	Nil	651840	7.76	Nil	1.36
7	Pawan Pershad	537600	6.40	Nil	651840	7.76	Nil	1.36
8	Rajinder Kumar	537600	6.40	Nil	651840	7.76	Nil	1.36
9	Virinder Kumar	537600	6.40	Nil	651840	7.76	Nil	1.36

(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	8316000	99	8316000	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	8316000	99	8316000	99

(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	Maharwal Mahipal Singhji				
	At the beginning of the year	84000	1.00	84000	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)	84000	1.00	84000	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	537600	6.40	537600	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):	(114240 shares of Mrs. Bimla Devi were transmitted in favor of Mr. Rajinder Kumar on May 26, 2015)	1.36	114240	1.36
	At the end of the year	651840	7.76	651840	7.76

UNITED HOTELS LIMITED

Sl. No.	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	Mr. Narinder Kumar (Working Director)				
	At the beginning of the year	672000	8.00	672000	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):	(114240 shares of Mrs. Bimla Devi were transmitted in favor of Mr. Narinder Kumar on May 26, 2015)	1.36	114240	1.36
	At the end of the year	786240	9.36	786240	9.36
3	Mr. Virinder Kumar (Working Director)				
	At the beginning of the year	537600	6.40	537600	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):	(114240 shares of Mrs. Bimla Devi were transmitted in favor of Mr. Virinder Kumar on May 26, 2015)	1.36	114240	1.36
	At the end of the year	651840	7.76	651840	7.76

V. INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2015-16.

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	28.77	27.69	26.61	83.07
	(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(3) of 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) Ceiling as per the Act	29.06	27.98	26.90	83.94 (As per Schedule V – ₹ 84.00 Lacs)

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ in Lacs)
1.	Independent Directors • Fee for attending board /committee meetings • Commission • Others, please specify	NA	NA	NA	NA	NA
	Total (1)					
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Mr. Rohit Khosla	Mr. Rajeev Newar	Mr. Gaurav Pokhariyal	Mr. P.K. Bhatia*	
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)					Nil
	Total Managerial Remuneration					83.94
	Overall Ceiling as per the Act - 1% of the Net Profit of the Company					

* resigned w.e.f. April 20, 2016

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:

There were no penalties/ punishments/ compounding of offences for breach of any Section of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year.

On behalf of the Board of Directors

Rohit Khosla
Chairman
(DIN : 07163135)

Place : New Delhi
Date : May 2, 2016
Regd. Office:
Vivanta by Taj – Ambassador
Suja Singh Park
New Delhi 110 003

INDEPENDENT AUDITORS' 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, 2016, 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 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, 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. 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.

4. 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 the affairs of the Company as at 31st March, 2016, and its Profit and its 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 2016, (the Order) issued by the Central Government of India in terms of section 143 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, 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 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 the law have been kept by the Company so far as 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 the report are in agreement with the books of account.
- d) in our opinion, the aforesaid Financial Statements 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 2016 and taken on record by Board of Directors, none of the directors is disqualified as on 31st March 2016, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) 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 32 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

Vipin Bali
Partner
M.No. 083436

Place: New Delhi
Date: May 2, 2016

Annexure A of our Independent Auditor's Report

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.
 - c) According to the information and explanations, and the records provided to us, the Company does not have immovable property, hence no comment is required under paragraph 3 (i) (c) of the Order.
2. Inventory has been physically verified during the year by the management and no material discrepancies were noticed. In our opinion, the frequency of verification is reasonable.
3. During the year the Company has not granted any loans, secured or unsecured, to companies covered in the register maintained u/s 189 of the Act.
4. As per information and explanations given to us and records examined, the provisions of sections 185 and 186 of the Act to the extent applicable have been complied with in respect of investments and loans.
5. According to the information and explanations given to us and records examined, the Company has not accepted any deposits that are covered by paragraph 3 (v) of the Order.
6. According to the information and explanations given to us, maintenance of the cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the Company.
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, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable.
 - b) According to the information and explanations given to us and the records of the Company examined by us, we report that the company has no pending dispute in respect of income tax, sales-tax, service tax or duty of custom, duty of excise or value added tax, except as mentioned below:

Year to which demand relates	Amount involved (₹)	Forum where dispute is pending
A.Y. 1998-99	99,18,571	Hon'ble High Court of Delhi- appeal filed by the department against order in the favour of the company
A.Y. 2013-14	58,20,560	CIT (Appeals), New Delhi
8. As per information and explanations furnished to us and on verification of the records produced, the Company has not defaulted in repayment of loans and borrowing to a financial institution/ bank/ government. The Company has not issued any debentures.
9. As per information and explanations given to us and as per verification of the records produced before us, the Company does not have any term loans or raised money by way of initial public offer or further public offer (including debt instruments), hence no comment is required under paragraph 3 (ix) of the Order.
10. 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.
11. As per information and explanations furnished to us and on examination of the records produced, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V of the Act.
12. The Company is not a Nidhi Company, hence, no comment is required under paragraph 3 (xii) of the Order.
13. As per information and explanations furnished to us and on examination of the records produced, the transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14. As per information and explanations furnished to us and on verification of the records produced, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence, no comment is required under paragraph 3 (xiv) of the Order.
15. As per information and explanations furnished to us and on verification of the records produced, the Company has not entered into any non-cash transactions referred to in section 192 of the Act with directors or person connected with him during the year. Hence, no comment is required under paragraph 3 (xv) of the Order.
16. As per information and explanations furnished to us and on verification of the records produced, we are of the opinion that the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M.No. 083436

Place: New Delhi
Date: May 2, 2016

Annexure “B” to the Independent Auditor’s report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of United Hotels Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively man material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally preparation of financial statements in accordance with generally expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect of the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M.No. 083436

Place: New Delhi
Date: May 2, 2016

UNITED HOTELS LIMITED

Balance Sheet as at March 31, 2016

	Note	March 31, 2016 ₹	March 31, 2015 ₹
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	84,000,000	84,000,000
Reserves and Surplus	3	178,975,078	178,516,209
		<u>262,975,078</u>	<u>262,516,209</u>
Non-current Liabilities			
Long-term Provisions	4	1,649,082	2,292,015
		<u>1,649,082</u>	<u>2,292,015</u>
Current Liabilities			
Trade Payables	5	18,295,566	22,637,852
Other Current Liabilities	6	32,273,138	32,833,153
Short-term Provisions	7	68,233,106	68,271,359
		<u>118,801,810</u>	<u>123,742,364</u>
Total		<u><u>383,425,970</u></u>	<u><u>388,550,587</u></u>
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	8	95,329,012	91,641,936
Intangible Assets	9	2,328,860	1,427,588
Capital Work-in Progress		416,467	861,454
Non-current Investments	10	62,504,500	62,504,500
Deferred Tax Assets(Net)	11	4,130,995	2,457,164
Long-term Loans and Advances	12	8,566,688	15,757,747
Other Non Current Assets	13	932,464	932,464
		<u>174,208,986</u>	<u>175,582,853</u>
Current Assets			
Inventories	14	5,178,327	3,926,439
Trade Receivables	15	11,478,945	12,436,964
Cash and Cash Equivalents	16	160,578,863	154,114,415
Short-term Loans and Advances	17	29,065,534	27,515,244
Other Current Assets	18	2,915,315	14,974,672
		<u>209,216,984</u>	<u>212,967,734</u>
Total		<u><u>383,425,970</u></u>	<u><u>388,550,587</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.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M.No.083436

For and on behalf of the Board

Rohit Khosla
Director
DIN 07163135

Rajeev Newar
Director
DIN 00053878

Rajinder Kumar
Director
DIN 00468125

Company Secretary

Date : May 2, 2016
Place : New Delhi

Statement of Profit and Loss for the year ended March 31, 2016

	Note	March 31, 2016 ₹	March 31, 2015 ₹
Revenue			
Room, Restaurants, Banquets and Income from Operations	19	358,174,857	338,143,517
Other Income	20	14,738,852	18,792,922
Total Revenue		372,913,709	356,936,439
Expenses			
Food and Beverages Consumed	21	38,448,295	34,761,741
Employee Benefits Expense and Payment to Contractors	22	84,175,383	85,322,431
Depreciation	8&9	13,197,000	(33,766,900)
Other Operating and General Expenses	23	176,139,988	189,393,005
Total		311,960,666	275,710,277
Profit Before Tax		60,953,043	81,226,162
Tax Expenses:			
Current Tax		24,000,000	20,000,000
Deferred Tax(Asset)/Liability		(1,673,831)	7,809,928
Minimum Alternate Tax Credit		(2,272,283)	-
Total Taxes		20,053,886	27,809,928
Profit After Tax For the year		40,899,157	53,416,234
Earnings Per Equity Share:			
Basic and Diluted	24	4.87	6.36
Summary of significant Accounting Policies	1		
The accompanying notes form an integral part of the Financial Statements			

As per our report of even date attached

For and on behalf of the Board

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M.No.083436

Rohit Khosla
Director
DIN 07163135

Rajeev Newar
Director
DIN 00053878

Rajinder Kumar
Director
DIN 00468125

Company Secretary

Date : May 2, 2016

Place : New Delhi

UNITED HOTELS LIMITED

Cash Flow Statement for the year ended March 31,2016

	March 31, 2016 ₹	March 31, 2015 ₹
Cash Flow From Operating Activities		
Net Profit Before Tax	60,953,043	81,226,162
Adjustments For:		
Depreciation	13,197,000	(33,766,900)
Loss/(Profit) on sale of Assets	(244,646)	(124,596)
Provision for Doubtful Debts	151,621	(210,706)
Interest	(12,963,910)	(14,851,108)
Provision for Employee Benefits	(626,283)	178,174
	<u>(486,219)</u>	<u>(48,775,135)</u>
Cash Flow From Operations Before Working Capital Changes	60,466,824	32,451,027
Adjustments for Increase/(decrease) in operating assets/liabilities		
Trade and Other Receivables	8,635,038	(6,195,920)
Inventories	(1,251,888)	530,306
Trade and Other Payables	97,700	21,429,382
	<u>7,480,850</u>	<u>15,763,768</u>
Cash Flow From Operating Activities	67,947,674	48,214,795
Income Tax Refunds	8,143,770	-
Direct Taxes Paid	(20,000,000)	(18,000,000)
Net Cash From Operating Activities	<u>56,091,444</u>	<u>30,214,795</u>
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(17,387,269)	(13,150,795)
Sale of Fixed Assets	291,554	149,334
Interest Received	12,963,910	14,851,108
Long Term Deposits Refunded by Companies	-	80,000,000
Net Cash Used in Investing Activities	<u>(4,131,805)</u>	<u>81,849,647</u>
Cash Flow from Financing Activities		
Dividend Paid (Including tax on dividend)	(45,495,191)	(44,224,110)
Net Cash Used In Financing Activities	<u>(45,495,191)</u>	<u>(44,224,110)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	6,464,448	67,840,332
Cash and Cash Equivalents- Opening-1st April	<u>154,114,415</u>	<u>86,274,083</u>
Cash and Cash Equivalents-closing -31st March	<u>160,578,863</u>	<u>154,114,415</u>

As per our report of even date attached

For R K Khanna & Co.
Chartered Accountants
FRN 000033N

Vipin Bali
Partner
M.No.083436

For and on behalf of the Board

Rohit Khosla
Director
DIN 07163135

Rajeev Newar
Director
DIN 00053878

Rajinder Kumar
Director
DIN 00468125

Company Secretary

Date : May 2, 2016

Place : New Delhi

Notes to Financial Statements for year ended March 31, 2016

1. Significant Accounting Policies

ACCOUNTING POLICIES :

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. 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 period of 1 year being reckoned from the reporting date. The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years

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, however, differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under:-

(a) Revenue Recognition:

Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations . Revenue is recognised upon rendering of the services.

Interest

Interest income is accrued on a time proportion basis having regard to the amount outstanding and the rate applicable.

(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'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 /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 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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

<u>Class of Assets</u>	<u>Estimated useful Life</u>
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture (Fixed Furnitures)	15 years
End User devices – Computers, Laptops etc	6 years
Assets costing less than` 5000	4 years

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 useful lives currently used for amortising intangible assets are as under:

<u>Class of Assets</u>	<u>Estimated useful Life</u>
Cost of Customer Reservation System (including licensed software)	6 years

(f) Inventories

Stock of food and beverages and operating supplies are carries 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),prescribed under section 133 of the Companies Act, 2013. 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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

(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, prescribed under section 133 of the Companies Act, 2013, 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.

2 Share Capital

	March 31, 2016 ₹	March 31, 2015 ₹
Authorised Share capital		
Equity Shares		
1,00,00,000 Equity Shares (Previous Year 1,00,00,000 equity shares of ₹ 10/- each)	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</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)	84,000,000	84,000,000
	<u>84,000,000</u>	<u>84,000,000</u>

a) **Reconciliation of Equity Shares outstanding at the beginning and at the end of the period.**

	March 31, 2016		March 31, 2015	
	No. of Shares	₹	No. of Shares	₹
As at the beginning of the Year	8,400,000	84,000,000	8,400,000	84,000,000
Add:- Shares Issued during the year	-	-	-	-
As at the end of the year	<u>8,400,000</u>	<u>84,000,000</u>	<u>8,400,000</u>	<u>84,000,000</u>

b) **Shareholders holding more than 25% Equity Shares in the Company**

Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares	% holding	No. of Shares	% holding
The Indian Hotels Co. Ltd.(Holding Company)	2,518,320	29.98%	2,518,320	29.98%
TIFCO Holdings Ltd.-a subsidiary of The Indian Hotels Co. Ltd. (Shares held by Holding Company along with subsidiaries)	2,101,680	25.02%	2,101,680	25.02%
TOTAL	<u>4,620,000</u>	<u>55.00%</u>	<u>4,620,000</u>	<u>55.00%</u>
The Indian Hotels Company Limited is the Holding of the Company				

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
c) Shareholders holding more than 5% Equity Shares in the Company

Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Mr. Rajinder Kumar	651,840	7.76%	537,600	6.40%
Mr.Narinder Kumar	786,240	9.36%	672,000	8.00%
Mrs.Veena Khanna	651,840	7.76%	537,600	6.40%
Mr. Pawan Pershad	651,840	7.76%	537,600	6.40%
Mr. Virender Kumar	651,840	7.76%	537,600	6.40%
Mrs. Bimla Devi	-	-	571,200	6.80%
TOTAL	3,393,600	40.40%	3,393,600	40.40%

- 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 shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

3 Reserves and Surplus

	March 31, 2016	March 31, 2015
	₹	₹
Capital Reserve		
Opening and Closing Balance	1,140,845	1,140,845
General Reserve		
Opening Balance	155,174,528	155,174,528
Add: Transferred from Surplus in Statement of Profit and Loss	-	-
Closing Balance	155,174,528	155,174,528
Surplus in Statement of Profit and Loss		
Opening Balance	22,200,835	14,279,792
Add:-Net Profit for the current year	40,899,157	53,416,234
Less:-Proposed Dividend	33,600,000	37,800,000
Less:-Tax on Dividend	6,840,288	7,695,191
Closing Balance	22,659,704	22,200,835
TOTAL	178,975,078	178,516,209

4 Long-term Provisions

	March 31, 2016	March 31, 2015
	₹	₹
Provision For Employee Benefits		
Compensated absences	1,649,082	2,292,015
Total	1,649,082	2,292,015

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

5 Trade Payables

	March 31, 2016 ₹	March 31, 2015 ₹
Micro, Small and Medium Enterprises	155,430	142,358
Vendor Payables	8,518,619	4,455,097
Accured expenses and others	9,621,517	18,040,397
Total	18,295,566	22,637,852

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 Management. Disclosure are relating to Micro and Small Enterprises are as under:-

	March 31, 2016 ₹	March 31, 2015 ₹
(a) The principal amount remaining unpaid to suppliers as at the end of accounting year	155,430	142,358
(b) The interest due thereon remaining unpaid to supplier as at the 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 the 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 accounting year	-	-
(f) 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	-	-
Total	155,430	142,358

6 Other Current Liabilities

	March 31, 2016 ₹	March 31, 2015 ₹
Creditors for Capital expenditure	98,485	452,267
Advance collected from Customers	2,153,032	2,423,023
Other Liabilities	15,653,753	20,977,414
Deposit others	2,272,057	1,060,057
Statutory Dues	7,736,875	7,920,392
	27,914,202	32,833,153
On Current Account dues :		
Holding Company	4,165,964	-
Fellow Subsidiaries	28,007	-
Others	164,965	-
	4,358,936	-
Total	32,273,138	32,833,153

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
7 Short-term Provisions

	March 31, 2016	March 31, 2015
	₹	₹
Compensated absences	292,818	276,168
Proposed Dividend	33,600,000	37,800,000
Tax on Dividend	6,840,288	7,695,191
Provision for Contingencies	27,500,000	22,500,000
Total	68,233,106	68,271,359

Provision for Contingencies

	Opening Balance	Addition / (Deletion)	Closing Balance
	₹	₹	₹
Legal and Statutory matters	2,25,00,000	5,00,00,000	27,50,00,000

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, 2014	32,824,058	96,917,898	1,829,757	30,017,787	14,822,108	-	176,411,608
Additions	1,741,035	6,586,266	-	4,549,686	806,049	-	13,683,036
Disposals	-	71,807	-	533,350	-	-	605,157
Adjustments	-	-	-	-	-	-	-
At March 31, 2015	34,565,093	103,432,357	1,829,757	34,034,123	15,628,156	-	189,489,487
At April 1, 2015	34,565,093	103,432,357	1,829,757	34,034,123	15,628,156	-	189,489,487
Additions	3,439,546	6,159,473	-	5,655,006	1,299,938	-	16,553,963
Disposals	-	618,295	-	847,956	-	-	1,466,252
Adjustments	-	(43,883)	-	98,840	(54,957)	-	(0)
At March 31, 2016	38,004,639	108,929,651	1,829,757	38,940,012	16,873,138	-	204,577,198
Depreciation							
At April 1, 2014	18,764,580	76,910,455	1,582,996	22,190,298	13,052,531	-	132,500,860
Charge for the Year	1,566,034	9,133,130	64,704	2,931,963	1,546,033	-	15,241,865
Adjustment	(8,723,564)	(32,795,446)	(416,282)	(6,059,483)	(1,319,979)	-	(49,314,755)
Disposals	-	(114,749)	-	(465,670)	-	-	(580,419)
At March 31, 2015	11,607,051	53,133,389	1,231,418	18,597,108	13,278,585	-	97,847,551
At April 1, 2015	11,607,051	53,133,389	1,231,418	18,597,108	13,278,585	-	97,847,551
Charge for the year	1,672,667	6,860,894	64,704	3,313,137	908,576	-	12,819,979
Adjustment	-	(43,422)	-	50,552	(7,130)	-	-
Disposals	-	577,603	-	841,741	-	-	1,419,344
At March 31, 2016	13,279,718	59,373,259	1,296,123	21,119,056	14,180,031	-	109,248,186
Net Block							
At March 31, 2015	22,958,043	50,298,968	598,339	15,437,015	2,349,571	-	91,641,936
At March 31, 2016	24,724,921	49,556,393	533,634	17,820,956	2,693,108	-	95,329,012

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

9. Fixed Assets- Intangible Assets

Particulars	Intangible Assets	Total Intangible Assets
Gross Block at Cost		
At April 1, 2014	1,835,575	1,835,575
Additions	-	-
Disposals	-	-
Adjustments	-	-
At March 31, 2015	1,835,575	1,835,575
At April 1, 2015	1,835,575	1,835,575
Additions	1,278,293	1,278,293
Disposals	-	-
Adjustments	-	-
At March 31, 2016	3,113,868	3,113,868
Depreciation		
At April 1, 2014	101,997	101,997
Charge for the Year	305,990	305,990
Adjustment	-	-
At March 31, 2015	407,987	407,987
At April 1, 2015	407,987	407,987
Charge for the year	377,021	377,021
Disposals	0	0
At March 31, 2016	785,008	785,008
Net Block		
At March 31, 2015	1,427,588	1,427,588
At March 31, 2016	2,328,860	2,328,860

10 Non- Current Investments (at Cost)

	Face Value	March 31, 2016		March 31, 2015	
		Holding (nos.)	₹	Holding (nos.)	₹
Trade Investment, Unquoted Equity Shares					
Taj Air Limited	₹ 10/-	6250000	62,500,000	6250000	62,500,000
Non-trade Investment, Quoted Equity Shares					
Graviss Hospitality Limited	₹ 2/-	4500	4,500	4500	4,500
TOTAL			62,504,500		62,504,500
Notes:-					
Aggregate of Unquoted Investments - Gross	Cost		62,500,000		62,500,000
Aggregate of Quoted Investments - Gross	Cost		4,500		4,500
	Market Value		83,250		72,675

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
11 Deferred Tax Assets(Net)

	March 31, 2016 ₹	March 31, 2015 ₹
Deferred Tax Assets:		
Provision for doubtful debts	565,575	515,444
Provision for Employee Benefits	642,050	849,118
Provision for Contingencies	9,092,325	7,439,175
	<u>10,299,950</u>	<u>8,803,738</u>
Deferred Tax Liabilities:		
Depreciation on Fixed Assets	6,168,955	6,346,574
Total	<u>4,130,995</u>	<u>2,457,164</u>

12 Long-term Loans and Advances

	March 31, 2016 ₹	March 31, 2015 ₹
Capital advances	12,145	1,937,280
Security Deposits:		
Deposit with public bodies & others	779,025	661,443
Other loans and advances		
Advance Income Tax Paid (net)	5,503,235	13,159,025
MAT Credit Entitlement	2,272,283	-
Total	<u>8,566,688</u>	<u>15,757,747</u>

13 Other Non Current Assets

	March 31, 2016 ₹	March 31, 2015 ₹
Deposits with Banks	932,464	932,464
(Term deposit with banks maturing after 12 months from the Balance Sheet date and pledged with Sales Tax Authorities)		
Total	<u>932,464</u>	<u>932,464</u>

14 Inventories (At lower of cost or net realisable value)

	March 31, 2016 ₹	March 31, 2015 ₹
Stores and Operating Supplies	1,005,766	578,391
Food and Beverages	4,172,561	3,348,048
Total	<u>5,178,327</u>	<u>3,926,439</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

15 Trade Receivables	March 31, 2016	March 31, 2015
	₹	₹
Outstanding over six months from the due date:		
Secured, considered good		
Unsecured, considered good	984,017	495,859
Considered doubtful	1,710,597	1,558,976
	2,694,614	2,054,835
Less: Provision for doubtful debts	1,710,597	1,558,976
	984,017	495,859
Others:		
Secured, considered good		-
Unsecured, considered good	10,494,927	11,941,105
	10,494,927	11,941,105
Total	11,478,945	12,436,964

Provision for Doubtful Debts

Particulars	March 31, 2016	March 31, 2015
	₹	₹
Opening Balance	1,558,976	1,769,682
Add:- Provision during the year	833,557	262,792
	2,392,533	2,032,474
Less:- Bad Debts written off	(555,004)	(449,261)
Less:- Provision no longer required	(126,932)	(24,237)
Total	1,710,597	1,558,976

Debtors include amounts aggregating to ₹ 1,710,597 (P.Y. ₹ 1,558,976) which are doubtful in nature. Out of the same ₹ 993,667 (P.Y. ₹ 946,971) 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 ₹ 20156(Previous Year ₹ 23,242)

16 Cash and Cash equivalents	March 31, 2016	March 31, 2015
	₹	₹
Cash on Hand	247,320	250,000
Cheques, Drafts on hands	-	-
Balance with bank in current accounts	20,331,543	13,864,415
Short-term deposits	140,000,000	140,000,000
(original maturity less than 3 months)		
TOTAL	160,578,863	154,114,415

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

17 Short-term Loans and Advances	March 31, 2016	March 31, 2015
	₹	₹
(Unsecured, considered good unless stated otherwise)		
Short-term Loans and Advances		
Related Parties		
Fellow Subsidiaries		
Inter Corporate Deposits	-	-
Others		
Inter Corporate Deposits	17,500,000	17,500,000
	<u>17,500,000</u>	<u>17,500,000</u>
Deposit-Others	238,600	303,600
Other Advances		
Prepaid Expenses	3,476,752	4,035,250
Advance to Suppliers	5,449,030	5,258,801
Others	2,401,152	417,593
	<u>11,326,934</u>	<u>9,711,644</u>
Total	<u>29,065,534</u>	<u>27,515,244</u>
18 Other Current Assets	March 31, 2016	March 31, 2015
	₹	₹
Interest Receivable		
Related parties	-	-
Others	1,329,490	1,148,612
	<u>1,329,490</u>	<u>1,148,612</u>
On Current Account dues :		
Holding Company	-	-
Fellow Subsidiaries	-	533,354
Others	1,585,825	13,292,706
	<u>1,585,825</u>	<u>13,826,060</u>
Total	<u>2,915,315</u>	<u>14,974,672</u>
19 Rooms, Restaurants, Banquets and Income from Operations	March 31, 2016	March 31, 2015
	₹	₹
Rooms Income	170,253,477	172,156,499
Food, Restaurants and Banquet Income	176,409,305	156,821,637
Others	11,512,076	9,165,382
TOTAL	<u>358,174,857</u>	<u>338,143,517</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

20 Other Income

	March 31, 2016	March 31, 2015
	₹	₹
Interest Income		
Inter-corporate deposits	1,933,838	10,848,630
Deposits with banks	9,926,827	4,002,478
Interest on Income Tax Refunds	1,103,245	-
	<u>12,963,910</u>	<u>14,851,108</u>
Profit on Sale of Fixed Assets	244,646	124,596
Others	1,530,296	3,817,218
TOTAL	<u><u>14,738,852</u></u>	<u><u>18,792,922</u></u>

21 Food and Beverages Consumed

	March 31, 2016	March 31, 2015
	₹	₹
Food and Beverages Consumed		
Opening Stock	3,348,048	3,846,701
Add:- Purchases *	39,272,808	34,263,088
	<u>42,620,856</u>	<u>38,109,789</u>
Less:- Closing Stock	4,172,561	3,348,048
Food and Beverages Consumed	<u><u>38,448,295</u></u>	<u><u>34,761,741</u></u>

	March 31, 2016	%	March 31, 2015	%
Imported	NIL	NIL	NIL	NIL
Indigenous	38,448,295	100	34,761,741	100
Total	<u><u>38,448,295</u></u>	<u><u>100</u></u>	<u><u>34,761,741</u></u>	<u><u>100</u></u>

*Purchase cost of Food and Beverages is after adjusting Sale of Empties

	March 31, 2016	March 31, 2015
	₹	₹
Sale of Empties	302,827	223,251

22 Employee Benefits Expense and Payment to Contractors

	March 31, 2016	March 31, 2015
	₹	₹
Salaries, Wages, Bonus etc.*	43,297,243	50,448,437
Company's Contribution to Provident and Other Funds	3,244,512	3,203,305
Reimbursement of Expenses on Personnel Deputed to the Company	17,992,074	13,894,245
Payment to Contractors	6,057,780	5,732,735
Staff Welfare Expenses	13,583,774	12,043,709
Total	<u><u>84,175,383</u></u>	<u><u>85,322,431</u></u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

- i The Company has recognised the following amount under the head "Company's Contribution to Provident Fund and Other Funds"

	March 31, 2016	March 31, 2015
	₹	₹
Provident Fund	2,974,561	2,495,168
Gratuity Fund	269,951	708,136
Total	3,244,512	3,203,305

- ii Managerial remuneration

	March 31, 2016	March 31, 2015
	₹	₹
Salaries, HRA, LTA, Medical & others	7,885,678	8,215,441
Contribution of Provident Fund and Other Funds	508,163	508,163
Commission	-	-
Total	8,393,841	8,723,604

*Reversal of Directors commission amount of ₹ 86.36 lacs during the current year (Previous year - Nil).

23 Other Operating and General Expenses

- i Operating Expenses consist of the following

	March 31, 2016	March 31, 2015
	₹	₹
Linen and Room Supplies	5,444,990	4,538,107
Catering Supplies	3,029,256	2,733,139
Other Supplies	70,267	146,627
Fuel, Power & Light	26,223,591	27,285,788
Repairs to Buildings	19,876,436	14,429,907
Repairs to Machinery	6,639,841	5,774,951
Repairs to Others	3,165,030	1,899,265
Linen and Uniform Washing and Laundry Expenses	4,679,080	3,751,652
Payment to Orchestra Staff and Artistes and Others	1,174,500	1,132,921
Guest Transportation	533,185	704,068
Travel Agent's Commission	3,856,454	3,667,539
Credit/Debit Card Commission	3,373,866	2,877,006
Operating and Management Fees	18,427,115	17,942,890
Other Operating Expenses	5,220,981	5,339,641
Total	101,714,591	92,223,501

- ii General Expenses consist of the following:

	March 31, 2016	March 31, 2015
	₹	₹
Rent	4,158,452	3,824,354
Lease & License Fees	12,600,000	12,600,000
Rates & Taxes	11,332,443	28,820,609
Insurance	372,543	948,188

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Expenditure on Corporate Social Responsibility	1,506,478	1,503,325
Advertising & Publicity	17,396,880	11,151,537
Printing & Stationery	1,479,190	1,402,749
Passage & Traveling	1,025,816	901,770
Bad Debts written off	555,004	449,261
Provision for Doubtful Debts	151,621	-
Professional Fees	3,675,190	3,240,817
Support Services	1,456,617	1,465,770
Foreign Exchange Loss (Net)	61,094	203,094
Loss on Sale of Fixed Assets	-	-
Central Reservation System/Customer Information System	7,360,488	7,179,410
Security Charges	6,657,972	6,462,488
Annual Entitlement Fee	-	14,166,207
Other Expenses	4,463,860	2,671,160
Corporate Expense	-	-
Auditors Remuneration		
i. As Auditors	143,125	92,697
ii. For Taxation matters	28,625	19,663
Directors Commission	-	66,407
TOTAL	74,425,397	97,169,504
GRAND TOTAL (i+ii)	176,139,988	189,393,005

Expenses recovered from other parties :-

	March 31, 2016	March 31, 2015
	₹	₹
Fuel, Power and Light	654,859	416,549
Rent	105,072	103,073
TOTAL	759,931	519,622

* During the year an amount of ₹ 15.00 lacs (based on 2% of Average net profit of the company during the three immediately preceeding financial year, computed as per section 198 of Companies Act, 2013) was earmarked for expenditure on Corporate Social Responsibility as per section 135 of Companies Act, 2013. An amount of ₹ 15.06 lacs 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. Contribution to Swachh Bharat Kosh
4. Other Activities

24 Earning Per Equity share

	March 31, 2016	March 31, 2015
	₹	₹
Profit after Tax	40,899,157	53,416,234
No. of Equity Shares	8400000	8400000
Basic and Diluted	4.87	6.36

Notes to Financial Statements for year ended March 31, 2016 (Contd.)**25 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, 2016 ₹	March 31, 2015 ₹
Reconciliation of opening and closing balances on the present value of the defined benefit obligation		
Obligation at period beginning	8,730,585	8,234,791
Current service cost	479,461	492,642
Interest cost	676,620	658,783
Actuarial (gain)/loss due to change in assumptions	(1,229,953)	469,544
Benefits paid	(1,732,271)	(1,125,175)
Obligation at period end	6,924,442	8,730,585
Change in plan assets		
Plan Assets at period beginning, at fair value	10,070,791	10,332,586
Expected return on plan assets	906,371	929,933
Actuarial gain/(loss)	(65,460)	(66,553)
Contribution by Employer	-	-
Benefit paid	(1,732,271)	(1,125,175)
Plan Assets at period end, at fair value	9,179,431	10,070,791
Table showing fair value of plan assets		
Fair value of plan assets at the beginning of year	10,070,791	10,332,586
Actual return on plan assets	840,911	863,380
Contributions	-	-
Benefit Paid	(1,732,271)	(1,125,175)
Fair value of plan assets at the end of year	9,179,431	10,070,791
Funded status	2,320,449	1,340,206
Excess of Actual over estimated return on plan assets	(65,460)	(66,553)
(Actual rate of return = Estimate rate of return as ARD falls on 31st March)		
Expense for the year		
Current service cost	479,461	492,642
Interest cost	676,620	658,783
Expected return on plan assets	(906,371)	(929,933)
Net Actuarial (gain)/Loss recognized in the year	(1,229,953)	536,097
Net cost	(980,243)	757,589
Assumptions		
Discount rate	8%	8%
Salary Escalation	3%	3%

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

- 26 The Company has taken certain vehicles on operating non cancellable leases. The total lease rent paid(net of service tax cenvat) of amounting to ₹ 1,906,943 (Previous year ₹ 1,762,640) is included under other expenses. The minimum future lease rentals payable in respect thereof are as follows:

	March 31, 2016	March 31, 2015
	₹	₹
Not Later than one year	756,909	1,736,054
Later than one year but not later than five years	272,264	476,673
Later than Five years		
	<u>1,029,173</u>	<u>2,212,727</u>

27 C.I.F. Value of Imports

	March 31, 2016	March 31, 2015
	₹	₹
Stores, Supplies and Spare Parts for Machinery	-	-
Capital Goods	<u>485,320</u>	<u>1,236,553</u>

28 Expenses in Foreign Exchange

	March 31, 2016	March 31, 2015
	₹	₹
Advertising	2,871,507	2,242,995
Professional and Consultancy Fees	118,845	80,245
Membership Fees	506,145	215,472
Others	<u>2,228,481</u>	<u>1,638,788</u>

29 Earnings in foreign Exchange

	March 31, 2016	March 31, 2015
	₹	₹
Rooms, Restaurants, Banquets and Other operating Income	106,794,066	116,294,840
The Earnings in foreign exchange, as reported above, are on the basis of actual receipts during the year, as certified by the Management		

30 Capital Commitments

	March 31, 2016	March 31, 2015
	₹	₹
Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for.	3,921,100	3,713,608

31 Under schedule III of Companies Act, 2013 quantitatives details are not required to disclose.

32 Contingent Liabilities

	March 31, 2016	March 31, 2015
	₹	₹
Claim against company not acknowledged as debts:-		
Property Tax	80,622,151	66,106,744
Income Tax*	15,739,131	9,918,571

* Amount in dispute is ₹ 886 lac out of which ₹. 450 lac has been provided for.

*Income Tax Department filed the appeal against the order of ITAT which was decided in favour of company for the assessment year 1998-99; amount of Tax in dispute is ₹99,18,571. For assessment year 2013-14 Assessing Officer has made the additions and appeal has been filed before CIT(A) amount of tax disputed is ₹ 58,20,560.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

33 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
Lands End Properties Private Limited*
Skydeck Properties and Developers Private Limited*
Sheena Investments Private Limited*
ELEL Hotels & Investments Limited*
Luthria & Lalchandani Hotels & Properties Pvt. Ltd.*
*became a fellow subsidiary with effect from October 14, 2015

International :-

Apex Hotel Management Services (Pte) Ltd.
Taj International Hotels (H.K.) Limited
Cheiftain Corporation NV
IHOCO BV
St. James Court Hotels Limited
Taj International Hotels Limited
International Hotel Management Services LLC*.
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 Pte Ltd.
United Overseas Holding Inc.**

*Converted to LLC with effect from October 5, 2015

**became a fellow subsidiary with effect from August 25,2015

(iii) Key Management Personnel

Mr. Rajinder Kumar	Working Director
Mr. Virinder Kumar	Working Director
Mr.Narinder Kumar	Working Director

(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, 2016 (Contd.)

(b) Details of related party transaction during the year ended March 31, 2016 and outstanding balances as at March 31, 2016.

	Holding Company	Key Management Personnel	Fellow Subsidiaries	Key Management Personnel interested
Interest Received / Accrued on ICD	-	-	-	-
Dividend Paid	11,332,440	9,404,640	9,457,560	1,360,800
Operating Fees Paid / Provided	17,934,460	-	-	-
Advertisement/CRS & CIS Paid / Provided	14,347,567	-	-	-
Purchase of goods & Services	4,231,688	-	164,600	-
Sale of goods & Services	-	-	-	73,200
Directors Remuneration	-	8,393,841	-	-
Directors Commission	-	-	-	-
Trade Receivables	-	-	-	-
Trade Payables	-	-	-	-
Receivable Due on Current A/c	-	-	12,530	-
Payable Due on Current A/c	4,165,964	-	28,007	-
Interest Receivables	-	-	-	-
ICD Placed	-	-	-	-
ICD Refunded	-	-	-	-

(c) Statement of Material Transactions

	March 31, 2016 ₹	March 31, 2015 ₹
Holding Company		
The Indian Hotels Company Limited		
Operating/Licence Fee Paid	17,934,460	17,571,463
Advertisement/Brand Cost/CRS/CIS Paid	14,347,567	14,057,172
Purchase of goods & services	4,231,688	1,228,666
Sale of goods & services	-	-
Receivable due on current account	-	-
Payable due on current account	4,165,964	184,363
Dividend Paid	11,332,440	11,332,440
ICD Placed	-	-
ICD Refunded	-	-
ICD Interest	-	-
Remuneration to Key Management Personnel		
Mr. Rajnder Kumar		
Remuneration	2,906,048	2,997,493
Commission	-	-
Dividend Paid	2,933,280	2,419,200

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Mr. Virinder Kumar

Remuneration	2,797,466	2,891,818
Commission	-	-
Dividend Paid	2,933,280	2,419,200

Mr. Narinder Kumar

Remuneration	2,690,328	2,834,294
Commission	-	-
Dividend Paid	3,538,080	3,024,000

Fellow Subsidiaries

TIFCO Holdings Ltd

Dividend Paid	9,457,560	9,457,560
---------------	-----------	-----------

PIEM Hotels Limited

Sale of goods & services		
Receivable due on current account	-	516,250
Payable due on current account	28,007	-
Inditravel Limited		
Purchase of goods & services	-	-

Roots Corporation Limited

ICD Placed	-	-
ICD Refunded		80,000,000
ICD Interest	-	8,905,411
Interest Recoverable	-	-

Taj Sats Air Catering Limited

Purchase of goods & services	164,600	162,950
Receivable due on current account	12,530	17,104
Payable due on current account	-	

Key Management Personnel interested

New Delhi Hotels Ltd.

Sale of goods & Services	73,200	73,000
Dividend Paid	1,360,800	1,360,800

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

34. Figures of the previous year have been regrouped / recast wherever necessary.

As per our report of even date attached

For R K Khanna & Co. **Vipin Bali**
Chartered Accountants Partner
FRN 000033N M.No.083436

For and on behalf of the Board

Rohit Khosla	Rajeev Newar	Rajinder Kumar
Director	Director	Director
DIN 07163135	DIN 00053878	DIN 00468125
		Company Secretary

Date : May 2, 2016

Place : New Delhi

LANDS END PROPERTIES PRIVATE LIMITED

DIRECTORS AND CORPORATE INFORMATION

LANDS END PROPERTIES PRIVATE LIMITED

(CIN: U70100MH2009PTC197920)

Board of Directors :

Mr. R. H. Parekh - Chairman
Mr. Ashok Binnani - CEO and CFO
Mr. Kishor Kulkarni
Ms. Aban Rupa

Bankers :

HDFC Bank Limited
Standard Chartered Bank

Auditors :

PKF Sridhar & Santhanam, LLP,
Chartered Accountants (Firm No. 003990S/S20018)

Registered Office :

Mandlik House, Mandlik Road, Mumbai 400 001.
Tel.: 022 6639 5515
Fax: 022 2202 7442
Email: investorrelations@tajhotels.com

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the seventh Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2016:

FINANCIAL RESULTS

Particulars	Standalone	
	2015-16 ₹ Lakhs	2014-15 ₹ Lakhs
Total Income	799.15	13.62
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	761.36	(21.25)
Less : Depreciation	-	-
Less : Finance Charges	6,829.42	5,873.20
Profit/(Loss) before Tax	(6,086.06)	(5,894.45)
Less : Provision for Income Tax	19.00	6.90
Profit/(Loss) After Tax	(6,087.06)	(5,901.35)
Basic & Diluted Earning Per Share (₹) (Face Value - ₹ 10/-)	(60.87)	(59.01)

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

STATE OF AFFAIRS OF THE COMPANY

During the year, the Company obtained an Inter – Corporate Deposit (ICD) of ₹ 65,500 lakhs, from The Indian Hotels Company Limited, its holding company, bearing interest @ 10%.

This loan was utilised to repay on February 12, 2016, the 5,210 Zero coupon, Secured Non-Convertible Debentures of ₹ 10 lakhs, each aggregating to ₹ 52,100 lakhs.

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.

AMALGAMATION

The Board of Directors at their meeting held on October 19, 2015, had approved the amalgamation of the Company ("transferor company"), into the Indian Hotels Company Limited (IHCL), by way of a Scheme of Arrangement amongst the transferor company, IHCL("transferee company") and their respective shareholders and creditors (the "Scheme"), as provided under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 ("Act"), Section 78 and Sections 100 to 103 of the Companies Act, 1956. The appointed date for the Scheme is March 31, 2016. The proposed amalgamation was approved by the Members of IHCL at their meeting held on May 4, 2016, on the direction of the Honourable High Court of Judicature at Bombay where the application seeking permission for the amalgamation has been filed by the Company and IHCL. IHCL being the sole member of the company has given its consent for the scheme in its letter dated December 15, 2015.

SHARE CAPITAL

As on March 31, 2016, the issued, subscribed and paid-up share capital of your Company comprised of 1,00,00,000 Equity Shares of ₹ 10 each aggregating ₹ 10 crores. 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. As on March 31, 2016, the Indian Hotels Company Limited holds one share of the Company jointly with Mr. R. H. Parekh, Director of the Company.

LANDS END PROPERTIES PRIVATE LIMITED

DIVIDEND

In view of the loss made by the Company, the Directors do not recommend any dividend for the year ended March 31, 2016.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Board comprises of Mr. R H Parekh, Mr. Ashok Binnani, Mr. Kishor Kulkarni and Ms. Aban Rupa. There were no changes in the composition of the Board during the year under review.

In accordance with the Act and the Articles of Association of the Company, one of your Directors, viz. Mr. R. H. Parekh, 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.

The Company has received declarations from Mr. Kishor Kulkarni and Ms. Aban Rupa the Independent Directors of the Company stating that each of them meet the criteria of independence provided in Section 149 (6) of the Act.

In terms of Section 203 of the Act, the following are the KMP's of your Company:

Mr. Ashok Binnani – CEO and CFO

Ms. Rashna Master – Company Secretary

BOARD MEETINGS

During the year under review, 7 Board Meetings were held on May 28, 2015, June 12, 2015, September 11, 2015, October 14, 2015, October 19, 2015, January 14, 2016 and February 16, 2016. The intervening gap between the meetings did not exceed the period prescribed under the Act.

AUDIT COMMITTEE

The Audit Committee of the Company currently comprises of three Directors, of which two are Independent. The Members of the Committee are Ms. Aban Rupa - Chairperson, Mr. Kishor Kulkarni and Mr. Ashok Binnani. 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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The provisions of this policy are in line with the provisions of Section 177 (9) of the Act.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties were in the Ordinary Course of Business and at Arm's Length Basis, the details of which are given in Notes to the Financial Statements

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, if any are given in the Notes to the Financial Statements.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure I.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, IHCL acquired 80.1% of the equity shares of the Company. Prior to this acquisition IHCL held 18.9 % of the equity shares of the Company, Thus the Company became a wholly owned subsidiary of IHCL on October 14, 2015.

The Company has four Subsidiaries, viz. Skydeck Properties & Developers Private Limited (SPDPL), Sheena Investments Private Limited, ELEL Hotels and Investments Limited and Luthria & Lalchandani Hotel & Properties Private Limited. The Company does not have any Joint Ventures or Associate companies. Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of the Financial Statements of the Company's subsidiaries in Form AOC-1 is attached to the Financial Statements of the Company.

The Financial Statements of the subsidiary companies and other detailed information will be made available to the investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be available for inspection at the Registered Office of the Company as well as the respective Registered Offices of the subsidiary companies.

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.

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. Based on the report of Internal Audit function and recommendation, corrective action are taken and thereby strengthen the controls.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, 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.

PARTICULARS OF EMPLOYEES

During the year under review, the Company did not have any employees drawing salary requiring disclosure in terms of Section 134 of the Act, read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

AUDITORS

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

The Members of the Company at the previous Annual General Meeting (AGM) held on September 30, 2015, appointed M/s PKF Sridhar & Santhanam, LLP, Chartered Accountants (Firm No. 003990S/S20018) as the Statutory Auditors of the Company for four financial years commencing from 2015-16 upto 2018-19, to hold office till the conclusion of the tenth AGM of the Company (subject to ratification of their appointment at each AGM). Accordingly, the Members will be requested to ratify the re-appointment of M/s PKF Sridhar & Santhanam, LLP, Chartered Accountants (Firm No. 003990S/S20018) as the Statutory Auditors of the Company for the current financial year 2016-17 and authorise the Board of Directors to fix their remuneration.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by your Company, work performed by the statutory auditors including audit of internal financial controls over financial reporting by the statutory auditors and reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that your Company's internal financial controls were adequate and effective during the financial year 2015-16.

LANDS END PROPERTIES PRIVATE LIMITED

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

- In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and that there are no material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the loss of the Company for that period;
- The Directors have taken proper and sufficient care to the best of their knowledge and ability 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;
- That they have prepared the accounts for the year ended March 31, 2016 on a 'going concern' basis;
- The Directors have laid down internal financial controls for the Company which are adequate and are operating effectively;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

GENERAL

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

1. During the year under review, the Company has not accepted any deposit from the public in terms of Section 73, Chapter V of the Act.
2. The provisions relating to Secretarial Audit and Corporate Social Responsibility, 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.

ACKNOWLEDGEMENT

The Directors express their deep appreciation for the contribution made by the employees towards the operations of the Company.

The Directors also thank all their stakeholders including Members and lenders for their continued co-operation and support.

On behalf of the Board of Directors

R H Parekh
Chairman
(DIN: 01942405)

Mumbai, May 11, 2016

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN: U70100MH2009PTC197920
Tel.: 022 66395515 Fax: 022 22027442
Email: investorrelations@tajhotels.com

Annexure I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016

[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 : U70100MH2009PTC197920
- ii) Registration Date : 17/12/2009
- iii) Name of the Company : Lands End Properties Private Limited
- iv) Category : Private Company Limited by Shares
- v) Sub-Category of the Company : Indian Non- Government Company
- vi) Address of the registered office : Mandlik House, Mandlik Road,
Colaba, Mumbai- 400001.
Tel. No. 022 66395515
- 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:-

Sr. No.	Name and Description of main products / services	NIC Code (Division) of the Product/ service	% to total turnover of the company
	There were no significant business activities carried out during the year	Nil	Nil

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. 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	100	2 (87)
2	Skydeck Properties and Developers Private Limited. Mandlik House, Mandlik Road, Mumbai- 400 001	U45200MH1998PTC114881	Subsidiary	100	2 (87)
3	Sheena Investments Private Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U65990MH1990PTC055375	Subsidiary	100	2 (87)
4	Luthria & Lalchandani Hotel & Properties Private Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U13100MH1959PLC011396	Subsidiary	87.15	2 (87)
5	ELEL Hotels and Investments Limited Mandlik House, Mandlik Road, Mumbai- 400 001	U70101MH1969PLC014326	Subsidiary	85.72	2 (87)

LANDS END PROPERTIES PRIVATE LIMITED

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

i) Category-wise Share Holding

Name of the Shareholder	No. of Shares held at the beginning of the year (01-04-2015)				No. of Shares held at the end of the year (31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	0	0	0	0	0	0	0	0	0
a) HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	99,95,100	4,900	1,00,00,000	100	99,95,100	4,900	1,00,00,000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	99,95,100	4,900	1,00,00,000	100	99,95,100	4,900	1,00,00,000	100	0
(2) Foreign									
a) NRIs -	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
b) Other –	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	99,95,100	4,900	1,00,00,000	100	99,95,100	4,900	1,00,00,000	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh*** See notes	0	0	0	0	0	0	0	0	0
c) Others (specify)									
1) Directors and Relatives*** see notes	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	99,95,100	4,900	1,00,00,000	100	99,95,100	4,900	1,00,00,000	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2015)			Share holding at the end of the Year (31-03-2016)			% 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	19,90,000	19.90	0	99,99,999	100.00	0	100.00
2	The Indian Hotels Company Limited jointly with Mr. R. H. Parekh	0	0	0	1	0	0	0
3	Oriental Hotels Limited	19,90,000	19.90	0	0	0	0	19.90
4	Taida Trading and Industries Limited	40,30,000	40.30	0	0	0	0	40.30
5	Tata Capital Financial Services Limited	19,90,000	19.90	0	0	0	0	19.90
TOTAL		1,00,00,000	100	0	1,00,00,000	100.00	0	100.00

LANDS END PROPERTIES PRIVATE LIMITED

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

Sr. No.	Shareholder's Name	No. of Shares at the beginning (01-04-2015)/ end of the year (31-03-2016)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year(01-04-2015 to 31-03-2016)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	The Indian Hotels Company Limited	19,90,000	19.90	01 April 2015				
		99,99,999	100.00	19 October 2016	80,09,999	Purchase	99,99,999	100.00
2	The Indian Hotels Company Limited jointly with Mr. R. H. Parekh	0	0	01 April 2015				
		1	0	19 October 2016	1	Purchase	1	0
3	Oriental Hotels Limited	19,90,000	19.90	01 April 2015				
		0	0	19 October 2016	19,90,000	Sold	0	0
4	Taida Trading and Industries Limited	40,30,000	40.30	01 April 2015				
		0	0	19 October 2016	40,30,000	Sold	0	0
5	Tata Capital Financial Services Limited	19,90,000	19.90	01 April 2015				
		0	0	19 October 2016	19,90,000	Sold	0	0

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01-04-2015)		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
	NIL				

(v) Shareholding of Directors and Key managerial Personnel:

Sr. No.		Shareholding at the beginning of the year (01-04-2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mr. R. H. Parekh Jointly with The Indian Hotels Company Limited				
	At the beginning of the year	-	-	1	-
	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	-	-	1	-

V. INDEBTEDNESS

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

₹ Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	52,100.00	-	-	52,100.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	52,100.00	-	-	52,100.00
Change in Indebtedness during the financial year				
• Addition		64,900.00		64,900.00
• Reduction	(52,100.00)			(52,100.00)
Net Change	-	-	-	12,800.00
Indebtedness at the end of the financial year				
i) Principal Amount	-	64,900.00	-	64,900.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,538.07	-	1,538.07
Total (i+ii+iii)	-	66,438.07	-	66,438.07

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ Lakhs

Sr. no.	Particulars of Remuneration	Name of Managing Director, Whole- time Directors and/or 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	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			

B. Remuneration to other directors:

Independent Directors and Non Executive Directors

₹ Lakhs

Sr. No.	Particulars of Remuneration	Name of Director	Total Amount
1	Fee for attending board / committee meetings	The Directors do not receive any remuneration from the Company	
2	Commission		
3	Other, please specify		

LANDS END PROPERTIES PRIVATE LIMITED

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

₹ Lakhs

Sr. 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	Ms.Rashna Master	13.62
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others, please Specify	-	-
	Total	-	13.62

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 of Offences)			NIL		
B. Director (Penalty/ Punishment/ Compounding of Offences)					
C. Other Officers in Default (Penalty/ Punishment/ Compounding of Offences)					

On behalf of the Board of Directors

R H Parekh
Chairman
(DIN: 01942405)

Mumbai, May 11, 2016

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN: U70100MH2009PTC197920
Tel.: 022 66395515 Fax: 022 22027442
Email: investorrelations@tajhotels.com

INDEPENDENT AUDITOR'S REPORT

To the members of Lands End Properties Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Lands End Properties Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 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 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, 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. 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, 2016, and its 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, 2016 ("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", a statement on the matters specified in paragraphs 3 and 4 of the Order.

LANDS END PROPERTIES PRIVATE LIMITED

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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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 **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.0039905/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai

Date: May 11, 2016

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence clause iii is not applicable.
- (iv) Based on our audit procedures & according to the information and explanation given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) is not applicable.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2016 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, which have not been deposited on account of any dispute
- (viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, no money raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) during the year. Term loans raised during the year were applied for the purposes for which those are raised.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration paid or provided during the year.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.

LANDS END PROPERTIES PRIVATE LIMITED

- (xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/ fully or partly convertible debentures during the year under review.
- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.
- (xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.0039905/S200018

Ramanarayanan J
Partner
Membership No. 220369
Date: May 11, 2016

Place: Mumbai
Date: May 11, 2016

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Lands End Properties Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

LANDS END PROPERTIES PRIVATE LIMITED

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.0039905/S200018

Ramanarayanan J

Partner

Membership No.220369

Place: Mumbai

Date: May 11, 2016

Balance Sheet as at March 31, 2016

	Notes	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Equity and liabilities			
Shareholders' Funds			
Share Capital	3	1,000.00	1,000.00
Reserves and Surplus	4	(31,709.49)	(25,622.43)
		<u>(30,709.49)</u>	<u>(24,622.43)</u>
Non-current Liabilities			
Long-term Borrowings	5	-	-
		-	-
Current liabilities			
Short-term Borrowings	6	64,900.00	-
Other Current Liabilities	7	1,715.77	64,338.28
Short-term Provisions	8	-	8.60
		<u>66,615.77</u>	<u>64,346.88</u>
TOTAL		<u><u>35,906.28</u></u>	<u><u>39,724.45</u></u>
Assets			
Non-current Assets			
Non-current Investments	9	27,594.36	27,594.36
Long-term Loans and Advances	10	55.51	-
		<u>27,649.87</u>	<u>27,594.36</u>
Current Assets			
Trade Receivables	11	62.30	68.03
Cash and Cash Equivalents	12	212.91	161.48
Short-term Loans and Advances	13	7,980.07	11,791.05
Other Current Assets	14	1.13	109.53
		<u>8,256.41</u>	<u>12,130.09</u>
TOTAL		<u><u>35,906.28</u></u>	<u><u>39,724.45</u></u>

Summary of Significant Accounting Policies 2
The accompanying notes form an integral part of the financial statements.

In terms of our report of even date

For and on behalf of the Board

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

Ashok Binnani
Director

R. H. Parekh
Director

Ramanarayanan J
Partner
Membership No.220369

Rashna Kararia
Company Secretary

Place : Mumbai
Date : May 11, 2016

LANDS END PROPERTIES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2016

	Notes	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Income			
Consultancy Fees		60.00	-
Other Income	15	739.15	13.62
Total		799.15	13.62
Expenses			
Finance costs	16	6,829.42	5,873.20
Operating and General Expenses	17	37.79	34.87
Total		6,867.21	5,908.07
Loss before tax		(6,068.06)	(5,894.45)
Tax expenses			
Current tax		19.00	4.50
Income tax for earlier years		-	2.40
Loss after tax		(6,087.06)	(5,901.35)
Earnings per equity share	18		
Basic and Diluted (₹)		(60.87)	(59.01)
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.

In terms of our report of even date

For and on behalf of the Board

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm Registration No: 0039905/S200018

Ashok Binnani

Director

R. H. Parekh

Director

Ramanarayanan J

Partner

Membership No.220369

Rashna Kararia

Company Secretary

Place : Mumbai

Date : May 11, 2016

Statement of Cash flow for the year ended 31, March 2016

	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Cash flow from Operating activities:		
Net Loss before taxes	(6,068.06)	(5,894.45)
Adjustments for:		
Amortisation of Debenture Issue Cost	108.76	124.83
Interest Income	(739.15)	(13.62)
Interest Expenses	1,730.62	-
(Profit)/Loss on Sale of Investments	-	-
Premium on issue of debentures	4,990.04	5,748.37
Operating loss before working capital changes	22.21	(34.87)
Adjustments for changes in working capital:		
- Decrease / (Increase) in Advances & Trade receivables	3,816.71	0.57
- Increase/ (Decrease) in Trade and other payables	(16.20)	-
Cash generated / (used in) from operating activities	3,822.72	(34.30)
- Direct Taxes paid	(83.11)	(6.98)
Net cash generated from/ (used in) operating activities	3,739.61	(41.28)
Cash flow from Investing activities:		
(Purchase)/Sale of investments (net)	-	-
Bank balances not considered as Cash and Cash Equivalents	-	-
Interest received	738.79	13.19
Dividend income received	-	-
Net cash used in investing activities	738.79	13.19
Cash flow from Financing activities:		
Proceeds from short-term borrowings	64,900.00	-
Repayment of debentures	(52,100.00)	-
Premium on redemption of debentures	(17,226.97)	-
Net cash generated from/ (used in) financing activities	(4,426.97)	-
Net Increase/(decrease) in Cash and cash equivalents	51.43	(28.09)
Opening Cash and cash equivalents	161.48	189.57
Closing Cash and cash equivalents	212.91	161.48
Cash in hand	-	-
Balance with bank	212.91	161.48
In current account	2.91	6.48
Short-term deposit	210.00	155.00

The above statement has been prepared by indirect method.

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 0039905/S200018

Ramanarayanan J
Partner
Membership No.220369
Place : Mumbai
Date : May 11, 2016

For and on behalf of the Board

Ashok Binnani
Director

R. H. Parekh
Director

Rashna Kararia
Company Secretary

Notes to Financial Statements for year ended March 31, 2016

1. Background

Lands End Properties Private Limited ("Lands End" or "the Company"), a private limited company was incorporated on 17th December, 2009. The Company deals in the business of real estate including owning and development of hotels, club houses, recreation and of general construction and contractors. The Company also renders advisory, consultancy, technical and operational services.

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') 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 under the historical cost convention on accrual and going concern basis. 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 period of 1 year being reckoned from the reporting date. The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous period.

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, however, differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are explained in the below mentioned points.

b) 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.

c) Revenue recognition

Revenue comprising of consultancy fees is recognized on rendering of the service.

Interest

Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit & loss.

Dividends

Dividend income is recognised when the company's right to receive dividend is established by the reporting date.

d) Foreign currency transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction. Gains / (losses) arising out of fluctuations in the exchange rates including restatement of year end foreign exchange balances are recognized as income/expense in the period in which they arise.

e) Taxes on income

Income tax is computed in accordance with Accounting Standard 22 - Accounting for Taxes on Income (AS-22), specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Tax expenses are accounted in the same period to which the revenue and expenses relate.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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 recognized 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.

Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

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 the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

f) **Borrowing Costs :**

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

g) **Provisions, contingent liabilities and contingent assets**

Provisions are recognized in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. when there is a present legal or statutory 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 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.

h) **Earnings per share**

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

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

3. Share Capital	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Authorised Share Capital		
Equity shares		
1,00,00,000 (March 31, 2015: 1,00,00,000) shares of ₹ 10 each	1,000.00	1,000.00
	<u>1,000.00</u>	<u>1,000.00</u>
Issued, subscribed and paid up share capital		
Equity shares		
1,00,00,000 (March 31, 2015 : 1,00,00,000) shares of ₹ 10 each fully paid up	1,000.00	1,000.00
	<u>1,000.00</u>	<u>1,000.00</u>
a) Reconciliation of the shares outstanding at the beginning and at the end of the year		
	March 31, 2016	March 31, 2015
	No. of Shares	No. of Shares
As at April 1,	1,00,00,000	1,00,00,000
Issued during the year	-	-
As at March 31,	<u>1,00,00,000</u>	<u>1,00,00,000</u>
	₹ Lakhs	₹ Lakhs
	1,000.00	1,000.00
	-	-
	<u>1,000.00</u>	<u>1,000.00</u>
b) Shares held by Holding Company	March 31, 2016	March 31, 2015
	₹	₹
The Indian Hotels Company Limited, the holding Company (w.e.f 14.10.2015)		
1,00,00,000 (March 31, 2015 - 19,90,000) of equity shares of ₹ 10 each paid up	1,00,00,000	19,90,000
c) Shareholders holding more than 5% shares in the Company		
	March 31, 2016	March 31, 2015
	No. of Shares	No. of Shares
The Indian Hotels Company Limited	1,00,00,000	19,90,000
Taida Trading and Industries Limited	-	40,30,000
Tata Capital Financial Services Limited	-	19,90,000
Oriental Hotel Limited	-	19,90,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
	Holding %	Holding %
	100.00	19.90
	-	40.30
	-	19.90
	-	19.90
	<u>100.00</u>	<u>100.00</u>
Foot note :		
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.		
4. Reserves and Surplus	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Deficit in the statement of profit and loss		
Balance as per last financial statement	(25,622.43)	(19,721.08)
Profit / (Loss) for the year	(6,087.06)	(5,901.35)
	<u>(31,709.49)</u>	<u>(25,622.43)</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

5 Long-term Borrowings

	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Non Convertible Debentures		
Secured		
5210, Zero coupon Secured Non-Convertible Debentures of ₹10 lakhs each, allotted on February 13, 2013 and repaid on February 12, 2016 at the end of 3 years from the date of allotment having a Yield to Maturity of 10% p.a	-	-
	-	-
Note :		
Amounts falling due within twelve months disclosed under 'Other Current Liabilities'.	-	52,100.00
a) The Debentures are secured by pledge of the Company's 100% investment in Skydeck Properties & Developers Private Limited (SPDPL), a wholly owned subsidiary of the Company, and receivables of the Company.		
b) Maturity Profile of Debentures :		
ii) Non-Convertible debentures	52,100.00	
Carrying a yield to maturity of 10% redeemable at a premium	17,226.97	
	69,326.97	
c) The Company had a call option on these Debentures to redeem it on certain dates which has since been expired. In respect of such debentures, The Indian Hotels Company Limited had the following rights and obligations:-		
i the first right to purchase the entire shareholding of SPDPL held by the Company for an aggregate value of ₹ 693.27 crores; or		
ii the obligation to make good the value of the shortfall if the lenders of the Company realise an amount lower than the redemption amount on sale of the shares of SPDPL, in case the right referred in (i) above is not exercised.		

6 Short-term Borrowings

	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Unsecured Loan		
Amount payable to :		
Related Parties (Refer no. 23 (b))	64,900.00	-
Others	-	-
	64,900.00	-

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

7. Other Current Liabilities	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Current maturities of Long-term Borrowings (Refer note 5)		
Debentures	-	52,100.00
Premium on redemption of debentures (Refer note 5)		
Amount falling due within twelve months		
Opening Balance	12,236.93	6,488.56
Add : Accrued during the year	4,990.04	5,748.37
Less : Paid during the year	(17,226.97)	-
Closing Balance	-	12,236.93
Interest accrued but not due on borrowings	1,538.07	-
Statutory liabilities	173.80	-
Payable on Current Account Dues :		
Related Parties	3.38	0.04
Others	0.52	1.31
	<u>3.90</u>	<u>1.35</u>
	<u>1,715.77</u>	<u>64,338.28</u>

Footnote :

The Company has issued 5,210 Zero coupon Secured Non-Convertible Debentures of ₹ 10 Lakhs each, allotted on February 13, 2013 aggregating to ₹ 521 crore carrying a yield to maturity of 10%. The Premium on the same were accrued over the tenure of the debentures and has been repaid along with the principal amount of February 12, 2016

8. Short-term Provisions	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Provision for Tax (Net of advances)	-	8.60
	<u>-</u>	<u>8.60</u>
9 Non-Current Investments	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Trade Investments :		
Fully Paid Unquoted Equity Instruments :		
Investments in Subsidiary Company		
98,288 (Previous year : 98,288) equity shares of ₹ 10 each in Skydeck Properties & Developers Private Limited, fully paid-up.	27,594.36	27,594.36
[Refer note 5(a)]		
	<u>27,594.36</u>	<u>27,594.36</u>
10 Long-term Loans and Advances	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Advance tax (net of provisions)	55.51	-
	<u>55.51</u>	<u>-</u>

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

11 Trade Receivables	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Unsecured		
Outstanding over six months		
- Considered good	-	68.03
- Considered doubtful	-	-
Others		
- Considered good	62.30	-
- Considered doubtful	-	-
	62.30	68.03
12 Cash and Cash Equivalents	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Cash and Cash equivalents		
Balance with bank		
In Current Account	2.91	6.48
Balances with bank in call and short-term deposit accounts		
- Original maturity less than 3 months	210.00	155.00
- Others	-	-
	212.91	161.48
13 Loans and Advances	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
(Unsecured, considered good unless stated otherwise)		
Receivables from Subsidiary Company	7,980.07	11,775.07
(Refer footnote below)		
Other Advances		
Prepaid expenses	-	15.98
	7,980.07	11,791.05
Footnote :		
Receivable from Skydeck Properties & Developers Private Limited, a wholly owned subsidiary of the Company.		
14 Other Current Assets	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Unamortised Debenture Issue Expenses		
As per the last financial period	108.76	233.59
Add : Accrued during the year	-	-
	108.76	233.59
Less : Amortised during the year	108.76	124.83
	-	108.76
Less : Unamortised debenture issue expenses - Non Current	-	-
	-	108.76
Interest receivable	1.13	0.77
	1.13	109.53

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

15 Other Income	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Interest Income on Fixed Deposit with Bank	739.15	13.62
	<u>739.15</u>	<u>13.62</u>
16 Finance Costs	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Premium accrued on Redemption of Debentures	4,990.04	5,748.37
Amortisation of debentures issue expenses	108.76	124.83
Interest Expenses on borrowings	1,730.62	-
	<u>6,829.42</u>	<u>5,873.20</u>
17 Operating and General Expenses	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Legal & Professional Fees	22.01	22.03
Reimbursement of expenses on personnel deputed to the company	13.62	10.11
Payment made to Statutory Auditors :		
i. As Auditors	0.23	0.22
ii. As Tax auditors	-	-
ii. For Other Services	0.11	0.22
Other Expenses	1.82	2.29
	<u>37.79</u>	<u>34.87</u>
18 Earnings per share (EPS)		
Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earning Per Share'.		
Profit / (Loss) after tax - (₹ Lakhs)	(6,087.06)	(5,901.35)
Weighted Average Number of Equity Shares	10,000,000	10,000,000
Face Value per Ordinary Share (₹)	10.00	10.00
Earning Per Share - (₹) Basic and Diluted	(60.87)	(59.01)
19. The Company has obtained on February 9, 2016 an inter corporate deposit of ₹ 55,500.00 Lakhs (₹ 555 crores) from its Holding Company, The Indian Hotels Company Limited, bearing interest at the rate of 10% p.a. for a period of one year. The Company has repaid the Non-Convertible Debentures along with redeemable premium on February 12, 2016.		
20. The Board of Directors of the Company in their meeting held on October 19, 2015 has approved the amalgamation of the Company with The Indian Hotels Company Limited, by way of a court approved Scheme of Arrangement under the provisions of Sections 391-394 of the Companies Act, 1956, read with Section 52 of the Companies Act, 2013, Section 78 and Sections 100 to 103 of the Companies Act, 1956 ("the Scheme"). The appointed date of the Scheme is the close of business on March 31, 2016. The Company is in the process of seeking necessary approvals for the implementation of the Scheme.		
21. There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium enterprises Development Act, 2006".		
22. As there is only one reportable segment of "consultancy service" as envisaged by AS 17 "Segment reporting", no separate disclosure for segment reporting is made in the financial statements of the Company.		

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

23. Related Party Transactions

- a. The names of related parties of the Company are as under :

Holding Company

- The Indian Hotels Company Limited (w.e.f 14.10.2015)

Subsidiaries.

- Skydeck Properties and Developers Private Limited
- Sheena Investments Private Limited
- ELEL Hotels and Investments Limited
- Luthria and Lalchandani Hotel and Properties Private Limited

- b. Transactions with related parties :

₹ Lakhs

Particulars of transactions	Holding Company		Subsidiaries	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Current year				
Consultancy services	-	-	60.00	62.30
ICDs Placed / (Received)	(65,500.00)	(64,900.00)	11.00	-
Interest Paid / (Received) on ICDs placed	1,712.73	1,540.47	(0.02)	-
Deputed Staff reimbursement	13.62	0.92	-	-
Receivables	-	-	-	7,980.06
Previous year	-	-	-	-
Interest received on ICDs placed	-	-	-	-
ICDs Placed / (Received)	-	-	-	-
Interest on ICD received	-	-	-	-
Deputed Staff reimbursement	-	-	-	-
Receivables	-	-	-	11,843.10

24. Derivative Instruments

- The company does not have any derivative instrument for hedging purpose.
- Unhedged Foreign Currency exposure is Nil.

25. There are no foreign currency transactions during current and previous year.

26. Figures relating to the previous year have been regrouped / reclassified where necessary to conform to current year.

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 0039905/S200018

For and on behalf of the Board of Directors

Ramanarayanan J
Partner
Membership No.220369

Ashok Binnani **R H Parekh**
Director Director

Rashna Kararia
Company Secretary

Place : Mumbai
Date : May 11, 2016

LANDS END PROPERTIES PRIVATE LIMITED

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, 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

Sr. No	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Effective shareholding
			₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	(%)
Indian													
1	Skydeck Properties and Developers Private Limited	INR	9.83	(31,189.65)	53,091.66	84,271.48	52,861.00	7.85	(7,659.55)	-	(7,659.55)	-	100.00%
2	Sheena Investments Private Limited	INR	100.00	145.14	247.68	2.54	39.85	13.84	12.16	4.29	7.87	-	100.00%
3	ELEL Hotels and Investments Limited	INR	282.09	62,128.88	66,450.08	4,039.11	2,044.38	93.38	(1,305.24)	-	(1,305.24)	-	85.72%
4	Luthria and Lalchandani Hotel and Properties Private Ltd.	INR	1.00	(2.97)	1.53	3.49	-	-	(0.35)	-	(0.35)	-	87.15%

Notes:

- The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2016
- Names of subsidiaries which are yet to commence operations - None
- Name of subsidiaries which have sold / disposed off during the year - Nil

For and on behalf of the Board

Ashok Binnani
Director

R H Parekh
Director

DIRECTORS AND CORPORATE INFORMATION

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

(CIN: U45200MH1998PTC114881)

Board of Directors:

Mr. R. H. Parekh	(DIN: 01942405)
Mr. Ashok Binnani	(DIN: 03326335)
Mr. Kishor Kulkarni	(DIN: 06872883)
Ms. Aban Rupa	(DIN: 01147657)

Bankers:

HDFC Bank Limited
IDBI Bank Limited
Standard Chartered Bank

Auditors:

M/s. PKF Sridhar and Santhanam LLP
Firm Registration No: 0039905/S200018
Chartered Accountants, Mumbai

Registered Office:

Mandlik House, Mandlik Road
Mumbai – 400 001
Tel.: 66395515 Fax: 22027442
Email: investorrelations@tajhotels.com

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2016.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

Particulars	2015-16 ₹ Lakhs	2014-15 ₹ Lakhs
Total Income	7.85	-
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	6.13	(1.56)
Less : Depreciation	-	-
Less : Finance Charges	7,665.68	6,909.16
Profit/(Loss) before Tax	(7,659.55)	(6,910.72)
Less : Provision for Income Tax	-	-
Profit/(Loss) After Tax	(7,659.55)	(6,910.72)
Basic & Diluted Earning Per Share (₹) (Face Value - ₹ 10/-)	(7,792.97)	(7,031.09)

previous year figures have been regrouped/rearranged wherever necessary.

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

No Dividend has been declared for the current financial year due to loss incurred by the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, The Indian Hotels Company Limited (IHCL) acquired the remaining 80.1% equity shares of Lands End Properties Private Limited (LEPPL) the Company's holding company [prior to this acquisition IHCL held 18.9% of the equity shares of LEPPL], consequent to which LEPPL has become a wholly owned subsidiary of IHCL and the Company has become a wholly-owned step-down subsidiary of IHCL.

The Financial Statements of the Company's three Subsidiaries, viz. 'Sheena Investments Private Limited', 'ELEL Hotels and Investments Limited' and 'Luthria and Lalchandani Hotel and Properties Private Limited', prepared in accordance with the relevant Accounting Standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors and other detailed information will be made available to the investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be available for inspection at the Registered Office of the Company as well as the respective Registered Offices of subsidiary companies.

Pursuant to the provisions of Section 129 (3) of the Companies Act 2013 (the Act), a statement containing salient features of the financial statements of the Company's Subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

The Company does not have Joint Ventures or Associate companies.

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 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 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

There were no Loans, Guarantees and Investments made by the Company under Section 186 of the Act during the year under review.

BORROWINGS

The Company has obtained new term loan of ₹ 750 crores from Housing Development Finance Corporation Limited on January 28, 2016, carrying interest at the rate of 10% p.a., which shall be compounded on an annual basis, to be paid on the maturity. The term loan is repayable on January 27, 2019 with an option to prepay the outstanding principal of the loan in part or full, without any prepayment premium at the end of 6th month, 12th month, 18th month, 24th month from the date of 1st disbursement in multiples of ₹ 50 crores after giving a prior written notice of at least 15 days.

The said loan had been utilised to repay the previous term loan of ₹ 508 crore alongwith interest, taken from the same lender Housing Development Finance Corporation Limited.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were in the ordinary course of business and at arms' length basis, the details of which are given in the Notes to the Financial Statements.

DIRECTORS

The Board comprises of Mr. R H Parekh, Mr. Ashok Binnani, Ms. Aban Rupa and Mr. Kishor Kulkarni.

Ms. Aban Rupa and Mr. Kishor Kulkarni are proposed to be appointed as Independent Directors of the Company for a term of 5 consecutive years with effect from December 21, 2015. The Company has received declarations from them that they meet the criteria of independence as prescribed under Section 149 (6) of the Act.

In accordance with the Act, one of your Directors viz. Mr. R H Parekh retires by rotation and is eligible for re-appointment as Director.

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

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

Board Meetings:

During the year, five Board Meetings were convened and held viz. on May 28, 2015, September 11, 2015, December 21, 2015, January 7, 2016 and March 31, 2016. The intervening gap between the meetings did not exceed the period prescribed under the Act.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Ms. Aban Rupa (Chairperson), Mr. Kishor Kulkarni and Mr. Ashok Binnani, 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 comprises of Ms. Aban Rupa (Chairperson), Mr. Kishor Kulkarni and Mr. R H Parekh, 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.

VIGIL MECHANISM

In accordance with the provisions of Section 177 (9) of the Act, the Company has formulated and adopted the Whistle Blower Policy to provide a mechanism for Directors and Employees of the Company to report genuine concerns about any unethical behaviour, actual or suspected fraud and provide for adequate safeguards against victimization of persons.

AUDITORS

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

The Members of the Company had at the previous Annual General Meeting (AGM) held on September 28, 2015 appointed PKF Sridhar & Santhanam, LLP, Chartered Accountant (Firm No. 003990S/S20018) as the Statutory Auditors of the Company for four financial years 2015-16 to 2018-19, to hold office till the conclusion of the AGM of the Company adopting the Financial Statements of the Company for the year ended March 31, 2019 (subject to ratification of their appointment at each AGM).

Accordingly, at the AGM, the Members will be requested to ratify the re-appointment of PKF Sridhar & Santhanam, LLP, Chartered Accountants (Firm No. 003990S/S20018) as the Statutory Auditors of the Company for the current financial year 2016-17 and authorise the Board of Directors to fix their remuneration.

SHARE CAPITAL

As on March 31, 2016 the issued, subscribed and paid-up share capital of the Company comprised of 98,288 Equity Shares of ₹ 10 each aggregating ₹ 9,82,880/-. 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.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the existing system of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

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

- (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, 2016 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;
- (v) it has laid down internal financial controls for the Company which are adequate and are operating effectively; 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, Corporate Social Responsibility, appointment of Key Managerial Personnel 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

R H Parekh
Director
(DIN: 01942405)

Ashok Binnani
Director
(DIN: 03326335)

Mumbai, May 11, 2016

Registered Office:

Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U45200MH1998PTC114881
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email: investorrelations@tajhotels.com

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

Annexure to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2016

[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 : U45200MH1998PTC114881
- ii) Registration Date : 13/05/1998
- iii) Name of the Company : SKYDECK PROPERTIES AND DEVELOPERS PRIVATE 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 & Contact details of Registrar & 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	No business activities carried out during the year	N.A.	N.A.

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	Lands End Properties Private Limited Mandlik House, Mandlik Road, Mumbai 4000 001.	U70100MH2009PTC197920	Holding	100%	2 (46)
2	Sheena Investments Private Limited Mandlik House, Mandlik Road, Mumbai 4000 001.	U65990MH1990PTC055375	Subsidiary	100%	2 (87)(ii)
3	ELEL Hotels and Investments Limited Mandlik House, Mandlik Road, Mumbai 4000 001.	U70101MH1969PLC014326	Subsidiary	85.72%	2 (87)(ii)
4	Luthria & Lalchandani Hotel & Properties Private Limited Mandlik House, Mandlik Road, Mumbai 4000 001.	U55100MH2008PTC178963	Subsidiary	87.15%	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	Nil	1	1	Nil	Nil	1	1	Nil	Nil
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	Nil	98287	98287	100	Nil	98287	98287	100	Nil
e) Banks / FI									
f) Any Other									
Sub-total (A) (1):-	Nil	98288	98288	100	Nil	98288	98288	100	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	98288	98288	100	Nil	98288	98288	100	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									

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

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):-									
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	98288	98288	100	Nil	98288	98288	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	Lands End Properties Private Limited	98287	100	Nil	98287	100	Nil	Nil
2	Mr. Ashok Binnani Jointly with Lands End Properties Private Limited	1	Nil	Nil	1	Nil	Nil	Nil
TOTAL		98288	100	Nil	98288	100	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	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				

(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
	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 (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
	Mr. Ashok Binnani Jointly with Lands End Properties Private Limited				
	At the beginning of the year	1	Nil	1	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	1	Nil	1	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	50,800.00			50,800.00
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	13,867.58			13,867.58
Total (i+ii+iii)	64,667.58	-	-	64,667.58
Change in Indebtedness during the financial year				
Addition	75,000.00			70,500.00
(Interest accrued but not due)	7,488.21			7,488.21
Reduction	(70,871.91)			(70,871.91)
Net Change	11,616.30	-	-	11,616.30
Indebtedness at the end of the financial year				
i) Principal Amount	75,000.00			75,000.00
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	1,283.86			1,283.86
Total (i+ii+iii)	76,283.86	-	-	76,283.86

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE 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				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
	Ceiling as per the Act					

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Other Non-Executive Directors					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Total (B)					
	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			
					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 (C)	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

R H Parekh
Director
(DIN: 01942405)

Ashok Binnani
Director
(DIN: 03326335)

Mumbai, May 11, 2016

Registered Office:

Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U45200MH1998PTC114881
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email: investorrelations@tajhotels.com

INDEPENDENT AUDITOR'S REPORT

To the members of **Skydeck Properties and Developers Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Skydeck Properties and Developers Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 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 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, 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. 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, 2016, and its 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, 2016 ("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", 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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 **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: May 11, 2016

Annexure A To The Independent Auditor's Report

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence clause iii is not applicable.
- (iv) Based on our audit procedures & according to the information and explanation given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) is not applicable.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2016 for a period of more than six months from the date they became payable.
(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, which have not been deposited on account of any dispute as at 31st March 2016.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, no money raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) during the year. Term loans raised during the year were applied for the purposes for which those are raised.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration paid or provided during the year.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
- (xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/ fully or partly convertible debentures during the year under review.

- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.
- (xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.0039905/S200018

Ramanarayanan J

Partner

Membership No. 220369

Place: Mumbai

Date: May 11, 2016

Annexure B To The Independent Auditor's Report

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Skydeck Properties and Developers Private Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: May 11, 2016

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

Balance Sheet as at March 31, 2016

	Notes	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	9.83	9.83
Reserves and Surplus	4	(31,189.65)	(23,530.10)
		(31,179.82)	(23,520.27)
Non-Current Liabilities			
Long-term Borrowings	5	75,000.00	-
Current Liabilities			
Other Current Liabilities	6	9,271.48	76,518.01
		9,271.48	76,518.01
TOTAL		53,091.66	52,997.74
Assets			
Non-current Assets			
Non-current Investments	7	52,861.00	52,861.00
Long-term Loans and Advances	8	2.27	1.48
Other Non-current Assets	10	136.45	-
		52,999.72	52,862.48
Current Assets			
Cash and Bank Balances	9	17.03	1.27
Other Current Assets	10	74.91	133.99
		91.94	135.26
TOTAL		53,091.66	52,997.74
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the financial statements.

In terms of our report of even date

For and on behalf of the Board

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No: 0039905/S200018

Ramanarayanan J

Partner

Membership No.220369

Ashok Binnani
Director

R. H. Parekh
Director

Place : Mumbai

Date : May 11, 2016

Statement of Profit and Loss for the year ended March 31, 2016

	Notes	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Income			
Other Income	11	7.85	-
		<u>7.85</u>	<u>-</u>
Expenses			
Finance costs	12	7,665.68	6,909.16
Operating and General Expenses	13	1.72	1.56
Total		<u>7,667.40</u>	<u>6,910.72</u>
Loss before tax		<u>(7,659.55)</u>	<u>(6,910.72)</u>
Tax expenses			
Current tax		-	-
Loss after tax		<u>(7,659.55)</u>	<u>(6,910.72)</u>
Earnings per equity share	14		
Basic and Diluted (₹)		<u>(7,792.97)</u>	<u>(7,031.09)</u>
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.

In terms of our report of even date

For and on behalf of the Board

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No: 003990S/S200018

Ashok Binnani

Director

R. H. Parekh

Director

Ramanarayanan J

Partner

Membership No.220369

Place : Mumbai

Date : May 11, 2016

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

Cash flow Statement of for the year ended 31, March 2016

	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Cash flow from Operating activities :		
Net Loss before taxes	(7,659.55)	(6,910.72)
Adjustments for:		
Interest expenses	7,488.20	6,747.23
Interest received	(7.85)	-
Amortisation of borrowing cost	147.32	161.93
Interest on ICD borrowed	30.16	-
Operating profit / (loss) before working capital changes	(1.72)	(1.56)
Adjustments for changes in working capital :		
- Decrease / (Increase) in Advances & Trade receivables	-	-
- Increase/ (Decrease) in Trade and other payables	0.20	(0.11)
Cash generated from / (used in) operating activities	(1.52)	(1.67)
- Taxes paid	(0.79)	-
Net cash generated from / (used in) operating activities	(2.31)	(1.67)
Cash flow from Investing activities :		
Interest received during the year	7.85	-
Net cash from / (used in) investing activities	7.85	-
Cash flow from Financing activities :		
Loan Borrowing cost	(224.69)	-
Repayment of loans	(74,734.93)	-
Interest on ICD borrowed	(30.16)	-
Proceeds from Long-term Borrowings	75,000.00	-
	10.22	-
Net Increase/(decrease) in Cash and cash equivalents	15.76	(1.67)
Opening Cash and cash equivalents	1.27	2.94
Closing Cash and cash equivalents	17.03	1.27
Cash in hand	-	-
Balance with bank		
In current accounts	17.03	1.27
Summary of Significant Accounting Policies	2	

In terms of our report of even date

For and on behalf of the Board

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No: 0039905/S200018

Ramanarayanan J

Partner

Membership No.220369

Ashok Binnani

Director

R. H. Parekh

Director

Place : Mumbai

Date : May 11, 2016

Notes to Financial Statements for year ended March 31, 2016

1. Background

Skydeck Properties and Developers Private limited ("Skydeck" or the "Company"), a private limited company was incorporated on May 13, 1998. The Company is primarily engaged in construction activities and providing Management Consultancy.

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') 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 under the historical cost convention on an accrual basis. 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 period of 1 year being reckoned from the reporting date. The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years.

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, however, differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are explained in the below mentioned points.

b) Investments

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investments intended to be held for more than one year are classified as long-term investments. Current investments are valued at lower of cost or market value. Long term investments are stated at cost of acquisition unless there is diminution, other than temporary, in their value in which case a provision for diminution is made to recognize the decline. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market value decline and the financial health of and specific prospects of the issuer. Reversal of provision for diminution is credited to the statement of profit and loss.

c) Revenue recognition

Revenue comprising of consultancy fees is recognized on rendering of service and is disclosed net of all applicable taxes.

Interest

Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit & loss.

Dividends

Dividend income is recognised when the company's right to receive dividend is established.

d) Foreign currency transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction.

Gains / (losses) arising out of fluctuations in the exchange rates including restatement of year end foreign exchange balances are recognized as income/expense in the period in which they arise.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

e) Taxes on income

Income tax is computed in accordance with Accounting Standard 22 - Accounting for Taxes on Income (AS-22), specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 recognized 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.

Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

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 the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

f) Borrowing Costs:

Borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

g) Provisions, contingent liabilities and contingent assets

Provisions are recognized in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. when there is a present legal or statutory 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 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.

h) Earnings per share

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

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

3. Share Capital	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Authorised Share Capital		
Equity Shares		
100,000 (March 31, 2015 : 100,000) shares of ₹ 10 each	9.83	9.83
	<u>9.83</u>	<u>9.83</u>

Issued, Subscribed and Paid Up Share Capital

Equity Shares		
98,288 (March 31, 2015 : 98,288) shares of ₹ 10 each fully paid up	9.83	9.83
	<u>9.83</u>	<u>9.83</u>

a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2016		March 31, 2015	
	No. of Shares	₹ Lakhs	No. of Shares	₹ Lakhs
As at April 1,	98,288	9.83	98,288	9.83
Issued during the year	-	-	-	-
As at March 31,	<u>98,288</u>	<u>9.83</u>	<u>98,288</u>	<u>9.83</u>

b) Details of Shareholders holding more than 5% shares in the company

	March 31, 2016		March 31, 2015	
	No. of Shares	Holding %	No. of Shares	Holding %
Equity shares of ₹10 each fully paid-up				
Lands End Properties Private Limited	98,288	100	98,288	100
The Indian Hotels Company Limited , is the Ultimate Holding Company (w.e.f 14.10.2015)	-	-	-	-
Lands End Properties Private Limited , is the Ultimate Holding Company (up to 13.10.2015)	-	-	-	-

Footnote :

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.

4. Reserves and Surplus	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statement	(23,530.10)	(16,619.38)
Profit / (Loss) for the year	(7,659.55)	(6,910.72)
	<u>(31,189.65)</u>	<u>(23,530.10)</u>

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

5. Long-term Borrowings	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Term Loan from others		
Secured	75,000.00	-
Term loan obtained from HDFC Limited on January 26, 2016, carrying interest at the rate of 10% p.a, compounded on an annual basis and to be paid on the maturity. The term loan is repayable on January 26, 2019		
The Company had obtained term loan from HDFC Limited on January 28, 2013, carrying interest at the rate of 11.75% p.a compounded on an annual basis and to be paid on the maturity. The term loan has been refinanced with same lender during the year.	-	-
	75,000.00	-
Note :		
Amounts falling due within twelve months disclosed under 'Other Current Liabilities'	-	50,800.00
Security		
i. Pledge of the Company's investment in 1,309,896 equity shares of ELEL Hotels and Investments Limited.		
ii. Pledge of 581,291 equity shares of ELEL Hotels & Investments Limited, held by Sheena Investments Private Limited, (a wholly owned Subsidiary of the Company), both present and future.		
iii. Pledge of 100% of equity shares of Sheena Investments Private Limited.		
6 Other Current Liabilities	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Term Loan		
Amounts falling due within twelve months (Refer note 5)	-	50,800.00
Interest accrued but not due on borrowings	1,283.86	13,867.58
Amount payable to :		
Related parties [Refer note 17 (b)]	7,985.12	11,848.14
Others	2.37	2.29
Other liabilities	0.13	-
	9,271.48	76,518.01
7. Non-current Investments	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Trade Investments :		
Fully Paid Unquoted Equity Instruments (at cost)		
Investments in Subsidiary Companies		
ELEL Hotels and Investments Limited [Refer note 5 (i)]	29,660.95	29,660.95
13,09,896 (March 31, 2015 : 13,09,896) equity shares of ₹ 10 each		
Sheena Investments Private Limited [Refer note 5 (iii)]	23,200.00	23,200.00
10,00,000 (March 31, 2015 : 10,00,000) equity shares of ₹ 10 each		
Luthria and Lalchandani Hotel and Properties Private Limited	0.05	0.05
50 (March 31, 2015 : 50) equity shares of ₹ 100 each		
	52,861.00	52,861.00

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

8 Long-term Loans and Advances	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
(Unsecured, considered good unless stated otherwise)		
Other advances		
Advance tax / Tax Deducted at Source	2.27	1.48
	2.27	1.48
9 Cash and Bank balances	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Cash and Cash equivalents		
Balances with banks		
- In Current Accounts	2.03	1.27
Balances with bank in call and short-term deposit account		
- Original maturity less than 3 months	15.00	-
- Others	-	-
	17.03	1.27
10 Other Current Assets	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Unamortised Borrowing cost		
As per the last financial period	133.99	295.92
Add : Accrued during the year	224.69	-
	358.68	295.92
Less : Amortised during the year	147.32	161.93
	211.36	133.99
Less : Unamortised loan processing fees - Non Current Assets	136.45	-
Interest receivable	-	-
	74.91	133.99
11 Other Income	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Interest Income	7.85	-
	7.85	-
12 Finance Costs	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Interest on term loan	7,488.20	6,747.23
Amortisation of borrowing cost	147.32	161.93
Interest on ICD Borrowed	30.16	-
	7,665.68	6,909.16

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

13 Operating and General Expenses

	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Payment made to Statutory Auditors :		
i. As Auditors	1.43	1.40
ii. For Other Services	-	-
Other Expenses	0.29	0.16
	<u>1.72</u>	<u>1.56</u>

14 Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earning Per Share'.

Profit / (Loss) after tax - (₹ Lakhs)	(7,659.55)	(6,910.72)
Weighted Average Number of Equity Shares	98,288.00	98,288.00
Face Value per Equity Share	10.00	10.00
Earning Per Share - (₹) Basic and Diluted	(7,792.97)	(7,031.09)

15. There are only one vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium enterprises Development Act, 2006".

16. As there is no reportable segment as envisaged by AS 17 "Segment reporting", no separate disclosure for segment reporting is made in the financial statements of the Company.

17. Related Party Transactions

a. The names of related parties of the Company are as under :

Ultimate Holding Company

- The Indian Hotels Company Limited (w.e.f 14.10.2015)
- Lands End Properties Private Limited (upto 13.10.2015)

Intermediate Holding Company

- Lands End Properties Private Limited (w.e.f 14.10.2015)

Subsidiaries.

- Sheena Investments Private Limited
- ELEL Hotels and Investments Limited
- Luthria and Lalchandani Hotel and Properties Private Limited

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

b. Transactions with related parties :

₹ Lakhs

Particulars of transactions	Ultimate Holding Company		Intermediate Holding Company		Subsidiaries	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Current year						
ICDs received	400.00	-	11.00	-	-	-
Interest on ICD paid	30.13	-	0.02	-	-	-
Payables	-	-	-	7,980.06	-	5.04
Previous year						
Payables	-	-	-	11,843.10	-	5.04

18. There are no foreign currency transactions during the current and previous year.

19. Figures relating to the previous year have been regrouped / reclassified where necessary to conform to current year.

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 0039905/S200018

For and on behalf of the Board of Directors

Ashok Binnani
Director

R. H. Parekh
Director

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 11, 2016

SKYDECK PROPERTIES AND DEVELOPERS PRIVATE LIMITED

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, 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

Sr. No	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Effective shareholding (%)
			₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	(%)
Indian													
1	Sheena Investments Private Limited	INR	100.00	145.14	247.68	2.54	39.85	13.84	12.16	4.29	7.87	-	100.00%
2	ELEL Hotels and Investments Limited	INR	282.09	62,128.88	66,450.08	4,039.11	2,044.38	93.38	(1,305.24)	-	(1,305.24)	-	85.72%
3	Luthria and Lalchandani Hotel and Properties Private Ltd.	INR	1.00	(2.97)	1.53	3.49	-	-	(0.35)	-	(0.35)	-	87.15%

Notes:

- The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2016
- Names of subsidiaries which are yet to commence operations - None
- Name of subsidiaries which have sold / disposed off during the year - Nil

For and on behalf of the Board

Ashok Binnani
Director

R H Parekh
Director

DIRECTORS AND CORPORATE INFORMATION

SHEENA INVESTMENTS PRIVATE LIMITED

(CIN: U65990MH1990PTC055375)

Board of Directors:

Mr. R. H. Parekh	(DIN: 01942405)
Mr. Ashok Binnani	(DIN: 03326335)
Mr. Kishor Kulkarni	(DIN: 06872883)
Ms. Aban Rupa	(DIN: 01147657)

Bankers:

HDFC Bank Limited
IDBI Bank Limited

Auditors:

M/s. PKF Sridhar and Santhanam LLP
Firm Registration No: 003990S/S200018
Chartered Accountants, Mumbai

Registered Office:

Mandlik House, Mandlik Road
Mumbai – 400 001
Tel.: 66395515
Fax: 22027442
Email: investorrelations@tajhotels.com

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors have pleasure in presenting the Annual Report of the Company together with its Audited Financial Statements for the financial year ended March 31, 2016.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

Particulars	2015-16 ₹	2014-15 ₹
Total Income	13,84,019	14,18,850
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	12,16,099	12,58,842
Less : Depreciation	-	-
Less : Finance Charges	-	-
Profit/(Loss) before Tax	12,16,099	12,58,842
Less : Provision for Income Tax	4,28,746	3,95,700
Profit/(Loss) After Tax	7,87,353	8,63,142
Basic & Diluted Earning Per Share (₹) (Face Value- ₹ 10/-)	0.79	0.86

Previous year figures have been regrouped/rearranged wherever necessary.

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

The Directors do not recommend payment of dividend for the current financial year.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, The Indian Hotels Company Limited (IHCL) acquired the remaining 80.1% equity shares of Lands End Properties Private Limited (LEPPL) the Company's holding company [prior to this acquisition IHCL held 18.9% of the equity shares of LEPPL], consequent to which LEPPL has become a wholly owned subsidiary of IHCL and the Company has become a wholly-owned step-down subsidiary of IHCL.

The Company does not have any direct Subsidiary or Joint Venture Company. ELEG Hotels and Investments Limited is a company under common control and also an Associate of the Company.

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 (the Act), a statement containing salient features of the financial statements of the Company's Associate in Form AOC-1 is attached to the financial statements of the 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 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 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

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, if any, are given in the Notes to the Financial Statements.

BORROWINGS

The Company does not have any borrowings.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were in the ordinary course of business and at arm's length basis, the details of which are given in the Notes to the Financial Statements.

DIRECTORS

The Board comprises of Mr. R H Parekh, Mr. Ashok Binnani, Mr. Kishor Kulkarni and Ms. Aban Rupa. There were no changes in the composition of the Board during the year under review.

In accordance with the Act, one of your Directors viz. Mr. R H Parekh retires by rotation and is eligible for re-appointment as Director. Your approval for his re-appointment as Director has been sought in the Notice convening the Annual General Meeting of the Company.

Board Meetings:

During the year, five Board Meetings were convened and held viz. on May 28, 2015, September 11, 2015, December 21, 2015, January 7, 2016 and March 31, 2016. 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.

The Members of the Company had at the previous Annual General Meeting (AGM) held on September 28, 2015 appointed PKF Sridhar & Santhanam, LLP, Chartered Accountant (Firm No. 0039905/S20018) as the Statutory Auditors of the Company for four financial years 2015-16 to 2018-19, to hold office till the conclusion of the AGM of the Company adopting the Financial Statements of the Company for the year ended March 31, 2019 (subject to ratification of their appointment at each AGM).

Accordingly, at the AGM, the Members will be requested to ratify the re-appointment of PKF Sridhar & Santhanam, LLP, Chartered Accountants (Firm No. 0039905/S20018) as the Statutory Auditors of the Company for the current financial year 2016-17 and authorise the Board of Directors to fix their remuneration.

SHARE CAPITAL

As on March 31, 2016 the issued, subscribed and paid-up share capital of the Company comprised of 10,00,000 Equity Shares of ₹ 10 each aggregating ₹ 1,00,00,000/-. 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.

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.

SHEENA INVESTMENTS PRIVATE LIMITED

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the existing system of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

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

- (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, 2016 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;
- (v) it has laid down internal financial controls for the Company which are adequate and are operating effectively; 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, Corporate Social Responsibility, 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

R H Parekh
Director
(DIN: 01942405)

Ashok Binnani
Director
(DIN: 03326335)

Mumbai, May 11, 2016

Registered Office:

Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U65990MH1990PTC055375
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email: investorrelations@tajhotels.com

Annexure to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[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 : U65990MH1990PTC055375
- ii) Registration Date : 12/02/1990
- iii) Name of the Company : SHEENA INVESTMENTS PRIVATE 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	Management Consultancy	702	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	Skydeck Properties and Developers Private Limited Mandlik House, Mandlik Road, Mumbai 4000 001.	U45200MH1998PTC114881	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				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	1	1	Nil	Nil	1	1	Nil	Nil
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	Nil	999999	999999	100	Nil	999999	999999	100	Nil
e) Banks / FI									
f) Any Other									
Sub-total (A) (1):-	Nil	1000000	1000000	100	Nil	1000000	1000000	100	Nil

SHEENA INVESTMENTS PRIVATE 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 (A)= (A)(1) + (A)(2)	Nil	1000000	1000000	100	Nil	1000000	1000000	100	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									
ii) Individual shareholders holding nominal share capital in excess of ₹ 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	1000000	1000000	100	Nil	1000000	1000000	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	Skydeck Properties and Developers Private Limited	999999	100	Nil	999999	100	Nil	Nil
2	Mr. Ashok Binnani Jointly with Skydeck Properties and Developers Private Limited	1	Nil	Nil	1	Nil	Nil	Nil
TOTAL		1000000	100	Nil	1000000	100	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	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				

(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
	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 (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

SHEENA INVESTMENTS PRIVATE LIMITED

(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
	Mr. Ashok Binnani Jointly with Skydeck Properties and Developers Private Limited				
	At the beginning of the year	1	Nil	1	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	1	Nil	1	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
	Ceiling as per the Act					

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Other Non-Executive Directors					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Total (B)					
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act					

SHEENA INVESTMENTS PRIVATE LIMITED

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

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				
3)	Sweat Equity				
4)	Commission - as % of profit - others, specify				
5)	Others, please specify				
6)	Total (C)	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

R H Parekh
Director
(DIN: 01942405)

Ashok Binnani
Director
(DIN: 03326335)

Mumbai, May 11, 2016

Registered Office:

Mandlik House, Mandlik Road,
Mumbai 400 001.
CIN: U65990MH1990PTC055375
Tel. No.: 022 66395515
Fax No.: 022 22027442
Email: investorrelations@tajhotels.com

INDEPENDENT AUDITOR'S REPORT

To the members of **Sheena Investments Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Sheena Investments Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 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 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, 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. 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, 2016, 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, 2016 ("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", a statement on the matters specified in paragraphs 3 and 4 of the Order.

SHEENA INVESTMENTS PRIVATE LIMITED

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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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 **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/5200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: May 11, 2016

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence clause iii is not applicable.
- (iv) Based on our audit procedures & according to the information and explanation given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) is not applicable.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2016 for a period of more than six months from the date they became payable.
- (viii) The Company has not taken any loan from a financial institution or bank or Government or debenture holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) In our opinion and according to the information and explanations given to us, no money raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) or term loan during the year.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration paid or provided during the year.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 188 of the Act where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards. As the Company is not required to constitute an Audit Committee, Section 177 of the Act is Not applicable.
- (xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/ fully or partly convertible debentures during the year under review.

SHEENA INVESTMENTS PRIVATE LIMITED

- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.
- (xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

Ramanarayanan J
Partner
Membership No. 220369
Place : Mumbai
Date: May 11, 2016

ANNEXURE B TO THE AUDITORS' REPORT

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sheena Investments Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

SHEENA INVESTMENTS PRIVATE LIMITED

the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.0039905/S200018

Ramanarayanan J

Partner

Membership No.220369

Place : Mumbai

Date: May 11, 2016

Balance Sheet as at March 31, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,00,00,000	1,00,00,000
Reserves and Surplus	4	1,45,14,185	1,37,26,832
		<u>2,45,14,185</u>	<u>2,37,26,832</u>
Current Liabilities			
Other Current Liabilities	5	2,53,614	1,42,407
		<u>2,53,614</u>	<u>1,42,407</u>
Total		<u><u>2,47,67,799</u></u>	<u><u>2,38,69,239</u></u>
Assets			
Non-current Assets			
Non-current Investments	6	39,84,762	39,84,762
Long-term Loans and Advances	7	38,830	43,632
		<u>40,23,592</u>	<u>40,28,394</u>
Current Assets			
Trade Receivables	8	31,14,118	30,09,618
Cash and Bank Balances	9	1,65,53,076	1,63,27,721
Short-term Loans and Advances	10	5,00,000	5,00,000
Other Current Assets	11	5,77,013	3,506
		<u>2,07,44,207</u>	<u>1,98,40,845</u>
Total		<u><u>2,47,67,799</u></u>	<u><u>2,38,69,239</u></u>
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial statements.			

In terms of our report of even date

For and on behalf of the Board

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

Ashok Binnani
Director

R H Parekh
Director

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 11, 2016

SHEENA INVESTMENTS PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
Income			
Consultancy Fees		1,00,000	1,00,000
Other Income	12	12,84,019	13,18,850
Total		13,84,019	14,18,850
Expenses			
Operating and General Expenses	13	1,67,920	1,60,008
Total		1,67,920	1,60,008
Profit before tax		12,16,099	12,58,842
Tax expenses			
Current tax		4,28,746	3,95,700
Provision of Tax of Earlier Years (net)		-	-
Profit after tax		7,87,353	8,63,142
Earnings per Equity Share	14		
Basic and Diluted (₹)		0.79	0.86
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.			

In terms of our report of even date

For and on behalf of the Board

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm Registration No: 003990S/S200018

Ashok Binnani
Director

R H Parekh
Director

Ramanarayanan J

Partner

Membership No.220369

Place : Mumbai

Date : May 11, 2016

Statement of Cash flow for the year ended 31, March 2016

	March 31, 2016 ₹	March 31, 2015 ₹
Cash flow from operating activities:		
Profit before tax and prior period adjustments	12,16,099	12,58,842
Adjustments for :		
Interest	(12,84,019)	(13,17,606)
Operating profit / (loss) before working capital changes	(67,920)	(58,764)
Adjustments for changes in working capital:		
- (Increase)/decrease in trade receivables and Loans & Advances	(1,04,500)	(1,01,124)
- Increase/(decrease) in Trade and other payables	1,11,207	(23,904)
Cash generated from/ (used in) operating activities	(61,213)	(1,83,792)
- Tax paid (net of refunds including for prior years)	(4,23,944)	(3,88,725)
Net cash generated from/ (used in) operating activities	(4,85,157)	(5,72,517)
Cash flow from investing activities:		
Intercompany deposits placed/ (encashed) (net)	-	-
Bank Balances not considered as Cash and Cash Equivalents	(5,00,000)	(1,60,00,000)
Interest received	7,10,512	13,14,100
Net cash used in investing activities	2,10,512	(1,46,85,900)
Cash flow from financing activities:		
Net Increase/(decrease) in Cash and cash equivalents	(2,74,645)	(1,52,58,417)
Opening cash and cash equivalents	3,27,721	1,55,86,138
Closing cash and cash equivalents	53,076	3,27,721
Cash in hand	-	-
Balance with bank		
In current accounts	53,076	3,27,721

Summary of Significant Accounting Policies

2

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 003990S/S200018

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 11, 2016

For and on behalf of the Board

Ashok Binnani
Director

R H Parekh
Director

Notes to Financial Statements for year ended March 31, 2016

1. Background

Sheena Investments Private Limited (the "Company"), a private limited company was incorporated on February 12, 1990. The Company is primarily engaged in the business of investment and also providing management consultancy.

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') 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 under the historical cost convention on an accrual basis. 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 period of 1 year being reckoned from the reporting date. The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years.

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, however, differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are explained in the below mentioned points.

c) Investments

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investments intended to be held for more than one year are classified as long-term investments. Current investments are valued at lower of cost or market value. Long term investments are stated at cost of acquisition unless there is diminution, other than temporary, in their value in which case a provision for diminution is made to recognize the decline. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market value decline and the financial health of and specific prospects of the issuer. Reversal of provision for diminution is credited to the statement of profit and loss.

d) Revenue Recognition

Income from services

Revenue comprising of consultancy fees is recognized on rendering of service.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

e) Foreign currency transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction.

Gains / (losses) arising out of fluctuations in the exchange rates including restatement of year end foreign exchange balances are recognized as income/expense in the period in which they arise.

f) Taxes on Income

Income tax is computed in accordance with Accounting Standard 22 - Accounting for Taxes on Income (AS-22), specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Tax expenses are accounted in the same period to which the revenue and expenses relate.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

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 recognized 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.

Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

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 the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

g) Provisions, contingent liabilities and contingent assets

Provisions are recognized in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. when there is a present legal or statutory 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 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.

h) Earnings per share

Basic earnings per share are 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 year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

3. Share Capital	March 31, 2016	March 31, 2015
	₹	₹
Authorised Share Capital		
Equity Shares		
10,00,000 (March 31, 2015 : 10,00,000) shares of ₹ 10 each	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000
Issued, subscribed and paid-up		
Equity Shares		
10,00,000 (March 31, 2015 : 10,00,000) shares of ₹ 10 each fully paid	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000

a) Reconciliation of the shares outstanding at the beginning and at the end of the year.

	March 31, 2016		March 31, 2015	
	No. of Shares	₹	No. of Shares	₹
As at April 1	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued during the year	-	-	-	-
As at March 31,	10,00,000	1,00,00,000	10,00,000	1,00,00,000

b) Shares held by Holding Company

	March 31, 2016	March 31, 2015
	₹	₹
Skydeck Properties & Developers Private Limited, the Holding Company	1,00,00,000	1,00,00,000
10,00,000 (March 31, 2015 : 10,00,000) of equity shares of ₹ 10 each fully paid up		
The Indian Hotels Company Limited, is the Ultimate Holding Company (w.e.f 14.10.2015)	-	-
Lands End Properties Private Limited, is the Ultimate Holding Company (up to 13.10.2015)		

c) Details of shareholders holding more than 5% shares in the Company

	March 31, 2016		March 31, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹10 each fully paid-up				
Skydeck Properties & Developers Private Limited	10,00,000	100	10,00,000	100

Foot note :

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.

4. Reserves and Surplus	March 31, 2016	March 31, 2015
	₹	₹
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,37,26,832	1,28,63,690
Profit / (Loss) for the year	7,87,353	8,63,142
	1,45,14,185	1,37,26,832

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

5 Other Current Liabilities	March 31, 2016	March 31, 2015
	₹	₹
Other Liabilities		
Statutory liabilities	27,000	-
Amount payable to :		
Related parties (Refer note 17 (b))	84,700	13,500
Others	1,41,914	1,28,907
	2,53,614	1,42,407
6 Non-Current Investments	March 31, 2016	March 31, 2015
	₹	₹
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Investment in fellow subsidiary		
ELEL Hotels & Investments Limited (Refer note below)	39,79,762	39,79,762
11,08,145 (March 31, 2015 : 11,08,145) equity shares of ₹ 10 each fully paid-up		
Luthria & Lalchandani Hotel & Properties Private Limited	5,000	5,000
50 (March 31, 2015 : 50) equity shares of ₹ 100 each fully paid-up		
	39,84,762	39,84,762
Note :		
The Company holds 11,08,145 (March 31, 2015 : 11,08,145) shares in ELEL Hotels and Investments Limited out of which 526,854 (March 31, 2015 : 526,854) shares are held in Escrow Account in favour of Claridges Hotels Private Limited (CHPL), which shall be transferred to CHPL on fulfillment of certain conditions.		
7. Long-term Loans and advances	March 31, 2016	March 31, 2015
	₹	₹
Advance tax/TDS (Net of provisions)	38,830	43,632
	38,830	43,632
8. Trade Receivables	March 31, 2016	March 31, 2015
	₹	₹
(Unsecured)		
Outstanding over six months		
Considered good	30,09,618	29,08,494
Considered doubtful		
Others		
Considered good	1,04,500	1,01,124
Considered doubtful	-	-
	31,14,118	30,09,618

[Refer Note 17 (b) for Related Party Disclosure]

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

9 Cash and Bank balances	March 31, 2016	March 31, 2015
	₹	₹
Cash and Cash equivalents		
Balance with bank		
In Current Account	53,076	3,27,721
Other Bank balances		
Call and short term deposit Account more than 3 months and less than 12 months	1,65,00,000	1,60,00,000
	1,65,53,076	1,63,27,721
10 Short Term Loans and Advances	March 31, 2016	March 31, 2015
	₹	₹
(Unsecured, considered good unless stated otherwise)		
Loans & Advances to Related Parties		
On Current Account	5,00,000	5,00,000
	5,00,000	5,00,000
[Refer Note 17 (b) for Related Party Disclosure]		
11 Other Current Assets	March 31, 2016	March 31, 2015
	₹	₹
Interest Receivable	5,77,013	3,506
	5,77,013	3,506
12 Other Income	March 31, 2016	March 31, 2015
	₹	₹
Interest income on bank deposits	12,84,019	13,17,606
Miscellaneous Income	-	1,244
	12,84,019	13,18,850
13 Operating and General Expenses	March 31, 2016	March 31, 2015
	₹	₹
Payment made to Statutory Auditors :		
- As Auditors	1,42,812	1,40,450
- Other services	-	-
Other Operating Expenses	15,563	9,242
Duties & taxes	6,100	8,500
Miscellaneous Expenses	3,445	1,816
	1,67,920	1,60,008
14 Earnings Per Share (EPS)		
Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earnings Per Share'.		
Profit / (Loss) after tax (₹)	7,87,353	8,63,142
Weighted Average Number of Equity Shares	10,00,000	10,00,000
Face Value per Ordinary Share (₹)	10.00	10.00
Earning Per Share - (₹) Basic and Diluted	0.79	0.86

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

15. There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium enterprises Development Act, 2006".
16. There is no segment to report as envisaged by AS 17 "Segment reporting", no separate disclosure for segment reporting is made in the financial statements of the Company.

17. Related Party Transactions

- a. The names of related parties of the Company are as under :

Ultimate Holding Company

- The Indian Hotels Company Limited (w.e.f 14.10.2015)
- Lands End Properties Private Limited (up to 13.10.2015)

Holding Company

- Skydeck Properties and Developers Private Limited

Fellow Subsidiaries.

- EEL Hotels and Investments Limited
- Luthria and Lalchandani Hotel and Properties Private Limited

- b. Transactions with related parties :

Amount ₹

Particulars of transactions	Ultimate Holding Company		Holding Company		Fellow Subsidiaries	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Current year						
Consultancy Fees Receivable / (Payable)	-	-	100,000	500,000	100,000	31,14,118
Current account due	71,200	71,200	-	-	-	13,500
Previous year						
Consultancy Fees Receivable / (Payable)	-	-	-	500,000	100,000	30,09,618

18. There are no foreign currency transactions during the current and previous year.
19. Figures relating to the previous year have been regrouped / reclassified where necessary to conform to current year.

In terms of our report of even date
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No: 0039905/S200018

Ramanarayanan J
Partner
Membership No.220369
Place : Mumbai
Date : May 11, 2016

For and on behalf of the Board of Directors

Ashok Binnani
Director

R H Parekh
Director

ELEL HOTELS AND INVESTMENTS LIMITED

DIRECTORS AND CORPORATE INFORMATION

ELEL HOTELS AND INVESTMENTS LIMITED

Board of Directors:

Mr. Rakesh Sarna - Director

(appointed w.e.f February 1, 2016)

Mr. Anil P. Goel - Director

(appointed w.e.f February 1, 2016)

Mr. Suresh Nanda – Director

Mr. Vijaykumar Raichand – Alternate Director to Mr. Suresh Nanda

(appointed w.e.f February 1, 2016)

Mr. Ashok Binnani - Director

(resigned w.e.f March 30, 2015)

Mr. Rajeev Newar – Director

(resigned w.e.f March 30, 2015)

Bankers:

IDBI Bank Limited

HDFC Bank Limited

ICICI Bank Limited

Auditors:

M/s. PFK Sridhar & Santhanam LLP

Chartered Accountants

Registered Office:

Mandlik House, Mandlik Road,

Mumbai 400001

CIN : U70101MH1969PLC014326

Tel.: 91 22 66395515

Fax: 91 22 22027442

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors hereby present the Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2016

FINANCIAL RESULTS

The summarized Standalone and Consolidated Results of your Company and its subsidiaries are given in the table below.

Particulars	Standalone		Consolidated	
	2015-16 ₹	2014-15 ₹	2015-16 ₹	2014-15 ₹
Total Income	93.38	175.57	93.38	175.57
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	(137.39)	(505.23)	(137.74)	(505.90)
Less : Depreciation	1,167.85	1,441.37	1,167.85	1,441.37
Less : Finance Charges	-	-	-	-
Profit/(Loss) before Tax	(1,305.24)	(1,946.60)	(1,305.59)	(1,947.27)
Less : Provision for Income Tax	-	-	-	-
Profit/(Loss) After Tax	(1,305.24)	(1,946.60)	(1,305.59)	(1,947.27)
Profit/(Loss) attributable to Minority Interest	-	-	-	-
Add : Balance brought forward from the previous year	(23,730.98)	(21,784.38)	(23,733.39)	(21,786.12)
Balance carried to Balance Sheet	(25,036.22)	(23,730.98)	(25,038.98)	(23,733.39)

DIVIDEND

Your Directors do not recommend the payment of dividend for the current year.

SHARE CAPITAL

During the year under review, the issued, subscribed and paid-up share capital of your Company comprised of 28,20,887 Equity Shares of ₹ 10 each. The Company has not further issued any shares.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has a subsidiary viz Luthria & Lalchandani Hotel & Properties Private Ltd as on March 31, 2016. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (Act), a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

The Consolidated Financial Statements of the Company and its Subsidiary, prepared in accordance with the relevant Accounting Standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the Consolidated Accounts.

BOARD OF DIRECTORS

In accordance with the Act, and the Articles of Association of the Company, one of your Directors viz. Mr. Suresh Nanda (DIN 00249603) retires by rotation and is eligible for re-appointment. Your approval for the re-appointment of Mr. Suresh Nanda as a Director has been sought in the Notice convening the Annual General Meeting of the Company.

Mr. Rakesh Sarna and Mr. Anil P. Goel were appointed as Additional Directors of the Company, both with effect from February 1, 2016. They hold office up to the date of the forthcoming Annual General Meeting of the Company and are eligible for appointment. Taking into consideration their knowledge and experience, the Board commends their appointment as Directors of the Company to the Members. The Members' approval for their appointment as Director of the Company has been sought in the Notice convening the Annual General Meeting of the Company.

ELEL HOTELS AND INVESTMENTS LIMITED

Mr. Vijaykumar Raichand (DIN: 00195251) was appointed with effect from February 1, 2016 as the Alternate Director to Mr. Suresh Nanda, Director of the Company during the absence of Mr. Suresh Nanda for a period of not less than three months from India, pursuant to the provisions of Section 161(2) of the Act, read with Article 70 of the Articles of Association of the Company.

Mr. Ashok Binnani and Mr. Rajeev Newar, Directors of the Company had resigned w.e.f. March 30, 2016. The Board places on record its appreciation for the valuable services rendered and enormous contribution made by them during their tenure as Directors of the Company.

BOARD MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year, four meetings of the Board of Directors 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 28, 2015; September 24, 2015; December 31, 2015 and March 30, 2016.

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.

STATUTORY AUDITORS

At the Annual General Meeting, the Members will be requested to re-appoint M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company adopting the Financial Statements of the Company for the year ended March 31, 2019 (subject to ratification of their appointment at each AGM) and authorise the Board of Directors to fix their remuneration.

The report of the Statutory Auditors along with the notes to Schedules is enclosed to this report and does not contain any qualification, reservation or adverse remark or disclaimer.

BORROWINGS

The Company does not have any borrowings.

RISK MANAGEMENT POLICY

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. Risks are analyzed by combining estimates of probability and impact of occurrence, if the risk occurs.

INTERNAL FINANCIAL CONTROLS

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 of the Company.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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, or other designated persons which may have a potential conflict with the interest of the Company.

PARTICULARS OF 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.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company is taking the necessary steps and making all efforts towards conservation of energy and technology absorption.

EARNINGS & EXPENDITURES IN FOREIGN CURRENCY

The Company earned Nil in foreign currency and incurred expenditure in foreign currency amounting to Nil on business related travel overseas and capital goods during the year. No other particulars are required to be furnished.

HUMAN RESOURCES

The Company does not have any employees drawing salary in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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) 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.
- (iv) 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.

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal /statutory auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the Board, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

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

- (i) 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;
- (ii) 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, 2016 and of the loss of the Company for the year ended March 31, 2016;

ELEL HOTELS AND INVESTMENTS LIMITED

- (iii) 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;
- (iv) the directors had prepared the financial statements and 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.

On behalf of the Board of Directors

Mr. Rakesh Sarna
Director
(DIN: 01875340)

Mr. Anil P. Goel
Director
(DIN: 00050690)

Dated: May 6, 2016

Place : Mumbai

Registered Office:

Mandlik House,

Mandlik Road,

Mumbai 400 001.

CIN : U70101MH1969PLC014326

Tel.: 91 22 66395515 Fax: 91 22 22027442

Annexure to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[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 : U70101MH1969PLC014326
- ii) Registration Date : 09/07/1969
- iii) Name of the Company : ELEL Hotels and Investments 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 & Contact details of Registrar & 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	Other financial service activities, except insurance and pension funding activities, n.e.c	64990	100

*The Company was engaged in the business of hoteleiring, which was demolished and plans to re-build its hotel. Therefore currently the Company does not draw any income from this business.

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	Luthria & Lalchandani Hotel & Properties Private Limited Mandlik House, Mandlik Road, Mumbai 4000 001.	U55100MH2008PTC178963	Subsidiary	90%	2 (87)

ELEL HOTELS AND INVESTMENTS 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				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.	581291	2239596	2820887	100	581291	2239596	2820887	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	581291	2239596	2820887	100	581291	2239596	2820887	100	-
(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)	581291	2239596	2820887	100	581291	2239593	2820887	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):-	-	-	-	-	-	-	-	-	-

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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	581291	2239596	2820887	100	-	2239593	2820887	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	Sheena Investments Private Limited (Sheena)	1108145	39.28	-	1108145	39.28	-	-
2	Skydeck Properties and Developers Pvt Ltd (Skydeck)	1309896	46.44	-	1309896	46.44	-	-
3.	Excalibur Assets and Capital Management Pvt. Ltd.	398090	14.11	100	398090	14.11	100	-
4.	Claridges Hotels Private Limited	4756	0.17	-	4756	0.17	-	-
	TOTAL	2820887	100	100	2820887	100	100	-

(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				

ELEL HOTELS AND INVESTMENTS LIMITED

(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
	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 (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
	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.):				
	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)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
· Addition (Interest accrued but not due)	-	-	-	-
· 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 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
	Ceiling as per the Act					

B. REMUNERATION TO OTHER DIRECTORS:

₹

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Other Non-Executive Directors					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	Total (B)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act					

ELEL HOTELS AND INVESTMENTS LIMITED

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

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	N.A.	
2)	Stock Option		
3)	Sweat Equity		
4)	Commission - as % of profit - others, specify		
5)	Others, please Specify		
6)	Total		

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 of Offences)			NIL		
B. Director (Penalty/ Punishment/ Compounding of Offences)					
C. Other Officers in Default (Penalty/ Punishment/ Compounding of Offences)					

On behalf of the Board of Directors

Mr. Rakesh Sarna
Director
(DIN: 01875340)

Mr. Anil P. Goel
Director
(DIN: 00050690)

Dated: May 6, 2016

Place : Mumbai

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.

CIN : U70101MH1969PLC014326

Tel.: 91 22 66395515 Fax: 91 22 22027442

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EEL HOTELS AND INVESTMENTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of EEL Hotels and Investments Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 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, 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 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. 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, 2016, and its 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, 2016 ("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", 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:

ELEL HOTELS AND INVESTMENTS LIMITED

- (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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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 **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.0039905/S200018

Ramanarayanan J
Partner
Membership No. 220369

Place: Mumbai
Date: May 06, 2016

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (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 program of verifying fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) Title deeds of immovable properties are held in the name of the Company.
- (ii) The Company does not have any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loan (secured/unsecured) to certain parties covered in the register maintained under section 189. Accordingly, the provisions of clause 3(iii) of the Order are not applicable.
- (iv) Based on our audit procedures & according to the information and explanation given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2016 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 relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loan/borrowing from financial institutions, banks, Government or debenture holders. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration has been paid or provided during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.

ELEL HOTELS AND INVESTMENTS LIMITED

- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 188 of the Act where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards. As the Company is not required to constitute an Audit Committee, Section 177 of the Act is not applicable.
- (xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/ fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.
- (xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/5200018

Ramanarayanan J
Partner
Membership No. 220369

Place: Mumbai
Date: May 06, 2016

Annexure B

Referred to in paragraph 2(h) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ELEG Hotels and Investments Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No.003990S/S200018

Ramanarayanan J

Partner

Membership No. 220369

Place: Mumbai

Date: May 06, 2016

Balance Sheet as at March 31, 2016

	Notes	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Equity and Liabilities			
Shareholders' Funds:			
Share Capital	3	282.09	282.09
Reserves and Surplus	4	62,128.88	63,434.12
		62,410.97	63,716.21
Current Liabilities			
Trade Payables		108.20	38.20
Other Current Liabilities	5	346.59	344.30
Short-term Provisions	6	3,584.32	3,514.45
		4,039.11	3,896.95
Total		66,450.08	67,613.16
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	7 (a)	59,690.51	60,802.76
Intangible Assets	7 (b)	-	55.60
Capital work-in-Progress		4,685.90	4,685.90
		64,376.41	65,544.26
Non-current Investments	8	0.93	0.93
Long-term Loans and Advances	9	5.91	5.90
		6.84	6.83
Current Assets			
Current Investments	10	2,043.45	893.08
Cash and Cash Equivalents	11	22.12	14.50
Short-term Loans and Advances	12	-	975.00
Other Current Assets	13	1.26	179.49
		2,066.83	2,062.07
Total		66,450.08	67,613.16

Summary of Significant Accounting Policies 2
The accompanying notes form an integral part of the Financial statements.

In terms of our report of even date

For and on behalf of the Board

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No : 003990S/S200018

Rakesh Sarna
Director

Anil P. Goel
Director

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 06, 2016

ELEL HOTELS AND INVESTMENTS LIMITED

Statement of Profit and Loss for the year ended March 31, 2016

	Notes	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Income			
Other Income	14	93.38	175.57
Total		93.38	175.57
Expenses			
Operating and General Expenses	15	230.77	680.80
Depreciation / Amortisation	7	1,167.85	1,441.37
Total		1,398.62	2,122.17
Loss before tax		(1,305.24)	(1,946.60)
Tax expenses		-	-
Current tax		-	-
Loss after tax		(1,305.24)	(1,946.60)
 Earnings per equity share	16		
Basic and Diluted (₹)		(46.27)	(69.01)
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.			

In terms of our report of even date

For and on behalf of the Board

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No : 003990S/S200018

Rakesh Sarna
Director

Anil P. Goel
Director

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 06, 2016
Date : May 06, 2016

Statement of Cash flow for the year ended 31, March 2016

	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
<u>Cash flow from operating activities:</u>		
Loss before tax and prior period adjustments	(1,305.24)	(1,946.60)
Adjustments for :		
Depreciation and amortisation	1,167.85	1,441.38
Interest Income	-	(130.84)
Dividend Income	(93.38)	(44.74)
Provision for contingencies	-	500.00
Operating loss before working capital changes	(230.77)	(180.80)
Adjustments for changes in working capital:		
- (Increase)/decrease in Loans and Advances	(0.01)	0.21
- Increase/(decrease) in Trade and other payables	142.16	34.17
Cash generated from/ (used in) operating activities	(88.62)	(146.42)
- Taxes (Paid) / Refund Received (Net of TDS)	-	-
Net cash generated from/ (used in) operating activities	(88.62)	(146.42)
<u>Cash flow from investing activities:</u>		
Purchase of fixed assets/capital work-in progress	-	(1.08)
Inter corporate deposits (placed)/encashed (net)	975.00	445.00
Proceeds from redemption / (purchase) of current investments (net)	(1,150.37)	(406.74)
Interest received	178.23	49.10
Dividend received on Mutual Funds	93.38	44.74
Net cash used in investing activities	96.24	131.02
<u>Cash flow from financing activities:</u>		
Proceeds from long term borrowings	-	-
Interest paid	-	-
Net cash generated from/ (used in) financing activities	-	-
Net Increase/(decrease) in Cash and cash equivalents	7.62	(15.40)
Opening cash and cash equivalents	14.50	29.90
Closing cash and cash equivalents	22.12	14.50
Cash in hand	0.02	0.02
Balance with banks on Current accounts	22.10	14.48
Summary of Significant Accounting Policies	2	

In terms of our report of even date

For and on behalf of the Board

For PKF Sridhar & Santhanam LLP

Chartered Accountants
Firm Registration No : 0039905/S200018

Rakesh Sarna
Director

Anil P. Goel
Director

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 06, 2016

Notes to Financial Statements for year ended March 31, 2016

1. Corporate Information

ELEL Hotels and Investments Limited ("ELEL" or the "Company"), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956 on July 9th, 1969. The Company was engaged in business of hoteleiring and owned erstwhile hotel 'Sea Rock' in Mumbai, India which has since been demolished. Currently, the plan for re-building of the hotel is under consideration pending requisite approval.

2. Significant accounting policies

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 under the historical cost convention on an accrual basis. 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 period of 1 year being reckoned from the reporting date. The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years.

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, however, differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are explained in the below mentioned points.

a. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affects the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statement and the reported amount of revenue and expenses during the reporting period. Examples of such estimates include useful lives of fixed assets, settlement of labour disputes, lease rent obligations, tax liabilities, etc. Actual results could differ from those estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

b. Revenue recognition

Sale of goods and services

Income from operations representing invoiced value of goods sold and services rendered is recognized on accrual basis and is disclosed net of all applicable taxes.

Interest

Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit & loss.

Dividends

Dividend income is recognised when the company's right to receive dividend is established.

c. Fixed Assets

Fixed Assets, other than leasehold land which has been revalued as per the Scheme of Amalgamation, are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the assets to the working condition required for their intended use. Leasehold land revalued in accordance with the Scheme of Amalgamation is carried at values ascertained as at April 1, 2006 on the basis of a valuation report of an approved valuer.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

d. Depreciation

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.

Leasehold Land is amortised from the date the land is put to use for commercial operations, over the balance period of the lease.

e. Intangible assets

Intangible asset represents cost of re-acquiring management rights over the hotel property. These rights are capitalized in the year of re-acquisition and amortized over the period of 10 years from that date and are stated at cost less accumulated amortization.

f. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognized whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

g. Foreign currency transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction.

Gains / (losses) arising out of fluctuations in the exchange rates including restatement of year end foreign exchange balances are recognized as income/expense in the period in which they arise.

h. Investments

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investments intended to be held for more than one year are classified as long-term investments. Current investments are valued at lower of cost or market value. The diminution in current investments is charged to the statement of profit and loss; appreciation, if any, is recognized at the time of sale. Long term investments are stated at cost of acquisition unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market value decline and the financial health of and specific prospects of the issuer.

i. Expenditure

Expenses are recognized on accrual basis and provisions are made for all known losses and liabilities.

j. Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs, including expenditure incurred to raise borrowings, are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowing.

k. Leases

Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the statement of profit and loss on a straight line basis over the lease term.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

l. Taxes on income

Income tax is computed in accordance with Accounting Standard 22 - Accounting for Taxes on Income (AS-22), specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 recognized 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.

Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

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 the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

m. Earnings per share

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

n. Provisions, contingent liabilities and contingent assets

Provisions are recognized in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. when there is a present legal or statutory 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 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.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

3. Share Capital	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Authorised Share Capital		
Equity Shares		
30,00,000 (March 31, 2015 : 30,00,000) Shares of ₹ 10 each	300.00	300.00
	300.00	300.00
Issued, subscribed and paid-up shares		
Equity Shares		
28,20,887 (March 31, 2015 : 28,20,887) Shares of ₹ 10 each	282.09	282.00
	282.09	282.00
a) Reconciliation of the shares outstanding at the beginning and at the end of the year.		
	March 31, 2016	March 31, 2015
	No. of Shares	No. of Shares
	₹ Lakhs	₹ Lakhs
Opening	28,20,887	28,20,887
Issued during the year	-	-
Closing	28,20,887	28,20,887
b) Shares held by Ultimate / Intermediate Holding Company		
	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Skydeck Properties & Developers Private Limited, the intermediate holding company		
13,09,893 (March 31, 2015 : 13,09,893) of equity shares of ₹ 10 each fully paid up	130.99	130.99
Sheena Investments Private Limited, subsidiary of Skydeck Properties & Developers Pvt.Ltd		
11,08,145 (March 31, 2015 : 11,08,145) of equity shares of ₹ 10 each fully paid up (Refer note (e) below)	110.81	110.81
Lands End Properties Private Limited (upto 13.10.2015)	-	-
The Indian Hotels Company Limited (w.e.f 14.10.2015)	-	-
c) Aggregate number of equity shares allotted for consideration other then cash		
	Nos	Nos
Shares allotted as fully paid shares, pursuant to amalgamation of Bawee Investment and Trading Company Private Limited with the company.	92,308	92,308
d) Details of shareholders holding more than 5% shares in the Company		
	March 31, 2016	March 31, 2015
	No. of Shares	No. of Shares
	% holding	% holding
Equity shares of ₹ 10 each fully paid-up		
Skydeck Properties and Developers Private Limited	1,309,893	1,309,893
	46.44	46.44
Sheena Investments Private Limited	1,108,145	1,108,145
[Refer note (e) below]	39.28	39.28
Excalibur Assets and Capital Management Pvt. Ltd	398,090	398,090
	14.11	14.11

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

- e) Sheena Investments Private Limited holds 11,08,145 shares (March 31, 2015 : 11,08,145) in the Company out of which 526,854 shares (March 31, 2015 : 526,854) are held in Escrow Account in favour of Claridges Hotels Private Limited (CHPL), which shall be transferred to CHPL on fulfillment of certain conditions.
- f) 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 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.

4. Reserves and Surplus	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Securities Premium account	16,415.23	16,415.23
General Reserve	70,749.87	70,749.87
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(23,730.98)	(21,784.38)
Loss for the year	(1,305.24)	(1,946.60)
Net loss in the statement of profit & loss	(25,036.22)	(23,730.98)
 Total Reserves and Surplus	 62,128.88	 63,434.12
 5. Other Current Liabilities	 March 31, 2016	 March 31, 2015
	₹ Lakhs	₹ Lakhs
Deposits	7.04	7.04
Other payables	337.26	337.26
Other Liabilities		
Tax deducted at source	2.29	-
	346.59	344.30
 6. Short term Provisions	 March 31, 2016	 March 31, 2015
	₹ Lakhs	₹ Lakhs
Income tax (Net of Advance)	2,396.01	2,395.93
Fringe Benefit Tax (Net of Advances)	1.12	1.12
Lease Rental	469.49	399.70
Labour Disputes	217.70	217.70
Provision for contingencies :-		
- In respect of Legal and Statutory matters	500.00	500.00
	3,584.32	3,514.45

Notes to Financial Statements for year ended March 31, 2016 (Contd.)
7 Fixed Assets
(a) Tangible Assets

	Leasehold Land Refer Note (a) below	Office Equipment	Computer	Furniture & Fixtures	₹ Lakhs Total
Cost or valuation					
At March 31, 2014	70,876.88	-	-	-	70,876.88
Additions / Deletion	-	-	-	-	-
At March 31, 2015	70,876.88	-	-	-	70,876.88
Additions / Deletion	-	-	-	-	-
At March 31, 2016	70,876.88	-	-	-	70,876.88
Depreciation / Amortisation					
At March 31, 2014	8,961.87	-	-	-	8,961.87
Charge for the year	1,112.25	-	-	-	1,112.25
At March 31, 2015	10,074.12	-	-	-	10,074.12
Charge for the year	1,112.25	-	-	-	1,112.25
At March 31, 2016	11,186.37	-	-	-	11,186.37
Net Block					
At March 31, 2015	60,802.76	-	-	-	60,802.76
At March 31, 2016	59,690.51	-	-	-	59,690.51

(b) Intangible Assets

	Management Rights Refer note (b) below
Gross Block	
At March 31, 2014	3,291.14
Additions	-
At March 31, 2015	3,291.14
Additions	-
At March 31, 2016	3,291.14
Amortisation	
At March 31, 2014	2,906.42
Charge for the year	329.12
At March 31, 2015	3,235.54
Charge for the year	55.60
At March 31, 2016	3,291.14
Net Block	
At March 31, 2015	55.60
At March 31, 2016	-

a) Leasehold land includes ₹ 70,652.96 Lakhs (P. Y ₹ 70,652.96 Lakhs) representing increase in book value on account of revaluation pursuant to Scheme of Amalgamation. [(Refer Note 2 (c)]

b) Intangible assets represent cost of re-acquiring of management rights over the hotel property.

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

8. Non-Current Investments	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Trade Investments (valued at cost unless stated otherwise)		
Unquoted Equity Instruments		
Investments in Subsidiary		
Luthria and Lalchandani Hotel and Properties Pvt. Ltd	0.82	0.82
900 equity shares of ₹100 each fully paid-up		
Non-trade Investments (valued at cost unless stated otherwise)		
National Savings Certificates 'NSC' (Refer note below)	0.11	0.11
Total Long Term Investments	0.93	0.93
Note :		
NSC pledged as security with Accounts Officer, State Excise, Mumbai		
9. Long Term Loans and Advances	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
(Unsecured, considered good unless stated otherwise)		
Security Deposits	5.91	5.90
	5.91	5.90
10. Current Investments	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Unquoted mutual fund		
27,44,647 (March 31, 2015 : 26,10,618) units of ₹10 each fully paid-up of JP Morgan Liquid Fund - Super IP - DDR	275.23	261.79
7,081 (March 31, 2015 : 16,033) units of ₹1001 each fully paid-up of Peerless Liquid Fund - Super IP - DDR	70.90	160.54
49,656 (March 31, 2015 : 47,063) units of ₹1000 each fully paid-up of Taurus Liquid Fund - Super IP - DDR	496.92	470.75
1,18,661 (March 31, 2015 : Nil) units of ₹1011 each fully paid-up of Kotak Floater Short-term Fund	1,200.40	-
	2,043.45	893.08
Footnote:		
i) Basis of Valuation : Current investments are carried at lower of cost and fair value, determined on a category-wise basis.		
ii) Aggregate of Unquoted Investments - Gross : Cost	2,043.45	893.08
11. Cash and Bank Balances	March 31, 2016 ₹ Lakhs	March 31, 2015 ₹ Lakhs
Cash and Cash equivalents :		
Cash in Hand	0.02	0.02
Balances with Bank		
In Current Accounts	22.10	14.48
	22.12	14.50

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

12. Short Term Loans and Advances	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
(Unsecured, considered good unless stated otherwise)		
Inter Corporate deposits	-	975.00
	<u>-</u>	<u>975.00</u>
13. Other Current Assets	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Interest receivable	-	178.23
On Current Account dues :		
Related Parties	1.26	1.26
	<u>1.26</u>	<u>179.49</u>
14. Other Income	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Interest Income	-	130.84
Dividend Income from current investments	93.38	44.74
	<u>93.38</u>	<u>175.58</u>
15 Operating and General Expenses	March 31, 2016	March 31, 2015
	₹ Lakhs	₹ Lakhs
Lease Rent	77.34	77.33
Rates & Taxes *	15.70	515.71
Consultancy & Professional Fees	92.37	43.38
Communication Expenses	0.34	0.38
Passage & Traveling	0.29	0.59
Printing & Stationery	0.20	0.08
Repairs and Maintenance	1.59	2.58
Power, Fuel and Water	3.83	3.35
Exchange loss (net)	-	-
Security Expenses	33.48	33.05
Subscription Charges	0.10	0.07
Bank charges	-	-
Miscellaneous Expenses	1.52	0.28
Payment made to Statutory Auditors		
As auditors	4.01	4.00
Incl. of service tax		
	<u>230.77</u>	<u>680.80</u>

* Includes Provision for Contingencies of ₹ Nil (P.Y ₹ 500 Lakhs) in respect of certain demand which is in litigation.

16. Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earning Per Share'

Net profit/(loss) for the year in ₹ Lakhs	(1,305.24)	(1,946.60)
Weighted Average Number of Equity Shares	2,820,887	2,820,887
Face Value per Equity Share	10.00	10.00
Earning Per Share - (₹) Basic and Diluted	(46.27)	(69.01)

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

17. Deferred Tax

In accordance with Accounting Standard 22 "Accounting for taxes on income", deferred tax assets on carry-forward losses have not been recognized in the absence of virtual certainty supported by convincing evidence that the same can be realized against future taxable profits.

18. Capital Commitments

As on March 31, 2016, the Company has estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advance) amounted to ₹ Nil Lakhs (March 31, 2015 : ₹ Nil Lakhs)

19. Contingent liabilities

March 31, 2016	March 31, 2015
₹ Lakhs	₹ Lakhs
589.20	589.20

a) Income Tax

(Demands raised under Income-tax Act, 1961 in respect of assessment years 1988-89, 1989-90, 1991-92, 1992-93, and 1996-97 where the matter is under appeal with High Court)

20. The Company was subjected to a search and seizure operation under section 132 of the Income-tax Act, 1961 on February 28, 2007. Assessment orders were issued on December 31, 2008 for the assessment years 2001-02 to 2007-08 raising an aggregate demand of ₹ 3218.87 Lakhs and penalty proceedings initiated. The Company has appealed against the said order and had received the favourable orders from first/second appellate authority and these matters are currently pending at the Hon'ble High Court of Delhi. Considering the developments, as a matter of prudence, the Company has made a provision for ₹ 3200 Lakhs for the probable outflow against the above tax demand in 2008-09.

21. A provision of ₹ 217.70 Lakhs has been recognised for probable claims in respect of labour disputes pending before various judicial courts mainly for retrenchment/ suspension of employees in the year 2008-09 for which process of negotiation for out of court settlement has already been initiated by the Company. There has been no movement in provision for the same in the current year.

22. There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium enterprises Development Act, 2006".

23. Segment Reporting

As there is only one reportable segment of "Hoteliering" as envisaged by AS 17 "Segment reporting", no separate disclosure for segment reporting is made in the financial statements of the Company.

Related Party Transactions

a. The names of related parties of the Company are as under :

Ultimate Holding Company

- Lands End Properties Private Limited (Up to 13.10.2016)
- The Indian Hotels Company Limited (w.e.f 14.10.2015)

Intermediate Holding Company

- Lands End Properties Private Limited (w.e.f 14.10.2015)
- Skydeck Properties and Developers Private Limited

Fellow Subsidiary

- Sheena Investments Private Limited

Subsidiaries.

- Luthria and Lalchandani Hotel and Properties Private Limited

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

b. Transactions with related parties :

₹ Lakhs

Particulars of transactions	Ultimate Holding Company		Intermediate Holding Company		Subsidiaries / Fellow Subsidiaries	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Current year						
Consultancy services (Payable)	-	-	60.00	62.30	1.00	31.14
	1.71	-	-	-	-	1.04
Current account Due						
Previous year						
Consultancy services (payable)	-	-	-	-	1.00	30.09
	-	-	-	-	-	1.04
Current account Due						

24. Derivative Instruments

- The company does not have any derivative instrument for hedging purpose.
- Unhedged Foreign Currency exposure is Nil.

25. There are no foreign currency transactions during the current and previous year.

26. Figures relating to the previous year have been regrouped / reclassified where necessary to conform to current year.

In terms of our report of even date

For and on behalf of the Board

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration No : 003990S/S200018

Rakesh Sarna
Director

Anil P. Goel
Director

Ramanarayanan J
Partner
Membership No.220369

Place : Mumbai
Date : May 06, 2016

Form AOC - I
(Pursuant to first proviso to sub-section (3) of the section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures March 31, 2016

S No	Name of the Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Effective Shareholding
			₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs	(%)
1	Luthria and Lalchandani Hotel and Properties Pvt.Ltd	INR	1.00	(2.97)	1.52	3.49	-	-	(0.35)	-	(0.35)	-	90.00

Notes:

- i The financial statements of the subsidiary are drawn upto the same reporting date as that of the Parent Company i.e March 31, 2015
- ii Name of subsidiary which is yet to commence operations - None
- iii Name of subsidiary which has been sold / disposed off during the year - Nil

For and on behalf of the Board

Rakesh Sarna
Director

Anil P. Goel
Director

DIRECTORS AND CORPORATE INFORMATION

LUTHRIA AND LALCHANDANI HOTEL AND PROPERTIES PRIVATE LIMITED

Directors :

Mr. Ashok Binnani

Ms. Cynthia Noronha

Mr. Kishor Kulkarni

Ms. Aban Rupa

Auditors :

M/S PKF Sridhar & Santhanam LLP

Chartered Accountants

Registered Office :

Mandlik House

Mandlik Road

Mumbai 400001

Maharashtra

CIN : U55100MH2008PTC178963

Tel : 91 22 6639 5515

Fax : 91 22 2202 7442

LUTHRIA AND LALCHANDANI HOTEL AND PROPERTIES PRIVATE LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors hereby present the Annual Report of the Company together with the Audited Financial Statements for the year ended March 31, 2016

FINANCIAL RESULTS

The summarized Financial Results of your Company are given in the table below.

Particulars	2015-16 ₹	2014-15 ₹
Income	-	-
Less: Operating costs	34,600	66,877
Gross Operating Profit	(34,600)	(66,877)
Profit / (Loss) before tax	(34,600)	(66,877)
Provision for tax	-	-
Profit / (Loss) after tax	(34,600)	(66,877)
Basic & Diluted Earning Per Share (₹) (Face Value - ₹ 100/-)	(34.60)	(66.88)

DIVIDEND

Your Directors do not recommend the payment of dividend for the current year.

SHARE CAPITAL

During the year under review, the issued, subscribed and paid-up share capital of your Company comprised of 1000 Equity Shares of ₹ 100 each. The Company has not further issued any shares.

BOARD OF DIRECTORS

In accordance with the Companies Act, 2013 (Act) and the Articles of Association of the Company, one of your Directors viz. Ms. Aban Rupa (DIN 01147657) retires by rotation and is eligible for re-appointment. Your approval for the re-appointment of Ms. Aban Rupa 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 meetings of the Board of Directors were held and the intervening gap between the meetings was within the period prescribed under the Act. The Board meetings were held on May 28, 2015; September 11, 2015, December 21, 2015 and March 30, 2016.

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.

STATUTORY AUDITORS

At the Annual General Meeting, the Members will be requested to re-appoint M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), as Statutory Auditors of the Company for financial years 2016-17 to 2018-19, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company adopting the Financial Statements of the Company for the year ended March 31, 2019 (subject to ratification of their appointment at each AGM) and authorise the Board of Directors to fix their remuneration.

The report of the Statutory Auditors along with the notes to Schedules is enclosed to this report and does not contain any qualification, reservation or adverse remark or disclaimer.

RISK MANAGEMENT POLICY

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. Risks are analyzed by combining estimates of probability and impact of occurrence, if the risk occurs.

INTERNAL FINANCIAL CONTROLS

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 of the Company.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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, or other designated persons which may have a potential conflict with the interest of the Company.

PARTICULARS OF 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.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company is taking the necessary steps and making all efforts towards conservation of energy and technology absorption.

EARNINGS & EXPENDITURES IN FOREIGN CURRENCY

The Company earned Nil in foreign currency and incurred expenditure in foreign currency amounting to Nil on business related travel overseas and capital goods during the year. No other particulars are required to be furnished.

BORROWINGS

The Company does not have any borrowings.

HUMAN RESOURCES

The Company does not have any employees drawing salary in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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) The Company does not have any Subsidiary, Joint Venture or Associate Company.
- (iv) 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.
- (v) 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.

LUTHRIA AND LALCHANDANI HOTEL AND PROPERTIES PRIVATE LIMITED

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal /statutory auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the Board, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

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

- (i) 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;
- (ii) 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, 2016 and of the loss of the Company for the year ended March 31, 2016;
- (iii) 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;
- (iv) the directors had prepared the financial statements and 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.

By Order of the Board of Directors

Ashok Binnani
Director
(DIN : 03326335)

Cynthia Norohna
Director
(DIN : 06916800)

Dated: May 6, 2016
Place: Mumbai

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN : U55100MH2008PTC178963
Tel.: 91 22 66395515
Fax: 91 22 22027442

Annexure to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[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 : U55100MH2008PTC178963
- ii) Registration Date : 18/02/1908
- iii) Name of the Company : Luthria & Lalchandani Hotel & Properties Pvt. Ltd.
- 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 & Contact details of Registrar & 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	There were no business activities carried out during the year.	Nil	Nil

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	ELEL Hotels and Investments Limited. Mandlik House, Mandlik Road, Mumbai 400001	U70101MH1969PLC014326	Holding	90%	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	1000	1000	100	Nil	1000	1000	100	Nil
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-	Nil	1000	1000	100	Nil	1000	1000	100	Nil

LUTHRIA AND LALCHANDANI HOTEL AND PROPERTIES PRIVATE 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 (A)= (A)(1) + (A)(2)	Nil	1000	1000	100	Nil	1000	1000	100	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									
ii) Individual shareholders holding nominal share capital in excess of ₹ 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									
Grand Total (A+B+C)	Nil	1000	1000	100	Nil	1000	1000	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	ELEL Hotels & Investments Limited	900	90%	Nil	900	90%	Nil	Nil
2	Sheena Investments Private Limited	50	5%	Nil	50	5%	Nil	Nil
3	Skydeck Properties & Developers Private Limited	50	5%	Nil	50	5%	Nil	Nil
	TOTAL	1000	100	Nil	1000	100	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	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				

(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
	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 (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

LUTHRIA AND LALCHANDANI HOTEL AND PROPERTIES PRIVATE LIMITED

(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
	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):				
	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 (Interest accrued but not due)				
• 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
	Ceiling as per the Act					

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 					
	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 					
	Total (B)					
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	Total
1)	Gross salary <ul style="list-style-type: none"> (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 	N.A.	
2)	Stock Option		
3)	Sweat Equity		
4)	Commission <ul style="list-style-type: none"> - as % of profit - others, specify 		
5)	Others, please Specify		
6)	Total		

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 of Offences)			NIL		
B. Director (Penalty/ Punishment/ Compounding of Offences)					
B. Other Officers in Default (Penalty/ Punishment/ Compounding of Offences)					

On behalf of the Board of Directors

Ashok Binnani
Director
(DIN : 03326335)

Cynthia Norohna
Director
(DIN : 06916800)

Mumbai, May 6, 2016

Registered Office:

Mandlik House, Mandlik Road, Mumbai 400 001.

CIN : U55100MH2008PTC178963

Tel.: 91 22 66395515

Fax: 91 22 22027442

INDEPENDENT AUDITOR'S REPORT

To the members of
Luthria and Lalchandani Hotel and Properties Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Luthria and Lalchandani Hotel and Properties Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 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, 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. 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, 2016, and its 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, 2016 ("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", 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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 PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No.003990S/S200018

Ramanarayanan J

Partner

Membership No. 220369

Place: Mumbai

Date: May 6, 2016

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (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 program of verifying fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) Title deeds of immovable properties are held in the name of the Company.
- (ii) The Company does not have any inventory during the year. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loan (secured/unsecured) to certain parties covered in the register maintained under section 189. Accordingly, the provisions of clause 3(iii) of the Order are not applicable.
- (iv) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loan/ made investment / given guarantees or security. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2016 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 relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, which have not been deposited on account of any dispute
- (viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not taken any loan/borrowing from financial institutions, banks, Government or debenture holders. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money raised by way of Initial Public Offer (IPO) or Further Public Offer (FPO) (including debt instrument) and term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Based on our audit procedures and as per the information and explanations given to us, no Managerial remuneration has been paid or provided during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

- (xiii) Based on our audit procedures and according to the information and explanations given to us, there are no transactions entered into with related parties during the year. Accordingly, the provisions of clause 3 (xiii) of the Order are not applicable.
- (xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/ fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.
- (xvi) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No.003990S/S200018

Ramanarayanan J

Partner

Membership No.220369

Place: Mumbai

Date: May 6, 2016

ANNEXURE B TO AUDITORS' REPORT

Referred to in paragraph 2(h) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Luthria and Lalchandani Hotel and Properties Private Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion

or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm's Registration No.0039905/S200018

Ramanarayanan J

Partner

Membership No.220369

Place: Mumbai

Date: May 6, 2016

LUTHRIA AND LALCHANDANI HOTEL AND PROPERTIES PRIVATE LIMITED

Balance Sheet as at March 31, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,00,000	1,00,000
Reserves and Surplus	4	(2,96,570)	(2,61,970)
		<u>(1,96,570)</u>	<u>(1,61,970)</u>
Current Liabilities			
Other Current Liabilities	5	3,49,155	3,17,055
		<u>3,49,155</u>	<u>3,17,055</u>
		<u>1,52,585</u>	<u>1,55,085</u>
Assets			
Non-current Assets			
Long-term Loans and Advances	6	1,36,325	1,36,325
Current Assets			
Cash and Cash Equivalents	7	16,260	18,760
		<u>1,52,585</u>	<u>1,55,085</u>
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial statements.			

In terms of our report of even date

For and on behalf of the Board

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 0039905/S200018

Ashok Binnani
Director

Cynthia Noronha
Director

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: May 6, 2016

Statement of Profit and Loss for the year ended March 31, 2016

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
Income			
Other Income		-	-
Total		<u>-</u>	<u>-</u>
Expenses			
Administrative Expenses	8	34,600	66,877
Total		<u>34,600</u>	<u>66,877</u>
Loss before tax		<u>(34,600)</u>	<u>(66,877)</u>
Tax expenses			
Current tax		-	-
Loss after tax		<u>(34,600)</u>	<u>(66,877)</u>
 Earnings per equity share	9		
Basic and Diluted		(34.60)	(66.88)
Face value per ordinary share (₹)		100	100
 Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial statements.			

In terms of our report of even date

For and on behalf of the Board

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No: 0039905/S200018

Ashok Binnani
Director

Cynthia Noronha
Director

Ramanarayanan J

Partner

Membership No.220369

Place: Mumbai

Date: May 6, 2016

LUTHRIA AND LALCHANDANI HOTEL AND PROPERTIES PRIVATE LIMITED

Statement of Cash flow for the year ended 31, March 2016

	March 31, 2016 ₹	March 31, 2015 ₹
Cash flow from Operating activities:		
Net Loss before taxes	(34,600)	(66,877)
Adjustments for:		
Depreciation and other non cash items	-	-
Finance cost	-	-
Operating profit before working capital changes	(34,600)	(66,877)
Adjustments for changes in working capital:		
- Decrease / (Increase) in Sundry debtors & Advances	-	-
- Increase/ (Decrease) in Trade and other payables	32,100	(3,290)
Cash generated from operating activities	(2,500)	(70,167)
- Taxes paid	-	-
Net cash generated from/ (used in) operating activities	(2,500)	(70,167)
Cash flow from Investing activities:		
Net cash used in investing activities	-	-
Cash flow from Financing activities:		
Interest paid	-	-
Net cash generated from/ (used in) financing activities	-	-
Net Increase/(decrease) in Cash and cash equivalents	(2,500)	(70,167)
Opening Cash and cash equivalents	18,760	88,927
Closing Cash and cash equivalents	16,260	18,760
Cash and cash equivalents comprise:	16,260	18,760
Cash on hand	-	-
Balance with bank		
In current account	16,260	18,760
Summary of Significant Accounting Policies	2	

The above statement has been prepared by indirect method.

In terms of our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No: 003990S/5200018

Ramanarayanan J
Partner
Membership No.220369

Place: Mumbai
Date: May 6, 2016

For and on behalf of the Board

Ashok Binnani
Director

Cynthia Noronha
Director

Notes to Financial Statements for year ended March 31, 2016

1. Background

Luthria and Lalchandani Hotel and Properties Pvt Ltd ("Luthria & Lalchandani" or the "Company"), a private limited Company was incorporated on February 18, 2008 by conversion of M/s Luthria & Lalchandani, a partnership firm under Part IX of the Companies Act, 1956. The Company is primarily engaged in construction activities and providing Management Consultancy.

2. Summary of 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') 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 under the historical cost convention on an accrual basis. 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 period of 1 year being reckoned from the reporting date. The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years.

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, however, differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are explained in the below mentioned points.

b. Revenue recognition

Revenue is recognized on accrual basis and is disclosed net of all applicable taxes.

c. Taxes on income

Income tax is computed in accordance with Accounting Standard 22 - Accounting for Taxes on Income (AS-22), specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 recognized 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.

Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

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 the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

d. Provisions, contingent liabilities and contingent assets

Provisions are recognized in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' (AS-29), specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, when there is a present legal or statutory 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

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

amount of the obligation can be made. 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.

e. Earnings per share

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

3 Share Capital

Authorised Share Capital

Equity Shares

1000 (March 31, 2015 : 1000) shares of ₹ 100 each

March 31, 2016
₹

March 31, 2015
₹

1,00,000

1,00,000

1,00,000

1,00,000

Issued, subscribed and fully paid-up

Equity Shares

1000 (March 31, 2015 : 1000) shares of ₹ 100 each

1,00,000

100,000

1,00,000

1,00,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the year.

	March 31, 2016		March 31, 2015	
	No. of Shares	₹	No. of Shares	₹
As at April 1,	1,000	1,00,000	1,000	1,00,000
Issued during the year	-	-	-	-
As at March 31,	1,000	1,00,000	1,000	1,00,000

b. Shares held by Holding/Ultimate Holding Company.

	March 31, 2016	March 31, 2015
ELEL Hotels and Investments Limited, is the Holding Company	90,000	90,000
900 (March 31, 2015 : 900) equity shares of ₹ 100 each fully paid up		
The Indian Hotels Company Limited, is the Ultimate Holding Company (w.e.f 14.10.2015)	-	-

c. Details of shareholders holding 5% or more shares in the Company

	March 31, 2016		March 31, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 100 each fully paid-up				
ELEL Hotels and Investments Limited	900	90	900	90
Sheena Investments Private Limited	50	5	50	5
Skydeck Properties and Developers Private Limited	50	5	50	5
	1,000	100	1,000	100

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

Foot note :

The Company has one class of equity shares having a par value of ₹ 100/- 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.

4 Reserves and Surplus	March 31, 2016	March 31, 2015
	₹	₹
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statement	(2,61,970)	(1,95,093)
Profit / (Loss) for the year	(34,600)	(66,877)
Closing Balance	(2,96,570)	(2,61,970)
5. Other Current Liabilities	March 31, 2016	March 31, 2015
	₹	₹
Balances with related parties		
ELEL Hotels and Investments Limited	1,04,000	1,04,000
The Indian Hotels Company Limited	4,200	-
Other Payable	2,38,955	2,13,055
Other Liabilities		
Tax Deducted At Source	2,000	-
	3,49,155	3,17,055
6 Long-term Loans and Advances	March 31, 2016	March 31, 2015
	₹	₹
Deposit with Govt. of Maharashtra for leasehold land	1,36,325	1,36,325
	1,36,325	1,36,325
7 Cash and Bank balances	March 31, 2016	March 31, 2015
Cash and Cash Equivalents		
Balance with Bank	16,260	18,760
Current Account	16,260	18,760
8 Administrative Expenses	March 31, 2016	March 31, 2015
	₹	₹
Duties & Taxes	2,500	17,500
Professional Fees	5,000	2,500
Filing Fees	4,200	9,900
Payment made to Auditors		
- Statutory audit fees	22,900	22,472
Miscellaneous Expenses	-	14,505
	34,600	66,877

LUTHRIA AND LALCHANDANI HOTEL AND PROPERTIES PRIVATE LIMITED

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

9 Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 - 'Earning Per Share'.

Net Profit / (Loss) for the year (₹)	(34,600)	(66,877)
Weighted Average Number of Equity Shares	1,000	1,000
Face Value per Equity Share	100.00	100.00
Earning Per Share - (₹) Basic and Diluted	(34.60)	(66.88)

10. The Company holds the Leasehold Rights of the Property i.e Government Land admeasuring 9,500 sq. mtrs. situated at Lands End at B J Road, Bombay suburban District, originally held by the firm M/S Luthria & Lalchandani, vide allotment Letter for Lease dated 11th January 1968 and Lease Deed Dated 05th May 1976 for a period of 99 years between the Governor of Maharashtra & M/S Luthria & Lalchandani.

The said property has been sub-leased by the then firm M/S Luthria & Lalchandani to the company ELEL Hotels and Investments Limited by virtue of Sub Lease dated 3rd April 1976.

11. There are no vendors identified on the basis of information checked by the management who fall under the definition of Micro & Small Enterprises as defined in the "Micro, Small and Medium enterprises Development Act, 2006".

12. Segment report

As there is only one reportable segment of "consultancy service" as envisaged by AS 17 "Segment reporting", no separate disclosure for segment reporting is made in the financial statements of the Company.

13. Related Party Transactions

- a. The names of related parties of the Company are as under :

Ultimate Holding Company

- The Indian Hotels Company Limited (w.e.f 14.10.2015)
- Lands End Properties Private Limited (up to 13.10.2015)

Holding Company

- ELEL Hotels and Investments Limited

- b. Transactions and balances with related parties :

Amount in ₹

Particulars of transactions	Ultimate Holding Company		Holding Company	
	Transaction amount	Outstanding amount	Transaction amount	Outstanding amount
Current year				
Payables	4,200	4,200	-	104,000
Previous year				
Payables	-	-	-	104,000

Notes to Financial Statements for year ended March 31, 2016 (Contd.)

14. There are no foreign currency transactions during the current and previous year.

15. Figures relating to the previous year have been regrouped / reclassified where necessary to conform to current year.

In terms of our report of even date

For and on behalf of the Board of Directors

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No: 0039905/S200018

Ashok Binnani

Director

Cynthia Noronha

Director

Ramanarayanan J

Partner

Membership No.220369

Place : Mumbai

Date : May 06, 2016

APEX HOTEL MANAGEMENT SERVICES PTE LTD

DIRECTORS AND CORPORATE INFORMATION

APEX HOTEL MANAGEMENT SERVICES PTE LTD

Directors

Rajeshkumar Harshadrai Parekh

Ng Yeong Kwang (Appointed on 1 April 2016)

Ong Tong Wang (Resigned on 1 April 2016)

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

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of Apex Hotel Management Services Pte Ltd (the "Company") for the financial year ended 31 March 2016.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due.

2 DIRECTORS

The directors of the Company in office at the date of this statement are:

Rajeshkumar Harshadrai Parekh

Ng Yeong Kwang (Appointed on 1 April 2016)

3 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.

4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Cap 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

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 have expressed its willingness to accept re-appointment as auditor.

ON BEHALF OF THE BOARD

Rajeshkumar Harshadrai Parekh Director

Ng Yeong Kwang Director

Singapore,
29 April 2016

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of Apex Hotel Management Services Pte Ltd ("the Company"), which comprise the statement of financial position as at 31 March 2016, 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 financial statements 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 financial position of the Company as at 31 March 2016 and of the financial performance, 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
29 April 2016

Statement of Financial Position as at March 31, 2016

	Note	2016 S\$	2015 S\$
ASSETS LESS LIABILITIES			
Non-Current Assets			
Plant and equipment	3	4,083	3,024
Current Assets			
Other receivables and deposits	4	4,120	9,525
Cash and cash equivalents	5	16,664	12,438
		<u>20,784</u>	<u>21,963</u>
Current Liabilities			
Other payables and accruals	6	24,036	23,902
Current tax liabilities		829	1,083
		<u>24,865</u>	<u>24,985</u>
Net Current Liabilities		<u>(4,081)</u>	<u>(3,022)</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 March 31, 2016

	Note	2016 S\$	2015 S\$
Continuing operations			
Revenue	8	378,620	464,527
Other income	9	799	717
		<u>379,419</u>	<u>465,244</u>
Finance costs	10	(426)	(856)
Staff costs	11	(281,475)	(336,876)
Administration expenses	12	(18,229)	(22,222)
Other operating expenses	13	(78,462)	(104,207)
Profit before taxation		<u>827</u>	<u>1,083</u>
Taxation	14	(827)	(1,083)
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 March 31, 2016

	Share Capital	Retained Profits	Total
	S\$	S\$	S\$
As at 1 April 2014	2	-	2
Total comprehensive income for the year	-	-	-
As at 31 March 2015	2	-	2
Total comprehensive income for the year	-	-	-
As at 31 March 2016	2	-	2

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows for the year ended March 31, 2016

	2016 S\$	2015 S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	827	1,083
Adjustments for:		
Depreciation of plant and equipment	1,440	1,494
Operating profit before working capital changes	2,267	2,577
Other receivables and deposits	5,405	(770)
Other payables and accruals	(3,246)	9,606
Cash generated from operations	4,426	11,413
Tax paid	(1,081)	(899)
Net cash generated from operating activities	3,345	10,514
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(2,499)	-
Net cash used in from investing activities	(2,499)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount due to ultimate holding company - non-trade	3,380	(3,527)
Net cash generated from/(used in) financing activities	3,380	(3,527)
Net increase in cash and cash equivalents	4,226	6,987
Cash and cash equivalents at beginning of year	12,438	5,451
Cash and cash equivalents at end of year (Note 5)	16,664	12,438

The accompanying notes form an integral part of these financial statements.

Notes to Financial Statements - March 31, 2016

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 3 Anson Road, #12-03, Springleaf Tower, Singapore 079909.

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 2016 were authorised for issue in accordance with a resolution of the Directors on 29 April 2016.

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 2015. 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:

Notes to Financial Statements - March 31, 2016

	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.

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.

Notes to Financial Statements - March 31, 2016

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.

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.

Notes to Financial Statements - March 31, 2016

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.

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.

Notes to Financial Statements - March 31, 2016

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.

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.

Notes to Financial Statements - March 31, 2016

(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 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:

(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).

Notes to Financial Statements - March 31, 2016

- (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

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:

Notes to Financial Statements - March 31, 2016

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.

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.

2.17 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

Jobs credit grants, which are government grants given to match staff and business costs, are recognised in the month of payment only as certain conditions have to be fulfilled before payment.

Notes to Financial Statements - March 31, 2016

3 PLANT AND EQUIPMENT

2016	Computer	Furniture and Fittings	Office Equipment	Total
Cost	S\$	S\$	S\$	S\$
At beginning of year	3,375	6,214	1,321	10,910
Additions	2,499	-	-	2,499
At end of year	<u>5,874</u>	<u>6,214</u>	<u>1,321</u>	<u>13,409</u>
Accumulated Depreciation				
At beginning of year	3,081	3,527	1,278	7,886
Depreciation	638	783	19	1,440
At end of year	<u>3,719</u>	<u>4,310</u>	<u>1,297</u>	<u>9,326</u>
Carrying Amount				
At end of year	<u>2,155</u>	<u>1,904</u>	<u>24</u>	<u>4,083</u>
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	<u>3,375</u>	<u>6,214</u>	<u>1,321</u>	<u>10,910</u>
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	<u>3,081</u>	<u>3,527</u>	<u>1,278</u>	<u>7,886</u>
Carrying Amount				
At end of year	<u>294</u>	<u>2,687</u>	<u>43</u>	<u>3,024</u>

4 OTHER RECEIVABLES AND DEPOSITS

	2016	2015
	S\$	S\$
Deposits	3,050	8,755
Prepayment	1,070	770
	<u>4,120</u>	<u>9,525</u>

The carrying amounts of other receivables and deposits approximate their fair values and are denominated in Singapore Dollar.

Notes to Financial Statements - March 31, 2016

5 CASH AND CASH EQUIVALENTS

	2016 S\$	2015 S\$
Cash at bank	<u>16,664</u>	<u>12,438</u>

The carrying amounts of cash and cash equivalents approximate their fair value and are denominated in the following currencies:

	2016 S\$	2015 S\$
Hong Kong Dollar	328	354
Singapore Dollar	15,944	11,685
United States Dollar	392	399
	<u>16,664</u>	<u>12,438</u>

6 OTHER PAYABLES AND ACCRUALS

	2016 S\$	2015 S\$
CPF payable	7,835	11,081
Amount due to ultimate holding company - non-trade	10,958	7,578
Other creditors	5,243	5,243
	<u>24,036</u>	<u>23,902</u>

Amount due to ultimate holding company is 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

	2016	2015
	No of shares	No of shares
Ordinary shares issued and fully paid		
At beginning and end of the year	<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

	2016 S\$	2015 S\$
Foreign exchange gain	-	333
Wage credit scheme	799	384
	<u>799</u>	<u>717</u>

Notes to Financial Statements - March 31, 2016

10 FINANCE COSTS

	2016	2015
	S\$	S\$
Bank charges	426	856

11 STAFF COSTS

	2016	2015
	S\$	S\$
Bonus	29,260	44,468
Defined contributed pension costs	23,358	30,803
Salaries and related costs	228,857	261,605
	281,475	336,876

12 ADMINISTRATION EXPENSES

Administration expenses include:

	2016	2015
	S\$	S\$
Conveyance	1,556	3,580
Insurance	2,950	4,650

13 OTHER OPERATING EXPENSES

Other operating expenses include:

	2016	2015
	S\$	S\$
Entertainment	12,896	13,153
Sales promotion	5,282	21,582
Motor vehicle expenses	-	8,689
Telephone	7,036	8,550
Travelling expenses	17,526	21,786

14 TAXATION

Major components of income tax expense are as follows:

	2016	2015
	S\$	S\$
Current year taxation	829	1,081
(Over)/Under provision of prior year tax	(2)	2
	827	1,083

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follows:

Notes to Financial Statements - March 31, 2016

	2016 S\$	2015 S\$
Profit before taxation	827	1,083
Income tax using Singapore tax rate of 17%	141	184
Taxable income	829	1,065
Tax exemption	(141)	(168)
(Over)/Under provision for prior year tax	(2)	2
Tax expense	827	1,083

15 SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	2016 S\$	2015 S\$
Ultimate holding company		
Reimbursement of expenses	378,620	464,527

Balances with related parties at the balance sheet date are set out in Note 6.

16 OPERATING LEASE COMMITMENTS

Rental expenses (principally for office at 30 Bideford Road, #03-01, Thong Sia Building, Singapore 229922) for the year ended 31 March 2016 were S\$25,539 (2015: S\$24,639). Future minimum rental under non-cancellable leases are as follows as at 31 March 2016:

	2016 S\$	2015 S\$
Payable:		
Within 1 year	28,248	24,630
After 1 year but within 5 years	1,177	14,367
	29,425	38,997

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:

	2016 S\$	2015 S\$
Financial assets		
Loans and receivables:		
Other receivables and deposits	4,120	8,755
Cash and cash equivalents	16,664	12,438
	20,784	21,193
Financial liabilities		
Financial liabilities measured at amortised cost:		
Other payables and accruals	24,036	23,902

Notes to Financial Statements - March 31, 2016

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.

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:

2016	Within 1 year	Within 2 to 5 years	More than 5 years	Total
	S\$	S\$	S\$	S\$
Financial Assets				
Other receivables and deposits	4,120	-	-	4,120
Cash and cash equivalents	16,664	-	-	16,664
Total undiscounted financial assets	<u>20,784</u>	<u>-</u>	<u>-</u>	<u>20,784</u>
Financial liabilities				
Other payables and accruals	24,036	-	-	24,036
Total undiscounted financial liabilities	<u>24,036</u>	<u>-</u>	<u>-</u>	<u>24,036</u>
Total net undiscounted Financial liabilities	<u>(3,252)</u>	<u>-</u>	<u>-</u>	<u>(3,252)</u>

Notes to Financial Statements - March 31, 2016

2015	Within 1 year	Within 2 to 5 years	More than 5 years	Total
	S\$	S\$	S\$	S\$
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 liabilities	<u>(2,709)</u>	<u>-</u>	<u>-</u>	<u>(2,709)</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 2016 and 31 March 2015.

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

	2016	2015
	S\$	S\$
Net debts	7,372	11,464
Total equity	<u>2</u>	<u>2</u>
Total capital	<u>7,374</u>	<u>11,466</u>
Gearing ratio	<u>1</u>	<u>1</u>

DETAILED INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	2016
	S\$
Revenue	
Reimbursements of expense	378,620
Other income	
Wage credit scheme	799
Total income	379,419
Less:	
Finance charges	
Bank charges	426
Staff costs	
Central Provident Fund contributions	23,556
Staff salaries	228,659
Bonus	29,260
	281,475
Administration expenses	
Audit fees	5,515
Conveyance	1,556
Gifts	278
Insurance	2,572
Medical expenses	639
Nominee directors fees	3,000
Office expenses	969
Professional fees	990
Secretarial fees	2,269
Subscription - membership fees	441
	18,229
Other operating expenses	
Depreciation	1,440
Entertainment	12,896
Exchange loss	33
Fuel expenses	4,498
Office rent	25,539
Parking fees	3,114
Postage and courier	508
Printing and stationery	590
Sales promotions	5,282
Telephone	7,036
Travelling expenses	17,526
	78,462
Total operating expenses	378,592
Profit before taxation	827

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

Ms. Thushara Liyanarachchi

Mr. Rajeev Newar

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 year ended 31 March 2016.

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

Ms. Thushara Liyanarachchi

Mr. Rajeev Newar

Directors have been in office since appointment date, 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 \$ 2,646.

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 year 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 year, 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

Dated this 13th day of April 2016

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 Report

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 2016, 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 2016 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 13th day of April 2016

ESV Accounting and Business Advisors

Tim Valtwies
Partner

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2016

	Note	2016 A\$	2015 A\$
Service fees		481,665	209,595
Marketing expenses		(54,092)	(30,942)
Occupancy costs		(31,841)	(4,795)
Administrative expenses		(54,936)	(28,933)
Employee costs		(284,569)	(157,412)
Other expenses		(50,719)	(25,415)
Finance costs		(1,000)	(715)
Profit (Loss) before income tax		4,508	(38,617)
Income tax benefit/(expense)		(7,154)	-
Profit (Loss) for the year		(2,646)	(38,617)
Total comprehensive loss for the year		(2,646)	(38,617)

Statement of Financial Position as at 31 March 2016

ASSETS

CURRENT ASSETS

Cash and cash equivalents		52,212	2,942
Trade and other receivables	4	-	209,595
TOTAL CURRENT ASSETS		52,212	212,537

NON-CURRENT ASSETS

Other assets	5	10,468	10,468
TOTAL NON-CURRENT ASSETS		10,468	10,468
TOTAL ASSETS		62,680	223,005

LIABILITIES

CURRENT LIABILITIES

Trade and other payables	6	43,944	197,327
Current tax liabilities	7	7,154	-
Employee benefits	8	36,850	33,351
TOTAL CURRENT LIABILITIES		87,948	230,678

NON-CURRENT LIABILITIES

Employee benefits	8	15,895	30,844
TOTAL NON-CURRENT LIABILITIES		15,895	30,844
TOTAL LIABILITIES		103,843	261,522
NET ASSETS		(41,163)	(38,517)

EQUITY

Issued capital		100	100
Retained earnings		(41,263)	(38,617)
TOTAL EQUITY		(41,163)	(38,517)

The accompanying notes form part of these financial statements.

APEX HOTEL MANAGEMENT SERVICES (AUSTRALIA) PTY LTD

Statement of Changes in Equity

For the Year Ended March 31, 2016

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>

2016

	Ordinary Shares A\$	Retained Earnings A\$	Total A\$
Balance at 1 April 2015	100	(38,617)	(38,517)
Shares issued during the period	-	-	-
Loss attributable to members of the entity	-	(2,646)	(2,646)
Balance at 31 March 2016	<u>100</u>	<u>(41,263)</u>	<u>(41,163)</u>

The accompanying notes form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2016

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.

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.

(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, 2016

(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 2016.

Notes to Financial Statements for the year ended March 31, 2016

3. Result for the Year

The result for the year includes the following specific items:

	2016	2015
	A\$	A\$
Marketing expenses:		
Participation at trade shows and events	49,486	28,284
Administrative expenses:		
Accounting fees	22,660	11,324
Audit fees	6,500	5,500
Other expenses:		
Entertainment	17,741	5,829
Travel	32,657	15,852

4. Trade and other receivables

	2016	2015
	A\$	A\$
CURRENT		
Trade and other receivables	-	209,595
Total current trade and other receivables	<u>-</u>	<u>209,595</u>

5. Other assets

	2016	2015
	A\$	A\$
CBA Deposit - Lease	10,268	10,268
Deposit - Cabcharge	200	200
Total financial assets	<u>10,468</u>	<u>10,468</u>

6. Trade and other payables

	2016	2015
	A\$	A\$
CURRENT		
Trade payables	-	3,360
Other payables	27,708	38,406
Accrued expense	16,236	17,765
Loan from parent entity - Taj International Hotels (H.K.) Limited	-	137,796
Total current trade and other payables	<u>43,944</u>	<u>197,327</u>

7. Tax assets and liabilities

	2016	2015
	A\$	A\$
Current Tax Liability	<u>7,154</u>	<u>-</u>

Notes to Financial Statements for the year ended March 31, 2016

8. Employee Benefits

(a) Employee benefits - current liabilities table

	2016	2015
	A\$	A\$
Current liabilities		
Annual Leave	36,850	33,351
Total employee benefits - current	<u>36,850</u>	<u>33,351</u>

(b) Employee benefits - non-current liabilities table

	2016	2015
	A\$	A\$
Non-current liabilities		
Long service leave	15,895	30,844
Total employee benefits - non-current	<u>15,895</u>	<u>30,844</u>

9. Auditors' Remuneration

	2016	2015
	A\$	A\$
Audit of the financial report		
- ESV Accounting and Business Advisors	6,500	5,500
Total auditor's remuneration	<u>6,500</u>	<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 2016 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 become due and payable.

Signed on behalf of the directors
Ms. Thushara Liyanarachchi - Director
Dated this 13th day of April 2016

DIRECTORS AND CORPORATE INFORMATION

CHIEFTAIN CORPORATION NV

Directors

R H Parekh

S Jain

(appointed 25 September, 2015)

N Chandrasekhar

(resigned 31 December, 2015, appointed 19 April, 2016)

Orangefield (Caribbean) NV

Registered Office

Kaya W.F.G (Jombi)

Mensing #5,

P O Box 3192,

Willemstad, Curacao

Auditors

BDO LLP,

55 Baker Street,

London,

W1U 7EU

DIRECTORS' REPORT

The directors present their report together with the audited non-statutory financial statements for the year ended 31 March 2016.

RESULT FOR THE YEAR

During the year under review, the company made a profit of £12,953,605 (2015 - £59,811).

ACTIVITIES AND REVIEW OF BUSINESS

The company is an investment company and formerly held 100% of the issued share capital of Ihoco BV which was disposed of during the year to the ultimate parent undertaking.

DIRECTORS

The directors of the company during the year were:

N Chandrasekhar (resigned 31 December 2015, appointed 19 April 2016)

R H Parekh

S Jain (appointed 25 September 2015)

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.

The report was approved by the board and signed on its behalf.

N Chandrasekhar

Director

Date 29 April 2016

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CHIEFTAIN CORPORATION NV

We have audited the non-statutory financial statements of Chieftain Corporation NV for the year ended 31 March 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 non-statutory financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the non-statutory 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 non-statutory 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 2016 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

29 April 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income for the year ended March 31, 2016

	Notes	2016 £	2015 £
Administrative (expenses)/credits	3	(418)	59,811
Profit on the disposal of investments	5	12,954,023	-
Profit for the year		12,953,605	59,811
Other comprehensive income for the year		-	-
Total comprehensive income for the year		12,953,605	59,811

The notes on pages 615 to 617 form part of these financial statements.

BALANCE SHEET at 31 March 2016

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Investment in Ihoco BV	5	-	-		12,249,710
		-	-		
Current assets					
Amounts due from parent undertaking		12,165		-	
Cash at bank		413		-	
		<u>12,578</u>		<u>-</u>	
CREDITORS					
Amounts falling due within one year:					
Amounts due to parent undertaking		-		93,739	
Amounts due to subsidiary undertakings		-		503,278	
Other creditors and accruals		1,600		2,785	
		<u>1,600</u>		<u>599,802</u>	
NET CURRENT ASSETS/(LIABILITIES)			10,978		(599,802)
TOTAL ASSETS LESS CURRENT LIABILITIES			10,978		11,649,908
CAPITAL AND RESERVES					
Called up share capital	6		9,923		9,923
Revaluation reserve			-		12,241,310
Profit and loss account			1,055		(601,325)
EQUITY SHAREHOLDERS' FUNDS			10,978		11,649,908

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2016

R H Parekh	}	Directors
S Jain		
N Chandrasekhar		
Orangefield Trust (Caribbean) NV		

The notes on pages 615 to 617 form part of these financial statements.

Statement of changes in equity for the year ended March 31, 2016

	Share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
1 April 2015	9,923	12,241,310	(601,325)	11,649,908
Comprehensive income for the year				
Profit for the year	-	-	12,953,605	12,953,605
Total comprehensive income for the year	-	-	12,953,605	12,953,605
Contributions by and distributions to owners				
Dividends paid	-	-	(24,592,535)	(24,592,535)
Transfers	-	(12,241,310)	12,241,310	-
Total contributions by and distributions to owners	-	(12,241,310)	12,351,225	(24,592,535)
31 March 2016	9,923	-	1,055	10,978
1 April 2014	9,923	12,241,310	(661,136)	11,590,097
Comprehensive income for the year				
Profit for the year	-	-	59,811	59,811
Total comprehensive income for the year	-	-	59,811	59,811
31 March 2015	9,923	12,241,310	(601,325)	11,649,908

The notes on pages 615 to 617 form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2016

1. ACCOUNTING POLICIES

The non-statutory financial statements have been prepared under United Kingdom Generally Accepted Accounting Principles.

The non-statutory financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

In adopting FRS 102 for the first time, a number of changes in accounting policies have taken place with comparatives restated, including treating revaluation of investments at 1 April 2014 as deemed costs. Information on the impact of first-time adoption of FRS 102 is given in note 9.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

Group accounts

The company is a wholly owned subsidiary of Taj International Hotels (HK) Limited which in turn is a wholly owned subsidiary of Indian Hotels Company Limited. The company is included in the consolidated financial statements of Indian Hotels Company Limited.

The company has taken exemption from the preparation of consolidated financial statements and the statement of cash flows and reduced disclosures as permitted by FRS 102.

The financial statements contain information about the company as an individual company and so do not contain consolidated financial information as the parent of a group.

The following principal accounting policies have been applied:

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Certain investments have previously been subject to revaluation (see note 5) however on implementation of FRS 102, the directors have elected to treat the brought forward carrying values as being held at deemed cost and do not propose to revalue investments going forward.

Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') in Sterling.

Transactions and balances

Foreign currency transactions are translated into the company's 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

Notes to Financial Statements for the year ended March 31, 2016

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these non-statutory financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

3. ADMINISTRATIVE EXPENSES/(CREDITS)

	2016	2015
	£	£
Administrative expenses/(credits) include the following:		
Auditors remuneration - audit	1,600	1,600
Exchange gains	-	(65,253)

4. 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.

5. FIXED ASSET INVESTMENTS

Investment in Ihoco BV

The company held 41,000 fully paid Dfl 100 shares in Ihoco BV which were valued in March 2000 at this 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 investment was disposed of in the year.

6. CALLED UP SHARE CAPITAL

	2016	2015
	£	£
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

7. FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	-	-
Financial liabilities		
Financial liabilities measured at amortised cost	1,600	2,785

Financial assets measured at amortised cost comprise other creditors and accruals.

Notes to Financial Statements for the year ended March 31, 2016

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.

During the year, the company sold its investment in Ihoco BV to The Indian Hotels Company Limited, for a consideration of £25,203,733.

The company has the following balances with related parties at the year end:

	2016	2015
	£	£
Amounts due from/(to):		
Ihoco B.V. – former subsidiary undertaking	-	(503,278)
Taj International Hotels (HK) Limited - fellow group undertaking	12,165	(93,739)
The balances owed at 31 March 2015 were repaid in full in the year.		

9. FIRST TIME ADOPTION OF FRS 102

The policy applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit and loss.

DIRECTORS AND CORPORATE INFORMATION

IHOCO B.V.

Directors

R K Sarna	(appointed w.e.f April 19, 2016)
A P Goel	(appointed w.e.f October 12, 2015)
R H Parekh	
S Jain	(appointed w.e.f September 8, 2015)
N Chandrasekhar	(resigned December 31, 2015 appointed April 19, 2016)

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 non-statutory financial statements for the year ended 31 March 2016.

RESULT FOR THE YEAR

During the year under review, the company made a loss of US\$1,529,860 (2015 - US\$84,200) after taxation.

ACTIVITIES AND REVIEW OF BUSINESS

The company is an investment company and intermediate holding company.

DIRECTORS

The directors of the company during the year were:

N Chandrasekhar	(resigned 31 December 2015)
A P Goel	(appointed 12 October 2015)
R H Parekh	
S Jain	(appointed 8 September 2015)

On 19 April 2016, R K Sarna and N Chandrasekhar were appointed as directors.

The directors hold no shares in the company.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the non-statutory financial statements and have elected to prepare the non-statutory 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 non-statutory 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 non-statutory 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.

This report was approved by the board and signed on its behalf.

N Chandrasekhar
Director
Date 29 April 2016

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF IHOCO B.V.

We have audited the non-statutory financial statements of Ihoco BV for the year ended 31 March 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 non-statutory financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the non-statutory 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 non-statutory financial statements sufficient to give reasonable assurance that the non-statutory 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 non-statutory financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited non-statutory financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on non-statutory financial statements

In our opinion the non-statutory financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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

London
United Kingdom

Date 29 April 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income for the year ended March 31, 2016

	Notes	2016 US \$	2015 US \$
Administrative expenses	3	(162,810)	(87,781)
Operating loss		(162,810)	(87,781)
Interest receivable		57,298	-
Interest payable	12	(1,418,348)	-
Loss on ordinary activities before taxation		(1,523,860)	(87,781)
Taxation on profit on ordinary activities	4	(6,000)	3,581
Loss for the year		(1,529,860)	(84,200)
Other comprehensive income		-	-
Total comprehensive income for the year		(1,529,860)	(84,200)

The notes on pages 625 to 630 form part of these financial statements.

Balance Sheet as at March 31, 2016

	Notes	2016		2015	
		US \$	US \$	US \$	US \$
FIXED ASSETS					
Investments	5		297,049,348		20,437,008
CURRENT ASSETS					
Debtors	6	1,500,000		741,390	
Cash at bank		287,703		3,824	
		1,787,703		745,214	
CREDITORS: amounts falling due within one year	7	(8,307,521)		(505,518)	
Net current assets			(6,519,818)		239,696
Total assets less current liabilities			290,529,530		20,676,704
Creditors: amounts falling due after more than one year	8		(119,080,708)		-
NET ASSETS			171,448,822		20,676,704
Capital and reserves					
Called up share capital	9		9,830,000		1,077,890
Share redenomination reserve			-		926,535
Capital contribution			11,078,137		-
Share premium account			133,493,841		-
Revaluation reserve	10		4,587,118		4,587,118
Profit and loss account			12,459,726		14,085,161
			171,448,822		20,676,704

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2016

R K Sarna A P Goel R H Parekh S Jain N Chandrasekhar	} Directors
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The notes on pages 625 to 630 form part of these financial statements.

Statement of changes in equity for the year ended March 31, 2016

	Share capital US \$	Share redemption reserve US \$	Share contribution US \$	Share premium account US \$	Revaluation reserve US \$	Profit and loss accounts US \$	Total equity US \$
1 April 2015	1,077,890	926,535	-	-	4,587,118	14,085,161	20,676,704
Comprehensive Income for the period	-	-	-	-	-	(1,529,860)	(1,529,860)
Total comprehensive income for the period	-	-	-	-	-	(1,529,860)	(1,529,860)
Contributions by and distributions to owners							
Redenomination	1,022,110	(926,535)	-	-	-	(95,575)	-
Shares issued	7,730,000	-	-	133,493,841	-	-	141,223,841
Capital contribution arising from interest free loan (see note 11)	-	-	11,078,137	-	-	-	11,078,137
Total contributions by and distributions to owners	8,752,110	(926,535)	11,078,137	133,493,841	-	(95,575)	152,301,978
31 March 2016	9,830,000	-	11,078,137	133,493,841	4,587,118	12,439,726	171,448,822

The notes on pages 625 to 630 form part of these financial statements.

Statement of changes in equity for the year ended March 31, 2015

	Share capital US \$	Share redemption reserve US \$	Revaluation reserve US \$	Profit and loss accounts US \$	Total equity US \$
1 April 2015	1,077,890	1,486,558	4,587,118	13,609,338	20,760,904
Comprehensive Income for the period					
Loss for the period	-	-	-	(84,200)	(84,200)
Total comprehensive income for the period	-	-	-	(84,200)	(84,200)
Contributions by and distributions to owners					
Revaluation at year end	-	(560,023)	-	560,023	-
Total contributions by and distributions to owners	-	(560,023)	-	560,023	-
31 December 2015	1,077,890	926,535	4,587,118	14,085,161	20,676,704

The notes on pages 625 to 630 form part of these financial statements.

Notes forming part of the non-statutory financial statements for the year ended March 31, 2016

Note 1 : Accounting Policies

The non-statutory financial statements have been prepared under United Kingdom Generally Accepted Accounting Principles.

The non-statutory financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

In adopting FRS 102 for the first time, a number of changes in accounting policies have taken place with comparatives restated, including treating revaluation of investments at 1 April 2014 as deemed costs. Information on the impact of first-time adoption of FRS 102 is given in note 12.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Group accounts

The company is a wholly owned subsidiary of Indian Hotels Company Limited. The company is included in the consolidated financial statements of Indian Hotels Company Limited.

The company has taken exemption from the preparation of consolidated financial statements and the statement of cash flows and reduced disclosures as permitted by FRS 102.

The non-statutory financial statements contain information about the company as an individual company and so do not contain consolidated financial information as the parent of a group.

The following principal accounting policies have been applied:

Associates and joint ventures

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

Revenue

Interest receivable on loans is accrued based on the amounts owed at the effective rate of interest.

Dividend income is recognised when the company has the right to receive that income.

Valuation of investments

Investments in subsidiaries and associates are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Certain investments have previously been subject to revaluation (see note 10) however on implementation of FRS 102, the directors have elected to treat the brought forward carrying values as being held at deemed cost and do not propose to revalue investments going forward.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') in US dollar.

The directors have resolved to change the company's presentational currency from Euros to US dollars with effect from 1 April 2015. As a result, the comparatives have been restated to US dollars.

Notes forming part of the non-statutory financial statements for the year ended March 31, 2016

Shares which were originally issued in Dutch Guilders were restated on 8 October 2015 at the US dollar equivalent at the time of issue with the difference included in a share redenomination reserve. Movements in this reserve represent the changes arising from the retranslation in each period and is transferred to/from the profit and loss reserve.

(b) Transactions and balances

Foreign currency transactions are translated into the company's 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Note 2 : Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these non-statutory financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Notes forming part of the non-statutory financial statements for the year ended March 31, 2016

Note 3 : Administrative Expenses

	2016 US \$	2015 US \$
Administrative expenses include the following:		
Auditors remuneration - audit	39,924	3,282
Exchange loss	44,034	68,425

Note 4 : Taxation

	2016 US \$	2015 US \$
Corporation tax		
Over provision in prior years	-	(9,627)
Charge for period	6,000	6,046
Taxation on profit on ordinary activities	6,000	(3,581)

The company is an investment company and does not normally receive trading income. The company pays Dutch tax on investment income and deemed interest on net amounts due from related parties.

Note 5 : Fixed Asset Investments

	Group undertakings US\$	Associated undertakings US\$	Total US\$
Cost			
At 1 April 2015	-	20,437,008	20,437,008
Additions	216,643,841	59,968,499	276,612,340
Transfer	20,437,008	(20,437,008)	-
At 31 March 2016	237,080,849	59,968,499	297,049,348

In adopting FRS102, the company has treated the value of its investments as at 1 April 2014 as deemed costs and translated such costs at the prevailing US\$ rate.

Subsidiary undertakings and associated undertakings

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
St James Court Hotel Limited	England	54.01%	Hotels operator
Taj International Hotels Limited	England	100%	Restaurants and catering
United Overseas Holdings Inc	Delaware USA	100%	Hotels operator
<i>Associated undertakings</i>			
IHMS Hotels (SA) Pty Limited	South Africa	50%	Hotels operator
Lanka Island Resorts Limited	Sri Lanka	24.66%	Hotels operator
TAL Hotels and Resorts Limited	Hong Kong	26.67%	Hotels operator
TAL Lanka Hotels plc	Sri Lanka	24.62%	Hotels operator
Oriental Hotels Limited	India	-	Hotels operator

Notes forming part of the non-statutory financial statements for the year ended March 31, 2016

Note 6 : Debtors

	2016	2015
	US \$	US \$
Amounts owed by group undertakings	-	741,390
Amounts owed by associated undertakings (see note 12)	<u>1,500,000</u>	<u>-</u>
All amounts shown under debtors fall due for payment within one year except:		
• Amounts owed by associated undertakings US\$1,500,000 (2015 - US\$Nil).		

Note 7 : Creditors: amounts falling due within one year

	2016	2015
	US \$	US \$
Amounts owed to group undertakings	8,210,000	498,690
Taxation and social security	8,172	1,488
Accruals and deferred income	<u>89,349</u>	<u>5,340</u>
	<u>8,307,521</u>	<u>505,518</u>

Note 8 : Creditors: Amounts Falling Due After More Than One Year

	2016	2015
	US \$	US \$
Amounts due to group undertakings (see note 12)	<u>119,080,708</u>	<u>-</u>
Amounts due to group undertakings are due for payment by November 2018.		

Note 9 : Called Up Share Capital

	2016	2015
	US \$	US \$
<i>Issued and fully paid</i>		
Ordinary shares	<u>9,830,000</u>	<u>1,077,890</u>

On 8 October 2015, the company changed its Articles of Association to change its share capital to be denominated in US Dollars, following which, the issued share capital of the company was split and converted into par values of US\$1 each. The 41,000 shares of Dfl 100 each were converted to 2,100,000 of US\$1 each using exchange rate ruling on that day. A further 7,730,000 shares of par value US\$1 each were issued in the period in consideration for investments acquired. All shares issued ranked pari passu.

Note 10 : Revaluation Reserve

	Revaluation reserve
	US\$
At 1 April 2015 and 31 March 2016	<u>4,587,118</u>

The revaluation reserve represents the difference between cost of the investments at acquisition and the valuation of investments up to 31 March 2014. The valuation of such investments has been treated as deemed cost, following adoption of FRS 102.

Notes forming part of the non-statutory financial statements for the year ended March 31, 2016

Note 11 : Financial instruments

	2016 US \$	2015 US \$
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,500,000</u>	<u>-</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>127,380,057</u>	<u>5,340</u>

Financial assets measured at amortised cost comprise amounts due from associated undertakings.

Financial assets measured at amortised cost comprise amounts due to group undertakings, accruals and deferred income.

Note 12 : 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 ultimate controlling party. The immediate parent undertaking is International Hotel Management Services, LLC, a company registered in Delaware, USA.

During the year, the company acquired the entire issued capital of Taj International Hotels Limited from Taj International Hotels (HK) Limited, a fellow group undertaking, for a cash consideration of US\$16,130,000.

During the year, the company received a three year interest free loan of US\$128,740,480 from The Indian Hotels Company Limited. The fair value of this loan at the period end was \$119,080,708. The interest deemed to have been charged in the period was \$1,418,348.

During the year, the company acquired the entire issued capital of United Overseas Holdings Inc from International Hotels Management Services LLC, a fellow group undertaking, in exchange for the issue of 7,730,000 new ordinary shares valued at US\$141,223,841.

During the year, the company acquired 18,527,912 shares in St James Court Hotel Limited from Taj International Hotels (HK) Limited for a cash consideration of US\$59,290,000.

During the year, the company acquired 3,336,396 shares in TAL Hotels and Resorts Limited from Taj International Hotels (HK) Limited for a cash consideration of US\$27,630,000.

During the year, the company acquired 1,329,778 shares in TAL Hotels and Resorts Limited from The Indian Hotels company Limited for a cash consideration of US\$11,010,000.

During the year, the company acquired 9,384,860 Global Depository Receipts of Oriental Hotels Limited from Taj International Hotels (HK) Limited for a consideration of \$8,210,000.

During the year, the company acquired 19,965,524 shares in Lanka Island Resorts Limited from The Indian Hotels company Limited for a consideration of \$7,060,000.

During the year, the company acquired 34,375,640 shares in TAL Lanka Hotels plc from The Indian Hotels Company Limited for a consideration of \$5,981,398.

During the year, the company acquired 86,739,958 shares in IHMS Hotels (SA) Pty Limited from The Indian Hotels Company Limited for a consideration of \$1.

The balances with related parties at the period end are as follows:

	2016 US \$	2015 US \$
Amounts due from:		
Chieftain Corporation NV - former immediate parent undertaking	-	741,390
Taj International Hotels (HK) Limited - former parent undertaking	(8,210,000)	(498,690)
The Indian Hotels Company Limited	(119,080,708)	-
TAL Hotels and Resorts Limited	<u>1,500,000</u>	<u>-</u>

Group financial statements of The Indian Hotels Company Limited can be obtained from their website at: www.tajhotels.com/about-taj/investor-relations/financial-reports.html.

Notes forming part of the non-statutory financial statements for the year ended March 31, 2016

Note 13 : First time adoption of FRS 102

	As previously stated 1 April 2014 US \$	Effect of transition 1 April 2014 US\$	FRS 102 (as restated) 1 April 2014 US\$	As previously stated 31 March 2015 US\$	Effect of transition 31 March 2015 US\$	FRS 102 (as restated) 31 March 2015 US\$
Fixed assets investments	20,437,008	-	20,437,008	18,040,411	2,396,677	20,437,008
Current assets	949,880	-	949,880	745,214	-	745,214
Creditors: amounts falling due within one year	(625,983)	-	(625,983)	(505,518)	-	(505,518)
Net current assets	323,897	-	323,897	239,616	-	239,616
Net assets	20,760,905	-	20,760,905	18,280,027	2,396,677	20,676,704
Capital and reserves	<u>20,760,905</u>	<u>-</u>	<u>20,760,905</u>	<u>18,280,027</u>	<u>2,396,677</u>	<u>20,676,704</u>

The amounts as previously stated at 1 April 2014 and 31 March 2015 above have been retranslated from Euros to USD using the prevailing rates at those dates.

In adopting FRS 102, the investments valuation at 1 April 2014 have been treated as deemed costs resulting in a transitional movement in the year ended 31 March 2015 of \$ 2,396,677 due to cessation of annual currency revaluation.

	As previously stated 31 March 2015 US\$	Effect of transition 31 March 2015 US\$	FRS 102 (as restated) 31 March 2015 US\$
Administrative expenses	87,781	-	87,781
Operating profit	87,781	-	87,781
Taxation	3,581	-	3,581
Loss on ordinary activities after taxation and for the financial year	84,200	-	84,200

Amounts previously stated at 31 March 2015 were translated from Euros to US\$ using average rate for the year.

Administration expenses set out above into "as previously stated at 31 March 2015" include an exchange loss of \$68,425 arising from the change of presentational currency from Euro to US dollar.

DIRECTORS AND CORPORATE INFORMATION

INTERNATIONAL HOTEL MANAGEMENT SERVICES, LLC (Formerly known as International Hotel Management Services, Inc.)

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, LLC
(Formerly known as International Hotel Management Services, Inc.)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Member of

International Hotel Management Services, LLC

We have audited the accompanying consolidated financial statements of International Hotel Management Services, LLC, formerly known as International Hotel Management Services, Inc. which comprise the consolidated balance sheet as of March 31, 2016 and 2015, and the related consolidated statements of operations, stockholder's/member'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 Service, LLC as of March 31, 2016 and 2015, 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.

Other Matter

As further discussed in Note 1, the Company transferred its net assets to United Overseas Holdings, Inc., an entity related through common ownership effective October 2, 2015. Our opinion is not modified as a result of this matter.

PKF O'CONNOR DAVIES, LLP

May 2, 2016

Consolidated Balance Sheet

	March 31, 2016	March 31, 2015
	\$	\$
ASSETS		
Current Assets		
Cash	-	2,631,243
Accounts Receivable		
Guest ledger	-	1,123,336
City ledger	-	3,674,247
Other	-	146,362
	-	4,943,945
Inventories	-	1,100,770
Prepaid expenses	-	1,566,922
Total Current Assets	-	10,242,880
Property and Equipment		
Investment in cooperative apartments	-	1,500,000
Land	-	54,000,000
Building and improvements	-	270,467,551
Furniture, fixtures and equipment	-	35,774,494
	-	361,742,045
Accumulated depreciation	-	75,557,740
	-	286,184,305
Construction in progress	-	825,818
	-	287,010,123
Other Assets		
Deferred costs, net	-	3,343,275
Security deposits	-	217,102
Investment in IHOCO BV	141,223,841	-
	141,223,841	3,560,377
Total Assets	141,223,841	300,813,380
LIABILITIES AND STOCKHOLDER'S/MEMBER'S EQUITY		
Current Liabilities		
Accounts payable		
Trade	-	4,628,987
Other	-	255,168
	-	4,884,155
Taxes payable, other than income	-	717,842
State income taxes payable	-	100,000
Accrued expenses		
Payroll and related	-	2,462,263
Vacation, gratuities and incentives	-	4,677,680
Interest	-	235,791
Utilities	-	319,141
Other	-	1,517,148
	-	9,212,023
Tenants' security deposits	-	79,200
Advance deposits and other credit balances	-	7,978,809
Current portion of term loan	-	15,000,000
Line of credit	-	2,200,000
Total Current Liabilities	-	40,172,029
Due to related parties	-	832,496
Long term portion of term loan	-	108,000,000
Total Liabilities	-	149,004,525
Commitments and contingencies		
Stockholder's/Member's Equity		
Common stock, par value \$1 per share; 100 shares authorized, issued and outstanding	100	100
Additional paid-in capital	425,499,901	425,499,901
Accumulated deficit	(284,276,160)	(273,691,146)
Total Stockholder's/Member's Equity	141,223,841	151,808,855
Total Liabilities and Stockholder's/Member's Equity	141,223,841	300,813,380
See notes to Consolidated Financial Statements		

INTERNATIONAL HOTEL MANAGEMENT SERVICES, LLC
(Formerly known as International Hotel Management Services, Inc.)

Consolidated Statement of Operations

	For Year Ended March 31, 2016	For Year Ended March 31, 2015
	\$	\$
REVENUES		
Rooms	35,152,365	64,533,112
Food and beverage	24,197,418	49,232,621
Other	3,855,081	7,754,191
Total Revenues	63,204,864	121,519,924
DEPARTMENTAL EXPENSES		
Rooms	15,826,030	30,617,551
Food and beverage	25,738,881	52,070,195
Other	1,166,299	2,366,704
Total Departmental Expenses	42,731,210	85,054,450
UNALLOCATED OPERATING EXPENSES		
Administrative and general	8,457,596	17,598,924
Sales and marketing	3,495,531	10,030,941
Repair and maintenance	4,056,884	7,847,505
Utilities	2,474,544	5,962,012
Total Unallocated Operating Expenses	18,484,555	41,439,382
Income (Loss) Before Fixed Charges, Other Income (Expenses) and Income Tax (Provision)	1,989,099	(4,973,908)
FIXED CHARGES		
Real estate taxes	1,288,067	2,092,103
Insurance	395,661	792,391
Rent and license fees	3,649,158	7,146,806
Depreciation	5,087,627	9,935,233
Amortization	323,820	800,479
Interest	2,646,576	4,584,360
Total Fixed Charges	13,390,909	25,351,372
(Loss) Before Other Income (Expenses) and Income Tax (Provision)	(11,401,810)	(30,325,280)
OTHER INCOME (EXPENSES)		
Sales and marketing fees	932,796	1,683,246
(Loss) Before Income Tax (Provision)	(10,469,014)	(28,642,034)
Income tax (provision)	(116,000)	(288,321)
Net (Loss)	(10,585,014)	(28,930,355)
See notes to Consolidated Financial Statements		

Consolidated Statements of Stockholder's Equity for the years ended March 31, 2016 & 2015

	Common Stock		Additional	Accumulated	
	Shares	Amount	Paid-in	Deficit	Total
	\$	\$	Capital	\$	\$
			\$	\$	
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
Net (loss)	-	-	-	(10,585,014)	(10,585,014)
Balance at March 31, 2016	<u>100</u>	<u>100</u>	<u>425,499,901</u>	<u>(284,276,160)</u>	<u>141,223,841</u>

See notes to Consolidated Financial Statements

INTERNATIONAL HOTEL MANAGEMENT SERVICES, LLC
(Formerly known as International Hotel Management Services, Inc.)

Consolidated Statements of Cash Flows

	For Year Ended March 31	
	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Loss)	(10,585,014)	(28,930,355)
Adjustments to reconcile net (loss) to net cash from operating activities		
Depreciation and amortization	5,411,447	10,735,712
Changes in Certain Other Accounts		
Accounts receivable	70,366	(324,709)
Inventories	(7,544)	44,783
Prepaid expenses	(1,361,658)	182,196
Security deposits	(149,620)	(52,027)
Accounts payable	524,449	439,277
Taxes payable, other than income	415,361	(34,675)
State income taxes payable	-	100,000
Accrued expenses	(830,531)	916,800
Advance deposits and other credit balances	618,546	530,435
Due to/from related parties	(1,121,620)	(300,846)
Total Adjustments	3,569,196	12,236,946
Net Cash from Operating Activities	(7,015,818)	(16,693,409)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in cash in escrow	-	1,195,952
Net Cash transferred to UOH due to Restructuring	(3,909,967)	-
Capital expenditures, net	(1,505,458)	(2,806,955)
Net Cash from Investing Activities	(5,415,425)	(1,611,003)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of financing costs	-	(1,785,007)
Proceeds from term loan	12,000,000	108,000,000
Payments on line of credit, net	(2,200,000)	(3,500,000)
Repayment of mortgage and term loan	-	(57,380,000)
Principal payments on term loan	-	(26,000,000)
Net Cash from Financing Activities	9,800,000	19,334,993
Net Change in Cash	(2,631,243)	1,030,581
Cash, beginning of year	2,631,243	1,600,662
Cash, end of year	-	2,631,243
Supplemental Disclosure of Cash Flow Information		
Cash paid for capital taxes	116,000	121,000
Cash paid for interest	2,646,576	4,584,360
See notes to Consolidated Financial Statements		

Notes to Consolidated Financial Statements for the year ended March 31, 2016

1. Organization

International Hotel Management Services, Inc. (the "Company") was incorporated in September 1986 under the laws of the State of Delaware as a corporation and is wholly-owned by The Indian Hotels Company Limited ("IHCL"), a company based in Mumbai, India. The Company was the sole member of the following entities, collectively referred to herein as the Subsidiaries:

Name	Nature of Operations	Location
IHMS, LLC	Operator and lessee of the Hotel Pierre	New York, New York
IHMS (Boston) LLC	Owner of operator of the Taj Boston Hotel	Boston, Massachusetts
IHMS (SF) LLC	Owner of operator of the Campton Place Hotel	San Francisco, California
IHMS (USA) LLC	Inactive	Inactive

In August 2015, United Overseas Holdings, Inc. ("UOH") was incorporated under the laws of the State of Delaware as a wholly-owned subsidiary of the Company. As part of the international restructuring being implemented by IHCL, on October 2, 2015, the Company through a contribution deed (the "Restructuring") assigned all its assets and liabilities, including its LLC interest in the Subsidiaries at their respective net book values on the date of the Restructuring, for consideration of shares in UOH.

Effective October 5, 2015, the Company converted into a limited liability company, and changed its name to International Hotel Management Services, LLC. On October 16, 2015, the Company transferred its shares in UOH to IHOCO B.V., in exchange of shares of IHOCO B.V. ("IHOCO").

IHCL is in the process of an international restructuring, pending approval of various regulators.

The consolidated financial statements include the accounts of the Company, and of its Subsidiaries up to the date of the Restructuring. Intercompany balances and transactions have been eliminated in consolidation. The hotels that the Subsidiaries operated are collectively referred to herein as the Hotel Properties.

2. Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements has 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. Accordingly, actual results could differ from those estimates. Some of the more significant estimates required to be made by management include the recoverability of its investment in IHOCO. Management believes that as of March 31, 2016, the estimates used were adequate based on the information currently available.

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, which included 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.

Accounts Receivable

Accounts receivable primarily represented receivables from the Hotel Properties' guests who occupied rooms and utilized the Hotel Properties' amenities. An allowance for doubtful accounts was provided (based on management's evaluation) when it is determined that it is more likely than not a specific account will not be collected. An allowance for doubtful accounts is not necessary at March 31, 2015.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Inventories

Inventories which consisted of food, beverage, china, glass, silverware and retail and guest supplies were valued at the lower of cost or market on a first-in, first-out basis.

Property and Equipment

Property and equipment was stated at cost. Investment in cooperative apartments represented the four cooperative apartment units acquired by the New York LLC at lease acquisition. Depreciation was computed using the 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 were charged to expense when incurred. Expenditures for improvements and renewals were capitalized.

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 March 31, 2016 and 2015.

Revenue Recognition

Revenue was recognized as earned at the time of sale or rendering of service. Revenue was presented net of taxes collected from the Hotel Properties' guests. Cash received in advance of the sale or rendering of services was recorded as advance deposits in the accompanying consolidated balance sheet. Base rental income was recognized in accordance with the lease terms. Additional rents were 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 was not material.

Advertising and Business Promotion

Advertising costs were expensed as incurred and amounted to \$1,073,428 and \$3,118,586 for the years ended March 31, 2016 and 2015, respectively.

Retirement Plan Costs

Payments to retirement plans were charged to expense as they were incurred.

Deferred Costs

Deferred costs included 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 was computed using a method which approximated the interest method over the term of the related lease agreements. Additionally, financing costs incurred by the Company were included in deferred costs in connection with the acquisition of two term loans (note 3). Amortization of the financing costs was computed using a method which approximated the interest method over the term of the related term loan.

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, 2016, 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, 2016, tax years since 2013 remain open to examination by most taxing authorities. There are currently no tax examinations in progress.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Income Taxes

The Company files income tax returns on a consolidated basis. The Company recorded income tax expense, if any, on an individual company basis in order to properly reflect its portion of consolidated income tax expense.

The Company recognized 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 were measured using the enacted tax rates in effect for the year in which the temporary differences were expected to be recovered or settled. Since the utilization of such deferred taxes was remote, the Company has placed a full valuation allowance on such deferred taxes.

As part of the Restructuring, and as permitted by the regulations promulgated by the Internal Revenue Code, UOH assumed the deferred tax assets and liabilities of the Company, which primarily consisted of net operating loss carryforwards of approximately \$267 million.

Although subsequent to the Restructuring the Company became a limited liability company, the Company has elected to be treated as a corporation for Federal and State income tax purposes.

3. Term Loans

In September 2014, IHMS Inc. entered into a term loan facility agreement (the "Term Loan Facility") in the amount of \$120 million which was utilized and outstanding at March 31, 2016. As part of the Restructuring, UOH assumed the Term Loan and is the new borrower to the Term Loan Facility. 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. Interest costs were allocated to each of the Hotel Properties based upon factors determined by the Company's management to be appropriate.

In February 2014, the Company entered into a \$15 million term loan with ICICI Bank Limited ("ICICI Term Loan"), which was also assumed by UOH and was scheduled to mature on February 26, 2016. The ICICI Term Loan was fully repaid at maturity by UOH.

4. Line-of-Credit

The New York LLC has a \$15 million credit facility which required interest payments based on LIBOR, as defined, plus 275 basis points (approximately 2.17% at March 31, 2015).

5. Restructuring and Investment in IHOCO

The Company accounts for its investment in IHOCO using the cost method as the Company does not exercise significant influence or control over IHOCO.

As part of the Restructuring and reorganization, the net assets of the Company and of the Subsidiaries were assigned to UOH at its net book value as UOH and the Company are under common control. The net assets transferred are composed of the following at the date of the Restructuring:

	San Francisco LLC \$	Boston LLC \$	New York LLC \$	Company \$	Elomination \$	Total \$
ASSETS						
Cash	280,255	369,751	165,018	3,094,943	-	3,909,967
Accounts receivable	299,877	2,502,999	2,055,703	15,000	-	4,873,579
Inventories	309,803	279,748	518,763	-	-	1,108,314
Prepaid expenses	497,624	698,733	1,706,227	25,996	-	2,928,580
Property and Equipment	51,723,453	143,546,429	88,124,695	33,377	-	283,427,954
Deferred costs, net	60,000	-	1,362,318	1,597,136	-	3,019,454
Security deposits	70,234	51,747	244,741	-	-	366,722
Due from related parties	-	-	-	118,482,455	(118,193,331)	289,124
Total Assets	53,241,246	147,449,407	94,177,465	123,248,907	(118,193,331)	299,923,694

INTERNATIONAL HOTEL MANAGEMENT SERVICES, LLC
(Formerly known as International Hotel Management Services, Inc.)

Notes to Consolidated Financial Statements for the year ended March 31, 2016

	San Francisco LLC \$	Boston LLC \$	New York LLC \$	Company \$	Elimination \$	Total \$
LIABILITIES						
Accounts Payable	233,339	1,332,704	3,842,560	-	-	5,408,603
Taxes payable, other than income	179,402	400,101	553,700	-	-	1,133,203
State income taxes payable	-	-	100,000	-	-	100,000
Accrued Expenses	1,718,533	1,626,584	4,618,040	418,334	-	8,381,491
Tenants' security deposits	-	2,200	77,000	-	-	79,200
Advance deposits	384,424	934,788	7,278,144	-	-	8,597,356
Due to related parties	20,149,258	58,678,146	39,365,927	-	(118,193,331)	-
Mortgage loans and term loan	-	-	-	135,000,000	-	135,000,000
Total Liabilities	22,664,956	62,974,523	55,835,371	135,418,334	(118,193,331)	158,699,853
Net Assets Transferred	30,576,290	84,474,884	38,342,094	(12,169,427)	-	141,223,841

6. Operating Leases

As Lessors

The San Francisco LLC, the Boston LLC and the New York LLC, are lessors under various operating leases, which contain provisions for additional rents and extension options. The following is the summary of rental income for the years ended March 31:

San Francisco LLC	\$42,174
Boston LLC	521,186
New York LLC	172,643

These leases were also transferred as part of the Restructuring.

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.

In November 2007, the New York LLC entered into a lease modification with 795 Corp., which extended the lease term for an additional 10 years. 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.

These lease agreements were transferred as part of the Restructuring.

Lease Agreement with Cooperative Apartments and Ballroom

The New York LLC assumed a lease agreement with Barney's, which was renewed on March 12, 2012 for the use of the Hotel Pierre's ballroom. The lease agreement is scheduled to expire on December 31, 2018 and requires annual fixed rent of \$1,700,000.

These lease agreements were transferred as part of the Restructuring.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

7. Related Parties

Due to/from Related Parties

Due to/from related parties were non-interest bearing and had no specified date of repayment.

Sales and Marketing Agreement

The Company had a sales and marketing agreement with IHCL, which was assumed by UOH as part of the Restructuring. Sales and marketing fees received under the terms of the agreement amounted to \$932,796 and \$1,683,246 during the period April 1, 2015 to September 30, 2015 and for the year ended March 31, 2015, respectively.

8. 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:

- 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, 2014 and March 31, 2015, 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, 2014. 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.

INTERNATIONAL HOTEL MANAGEMENT SERVICES, LLC
(Formerly known as International Hotel Management Services, Inc.)

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Plans	EIN Number	Plan Number	Pension Protection Act Zone Status 2015	FIP/RP Pending/ Implemented	Status	Contributions by the Company
New York LLC						
Pension Fund (1)	13-1764242	001	Green		Yes	2,477,600
Health Benefits Fund (2)	13-6126923	501	N/A		Yes	6,218,758
Prepaid Legal Services Fund (3)	13-3418414	508	N/A		Yes	130,400
Total - New York LLC						<u>\$88,26,758</u>
Boston LLC						
Pension Fund (4)	45-4227067	001	Green		Yes	363,312
Health Benefits Fund (5)	04-6048964	501	N/A		Yes	3,050,416
Other Funds						131,311
Total - Boston LLC						<u>3,545,039</u>
						<u>\$1,23,71,797</u>

- (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
(5) Greater Boston Hotel Employees Local 26 Health and Welfare Plan

The contributions referred to above for New York LLC and Boston LLC were for the years ended December 31, 2014, and March 31, 2015, respectively.

Defined Contribution 401(k) Plans

The Company and the Subsidiaries had a 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 periods ended are as follows:

	For the period April 1, 2015 to September 30, 2015 \$	For the period April 1, 2015 to September 30, 2015 \$
San Francisco LLC	59,637	117,484
Boston LLC	111,141	233,864
New York LLC	84,094	162,412
Company	14,987	39,396
Total Employer Contributions	<u>269,858</u>	<u>553,156</u>

The ultimate responsibility for all employee benefit plans were transferred at the time of the Restructuring.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

9. 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 \$93,438 and \$180,207 for the period April 1, 2015 to September 30, 2015 and for the year ended March 31, 2015, 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. 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. Management fees of \$2,451,969 and \$4,911,878 were charged to 795 Corp. for the period April 1, 2015 to September 30, 2015 and for the year ended March 31, 2015, respectively.

Franchise Agreement

On February 2, 2012, the New York LLC entered into a restaurant licensing agreement ("License Agreement") with Sirio Pierre LLC ("LC"). The License Agreement provided for the Company to have exclusive authority throughout New York City to use the name Sirio Ristorante ("Sirio"). The License Agreement required the Company to pay LC a license fee, based on Sirio's gross receipts, as defined. The Company was required to pay LC, irrespective of the minimum license fees earned in any agreement year, a minimum annual \$200,000 license fee. On January 19, 2016, the license agreement was terminated.

10. 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 2, 2016, and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements.

INTERNATIONAL HOTEL MANAGEMENT SERVICES, LLC
(Formerly known as International Hotel Management Services, Inc.)

Independent Auditors' Report on Supplementary Information

To the Board of Directors and Member of
International Hotel Management Services, LLC

We have audited the consolidated financial statements of International Hotel Management Services, LLC as of and for the years ended March 31, 2016 and 2015, and our report thereon dated May 2, 2016, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. 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, LLP
May 2, 2016

Consolidating Balance Sheet March 31, 2016

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	International Hotel Management Services, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash	-	-	-	-	-	-
Accounts Receivable						
Guest ledger	-	-	-	-	-	-
City ledger	-	-	-	-	-	-
Other	-	-	-	-	-	-
	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total Current Assets	-	-	-	-	-	-
Property and Equipment						
Investment in cooperative apartments	-	-	-	-	-	-
Land	-	-	-	-	-	-
Building and improvements	-	-	-	-	-	-
Furniture, fixtures and equipment	-	-	-	-	-	-
	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
	-	-	-	-	-	-
Other Assets						
Deferred costs, net	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-
Investment in IHOCO BV	-	-	-	141,223,841	-	141,223,841
	-	-	-	141,223,841	-	141,223,841
Total Assets	-	-	-	141,223,841	-	141,223,841

See independent auditors' report on supplementary information.

INTERNATIONAL HOTEL MANAGEMENT SERVICES, LLC
(Formerly known as International Hotel Management Services, Inc.)

Consolidating Balance Sheet March 31, 2016 (Contd.)

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	International Hotel Management Services, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
LIABILITIES AND MEMBER'S EQUITY						
Current Liabilities						
Accounts Payable						
Trade	-	-	-	-	-	-
Other	-	-	-	-	-	-
Taxes payable, other than income	-	-	-	-	-	-
State income taxes payable	-	-	-	-	-	-
Accrued Expenses						
Payroll and related	-	-	-	-	-	-
Vacation, gratuities and incentives	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Other	-	-	-	-	-	-
Tenants' security deposits	-	-	-	-	-	-
Advance deposits and other credit balances	-	-	-	-	-	-
Current portion term loan	-	-	-	-	-	-
Line of credit	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Due to related parties, net	-	-	-	-	-	-
Long term portion term loan	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
Member's Equity						
Common stock	-	-	-	100	-	100
Additional paid-in capital	-	-	-	425,499,901	-	425,499,901
Accumulated deficit	-	-	-	(284,276,160)	-	(284,276,160)
Total Member's Equity	-	-	-	141,223,841	-	141,223,841
Total Liabilities and Member's Equity	-	-	-	141,223,841	-	141,223,841

See independent auditors' report on supplementary information.

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	2,109,467	8,200,418	25,399,087	65,522	-	35,774,494
	<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	10,174,476	32,579,143	32,776,535	27,586	-	75,557,740
	<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	235,170	188,259	402,389	-	-	825,818
	<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, net	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, LLC
(Formerly known as International Hotel Management Services, Inc.)

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 term loan	-	-	-	15,000,000	-	15,000,000
Line of credit	-	-	2,200,000	-	-	2,200,000
Total Current Liabilities	2,353,901	4,695,642	17,669,366	15,453,120	-	40,172,029
Due to related parties, net	19,658,578	58,156,829	33,034,501	(110,017,412)	-	832,496
Long term portion term loan	-	-	-	108,000,000	-	108,000,000
Total Liabilities	22,012,479	62,852,471	50,703,867	13,435,708	-	149,004,525
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	31,493,957	85,694,449	46,133,738	413,986,612	(425,499,901)	151,808,855
Total Liabilities and Stockholder's Equity	53,506,436	148,546,920	96,837,605	427,422,320	(425,499,901)	300,813,380

See independent auditors' report on supplementary information.

Consolidating Statement of Operations March 31, 2016

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	International Hotel Management Services, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
REVENUES						
Rooms	5,326,521	13,344,370	16,481,474	-	-	35,152,365
Food and beverage	2,078,507	6,007,195	16,111,716	-	-	24,197,418
Other	249,414	572,980	3,032,687	-	-	3,855,081
Total Revenues	7,654,442	19,924,545	35,625,877	-	-	63,204,864
DEPARTMENTAL EXPENSES						
Rooms	1,844,671	5,103,606	8,877,753	-	-	15,826,030
Food and beverage	2,393,659	6,255,559	17,089,663	-	-	25,738,881
Other	198,216	222,814	745,269	-	-	1,166,299
Total Departmental Expenses	4,436,546	11,581,979	26,712,685	-	-	42,731,210
UNALLOCATED OPERATING EXPENSES						
Administrative and general	1,223,275	2,456,891	4,096,523	680,907	-	8,457,596
Sales and marketing	509,197	995,282	1,241,432	749,620	-	3,495,531
Repair and maintenance	502,102	1,077,002	2,477,780	-	-	4,056,884
Utilities	275,907	710,767	1,487,870	-	-	2,474,544
Total Unallocated Operating Expenses	2,510,481	5,239,942	9,303,605	1,430,527	-	18,484,555
Income (Loss) Before Fixed Charges, Other Income (Expenses) and Income Tax (Provision)	707,415	3,102,624	(390,413)	(1,430,527)	-	1,989,099
FIXED CHARGES						
Real estate taxes	341,481	946,586	-	-	-	1,288,067
Insurance	137,204	130,391	128,066	-	-	395,661
Rent and license fees	14,100	9,525	3,625,533	-	-	3,649,158
Depreciation	696,571	1,895,897	2,490,600	4,559	-	5,087,627
Amortization	-	-	169,977	153,843	-	323,820
Interest	435,731	1,339,789	871,056	-	-	2,646,576
Total Fixed Charges	1,625,087	4,322,188	7,285,232	158,402	-	13,390,909
(Loss) Before Other Income (Expenses) and Income Tax (Provision)	(917,672)	(1,219,564)	(7,675,645)	(1,588,929)	-	(11,401,810)
OTHER INCOME (EXPENSES)						
Sales and marketing fees	-	-	-	932,796	-	932,796
(Loss) Before Income Tax (Provision)	(917,672)	(1,219,564)	(7,675,645)	(656,133)	-	(10,469,014)
Income tax (provision)	-	-	(116,000)	-	-	(116,000)
Net (Loss)	(917,672)	(1,219,564)	(7,791,645)	(656,133)	-	(10,585,014)

See independent auditors' report on supplementary information.

INTERNATIONAL HOTEL MANAGEMENT SERVICES, LLC
(Formerly known as International Hotel Management Services, Inc.)

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	4,973,126	8,734,263	1,329,275	-	17,598,924
Sales and marketing	1,022,499	2,104,973	2,908,698	3,994,771	-	10,030,941
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 license 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.

Consolidating Statement of Cash Flows March 31, 2016

	IHMS (SF) LLC \$	IHMS (Boston) LLC \$	IHMS, LLC \$	International Hotel Management Services, Inc \$	Eliminations \$	Consolidated Total \$
CASH FLOWS FROM OPERATING ACTIVITIES						
Net (Loss)	(917,672)	(1,219,564)	(7,791,645)	(656,133)	-	(10,585,014)
Adjustments to reconcile net (loss) to net cash from operating activities						
Depreciation and amortization	696,571	1,895,897	2,660,577	158,402	-	5,411,447
Changes in Certain Other Accounts						
Accounts receivable	125,190	(475,368)	414,544	6,000	-	70,366
Inventories	(11,837)	10,760	(6,467)	-	-	(7,544)
Prepaid expenses	(293,959)	(313,327)	(728,376)	(25,996)	-	(1,361,658)
Security deposits	(486)	-	(149,134)	-	-	(149,620)
Accounts payable	(93,749)	17,968	600,230	-	-	524,449
Taxes payable, other than income	26,325	146,157	242,879	-	-	415,361
Accrued expenses	80,960	(411,138)	(465,562)	(34,791)	-	(830,531)
Advance deposits and other credit balances	148,266	(152,253)	622,533	-	-	618,546
Due to/from related parties	790,680	1,521,317	(868,574)	(8,465,043)	5,900,000	(1,121,620)
Total Adjustments	1,467,961	2,240,013	2,322,650	(8,361,428)	5,900,000	3,569,196
Net Cash from Operating Activities	550,289	1,020,449	(5,468,995)	(9,017,561)	5,900,000	(7,015,818)
CASH FLOWS FROM INVESTING ACTIVITIES						
Net cash transferred to UOH due to Restructuring	(280,255)	(369,751)	(165,018)	(3,094,943)	-	(3,909,967)
Capital expenditures, net	(478,246)	(450,762)	(576,450)	-	-	(1,505,458)
Net Cash from Investing Activities	(758,501)	(820,513)	(741,468)	(3,094,943)	-	(5,415,425)
CASH FLOWS FROM FINANCING ACTIVITIES						
Advances from member/shareholder	(300,000)	(1,000,000)	7,200,000	-	(5,900,000)	-
Payments on line of credit, net	-	-	(2,200,000)	-	-	(2,200,000)
Proceeds from term loan	-	-	-	12,000,000	-	12,000,000
Net Cash from Financing Activities	(300,000)	(1,000,000)	5,000,000	12,000,000	(5,900,000)	9,800,000
Net Change in Cash	(508,212)	(800,064)	(1,210,463)	(112,504)	-	(2,631,243)
Cash, beginning of year	508,212	800,064	1,210,463	112,504	-	2,631,243
Cash, end of year	-	-	-	-	-	-

See independent auditors' report on supplementary information.

INTERNATIONAL HOTEL MANAGEMENT SERVICES, LLC
(Formerly known as International Hotel Management Services, Inc.)

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 from 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						
Change 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
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	446,628	(58,140)	-	1,030,580
Cash, beginning of year	35,501	630,684	763,833	170,644	-	1,600,660
Cash, end of year	508,212	800,064	1,210,461	112,504	-	2,631,240

See independent auditors' report on supplementary information.

DIRECTORS AND CORPORATE INFORMATION

United Overseas Holdings, Inc.

(A Delaware Corporation)

Board of Directors:

Mr. Anil P. Goel

Mr. R. H. Parekh

Mr. Sanjay Jain

Ms. Jodi Dell Leblanc

N. Chandrasekhar



(appointed w.e.f August 25, 2015)

(resigned w.e.f December 31, 2015)

Registered Office:

2711 Centerville Road,

Suit 400, Willington,

New Castle Country,

Delaware 19808, USA

Auditors:

PKF O'CONNOR DAVIES

Certified Public Accountants

Bankers:

HSBC, USA

UNITED OVERSEAS HOLDINGS, INC.
(A DELAWARE CORPORATION)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of

United Overseas Holdings, Inc.

We have audited the accompanying consolidated financial statements of United Overseas Holdings, Inc. which comprise the consolidated balance sheet as of March 31, 2016 and the related consolidated statements of operations, stockholder's equity and cash flows for the period October 1, 2015 through March 31, 2016 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 audit. We conducted our audit 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 United Overseas Holdings, Inc. as of March 31, 2016, and the consolidated results of its operations and its cash flows for the period October 1, 2015 through March 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

PKF O'CONNOR DAVIES, LLP

May 2, 2016

Consolidated Balance Sheet, March 31, 2016

March 31, 2016

\$

ASSETS
Current Assets

Cash	1,661,925
Accounts Receivable	
Guest ledger	546,553
City ledger	2,913,071
Other	62,819

3,522,443

Inventories

991,126

Prepaid expenses

1,666,890

Total Current Assets

7,842,384
Property and Equipment

Investment in cooperative apartments 1,500,000

Land 54,000,000

Building and improvements 270,873,732

Furniture, fixtures and equipment 38,129,865
364,503,597

Accumulated depreciation 85,782,934
278,720,663

Construction in progress 586,775
279,307,438
Other Assets

Deferred costs, net 2,702,683

Security deposits 212,167

Due from related parties 139,556
3,054,406
Total Assets
290,204,228
LIABILITIES AND STOCKHOLDER'S EQUITY
Current Liabilities

Accounts payable 4,593,242

Trade 91,150

Other 4,684,392
692,475

Taxes payable, other than income

692,475
Accrued Expenses

Payroll and related 1,618,899

Vacation, gratuities and incentives 5,132,224

Interest 284,017

Utilities 304,590

Other 1,244,823
8,584,553
11,200

Tenants' security deposits

Advance deposits and other credit balances 9,452,440

Notes payable to related parties 9,000,000

Line of credit 13,000,000

Total Current Liabilities 45,425,060

Due to related parties

58,132

Long term portion of mortgage loan and notes 120,000,000

Total Liabilities 165,483,192

Commitments and contingencies

Stockholder's Equity

Common stock, par value \$1 per share; 100 shares authorized, issued and outstanding 100

Additional paid-in capital 141,223,741

Accumulated deficit (16,502,805)

Total Stockholder's Equity 124,721,036

Total Liabilities and Stockholder's Equity 290,204,228

See notes to consolidated financial statements

UNITED OVERSEAS HOLDINGS, INC.
(A DELAWARE CORPORATION)

Consolidated Statement of Operations
For the Period October 1, 2015 to March 31, 2016

	For Year Ended March 31, 2016 \$
REVENUE	
Rooms	29,289,776
Food and beverage	25,930,574
Other	3,686,913
Total Revenues	<u>58,907,263</u>
DEPARTMENTAL EXPENSES	
Rooms	14,779,120
Food and beverage	27,383,449
Other	1,142,760
Total Departmental Expenses	<u>43,305,329</u>
UNALLOCATED OPERATING EXPENSES	
Administrative and general	9,307,228
Sales and marketing	3,411,075
Repair and maintenance	4,098,056
Utilities	2,532,972
Total Unallocated Operating Expenses	<u>19,349,331</u>
(Loss) Before Fixed Charges, Other Income	
Income Tax (Provision)	<u>(3,747,397)</u>
FIXED CHARGES	
Real estate taxes	1,172,993
Insurance	389,249
Rent and license fees	3,423,489
Depreciation	5,142,209
Amortization	316,772
Interest	3,052,901
Total Fixed Charges	<u>13,497,613</u>
(Loss) Before Other Income and	
Income Tax (Provision)	<u>(17,245,010)</u>
OTHER INCOME	
Sales and marketing fees	<u>726,492</u>
(Loss) Before Income Tax (Provision)	<u>(16,518,518)</u>
Income tax (provision)	<u>15,713</u>
Net (Loss)	<u><u>(16,502,805)</u></u>
See notes to consolidated financial statements	

Consolidated Statements of Stockholder's Equity for the Period October 1, 2015 to March 31, 2016

	Common Stock		Additional	Accumulated	
	Shares	Amount	Paid-in	Deficit	Total
	\$	\$	Capital	\$	\$
			\$	\$	
Net assets contributed by IHMS Inc. on October 1, 2015	100	100	141,223,741	-	141,223,841
Net (loss) for the period October 1, 2015 to March 31, 2016	-	-	-	(16,502,805)	(16,502,805)
Balance at March 31, 2016	<u>100</u>	<u>100</u>	<u>141,223,741</u>	<u>(16,502,805)</u>	<u>124,721,036</u>

See notes to consolidated financial statements

UNITED OVERSEAS HOLDINGS, INC.
(A DELAWARE CORPORATION)

Consolidated Statements of Cash Flows

	For Year Ended March 31
	2016
	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Net (Loss)	(16,502,805)
Adjustments to reconcile net (loss) to net	
Cash (used) by operating activities	
Depreciation and amortization	5,458,981
Changes in Certain Other Accounts	
Accounts receivable	1,351,136
Inventories	117,188
Prepaid expenses	1,261,689
Security deposits	86,555
Accounts payable	(724,213)
Taxes payable, other than income	(440,728)
Accrued expenses	203,061
Advance deposits and other credit balances	855,084
Due to/from related parties	207,703
Total Adjustments	8,276,456
Net Cash by Operating Activities	(8,226,349)
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures, net	(1,021,693)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from notes payable to related parties	9,000,000
Withdrawals on line-of-credit	13,000,000
Repayment of term loan	(15,000,000)
Net Cash Provided by Financing Activities	7,000,000
Net Change in Cash	(2,248,042)
Opening cash as of October 1, 2015 due to Restructuring	3,909,967
Cash, end of period	1,661,925
Supplemental Disclosure of Cash Flow Information	
Cash paid for capital taxes	94,187
Cash paid for interest	3,052,901

Notes to Consolidated Financial Statements for the year ended March 31, 2016

1. Organization

United Overseas Holdings, Inc. (the "Company") was incorporated in August 2015 under the laws of the State of Delaware as a wholly-owned subsidiary of International Hotel Management Services, Inc., which subsequently has become a wholly-owned subsidiary of IHOCO B.V., a wholly owned subsidiary of The Indian Hotels Company Limited ("IHCL"), a company based in Mumbai, India.

As part of the international restructuring being implemented by IHCL, on October 2, 2015, the Company through a contribution deed (the "Restructuring") was assigned with the assets of and assumed the liabilities of, International Hotel Management Services, LLC (formerly International Hotel Management Services, Inc. ("IHMS Inc.") at its net book value at the date of the Restructuring. The Restructuring also included the assignment of IHMS Inc.'s LLC interest in its Subsidiaries namely; IHMS, LLC (the "New York LLC"), IHMS (Boston) LLC (the "Boston LLC"), IHMS (SF) LLC (the "San Francisco LLC"), and IHMS (USA) LLC to the Company at its respective net book values at the date of the Restructuring.

The New York LLC was formed on June 2005 under the laws of the State of Delaware, 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.

The Boston LLC was formed on September 2006 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 been re-branded and renamed from the Boston Hotel to the Taj Boston.

The San Francisco LLC was formed on March 2007 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. New York LLC, San Francisco LLC, Boston LLC, and IHMS (USA) LLC are collectively referred to herein as 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, 2016, the Company has \$2 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 March 31, 2016, the estimates used were adequate based on the information currently available.

The accompanying consolidated statements of operations and cash flows, and amounted referred to herein were for the period of October 1, 2015 through March 31, 2016.

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, 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

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 74% and 80% 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, 2016, management has determined that an allowance for doubtful accounts was not required.

Inventories

Inventories which consist of food, beverage, chinaglass, 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 \$12,484,000 are still in use as of March 31, 2016.

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 period ended March 31, 2016.

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 \$1,817,943 at March 31, 2016.

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 \$349,989 at March 31, 2016.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

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.

As part of the Restructuring, and as permitted by the regulations promulgated by the Internal Revenue Code, the Company assumed the deferred tax assets and liabilities of the IHMS Inc., which primarily consisted of net operating loss carryforwards of approximately \$267 million.

The Company is also subject to various other taxation requirements imposed by the State and City of New York.

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, 2016, 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, 2016, tax years since inception 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 consolidated 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 \$1,120,403 for the period October 1, 2015 to March 31, 2016.

Retirement Plan Costs

Payments to retirement plans are charged to expense as they are incurred.

3. Term Loans

In September 2014, IHMS Inc. entered into a term loan facility agreement (the "Term Loan Facility") in the amount of \$120 million, which was utilized and outstanding at March 31, 2016. As part of the Restructuring, the Company assumed the Term Loan and is the new borrower to the Term Loan Facility. The Term Loan Facility matures on September 15, 2022, and requires monthly interest only payments computed at 3.81% plus LIBOR, as defined (4.72% at March 31, 2016) 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, 2016, the Company was in compliance with all term loan covenants.

UNITED OVERSEAS HOLDINGS, INC.
(A DELAWARE CORPORATION)

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Minimum future principal payments to be made through the term of the Term Loan Facility are as follows:

March 31	\$
2017	1,200,000
2018	4,800,000
2019	10,800,000
2020	18,600,000
Thereafter	84,600,000
Total	120,000,000

In February 2014, IHMS Inc. entered into a \$15 million term loan with ICICI Bank Limited ("ICICI Term Loan"), which was scheduled to mature on February 26, 2016. As part of the Restructuring, the Company assumed the ICICI Term Loan. The ICICI Term Loan was fully repaid at maturity.

4. Line of Credit

The New York LLC has a \$15 million credit facility which expires on August 31, 2016. As of March 31, 2016, the Company has withdrawn \$13,000,000. Interest payments required on the credit facility are based on LIBOR, as defined, plus 275 basis points (approximately 3.18% at March 31, 2016). This credit facility is fully guaranteed by IHCL.

5. 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				
2017	76,788	435,000	134,680	646,468
2018	76,788	651,667	124,809	853,264
2019	76,788	712,375	107,772	896,935
2020	76,788	733,746	111,120	921,654
2021	76,788	755,759	114,609	947,156
Thereafter	76,788	2,544,365	93,975	2,715,128
	<u>460,728</u>	<u>5,832,912</u>	<u>686,965</u>	<u>6,980,605</u>

Certain leases contain provisions for additional rents and extension options. The following is the summary of rental income for the period ended March 31, 2016:

	2016 \$
San Francisco LLC	42,174
Boston LLC	521,186
New York LLC	172,643

Notes to Consolidated Financial Statements for the year ended March 31, 2016

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. In November 2007, the New York LLC entered into a lease modification with 795 Corp. which extended the lease term for an additional 10 years, to June 30, 2025.

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:

March 31	795 Corp	795 Partnership	Total
	\$	\$	\$
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
2021	954,996	1,014,000	1,968,996
Thereafter	4,058,733	4,309,500	8,368,233
	<u>8,833,713</u>	<u>9,379,500</u>	<u>18,213,213</u>

Lease on Cooperative Apartments and Ballroom

The New York LLC assumed a lease agreement with Barney's, which was renewed on March 12, 2012 for the use of the Hotel Pierre's ballroom (the "Amended Lease"). The Amended Lease is scheduled to mature on December 31, 2018 and requires an annual fixed rent of \$1,700,000. 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 \$602,400 at March 31, 2016.

Future fixed minimum rentals, exclusive of formula or percentage rentals for the years ending March 31 are approximately as follows:

	\$
2017	1,830,865
2018	1,700,004
2019	<u>1,275,003</u>
	<u>4,805,872</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.

Sales and Marketing Agreement

The Company has a sales and marketing agreement with IHCL, which can be terminated by the Company or IHCL upon

UNITED OVERSEAS HOLDINGS, INC.
(A DELAWARE CORPORATION)

Notes to Consolidated Financial Statements for the year ended March 31, 2016

notice. The Company is required to perform sales and marketing functions for IHCL. For the period October 1, 2015 to March 31, 2016, the Company received \$726,492 of sales and marketing fees under the terms of the agreement.

Notes Payable to Related Parties

During February 2016, certain entities that are related to the Company through common ownership and management provided the Company with short-term notes payable. Such notes payable are scheduled to mature on August 18, 2016 and carried interest at 3.5% per annum.

8. Income Taxes

(Provision) for income taxes consists of the following during the period ended March 31, 2016:

	Year ended March 31
Current	<u>2016</u>
Federal	\$
State and local	-
	<u>15,713</u>
Deferred	<u>15,713</u>
Federal	-
State and local	-
	<u>-</u>
	<u>15,713</u>

The deferred tax asset consists of, and the related deferred income taxes resulted from the following temporary differences at March 31, 2016:

	2016 \$
Valuation allowance	(131,489,684)
Net operating loss carryforward	131,102,441
Depreciation and amortization	(1,844,843)
Employee related benefits	2,232,086
	<u>-</u>

As of March 31, 2016, the Company has available approximately \$298 million in net operating loss carryforwards which expire through 2035.

The components of the net deferred tax provision (benefit) consist of the following for the period ended March 31, 2016:

	2016 \$
Valuation allowance	(12,627,393)
Net operating loss carryforward	14,117,444
Depreciation and amortization	(1,697,363)
Employee related benefits	207,312
	<u>-</u>

Notes to Consolidated Financial Statements for the year ended March 31, 2016

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:

- 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 March 31, 2016, 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
			2015		
<u>New York LLC</u>					
Pension Fund (1)	13-1764242	001	Green	Yes	\$2,221,268
Health Benefits Fund (2)	13-6126923	501	N/A	Yes	7,019,951
Prepaid Legal Services Fund (3)	13-3418414	508	N/A	Yes	109,977
Total - New York LLC					<u>9,351,196</u>
<u>Boston LLC</u>					
Pension Fund (4)	45-4227067	001	Green	Yes	418,085
Health Benefits Fund (5)	04-6048964	005	N/A	Yes	3,082,512
Other funds					133,289
Total - Boston LLC					<u>3,633,886</u>
					<u>\$12,985,082</u>

Notes to Consolidated Financial Statements for the year ended March 31, 2016

- (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
- (5) - Greater Boston Hotel Employees Local 26 Health and Welfare Plan

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 period October 1, 2015 to March 31 2016, are as follows:

	2016 \$
San Francisco LLC	56,425
Boston LLC	113,560
New York LLC	61,287
Company	14,697
Total Employer Contributions	<u>245,969</u>

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 \$95,775 for the period October 1, 2015 to March 31, 2016.

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, including other reimbursements and fees charged to 795 Corp. totaled to \$2,800,541 for the period October 1, 2015 to March 31, 2016. 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 Sirio Pierre LLC ("LC"). The License Agreement provided for the Company to have exclusive authority throughout New York City to use the name Sirio Ristorante ("Sirio"). The License Agreement required the Company to pay LC a license fee, based on Sirio's gross receipts, as defined. The Company was required to pay LC, irrespective of the minimum

Notes to Consolidated Financial Statements for the year ended March 31, 2016

license fees earned in any agreement year, a minimum annual \$200,000 license fee. On January 19, 2016, the License Agreement was terminated.

11. Restructuring

As part of the Restructuring and reorganization, the net assets of IHMS Inc. and of the Subsidiaries were assigned to the Company at its net book value as the Company and IHMS Inc. are under common control. The net assets transferred by IHMS Inc. to the Company are composed of the following at the date of the Restructuring:

	San Francisco LLC	Boston LLC	New York LLC	IHMS Inc.	Elimination	Total
ASSETS						
Cash	\$ 280,255	\$ 369,751	\$ 165,018	\$ 3,094,943	\$ -	\$ 3,909,967
Accounts receivable	299,877	2,502,999	2,055,703	15,000	-	4,873,579
Inventories	309,803	279,748	518,763	-	-	1,108,314
Prepaid expenses	497,624	698,733	1,706,227	25,996	-	2,928,580
Property and Equipment	51,723,453	143,546,429	88,124,695	33,377	-	283,427,954
Deferred costs, net	60,000	-	1,362,318	1,597,136	-	3,019,454
Security deposits	70,234	51,747	244,741	-	-	366,722
Due from related parties	-	-	-	118,482,455	(118,193,331)	289,124
Total Assets	<u>53,241,246</u>	<u>147,449,407</u>	<u>94,177,465</u>	<u>123,248,907</u>	<u>(118,193,331)</u>	<u>299,923,694</u>
LIABILITIES						
Accounts Payable	233,339	1,332,704	3,842,560	-	-	5,408,603
Taxes payable, other than income	179,402	400,101	553,700	-	-	1,133,203
State income taxes payable	-	-	100,000	-	-	100,000
Accrued Expenses	1,718,533	1,626,584	4,618,040	418,334	-	8,381,491
Tenants' security deposits	-	2,200	77,000	-	-	79,200
Advance deposits	384,424	934,788	7,278,144	-	-	8,597,356
Due to related parties	20,149,258	58,678,146	39,365,927	-	(118,193,331)	-
Mortgage loans and term loan	-	-	-	135,000,000	-	135,000,000
Total Liabilities	<u>22,664,956</u>	<u>62,974,523</u>	<u>55,835,371</u>	<u>135,418,334</u>	<u>(118,193,331)</u>	<u>158,699,853</u>
Net Assets Received	<u>\$ 30,576,290</u>	<u>\$ 84,474,884</u>	<u>\$ 38,342,094</u>	<u>\$ (12,169,427)</u>	<u>\$ -</u>	<u>\$ 141,223,841</u>

12. 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 2, 2016, and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements.

UNITED OVERSEAS HOLDINGS, INC.
(A DELAWARE CORPORATION)

Independent Auditors' Report on Supplementary Information

To the Board of Directors and Stockholder of

United Overseas Holdings, Inc.

We have audited the consolidated financial statements of United Overseas Holdings, Inc. as of March 31, 2016 and for the period October 1, 2015 to March 31, 2016 and our report thereon dated May 2, 2016, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was 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 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, LLP

May 2, 2016

Consolidating Balance Sheet March 31, 2016

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash	423,242	435,264	694,933	108,486	-	1,661,925
Accounts Receivable	-	-	-	-	-	-
Guest ledger	37,294	247,648	261,611	-	-	546,553
City ledger	221,851	642,786	2,048,434	-	-	2,913,071
Other	-	53,819	-	9,000	-	62,819
	259,145	944,253	2,310,045	9,000	-	3,522,443
Inventories	272,044	275,947	443,135	-	-	991,126
Prepaid expenses	219,935	381,727	1,065,228	-	-	1,666,890
Total Current Assets	1,174,366	2,037,191	4,513,341	117,486	-	7,842,384
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	129,201,040	95,901,075	-	-	270,873,732
Furniture, fixtures and equipment	2,992,189	8,838,659	26,230,209	68,808	-	38,129,865
	62,763,806	178,039,699	123,631,284	68,808	-	364,503,597
Accumulated depreciation	11,599,784	36,363,906	37,782,298	36,946	-	85,782,934
	51,164,022	141,675,793	85,848,986	31,862	-	278,720,663
Construction in progress	4,828	-	581,947	-	-	586,775
	51,168,850	141,675,793	86,430,933	31,862	-	279,307,438
Other Assets						
Deferred costs	60,000	-	1,192,341	1,450,342	-	2,702,683
Security deposits	71,340	45,216	95,611	-	-	212,167
Investment in subsidiaries	-	-	-	153,393,268	(153,393,268)	-
Due from related parties	-	-	-	115,197,761	(115,058,205)	139,556
	131,340	45,216	1,287,952	270,041,371	(268,451,473)	3,054,406
Total Assets	52,474,556	143,758,200	92,232,226	270,190,719	(268,451,473)	290,204,228

See independent auditors' report on supplementary information.

UNITED OVERSEAS HOLDINGS, INC.
(A DELAWARE CORPORATION)

Consolidating Balance Sheet March 31, 2016 (Contd.)

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	United Overseas Holdings, Inc.	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
LIABILITIES AND STOCKHOLDER'S EQUITY						
Current Liabilities						
Accounts Payable						
Trade	219,468	779,638	3,594,136	-	-	4,593,242
Other	-	8,543	82,607	-	-	91,150
	<u>219,468</u>	<u>788,181</u>	<u>3,676,743</u>	<u>-</u>	<u>-</u>	<u>4,684,392</u>
Taxes payable, other than income	167,208	270,004	255,263	-	-	692,475
Accrued Expenses						
Payroll and related	267,812	404,737	946,350	-	-	1,618,899
Vacation, gratuities and incentives	754,484	995,433	2,613,974	768,333	-	5,132,224
Interest	-	-	14,584	269,433	-	284,017
Utilities	21,486	68,500	214,604	-	-	304,590
Other	440,596	127,894	367,880	308,453	-	1,244,823
	<u>1,484,378</u>	<u>1,596,564</u>	<u>4,157,392</u>	<u>1,346,219</u>	<u>-</u>	<u>8,584,553</u>
Tenants' security deposits	-	2,200	9,000	-	-	11,200
Advance deposits and other credit balances	331,285	1,420,618	7,700,537	-	-	9,452,440
Notes payable to related parties	-	-	-	9,000,000	-	9,000,000
Line of credit	-	-	13,000,000	-	-	13,000,000
Total Current Liabilities	2,202,339	4,077,567	28,798,935	10,346,219	-	45,425,060
Due to related parties, net	20,014,069	61,265,739	33,836,532		(115,058,208)	58,132
Long term portion of term loan	-	-	-	120,000,000	-	120,000,000
Total Liabilities	22,216,408	65,343,306	62,635,467	130,346,219	(115,058,208)	165,483,192
Stockholder's Equity						
Common stock	-	-	-	100	-	100
Additional paid-in capital	50,941,941	176,954,451	197,603,509	141,223,741	(425,499,901)	141,223,741
Accumulated deficit	(20,683,793)	(98,539,557)	(168,006,750)	(1,379,341)	272,106,636	(16,502,805)
Total Stockholder's Equity	30,258,148	78,414,894	29,596,759	139,844,500	(153,393,265)	124,721,036
Total Liabilities and Stockholder's Equity	52,474,556	143,758,200	92,232,226	270,190,719	(268,451,473)	290,204,228

See independent auditors' report on supplementary information.

Consolidating Statement of Operations for the Period October 1, 2015 to March 31, 2016

	IHMS (SF) LLC	IHMS (Boston) LLC	IHMS, LLC	United Overseas Holdings, Inc	Eliminations	Consolidated Total
	\$	\$	\$	\$	\$	\$
REVENUE						
Rooms	5,387,139	8,583,229	15,319,408	-	-	29,289,776
Food and beverage	3,025,005	5,073,454	17,832,115	-	-	25,930,574
Other	233,505	549,310	2,904,098	-	-	3,686,913
Total Revenues	8,645,649	14,205,993	36,055,621	-	-	58,907,263
DEPARTMENTAL EXPENSES						
Rooms	1,764,118	4,389,245	8,625,757	-	-	14,779,120
Food and beverage	2,822,745	5,975,158	18,585,546	-	-	27,383,449
Other	194,053	235,898	712,809	-	-	1,142,760
Total Departmental Expenses	4,780,916	10,600,301	27,924,112	-	-	43,305,329
UNALLOCATED OPERATING EXPENSES						
Administrative and general	1,302,478	2,467,592	4,220,378	1,316,780	-	9,307,228
Sales and marketing	483,719	900,672	1,389,226	637,458	-	3,411,075
Repair and maintenance	502,251	1,092,724	2,503,081	-	-	4,098,056
Utilities	237,423	695,245	1,600,304	-	-	2,532,972
Total Unallocated Operating Expenses	2,525,871	5,156,233	9,712,989	1,954,238	-	19,349,331
Income (Loss) Before Fixed Charges, Other Income (Expenses) and Income Tax (Provision)	1,338,862	(1,550,541)	(1,581,480)	(1,954,238)	-	(3,747,397)
FIXED CHARGES						
Real estate taxes	237,164	935,829	-	-	-	1,172,993
Insurance	127,848	134,469	126,932	-	-	389,249
Rent and license fees	14,700	7,048	3,401,741	-	-	3,423,489
Depreciation	728,737	1,893,509	2,515,162	4,801	-	5,142,209
Amortization	-	-	169,978	146,794	-	316,772
Interest	548,551	1,538,593	965,757	-	-	3,052,901
Total Fixed Charges	1,657,000	4,509,448	7,179,570	151,595	-	13,497,613
(Loss) Before Other Income and Income Tax (Provision)	(318,138)	(6,059,989)	(8,761,050)	(2,105,833)	-	(17,245,010)
OTHER INCOME (EXPENSES)						
Sales and marketing fees	-	-	-	726,492	-	726,492
(Loss) Before Income Tax (Provision)	(318,138)	(6,059,989)	(8,761,050)	(1,379,341)	-	(16,518,518)
Income tax (provision)	-	-	15,713	-	-	15,713
Net (Loss)	(318,138)	(6,059,989)	(8,745,337)	(1,379,341)	-	(16,502,805)

See independent auditors' report on supplementary information.

UNITED OVERSEAS HOLDINGS, INC.
(A DELAWARE CORPORATION)

Consolidating Statement of Cash Flows for the Period October 1, 2015 to March 31, 2016

	IHMS (SF) LLC \$	IHMS (Boston) LLC \$	IHMS, LLC \$	United Overseas Holdings, In \$	Eliminations \$	Consolidated Total \$
CASH FLOWS FROM OPERATING ACTIVITIES						
Net (Loss)	(318,138)	(6,059,989)	(8,745,337)	(1,379,341)	-	(16,502,805)
Adjustments to reconcile net (loss) to net cash provided (used) by operating activities						
Depreciation and amortization	728,737	1,893,509	2,685,140	151,595	-	5,458,981
Changes in Certain Other Accounts						
Accounts receivable	40,732	1,558,746	(254,342)	6,000	-	1,351,136
Inventories	37,759	3,801	75,628	-	-	117,188
Prepaid expenses	277,689	317,006	640,999	25,995	-	1,261,689
Security deposits	(1,106)	6,531	81,130	-	-	86,555
Accounts payable	(13,872)	(544,523)	(165,818)	-	-	(724,213)
Taxes payable, other than income	(12,194)	(130,097)	(298,437)	-	-	(440,728)
Accrued expenses	(234,158)	(30,021)	(460,646)	927,886	-	203,061
Advance deposits and other credit balances	(53,139)	485,830	422,393	-	-	855,084
Due to/from related parties	634,811	2,587,593	320,605	3,284,694	(6,620,000)	207,703
Total Adjustments	1,405,259	6,148,375	2,946,652	4,396,170	(6,620,000)	8,276,456
Net Cash from Operating Activities	1,087,121	88,386	(5,798,685)	3,016,829	(6,620,000)	(8,226,349)
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital expenditures Net	(174,134)	(22,873)	(821,400)	(3,286)	-	(1,021,693)
CASH FLOWS FROM FINANCING ACTIVITIES						
Advances from member/shareholder	(770,000)	-	(5,850,000)	-	6,620,000	-
Proceeds from notes payable to related parties	-	-	-	9,000,000	-	9,000,000
Withdrawals on line of credit	-	-	13,000,000	-	-	13,000,000
Principal payments on term loan	-	-	-	(15,000,000)	-	(15,000,000)
Net Cash from Financing Activities	(770,000)	-	7,150,000	(6,000,000)	6,620,000	7,000,000
Net Change in Cash	142,987	65,513	529,915	(2,986,457)	-	(2,248,042)
Opening cash as of October 1, 2015 due to Restructuring	280,255	369,751	165,018	3,094,943	-	3,909,967
Cash, end of period	423,242	435,264	694,933	108,486	-	1,661,925

See independent auditors' report on supplementary information.

DIRECTORS AND CORPORATE INFORMATION

PIEM INTERNATIONAL (H.K.) LIMITED

Board of Directors

Mr. Anil P. Goel

Mr. R. M. Nagpal

Mr. R. H. Parekh

Mr. Sudhir L. Nagpal

Mr. Rajesh R. Nagpal

Mr. N. Chandrasekhar (resigned on December 31, 2015 and appointed on April 19, 2016)

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 submit herewith their report and audited financial statements of PIEM International (H.K.) Limited (the "Company") for the year ended March 31, 2016.

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 2016 are set out in the statement of comprehensive income on page 676.

The directors do not recommend the payment of a final dividend.

Directors

The directors who held office during the year or during the period from the end of year to the date of this report were:

A. P. Goel

R. M. Nagpal

R. H. Parekh

S. L. Nagpal

R. R. Nagpal

N. Chandrasekhar (Resigned on December 31, 2015 and appointed on April 19, 2016)

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.

Arrangements for acquisition of shares or debentures

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 company.

Material interests in transactions, arrangements or contracts

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company's 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.

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.

Equity-linked agreements

No equity-linked agreements into which the Company entered subsisted at any time during the year.

Permitted indemnity provisions

No permitted indemnity provision was in force during the year, or is in force at the date of this report, for the benefit of a then director or a director of the Company (whether made by the Company or otherwise) or a then director or a director of its holding companies or fellow subsidiaries.

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.

Approved by the Board of directors and signed on its behalf by

A. P. GOEL

Director

29 April 2016

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of PIEM International (H.K.) Limited (the "Company") set out on pages 676 to 689, which comprise the statement of financial position as at 31 March 2016, 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 ("HKFRSs") 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 section 405 of 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 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 2016, and of its financial performance and cash flows for the year then ended in accordance with HKFRS and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong, 29 April 2016

Chan Wai Man

Practising Certificate number: P02487

PIEM INTERNATIONAL (H.K.) LIMITED

Statement of Comprehensive Income for the year ended March 31, 2016

	Note	2016 US\$	2015 US\$ (restated)
Revenue	3	693,944	698,796
Exchange loss		(131,933)	(400,380)
Operating expenses		(12,609)	(12,086)
Share of results of an associate		<u>2,068,513</u>	<u>707,375</u>
Profit before tax	4	2,617,915	993,705
Income tax expense	5	<u>-</u>	<u>-</u>
Profit for the year		2,617,915	993,705
Other comprehensive loss for the year, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange loss arising from translation of interest in an associate		<u>(909,714)</u>	<u>(3,249,662)</u>
Total comprehensive income (loss) for the year		<u>1,708,201</u>	<u>(2,255,957)</u>

Statement of Financial Position at March 31, 2016

	Note	2016 US\$	2015 US\$ (restated)	2014 US\$ (restated)
Non-current assets				
Interest in an associate	6	27,457,094	26,298,295	28,840,582
Available-for-sale financial assets	7	541,375	541,375	541,375
		<u>27,998,469</u>	<u>26,839,670</u>	<u>29,381,957</u>
Assets classified as held for sale	8	<u>1</u>	<u>11</u>	<u>11</u>
Current assets				
Other receivables		-	3,535	17,908
Loan to a fellow subsidiary	9	4,014,959	-	-
Due from a fellow subsidiary	10	1,968,663	3,432,733	3,160,354
Due from ultimate holding company	11	413	413	-
Bank balances		<u>102,892</u>	<u>2,100,589</u>	<u>2,072,675</u>
		<u>6,086,927</u>	<u>5,537,270</u>	<u>5,250,937</u>
Current liabilities				
Accrued charges		<u>7,349</u>	<u>7,104</u>	<u>7,101</u>
Net current assets		<u>6,079,578</u>	<u>5,530,166</u>	<u>5,243,836</u>
NET ASSETS		<u><u>34,078,048</u></u>	<u><u>32,369,847</u></u>	<u><u>34,625,804</u></u>
Capital and reserves				
Share capital	12	8,000,000	8,000,000	8,000,000
Exchange reserve		(841,692)	68,022	3,317,684
Accumulated profits		<u>26,919,740</u>	<u>24,301,825</u>	<u>23,308,120</u>
TOTAL EQUITY		<u><u>34,078,048</u></u>	<u><u>32,369,847</u></u>	<u><u>34,625,804</u></u>

Approved and authorised for issue by the Board of Directors on 29 April 2016 and signed on behalf by

A. P. GOEL
Director

R. H. PAREKH
Director

PIEM INTERNATIONAL (H.K.) LIMITED

Statement of Changes in Equity Year ended March 31, 2016

	Share capital	Exchange reserve (Note)	Accumulated profits	Total
	US\$	US\$	US\$	US\$
At 1 April 2014				
As previously reported	8,000,000	3,432,616	25,692,575	37,125,191
Effect on the first adoption of FRS102 by associate (note 2)	-	(114,932)	(2,384,455)	(2,499,387)
At 1 April 2014, as restated	8,000,000	3,317,684	23,308,120	34,625,804
Profit for the year	-	-	993,705	993,705
Other comprehensive loss				
Exchange loss arising from translation of interest in an associate	-	(3,249,662)	-	(3,249,662)
Total comprehensive loss for the year, as restated	-	(3,249,662)	993,705	(2,255,957)
At 31 March 2015, as restated	8,000,000	68,022	24,301,825	32,369,847
At 1 April 2015	8,000,000	68,022	24,301,825	32,369,847
Profit for the year	-	-	2,617,915	2,617,915
Other comprehensive loss				
Exchange loss arising from translation of interest in an associate	-	(909,714)	-	(909,714)
Total comprehensive loss for the year	-	(909,714)	2,617,915	1,708,201
At 31 March 2016	8,000,000	(841,692)	26,919,740	34,078,048

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, 2016

	Note	2016 US\$	2015 US\$
OPERATING ACTIVITIES			
Cash generated from (used in) operations	13	<u>1,987,630</u>	<u>(12,522)</u>
INVESTING ACTIVITIES			
Interest received		11,748	36,097
Loan advance to a fellow subsidiary		(4,000,000)	(500,000)
Repayment of loan received		-	500,000
Dividend received from available-for-sale financial assets		<u>2,925</u>	<u>4,339</u>
Net cash (used in) generated from investing activities		<u>(3,985,327)</u>	<u>40,436</u>
Net (decrease) increase in cash and cash equivalents		(1,997,697)	27,914
Cash and cash equivalents at beginning of year		<u>2,100,589</u>	<u>2,072,675</u>
Cash and cash equivalents at end of year, represented by bank balances		<u><u>102,892</u></u>	<u><u>2,100,589</u></u>

Notes to Financial Statements - March 31, 2016

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 HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "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 2015 financial statements. The adoption of the new / revised HKFRSs that are relevant to the Company and effective from the current year had no significant effects on the results and financial position of the Company for the current and prior years. A summary of the principal accounting policies adopted by the Company is set out below.

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.

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.

Notes to Financial Statements - March 31, 2016

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, loan to a fellow subsidiary, 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.

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 and incentive 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.

Notes to Financial Statements - March 31, 2016

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.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

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.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).

Notes to Financial Statements - March 31, 2016

(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).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

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 assumptions concerning the future and judgements are made by the management in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

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. PRIOR YEAR ADJUSTMENTS

As set out in note 6, the Company's interest in an associate represents 35.38% (2015: 35.38%) of the issued ordinary share capital of St. James Court Hotel Limited ("SJCHL"). As a result of the first adoption of Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 for the year ended 31 March 2016, SJCHL has changed its accounting policy with respect to the derivatives financial instruments. This change has been applied retrospectively by restating the balances of SJCHL at 1 April 2014 and 31 March 2015. The interest in an associate as at 1 April 2014 and 31 March 2015 has been restated as follows:

Notes to Financial Statements - March 31, 2016

	As previously reported	Effect on the first adoption of FRS 102 by the associate	As restated
	US\$	US\$	US\$
Statement of comprehensive income for the year ended 31 March 2015			
Share of results of an associate	709,740	(2,365)	707,375
Profit for the year	996,070	(2,365)	993,705
Other comprehensive loss for the year, net of tax			
Exchange loss arising translation of interest in the associate	(3,526,521)	276,859	(3,249,662)
Total comprehensive loss for the year	(2,530,451)	274,494	(2,255,957)
Statement of financial position at 31 March 2015			
Interest in associate	28,523,188	(2,224,893)	26,298,295
Exchange reserve	(93,905)	161,927	68,022
Accumulated profits	26,688,645	(2,386,820)	24,301,825
Total equity	34,594,740	(2,224,893)	32,369,847
Statement of financial position at 1 April 2014			
Interest in associate	31,339,969	(2,499,387)	28,840,582
Exchange reserve	3,432,616	(114,932)	3,317,684
Accumulated profits	26,692,575	(3,384,455)	23,308,120
Total equity	37,125,191	(2,499,387)	34,625,804

3. REVENUE

	2016 US\$	2015 US\$
Operating fees	523,851	518,061
Incentive fees	143,996	154,672
Interest income from deposits	8,213	15,622
Interest income from loan to a fellow subsidiary	14,959	6,102
Dividend income from available-for-sale financial assets	2,925	4,339
	693,944	698,796

4. PROFIT BEFORE TAX

	2016 US\$	2015 US\$
This is stated after charging:		
Auditor's remuneration	7,535	7,093
Loss on disposal of asset held for sale	10	-

Notes to Financial Statements - March 31, 2016

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

	2016 US\$	2015 US\$
Profit before tax	549,402	996,070
Income tax at applicable tax rate of 16.5% (2015: 16.5%)	90,651	164,352
Tax exempt profit	(90,651)	(164,352)
Tax expense for the year	-	-

6. INTEREST IN AN ASSOCIATE

	2016 US\$	2015 US\$	2014 US\$
		(restated)	(restated)
Share of net assets	27,457,094	26,298,295	28,840,582

Interest in an associate represents 35.38% (2015: 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 2016 US\$	As at 31 March 2015 US\$	As at 1 April 2014 US\$
		(restated)	(restated)
<u>Gross amount</u>			
Current assets	9,906,313	5,166,864	6,129,250
Non-current assets	143,335,196	151,230,608	168,528,163
Current liabilities	(71,858,158)	(9,283,649)	(11,364,479)
Non-current liabilities	(3,777,094)	(72,782,860)	(81,776,310)
Equity	77,606,257	74,330,964	81,516,624
	As at 31 March 2016 US\$	As at 31 March 2015 US\$	As at 1 April 2014 US\$
		(restated)	(restated)
<u>Reconciliation</u>			
Total equity of the associate	77,606,257	74,330,964	81,516,624
Company's ownership interests	35.38%	35.38%	35.38%
Company's share of equity and carrying amount of interest	27,457,094	26,298,295	28,840,582

Notes to Financial Statements - March 31, 2016

	Year ended	
	31 March 2016	31 March 2015
	US\$	US\$
<i>Gross amount</i>		(restated)
Revenue	<u>49,391,173</u>	<u>49,151,758</u>
Profit for the year	5,846,560	1,999,363
Other comprehensive income	-	-
Total comprehensive income	<u>5,846,560</u>	<u>1,999,363</u>

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016	2015
	US\$	US\$
Equity investment listed outside Hong Kong, at cost	<u>541,375</u>	<u>541,375</u>

At the end of the reporting period, the Company held 0.27% (2015: 0.27%) interest representing 487,500 (2015: 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\$155,513 (2015: US\$156,000). 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

	2016	2015
	US\$	US\$
Investments in unlisted shares, at cost	1	11

Name of subsidiary	Country of incorporation	Percentage of ordinary shares directly held	Principal activities
BAHC 5 Pte Limited ("BAHC5")	Singapore	100%	Aircraft owning

In accordance with the written board resolutions passed on 15 April 2009, 3 May 2011, 24 April 2012, 22 April 2013, 22 April 2014 and 21 April 2015, the Company intended to dispose of the above investment and a disposal plan has been established. The said plan is now under implementation as concrete initial steps in this regard have been taken. In the opinion of the directors, the disposal is highly probable to be completed before the end of the financial year 2016-17. As a result, the interest in the subsidiary is still classified as "Assets classified as held for sale" at the end of the reporting period.

During the year, Premium Aircraft Leasing Corporation Limited, which is incorporated in Ireland, was disposed of without any consideration.

9. LOAN TO A FELLOW SUBSIDIARY

During the year, the Company entered into a loan agreement with a fellow subsidiary to advance a loan of US\$4,000,000. The loan is unsecured, interest-bearing at 3.5% per annum and repayable in August 2016. The fair value of the amount due at the end of the reporting period approximates its carrying amount.

Notes to Financial Statements - March 31, 2016

10. 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.

11. DUE FROM ULTIMATE HOLDING COMPANY

The amount due is unsecured, interest-free and has no fixed repayment term.

12. SHARE CAPITAL

	2016		2015	
	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>

13. CASH GENERATED FROM (USED IN) OPERATIONS

	2016 US\$	2015 US\$ (restated)
Profit before tax	2,617,915	993,705
Dividend income from available-for-sale financial assets	(2,925)	(4,339)
Interest income	(23,172)	(21,724)
Loss on disposal of asset held for sale	10	-
Share of results of an associate	(2,068,513)	(707,375)
Changes in working capital:		
Due from fellow subsidiaries	1,464,070	(272,379)
Due from ultimate holding company	-	(413)
Accrued charges	245	3
Cash generated from (used in) operations	<u>1,987,630</u>	<u>(12,522)</u>

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	2016 US\$	2015 US\$
Fellow subsidiary	Operating fee income	523,851	518,061
	Incentive fee income	143,996	154,672
	Interest income	<u>14,959</u>	<u>6,102</u>
Entity which ultimate parent of the Company has significant influence	Dividend income	<u>2,925</u>	<u>4,339</u>

Notes to Financial Statements - March 31, 2016

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 withdrawn and cancelled a guarantee issued earlier to a third party against a loan (US\$75 million outstanding as at 31 March 2016) provided by the third party to BAHCS in view of BAHCS now being financially supported by the promoter company of the ultimate parent company.

As a first step, the said promoter company has obtained necessary board and regulatory approvals to remit US\$47 million to BAHCS's lender towards part repayment of the loan on behalf of BAHCS. The same was remitted by the promoter company and received by the lender.

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.

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 2016, if the USD had weakened/strengthened by 5% (2015: 5%) against the GBP with all other variables held constant, the Company's net profit for the year would have been US\$45,279 (2015: US\$204,000) higher/lower while the exchange reserve would increase/decrease by US\$315,562 (2015: US\$1,426,000).

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.

The Company's bank balances are placed with credit-worthy banks and financial institutions in Hong Kong.

Notes to Financial Statements - March 31, 2016

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 OF FINANCIAL INSTRUMENTS

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2016 and 2015.

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 2016 and 2015.

19. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Director's remuneration

There is no director remuneration for the year (2015: Nil).

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the year (2015: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company 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 (2015: Nil).

PIEM INTERNATIONAL (H.K.) LIMITED

Detailed Income Statement Year ended March 31 2016

	Schedule	2016 US\$	2015 US\$
Revenue	A	693,944	698,796
Exchange loss		(131,933)	(400,380)
Operating expenses	B	(12,609)	(12,086)
Share of results of an associate		<u>2,068,513</u>	<u>707,375</u>
Profit before taxation		<u>2,617,915</u>	<u>993,705</u>
A. REVENUE		<u>2016 US\$</u>	<u>2015 US\$</u>
Dividend income from available-for-sale financial assets		2,925	4,339
Incentive fees		143,996	154,672
Interest income from deposits		8,213	15,622
Interest income from a fellow subsidiary		14,959	6,102
Operating fees		<u>523,851</u>	<u>518,061</u>
		<u>693,944</u>	<u>698,796</u>
B. OPERATING EXPENSES		<u>2016 US\$</u>	<u>2015 US\$</u>
Auditor's remuneration		7,535	7,093
Bank charges		3,024	2,628
Legal and professional fees		1,760	1,855
Loss on disposal of asset held for sale		10	-
Sundry expenses		<u>280</u>	<u>510</u>
		<u>12,609</u>	<u>12,086</u>

Detailed Income Statement

Year ended March 31 2016

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended 31 March 2016 and 2015 does not constitute the Company's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

Auditor's reports have been prepared on the specified financial statements for both years.

In respect of the years ended 31 March 2016 and 2015, the auditor's reports:

- were not qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the reports; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

SAMSARA PROPERTIES LIMITED

DIRECTORS AND CORPORATE INFORMATION

SAMSARA PROPERTIES LIMITED

Board of Directors

Mr. Anil P Goel

Mr. R H Parekh

Mr. N Chandrasekhar

(resigned December 31, 2015 and appointed from April 19, 2016)

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 2016.

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 (resigned December 31, 2015 and appointed from April 19, 2016)

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.

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

April 19, 2016

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 2016, 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 under the British Virgin Islands. The International Companies Act (Cap 291) and stands 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 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, 2016, 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 No. 107644 W

Deepa M. Bhide
Partner
Membership No.49616
Mumbai: April 19, 2016

Balance Sheet as at March 31, 2016

	Notes	As at March 31, 2016 US\$	As at March 31, 2015 US\$
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	6	20,001,000	20,001,000
Reserves and surplus	7	(257,189,843)	(251,746,237)
Money received against share warrants		-	-
		<u>(237,188,843)</u>	<u>(231,745,237)</u>
Share application money pending allotment			
Non-current liabilities			
Long term borrowings	8	310,195,086	325,002,203
Deferred tax liabilities (Net)		-	-
Other Long term liabilities		-	-
Long term provisions		-	-
		<u>310,195,086</u>	<u>325,002,203</u>
Current liabilities			
Short term borrowings		-	-
Trade payables		-	-
Other current liabilities	9	1,500	4,047
Short term provisions		-	-
		<u>1,500</u>	<u>4,047</u>
TOTAL		<u>73,007,743</u>	<u>93,261,013</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets		-	-
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
		<u>-</u>	<u>-</u>
Non-current investments	2e, 3, 10	72,979,453	92,609,482
Deferred tax assets (net)		-	-
Long-term loans and advances		-	-
Other non-current assets		-	-
		<u>72,979,453</u>	<u>92,609,482</u>
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables		-	-
Cash and cash equivalents	11	27,127	651,531
Short-term loans and advances	12	1,163	-
Other current assets		-	-
		<u>28,290</u>	<u>651,531</u>
TOTAL		<u>73,007,743</u>	<u>93,261,013</u>
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, April 19, 2016

For and on behalf of the Board

Anil P Goel } Directors
R H Parekh

SAMSARA PROPERTIES LIMITED

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2016

	Notes	2015-16 US\$	2014-15 US\$
Revenue			
Revenue from Operations		-	-
Other income	13	-	13
Total Revenue		<u>-</u>	<u>13</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	14	<u>21,858</u>	<u>42,357</u>
Total expenses		<u>21,858</u>	<u>42,357</u>
Profit before exceptional and extraordinary items and tax		(21,858)	(42,345)
Exceptional items	15	<u>(5,421,748)</u>	<u>(47,473,222)</u>
Profit before extraordinary items and tax		<u>(5,443,606)</u>	<u>(47,515,566)</u>
Extraordinary Items		-	-
Profit before tax		<u>(5,443,606)</u>	<u>(47,515,566)</u>
Tax expense:			
Current Tax		-	-
Deferred Yax		-	-
Total Tax		-	-
Profit / (Loss) for the period from continuing operations		(5,443,606)	(47,515,566)
Profit / (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from Discontinuing operations (after tax)		-	-
Profit / (Loss) for the period		<u>(5,443,606)</u>	<u>(47,515,566)</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, April 19, 2016

For and on behalf of the Board

Anil P Goel
R H Parekh } Directors

Cash Flow Statement for the year ended March 31, 2016

	2015-16 US\$	2014-15 US\$
Operating activities		
Profit / (Loss) before tax	(5,443,606)	(47,515,566)
Add: Non-Cash items		
Depreciation / Amortization	-	-
Provision for diminution in value of investments	-	50,000,000
(Gain) / Loss on foreign exchange fluctuations (net)	-	-
Amounts written off	-	-
Amounts written back	-	50,000,000
Less: Non-operating income		
Profit on sale of investments	5,421,748	(664,098)
Add: Non-operating expenses	-	-
Changes in Working Capital		
(Increase) / Decrease in Debtors advances and other receivables	(1,163)	23,626
Increase / (Decrease) in Sundry Creditors and other payables	(2,546)	(43,280)
	(3,709)	(19,654)
Cash generated from Operations	(25,567)	1,800,682
Less: Direct taxes paid (net)	-	-
Net Cash from Operating activities	(25,567)	1,800,682
Investing activities		
Investments made	-	-
Investments sold / disposed off	14,208,281	3,888,531
(Increase) / Decrease in loans advanced	-	20,662,345
Net Cash from Investing activities	14,208,281	24,550,876
Financing activities		
Increase in Share Capital	-	-
Loan financing costs	-	-
Increase / (Decrease) in loans from:		
Holding Company	(14,807,118)	(26,300,000)
Bank	-	-
Others	-	-
	(14,807,118)	(26,300,000)
Net Cash from Financing activities	(14,807,118)	(26,300,000)
Net increase / (decrease) in cash and cash equivalents	(624,404)	51,559
Opening Cash balance as at 1 April	651,531	599,972
Closing Cash balance as at 31 March	27,127	651,531

As per our Report attached
For Patel & Deodhar
Chartered Accountants
FRN 107644W

Ms Deepa M. Bhide
Partner
Membership No. 49616

Mumbai, April 19, 2016

For and on behalf of the Board

Anil P Goel
R H Parekh } Directors

Notes to Financial Statements for the year ended March 31, 2016

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 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.

Notes to Financial Statements for the year ended March 31, 2016

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.

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.

Note 3 : The Company had invested USD 261.83 million in 6.98% Class A Common Shares of Belmond Ltd which are listed on the New York Stock Exchange.

During the year, the Company sold 1,511,477 shares comprising 1.48% of the outstanding Class A Common shares of Belmond Limited.

Note 4 : Related Party Transactions

During the year, the Company undertook the following transactions with related parties:

Particulars of Transactions	All figures in USD	
	2015-16	2014-15
With Immediate Holding Company		
Loans received / (repaid)	(14,807,118)	(26,300,000)
Loans outstanding at year end	310,195,086	325,002,203
With Wholly Owned Subsidiary		
Loans advanced / (Loans received back) - Net	-	(23,950,342)

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, 2016

Note 6 : Share Capital

Type of shares	As at 31 March 2016		As at 31 March 2015	
	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 2016 US\$	As at 31 March 2015 US\$
Other Reserves - Foreign Exchange Translation Reserve		
Opening balance	-	3,287,996
Add: Current years transfer	-	(3,287,996)
Closing Balance	-	-
Surplus		
Opening Balance	(251,746,237)	(204,230,671)
Less: Net Profit/(Loss) for the current year	(5,443,606)	(47,515,566)
Closing Balance	<u>(257,189,843)</u>	<u>(251,746,237)</u>
Total	<u>(257,189,843)</u>	<u>(251,746,237)</u>

Note 8 :Long Term Borrowings

	As at 31 March 2016 US\$	As at 31 March 2015 US\$
Term loans from Related Parties		
Unsecured Loans	310,195,086	325,002,203
[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>310,195,086</u>	<u>325,002,203</u>

Note 9 : Other Current Liabilities

	As at 31 March 2016 US\$	As at 31 March 2015 US\$
Other payables	1,500	4,047
Total	<u>1,500</u>	<u>4,047</u>

Notes to Financial Statements for the year ended March 31, 2016

Note 10 : Non-current Investments

		Face value	As at 31 March 2016		As at 31 March 2015	
			Holding	USD	Holding	Book Value
			Nos.		Nos.	₹ in '000
A	Other Investments					
a	Quoted Equity Shares					
i	Others					
1	Belmond Ltd	0.01	5,619,287	206,334,567	7,130,764	261,834,482
	[Class A common shares, quoted on the New York Stock Exchange]. Refer Note 3 & 4.				-	-
B	Total Investments (A + B)			<u>206,334,567</u>		<u>261,834,482</u>
C	Less: Provision for diminution in value of investments			<u>133,355,114</u>		<u>169,225,000</u>
D	Total			<u><u>72,979,453</u></u>		<u><u>92,609,482</u></u>
E	NOTES :					
1.	Aggregate of Quoted Investments:					
	Cost			206,334,567		261,834,482
	Market Value			53,327,034		87,565,782
2.	All investments are long term investments.					
3.	All investments are stated at cost and are fully paid-up unless otherwise indicated.					
4.	All the shares of Belmond Ltd have been pledged to a bank against a facility obtained by the immediate parent company.					

Note 11 : Cash and Cash equivalents

		As at 31 March 2016 US\$	As at 31 March 2015 US\$
1	Balance with banks	27,127	651,531
Total		<u><u>27,127</u></u>	<u><u>651,531</u></u>

Notes to Financial Statements for the year ended March 31, 2016

Note 12 : Short-term loans and advances

	As at 31 March 2016 US\$	As at 31 March 2015 US\$
1 Other Loans and advances		
(a) Other Advances / Recoverables	1,163	-
Total	<u>1,163</u>	<u>-</u>

Note 13 : Other Income

	2015-16 US\$	2014-15 US\$
1 Interest received	-	13
Total	<u>-</u>	<u>13</u>

Note 14 : Other Expenses

	2015-16 US\$	2014-15 US\$
1. Payments to auditor as auditor	1,500	1,500
2. Professional fees and charges	962	23,649
3. Other expenses	19,282	16,010
4. Exchange loss	114	1,199
Total	<u>21,858</u>	<u>42,357</u>

Note 15 : Exceptional Items

	2015-16 US\$	2014-15 US\$
1. Provision for diminution in value of long-term investments	-	50,000,000
2. Foreign Exchange Gain	-	(1,862,680)
3. Capital Gains on sale of shares of Subsidiary	-	(664,098)
4. Capital loss on sale of quoted shares	5,421,748	-
Total	<u>5,421,748</u>	<u>47,473,222</u>

As per our report attached
For Patel & Deodhar
Chartered Accountants
 FRN 107644W

Ms Deepa M. Bhide
 Partner
 Membership No. 49616

Mumbai, April 19, 2016

For and on behalf of the Board

Anil P Goel }
R H Parekh } Directors

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 R K Sarna Mr N Chandrasekhar (resigned December 31, 2015 and appointed from April 19, 2016)
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 2016

Introduction

The Company is a subsidiary of The Indian Hotels Company Limited, a company registered in India and the proud owner of the world renowned 'Taj' brand. The parent has been in the business of luxury hospitality for well over 110 years with the first Taj hotel making its resplendent debut in Bombay, the Gateway to India in colonial times, in 1903. Over its history, the Taj has played host to the most discerning of world travelers from royalty and celebrities to the frequent business and leisure traveler. After a 15 year association with the Intercontinental Group for its hotels in the UK, the Taj proudly decided to sport its name on both the Company's hotels in London in January 2014. The hotels trade as:

- Taj 51 Buckingham Gate Suites and Residences
- St. James' Court, a Taj Hotel

Both have been well received in the market place under their new flags as the results of performance for the year under report would testify.

Business review and future developments

As reported in several of the years past, the geo political conditions that suit the travel and tourism industry best are a world in a state of relative peace and prosperity. The Syrian civil war has led to a devastation of the country leaving hundreds of thousands dead, many millions destitute and more millions as refugees. The jostling for influence by regional and world powers in the actual theatre of war has arguably made matters worse than they were and a peaceful resolution remains even further away.

Most of the Middle East and North Africa remain in conditions worse than at the start of the Arab spring over 5 years ago. Much of the world from Libya to Pakistan remain scarred by terrorism, conflict and strife. Incidents of terrorist acts are so common place and routine that it fails to shock collective world conscience until such strikes happen closer home. The attacks in peaceful Europe – Turkey, France and Belgium serve only to remind us that no part of the world is immune from the insidious nature of religious terrorism.

Absent conditions that secure for people the most fundamental basics of human life – safety, it is not a wonder that millions yearn for the relative safety and security of Europe and trek towards the same, posing the old continent with the largest migration crisis since the end of the world wars over 7 decades ago. The resolution of this crisis without sacrificing its post war values is the most significant challenge for Europe as a whole.

The UK economy is the sixth largest in the world and second only to Germany in Europe. It was estimated to have grown at an annual rate of 2.3% for 2015. Growth for 2016 has been forecast lower at 2%. Amidst increased economic uncertainty for the world since the start of the year, the British referendum of June 23 on Europe poses the most significant economic risk for the year ahead, both for the UK and the rest of the world.

The British referendum will be one of the most consequential votes for generations of Britons. Even as the world awaits to hear the British speak on that date, in an increasingly entwined world, it is appropriate that the British electorate hear the opinions expressed with candor by some of the most respected international voices. The G20 heads, the IMF, the World Bank, almost all former US Treasury Secretaries, Heads of Governments in Europe, the US, and the Commonwealth have been unanimous in their view that a British exit from the European Union would leave both the UK and Europe worse off.

While the UK referendum is ultimately a matter for the British people, the Scottish referendum reflected a sense of pragmatism shared by the Scots with the rest of the UK that remaining united was the best route to shared peace and prosperity among people who shared largely similar values. Once they have been heard at the referendum, the British people also deserve to be spared any political rancor about the outcome. Regardless of the outcome of the referendum, your Company does not expect a lasting impact on the sector in which it operates.

Elsewhere on the economic front, lower crude oil prices relative to a few years ago, low non-deflationary inflation, improved consumer confidence and spending and improving business confidence, inflationary expectations not rising despite rising real wages and steadily falling unemployment characterized the year under Report.

Steady growth in the US and gradual recovery in the EU augur well for the future although the picture is distinctly mixed for the rest of the world. Despite the India bright spot, slowdown in China, deep recessions in Russia and Brazil have deflated the emerging economies' fillip to global growth. Low oil prices have wreaked havoc on commodity economies and their currencies. Policy rates of Central Banks representing economies with more than a quarter of the World GDP are in negative terrain representing the magnitude of challenges faced by monetary policy makers in spurring economic activity.

With Inflation at zero levels in the UK, interest rate increases are neither imminent nor expected by market participants until well into the future. Interest rate rises, even when they begin, are likely to be slow, gradual and to normalize at a markedly lower level than the pre-crisis standard.

The Company is therefore cautiously optimistic about the future and remains confident of its own ability to improve financial performance in what will be a difficult year ahead.

Review of financial and operating performance

For the year under review, the Company reported an increase of 7% in overall turnover compared to the previous year. St. James Court Hotel has been operating under the Taj brand for the second year running and the growth in revenues has been heartening. Room revenues were 8% higher than the previous year, despite the fact that the Company did not have support from the IHG, which has a global reach. The Company expects a stable performance in the year ahead, subject to the economic risks outlined earlier not materializing. Food and Beverage and associated revenues were at previous year levels and the Company is hopeful of registering a strong pick up in banqueting and conference revenues in the coming year.

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 IHG 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 higher than the previous year as the Company had obtained a refund in Business Rates from the Council amounting to £0.8 million during the previous year for the on-going renovations and the lack of full capacity with which to operate. The rent review for the long leasehold of the Company's St. James Court Hotel was due on June 1, 2015 after a 14 year gap and the company has made a provision to reflect the likely rent payable.

The Company adopted FRS 102 during the year under review. Resultantly, the company has made full provision for the fair value of its open interest rate derivatives and as required under the relevant accounting standards accounted for a lower financing cost during the year under review. The implications of the adoption of FRS 102 is detailed more particularly in the Notes to the Accounts.

The Company reported an Operating Profit of £3.3 million compared to £3.6 million last year. Profit before tax was higher at £2.6 million for the year under review compared to £1.0 for the previous year. The Company has recognized overall deferred tax assets of £1.8 million in the Balance Sheet, given its improved financial performance, its sustainability over time and the expected utilization of its accumulated tax losses in two of the immediately following years ahead.

From a customer standpoint, the Company places the guest 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. The Company's hotels maintained their improved satisfaction levels achieved over the years with the Taj 51 Buckingham Gate rated in the 5 best hotels in London amongst a list of over 1100 hotels on Trip Advisor. 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

As reported last year, the Company has at an overall cost of about £26 million, now fully renovated or extensively refurbished over 150 rooms at St. James' Court and all 86 suites at Taj 51 Buckingham Gate. The fully renovated lobby at Taj 51-BG and the new Kona restaurant complete the hotel offering to its very discerning guests.

Going forward, the Company has detailed plans to renovate or refurbish the remaining inventory of 192 rooms in St James' Court over the course of the next 4 years. While the company would arrange for bank financing to cover all contingencies, a significant part of its project spends are expected to be internally generated. The Company's bankers have been able partners in determining an ideal financing structure to enable the company achieve its ambitions.

The Company's 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 attractive terms.

This report was approved by the board and signed on its behalf.

Mr N Chandrasekhar
Director

Date: 29 April 2016

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016.

The directors present their report and the financial statements for the year ended 31 March 2016.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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.

Principal activity

The company operates two hotels at Buckingham Gate, London, SW1.

Results

The profit for the year, after taxation, amounted to £3,879,651 (2015 - £1,240,238).

Directors

The directors who served during the year were:

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 (resigned 31 December 2015)

Mr R K Sarna

On 19 April 2016, Mr N Chandrasekhar was re-appointed as a non-executive independent director.

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 employees

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.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report on page 704.

Disclosure 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 relevant audit information 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: 29 April 2016

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 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 2016 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.

Stuart Collins (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 29 April 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income For the Year Ended March 31, 2016

		2016	2015
	Note	£	£
TURNOVER	3	32,774,914	30,489,652
Cost of sales		(17,632,744)	(16,565,206)
GROSS PROFIT		15,142,170	13,924,446
Administrative expenses		(11,799,965)	(10,357,817)
OPERATING PROFIT	4	3,342,205	3,566,929
Interest receivable and similar income		3,865	1,899
Interest payable and expenses	8	(698,645)	(2,612,864)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,647,425	955,964
Taxation on profit on ordinary activities	9	1,232,226	284,274
PROFIT FOR THE FINANCIAL YEAR		3,879,651	1,240,238
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,879,651	1,240,238

All amounts relate to continuing operations.

The notes on pages 713 to 723 form part of these financial statements.

ST JAMES COURT HOTEL LIMITED

Statement of financial position As at March 31, 2016

		2016		2015	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	10		99,814,900		102,060,164
CURRENT ASSETS			99,814,900		102,060,164
Stocks	11	534,761		497,244	
Debtors: amounts falling due within one year	12	3,885,807		2,817,813	
Cash at bank and in hand	13	2,477,930		171,875	
		6,898,498		3,486,932	
CREDITORS: amounts falling due within one year	14	(50,040,152)		(6,265,205)	
NET CURRENT LIABILITIES			(43,141,654)		(2,778,273)
TOTAL ASSETS LESS CURRENT LIABILITIES			56,673,246		99,281,891
CREDITORS: amounts falling due after more than one year	15		(2,630,270)		(49,118,566)
NET ASSETS			54,042,976		50,163,325
CAPITAL AND RESERVES					
Called up share capital	18		56,527,912		56,527,912
Share premium account			1,191,976		1,191,976
Profit and loss account			(3,676,912)		(7,556,563)
			54,042,976		50,163,325

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr N Chandrasekhar
Director

Date: 29 April 2016

The notes on pages 713 to 723 form part of these financial statements.

Statement of changes in equity As at March 31, 2016

	Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	56,527,912	1,191,976	(7,556,563)	50,163,325
Profit for the year	-	-	3,879,651	3,879,651
At 31 March 2016	56,527,912	1,191,976	(3,676,912)	54,042,976

Statement of changes in equity As at 31 March 2015

	Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2014	56,527,912	1,191,976	(8,796,801)	48,923,087
Profit for the year	-	-	1,240,238	1,240,238
At 31 March 2015	56,527,912	1,191,976	(7,556,563)	50,163,325

The notes on pages 713 to 723 form part of these financial statements.

ST JAMES COURT HOTEL LIMITED

Statement of cash flows For the Year Ended March 31, 2016

	2016	2015
	£	£
Cash flows from operating activities		
Profit for the financial year	3,879,651	1,240,238
Adjustments for:		
Depreciation of tangible assets	3,232,535	3,064,345
Increase in stocks	(37,517)	(10,107)
Interest paid	2,345,881	2,608,717
Interest received	(3,865)	(1,899)
Taxation	(1,232,226)	(284,274)
Decrease in debtors	164,232	280,594
Increase/(decrease) in creditors	1,267,699	(73,686)
Net fair value losses/gains recognised in P&L	(1,647,236)	4,147
Net cash generated from operating activities	7,969,154	6,828,075
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,380,401)	(4,439,317)
Interest received	3,865	1,899
HP interest paid	(3,875)	(7,103)
Net cash from investing activities	(1,380,411)	(4,444,521)
Cash flows from financing activities		
Expenses paid in connection with loans raised	-	(19,404)
New secured loans	-	2,000,000
Repayment of loans	(2,000,000)	(2,000,000)
Repayment of/new finance leases	(34,801)	3,692
Interest paid	(2,247,887)	(2,474,704)
Net cash used in financing activities	(4,282,688)	(2,490,416)
Net increase / (decrease) in cash and cash equivalents	2,306,055	(106,862)
Cash and cash equivalents at beginning of year	171,875	278,737
Cash and cash equivalents at the end of year	2,477,930	171,875
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,477,930	171,875
	2,477,930	171,875

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The balance sheet reports net current liabilities of £43.1m, principally due to the £45m bank loan falling due for renewal in August 2016. The company is in advanced negotiations within providers of finance and is confident of attractive offers for renewal terms. The company reports EBITDA of £6.5m and the directors believe the market value of the hotel properties are considerably in excess of the amounts carried in the balance sheet and so they remain satisfied that the company will continue to settle all liabilities as they fall due for the foreseeable future and hence the financial statements are prepared on a going concern basis.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at 31 March 2015 and these financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India.

1.3 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.

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Longterm leasehold property	-	Over term of lease
Fixtures, fittings and equipment	-	10% to 20% straight line
Leasehold building surfaces	-	30 years straight line basis

Notes to the Financial Statements for the year ended March 31, 2016

Assets in the course of construction are not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

Impairment reviews are carried out on assets which have useful economic lives of over 50 years at the year end.

1.5 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 income statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Benefits received and receivables 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.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the income statement.

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.10 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

Notes to the Financial Statements for the year ended March 31, 2016

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement in finance costs or income as appropriate.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 Hedge accounting

The company has entered into variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the period.

1.13 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.14 Interest income

Interest income is recognised in the Income statement using the effective interest method.

1.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

1.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Notes to the Financial Statements for the year ended March 31, 2016

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Note 2 : JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 10)

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Note 3 : ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2016	2015
	£	£
Room revenue	26,448,591	24,265,489
Food and beverage	4,906,495	4,848,934
Other	1,419,828	1,375,229
	<u>32,774,914</u>	<u>30,489,652</u>

All turnover arose within the United Kingdom.

Notes to the Financial Statements for the year ended March 31, 2016

Note 4 : OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation of tangible fixed assets	3,232,535	3,064,345
Operating lease rentals	708,333	509,235
Exchange gains	(7,704)	(19,812)
Defined contribution pension cost	115,091	112,737

Note 5 : AUDITOR'S REMUNERATION

	2016	2015
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	53,000	49,000
Fees payable to the company's auditor and its associates in respect of:		
Audit-related assurance services	52,500	54,200
Other services relating to taxation	5,000	6,950
All other services	5,000	3,000

Note 6 : EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	6,638,261	6,313,602
Social security costs	619,616	584,868
Pension costs	115,091	112,737
	7,372,968	7,011,207

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No	No.
Operations	252	241
Administration	31	30
	283	271

Note 7 : DIRECTORS' REMUNERATION

	2016	2015
	£	£
Directors' emoluments	308,511	261,057
	308,511	261,057

The highest paid director received remuneration of £308,511 (2015 - £261,057).

Notes to the Financial Statements for the year ended March 31, 2016

Note 8 : INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
On bank and other loans	2,211,806	2,475,339
Other loan costs (exceptional/deferred)	130,200	126,275
On finance leases and hire purchase contracts	3,875	7,103
Fair value movements	(1,647,236)	4,147
	<u>698,645</u>	<u>2,612,864</u>

Note 9 : TAXATION

	2016	2015
	£	£
Analysis of tax charge in the year		
Deferred tax		
Origination and reversal of timing differences	(1,289,004)	(284,274)
Effect of tax rate change on opening balance	56,778	-
Taxation on loss on ordinary activities	<u>(1,232,226)</u>	<u>(284,274)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	<u>2,647,426</u>	<u>955,964</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -21%)	529,485	200,752
Effects of:		
Expenses not deductible for tax purposes	17,961	24,239
Capital allowances for year in excess of depreciation	556,715	594,191
Non-taxable income	(329,447)	-
Effect of tax rate change on opening balance	1,151,625	-
Deferred tax not recognised	(3,158,565)	(1,103,456)
Total tax charge for the year	<u>(1,232,226)</u>	<u>(284,274)</u>

Factors that may affect future tax charges

As at 31 March 2016 the company had unrelieved trading losses of approximately £54,340,054 (2015: £61,521,410) available to set off against future profits. Except to the extent disclosed in note 17, 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 £9,781,210 (2015: £11,821,286) remain unrecognised in these financial statements.

Notes to the Financial Statements for the year ended March 31, 2016

Note 10 : TANGIBLE FIXED ASSETS

	Long term leasehold property £	Furniture, fittings and equipment £	Assets Under Course of Construction £	Total £
Cost or valuation				
At 1 April 2015	116,662,453	17,699,926	308,735	134,671,114
Additions	88,512	666,658	232,101	987,271
Disposals	-	(487,128)	-	(487,128)
Transfer between classes	-	308,735	(308,735)	-
At 31 March 2016	116,750,965	18,188,191	232,101	135,171,257
Depreciation				
At 1 April 2015	23,600,028	9,010,922	-	32,610,950
Charge for the year	2,012,433	1,220,102	-	3,232,535
Disposals	-	(487,128)	-	(487,128)
At 31 March 2016	25,612,461	9,743,896	-	35,356,357
At 31 March 2016	91,138,504	8,444,295	232,101	99,814,900
At 31 March 2015	93,062,425	8,689,004	308,735	102,060,164

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Furniture, fittings and equipment	63,098	83,016

Depreciation on assets held under finance leases or hire purchase contracts amounts to £7,423 (2015: £3,712).

Note 11 : STOCKS

	2016 £	2015 £
Stocks	534,761	497,244

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 12 : DEBTORS

	2016 £	2015 £
Trade debtors	1,351,823	1,490,093
Amounts owed by group undertakings	269,086	224,082
Other debtors	197,893	169,607
Prepayments and accrued income	267,005	366,257
Deferred taxation	1,800,000	567,774
	3,885,807	2,817,813

Notes to the Financial Statements for the year ended March 31, 2016

Note 13 : CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	<u>2,477,930</u>	<u>171,875</u>

Note 14 : CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans	44,956,623	2,000,000
Trade creditors	1,078,983	992,465
Amounts owed to group undertakings	604,041	261,275
Obligations under finance lease and hire purchase contracts	14,637	34,801
Other creditors	2,107,239	1,770,142
Accruals and deferred income	<u>1,278,629</u>	<u>1,206,522</u>
	<u>50,040,152</u>	<u>6,265,205</u>

Accruals and deferred income above includes interest payable of £112,866 (2015: £148,947).

Included in creditors were amounts payable for capital expenditure of £Nil (2015: £393,130)

Note 15 : CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Bank loans	-	44,826,423
Net obligations under finance leases and hire purchase contracts	33,578	48,215
Derivative financial instruments	<u>2,596,692</u>	<u>4,243,928</u>
	<u>2,630,270</u>	<u>49,118,566</u>

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Within one year	45,000,000	2,000,000
Between one and two years	-	45,000,000
Less: issue costs	<u>(43,377)</u>	<u>(173,577)</u>
	<u>44,956,623</u>	<u>46,826,423</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 into the next financial year. The bank loan is due to be repaid in August 2016 and the company is currently in advanced negotiations to refinance on attractive terms.

Obligations under finance leases and hire purchase contracts fall due as follows:

Amounts falling due:

	2016 £	2015 £
Between one and five years	<u>33,578</u>	<u>48,215</u>

Notes to the Financial Statements for the year ended March 31, 2016

Note 16 : FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,818,802</u>	<u>1,883,782</u>
	<u>1,818,802</u>	<u>1,883,782</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(50,025,515)	(51,056,827)
Derivative financial instruments designed as hedges of variable interest rate risk	<u>(2,596,692)</u>	<u>(4,243,928)</u>
	<u>(52,622,207)</u>	<u>(55,300,755)</u>

Financial assets measured at amortised cost comprise trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade and other payables, amounts owed to group undertakings and accrued expenses.

Derivative financial instruments designated as hedges of variable interest rate risk comprises an interest rate SWAP.

Note 17 : DEFERRED TAXATION

	Deferred tax
	£
At 1 April 2015	567,774
Charged to the profit or loss	<u>1,232,226</u>
At 31 March 2016	<u>1,800,000</u>

The deferred tax asset is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	569,657	-
Tax losses carried forward and other deductions	<u>1,230,343</u>	<u>567,774</u>
	<u>1,800,000</u>	<u>567,774</u>

A deferred tax asset has been recognised for the anticipated utilisation of tax losses in the next 2 financial years 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 18 : SHARE CAPITAL

	2016	2015
	£	£
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>

Notes to the Financial Statements for the year ended March 31, 2016

Note 19 : CAPITAL COMMITMENTS

At 31 March 2016 the company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>216,774</u>	<u>85,737</u>

Note 20 : COMMITMENTS UNDER OPERATING LEASES

At 31 March 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	503,552	506,827
Later than 1 year and not later than 5 years	2,000,000	2,000,000
Later than 5 years	<u>47,583,333</u>	<u>48,083,333</u>
Total	<u>50,086,885</u>	<u>50,590,160</u>

Note 21 : RELATED PARTY TRANSACTIONS

There is a loan due from a director that at the year end had an overall outstanding balance of £Nil (2015: £9,000). During the year net repayments of £9,000 were made (2015: £Nil). 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 £983,260 (2015: £916,146) in management fees and £533,411 (2015: £541,427) in incentive fees.

The company paid Taj Trade & Transport Co. Limited a royalty fee of £481 (2015: £755), purchased goods at a cost of £579 (2015: £3,377).

The company also charged £119,400 (2015: £119,651) in respect of rent and £26,321 (2015: £33,387) in respect of utilities to Taj International Hotels Limited. Taj International Hotels Limited recharged salary and related costs of £338,559 (2015: £313,104) and sold goods of £272,430 (2015: £270,568) to the company.

The Indian Hotels Company Limited recharged the company £197,681 (2015: £96,445) for expenses it incurred on behalf of the company in the year. The company during the year recovered costs of £562,225 (2015: £595,272) which it incurred on behalf of The Indian Hotels Company Limited.

During the year the company received £8,511 (2015: £9,527) in room income from International Hotel Management Services Inc relating to guest visits.

The company had the following balances with other related parties:

	2016 £	2015 £
Amount due from Taj International Hotels Limited	6,959	2,453
Amount due to Taj International Hotels Limited	(51,477)	(50,477)
Amount due from Taj Trade and Transport Limited	2,065	3,067
Amount due to Taj International Hotels (HK) Limited	(552,563)	(210,798)
Amount due from The Indian Hotels Company Limited	229,256	218,561
Amount due from Ihoco BV	<u>30,805</u>	<u>-</u>

Notes to the Financial Statements for the year ended March 31, 2016

Note 22 : 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.

Note 23 : FIRST TIME ADOPTION OF FRS 102

	As previously stated 1 April 2014	Effect of transition 1 April 2014	FRS 102 (as restated) 1 April 2014	As previously stated 31 March 2015	Effect of transition 31 March 2015	FRS 102 (as restated) 31 March 2015
Note	£	£	£	£	£	£
Fixed assets	101,144,004	-	101,144,004	102,060,164	-	102,060,164
Current assets	3,580,007	98,529	3,678,536	3,486,932	-	3,486,932
Creditors: amounts falling due within one year	(6,820,517)	-	(6,820,517)	6,265,205	-	6,265,205
Net current liabilities	(3,240,510)	98,529	(3,141,981)	2,778,273	-	2,778,273
Total assets less current liabilities	97,903,494	98,529	98,002,023	99,281,891	-	99,281,891
Creditors: amounts falling due after more than one year	(44,740,628)	(4,338,311)	(49,078,939)	44,874,638	4,243,928	49,118,566
Net assets	53,162,866	(4,239,782)	48,923,084	54,407,253	4,243,928	50,163,325
Capital and reserves	53,162,866	(4,239,782)	48,923,084	54,407,253	4,243,928	50,163,325
Turnover				30,489,652	-	30,489,652
Cost of sales				(16,565,206)	-	(16,565,206)
				13,924,446	-	13,924,446
Administrative expenses				(10,357,517)	-	(10,357,517)
Operating profit				3,566,929	-	3,566,929
Interest receivable and similar income				1,899	-	1,899
Interest payable and similar charges				(2,608,717)	(4,147)	(2,612,864)
Taxation				284,274	-	284,274
Profit on ordinary activities after taxation and for the financial year				1,244,385	(4,147)	1,240,238

Explanation of changes to previously reported profit and equity:

- The transitional adjustments relate to the recognition of fair value movements and derivative financial instruments (see notes 8 and 15).

TAJ INTERNATIONAL HOTELS LIMITED

DIRECTORS AND CORPORATE INFORMATION

TAJ INTERNATIONAL HOTELS LIMITED

Directors	Mr A P Goel Mr R H Parekh Mr N Chandrasekhar (resigned December 31, 2015 and appointed from April 19, 2016)
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 2016

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 the standard bearer for high quality Indian cuisine in the UK and beyond. Quilon, your company's other restaurant serves coastal Indian cuisine, and has held its 1-Michelin star rating for over 8 years now. During the year, Bombay Brasserie was extensively refurbished over a period of twelve weeks. The renovation has been received well by customers, critics and the industry. Bombay Brasserie won the acclaimed Hotelympia Restaurant Design Award for 2016 after its refurbishment and this augurs well for the future.

Business review

For the year under review, the turnover of the Company at £8.04 m was 1.5% 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 £4.95 million against £4.93 million of the previous year, despite the closure of Bombay Brasserie in parts for nearly three months.

Quilon retained its 1 star Michelin rating for Calendar 2016. The restaurant is now running to full capacity for dinner. Your Company is determined to improve lunch business at Quilon during the coming year. Bombay Brasserie has witnessed significant improvement in its restaurant revenues and is expected to improve its performance even further in the coming year.

Income from catering to Jet Airways amounted to £3.10 million against £2.99 million for the previous year. During the year, Jet Airways the sole customer for company's airline catering business shifted its European base of operations from Brussels to Amsterdam. Your company will continue to supply all its in-flight Indian cuisine meal requirements for all Jet Airways sectors out of Europe. During the year, the company was exposed to high volatility in foreign currency exchange rates and had taken necessary steps to hedge such currency risks. Overall, the Company's revenues remained stable for the year under review.

The Company reported Gross profits of £2.02m for the year compared to £ 2.13 million for the previous year. Pre-tax profit for the financial year decreased to £0.92 million from £1.07 million for the previous year. Profits after tax were resultantly lower at £0.73 million compared to £0.83 million reported for the previous year.

On the recommendation of its Board, your Company declared and paid an interim dividend of £0.5 million during the year. With the completion of renovations of both its restaurants, your Company's Board of Directors is optimistic of maintaining a sustainable dividend pay-out for the future

Principal risks and uncertainties

The Company's business is affected by the business risks associated with the operations of catering and restaurants trade in London. The cancellation of airline contracts, although unlikely, would impact revenue considerably.

In a constant reminder of the risks, Europe suffered from cowardly terrorist attacks in Paris and Brussels in a short space of four months. Terrorism and uncertainly generated by the British referendum on Britain's European Union membership will impact business sentiment and consumer confidence in the short term. Your Company remains confident of its longer term prospects.

Financial key performance indicators

Financial key performance indicators are considered in the Business review above.

Other key performance indicators

The company's 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.

This report was approved by the board and signed on its behalf.

Mr N Chandrasekhar

Director

Date: 29 April 2016

Directors' Report For the year ended 31 March 2016

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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.

Principal activity

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 £728,622 (2015 - £827,460).

Directors

The directors who served during the year were:

Mr A P Goel

Mr N Chandrasekhar (resigned 31 December 2015)

Mr R H Parekh

On 19 April 2016, Mr N Chandrasekhar was re-appointed as a non-executive independent director.

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.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report on page 725.

The directors present their report and the financial statements for the year ended 31 March 2016.

Disclosure 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 relevant audit information 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: 29 April 2016

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 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 2016 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.

Stuart Collins (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 29 April 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income For the Year Ended March 31, 2016

	Note	2016 £	2015 £
Turnover	3	8,046,707	7,926,588
Cost of sales		(6,082,777)	(5,791,065)
Gross Profit		1,963,930	2,135,523
Administrative expenses		(1,648,755)	(1,665,829)
Other operating income		605,265	583,818
Operating Profit		920,440	1,053,512
Interest receivable and similar income		2,245	19,314
Interest payable and expenses	8	-	(4,359)
Profit on Ordinary Activities before Taxation		922,685	1,068,467
Taxation on profit on ordinary activities	9	(194,063)	(241,007)
Profit for the Financial Year		728,622	827,460
Other Comprehensive Income for the Year		-	
Total Comprehensive Income for the Year		728,622	827,460

All amounts relate to continuing operations.

The notes on pages 733 to 741 form part of these financial statements.

TAJ INTERNATIONAL HOTELS LIMITED

Statement of financial position as at March 31, 2016

	Note	2016	2015
		£	£
Fixed Assets			
Tangible assets	10	1,976,514	1,766,108
Current Assets			
Stocks	11	375,669	295,308
Debtors: amounts falling due within one year	12	780,140	773,706
Cash at bank and in hand	13	1,765,770	1,675,546
		<u>2,921,579</u>	<u>2,744,560</u>
Creditors: amounts falling due within one year	14	<u>(1,577,941)</u>	<u>(1,467,105)</u>
Net Current Assets		<u>1,343,638</u>	<u>1,277,455</u>
Total Assets Less Current Liabilities		<u>3,320,152</u>	<u>3,043,563</u>
Provisions for Liabilities			
Deferred tax		(120,416)	(72,449)
Net Assets		<u>3,199,736</u>	<u>2,971,114</u>
Capital and Reserves			
Called up share capital	17	2	2
Profit and loss account		3,199,734	2,971,112
Shareholders' Funds		<u>3,199,736</u>	<u>2,971,114</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: 29 April 2016

The notes on pages 733 to 741 form part of these financial statements.

Statement of changes in equity as at March 31, 2016

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	2	2,971,112	2,971,114
Comprehensive income for the year			
Profit for the year	-	728,622	728,622
Total comprehensive income for the year	-	728,622	728,622
Dividends: Equity capital	-	(500,000)	(500,000)
Total transactions with owners	-	(500,000)	(500,000)
At 31 March 2016	2	3,199,734	3,199,736

Statement of changes in equity As at March 31, 2015

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2014	2	2,643,652	2,643,654
Comprehensive income for the year			
Profit for the year	-	827,460	827,460
Total comprehensive income for the year	-	827,460	827,460
Dividends: Equity capital	-	(500,000)	(500,000)
Total transactions with owners	-	(500,000)	(500,000)
At 31 March 2015	2	2,971,112	2,971,114

The notes on pages 733 to 741 form part of these financial statements.

TAJ INTERNATIONAL HOTELS LIMITED

Statement of cash flows For the Year Ended March 31, 2016

	2016	2015
	£	£
Cash flows from operating activities		
Profit for the financial year	728,622	827,460
Adjustments for:		
Depreciation of tangible assets	264,218	222,596
Loss on disposal of tangible assets	44,027	-
Increase in stocks	(80,361)	(84,700)
Interest paid	-	4,359
Interest received	(2,245)	(19,314)
Taxation	194,063	241,007
(Increase)/decrease in debtors	(6,434)	257,296
Increase in creditors	124,921	67,056
Corporation tax	(173,369)	(242,576)
Net cash generated from operating activities	1,093,442	1,273,184
Cash flows from investing activities		
Purchase of tangible fixed assets	(505,463)	(473,382)
Interest received	2,245	19,314
Net cash from investing activities	(503,218)	(454,068)
Cash flows from financing activities		
Repayment of loans	-	(166,721)
Dividends paid	(500,000)	(500,000)
Interest paid	-	(4,359)
Net cash used in financing activities	(500,000)	(671,080)
Net increase / (decrease) in cash and cash equivalents	90,224	148,036
Cash and cash equivalents at beginning of year	1,675,546	1,527,510
Cash and cash equivalents at the end of year	1,765,770	1,675,546
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,765,770	1,675,546
	1,765,770	1,675,546

The notes on pages 733 to 741 form part of these financial statements.

Notes to Financial Statements for the year ended March 31, 2016

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Indian Hotels Company Limited as at 31 March 2015 and these financial statements may be obtained from Mandlik House, Mandlik Road, Mumbai 400 001, India.

1.3 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.

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold Improvements - Over the period of the lease

Fixtures, fittings and equipment - 10-20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

1.5 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

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.

Notes to Financial Statements for the year ended March 31, 2016

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the income statement.

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.9 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Notes to Financial Statements for the year ended March 31, 2016

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.12 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

1.15 Interest income

Interest income is recognised in the Income statement using the effective interest method.

1.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to Financial Statements for the year ended March 31, 2016

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 10)

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. Analysis of Turnover

	2016	2015
	£	£
Restaurants	4,787,167	4,672,234
Airline catering	3,098,884	2,985,100
Other	160,656	269,254
	<u>8,046,707</u>	<u>7,926,588</u>

All turnover arose within the United Kingdom.

4. Other Operating Income

	2016	2015
	£	£
Other operating income	<u>605,265</u>	<u>583,818</u>

Other operating income comprises salary recharges and management fees received from related parties (see note 21).

5. Operating Profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	264,218	222,596
Operating lease rentals	409,413	409,655
Exchange differences	<u>(20,927)</u>	<u>78,698</u>

During the year, no director received any emoluments (2015 -£NIL).

6. Auditor's Remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>18,500</u>	<u>17,000</u>

Notes to Financial Statements for the year ended March 31, 2016

7. Employees

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	2,337,205	2,171,602
Social security costs	230,519	221,271
Cost of defined contribution scheme	122,384	98,011
	<u>2,690,108</u>	<u>2,490,884</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016	2015
	No.	No.
Admin, kitchen and waiting staff	<u>79</u>	<u>85</u>

8. Interest Payable and Similar Charges

	2016	2015
	£	£
On bank loans and overdrafts	<u>-</u>	<u>4,359</u>

9. Taxation

	2016	2015
	£	£
Analysis of tax charge in the year		
Current tax		
Current tax on profits for the year	165,634	192,913
Adjustments in respect of previous periods	(19,538)	(985)
Total current tax	<u>146,096</u>	<u>191,928</u>
Deferred tax		
Origination and reversal of timing differences	41,581	48,223
Adjustments in respect of prior years	15,145	856
Effect of tax rate change on opening balance	(8,759)	-
Total deferred tax	<u>47,967</u>	<u>49,079</u>
Taxation on profit on ordinary activities	<u>194,063</u>	<u>241,007</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 -21%). The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	<u>922,685</u>	<u>1,068,467</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -21%)	184,537	224,378
Effects of:		
Fixed asset differences	27,299	19,169
Adjustments to tax charge in respect of prior periods	(19,538)	(985)
Adjustments to deferred tax in respect of previous periods	15,145	856
Adjustments to deferred tax due to change in tax rates	(13,380)	(2,411)
Total tax charge for the year	<u>194,063</u>	<u>241,007</u>

Notes to Financial Statements for the year ended March 31, 2016

10. Tangible Fixed Assets

	Leasehold improvements	Fixtures, fittings and equipment	Assets under construction	Total
	£	£	£	£
Cost or valuation				
At 1 April 2015	1,439,874	1,169,792	407,147	3,016,813
Additions	-	-	518,651	518,651
Disposals	(68,970)	(187,939)	-	(256,909)
Transfers between classes	368,708	557,090	(925,798)	-
At 31 March 2016	1,739,612	1,538,943	-	3,278,555
Depreciation				
At 1 April 2015	397,711	852,994	-	1,250,705
Charge owned for the period	101,562	162,656	-	264,218
Disposals	(24,943)	(187,939)	-	(212,882)
At 31 March 2016	474,330	827,711	-	1,302,041
At 31 March 2016	1,265,282	711,232	-	1,976,514
At 31 March 2015	1,042,163	316,798	407,147	1,766,108

11. Stocks

	2016	2015
	£	£
Raw materials	375,669	295,308

12. Debtors

	2016	2015
	£	£
Trade debtors	568,084	512,753
Amounts owed by group undertakings	89,997	66,082
Other debtors	50,761	124,555
Prepayments and accrued income	71,298	70,316
	780,140	773,706

13. Cash and cash equivalents

	2016	2015
	£	£
Cash at bank and in hand	1,765,770	1,675,546

Notes to Financial Statements for the year ended March 31, 2016

14. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	357,464	408,909
Amounts owed to group undertakings	95,200	92,844
Corporation tax	47,866	75,139
Taxation and social security	151,230	51,990
Other creditors	32,882	13,609
Accruals and deferred income	878,574	824,614
Financial instruments	14,725	-
	<u>1,577,941</u>	<u>1,467,105</u>

Accruals and deferred income includes retention money for capital expenditure of £13,188 (2015 - £Nil).

15. Financial instruments

	2016	2015
	£	£
Financial assets	<u>708,841</u>	<u>703,390</u>
Financial assets that are debt instruments measured at amortised cost	<u>708,841</u>	<u>703,390</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(1,364,120)	(1,339,976)
Derivative financial instruments designated as hedges of exchange risk	(14,725)	-
	<u>(1,378,845)</u>	<u>(1,339,976)</u>

Financial assets measured at amortised cost comprise trade and other debtors and amounts owed by group undertakings.

Financial Liabilities measured at amortised cost comprise trade and other payables, amounts owed to group undertakings and accrued expenses.

Derivative financial instruments designated as hedges of exchange risk comprises a forward exchange contract.

16. Deferred Taxation

	Deferred tax
	£
At 1 April 2015	(72,449)
Charged to the profit or loss	(47,967)
At 31 March 2016	<u>(120,416)</u>

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	(121,071)	(73,583)
Short term timing differences	655	1,134
	<u>(120,416)</u>	<u>(72,449)</u>

17. Share Capital

	2016	2015
	£	£
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, 2016

18. Capital Commitments

At 31 March 2016 the company had capital commitments as follows:

	2016	2015
	£	£
Contracted for but not provided in these financial statements	-	217,274

19. Pension commitments

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 £122,384 (2015: £98,011). Contributions payable to the fund at the year end included in creditors totalled £3,639 (2015: £5,669).

20. Commitments under operating leases

At 31 March 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Not later than 1 year	366,800	354,200
Later than 1 year and not later than 5 years	1,352,000	1,384,700
Later than 5 years	1,933,333	2,223,333

In addition to the above, the Company has an annual commitment to pay an additional rent being the excess of 5% of sales above £76,800 in relation to The Quilon Restaurant. The lease expires within five years. The amount payable for the year was £119,409 (2015: £119,651).

21. Related Party Transactions

During the year The Indian Hotels Company Limited invoiced Taj International Hotels Limited £402,335 (2015: £396,330) for the provision of management services. Taj International Hotels Limited invoiced Taj International Hotels (HK) Limited £266,706 (2015: £270,714) 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 £119,409 (2015: £119,651) towards rent in respect of the premises let out and £26,321 (2015: £33,387) in respect of recharge of utilities. Taj International Hotels Limited recharged payroll costs of £338,559 (2015: £313,104) to St James Court Hotel Limited and made sales of goods to St James Court Hotel Limited totalling £272,430 (2015: £270,567).

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 £63,816 (2015: £15,617). Amounts were due to The Indian Hotels Company Limited of £95,200 (2015: £90,391). Amounts were due from St James Court Hotel Limited of £51,477 (2014: £50,477) and due to St James Court Hotel Limited of £6,959 (2015: £2,453).

Notes to Financial Statements for the year ended March 31, 2016

22. Controlling party

Until 22 September 2015, the company was controlled by Taj International Hotels (HK) Limited, a company incorporated in Hong Kong. Ihoco BV, a company registered in the Netherlands, has become the immediate parent undertaking and controlling party from 22 September 2015.

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.

23. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

TAJ INTERNATIONAL HOTELS (H.K.) LIMITED

DIRECTORS AND CORPORATE INFORMATION

TAJ INTERNATIONAL HOTELS (H.K.) LIMITED

Board of Directors:

Mr. R. K. Sarna

Mr. Anil P. Goel

Mr. R. H. Parekh

Mr. N. Chandrasekhar (resigned on 31 December 2015 and appointed on 19 April 2016)

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 Corporation Ltd.

DIRECTORS' REPORT

The directors submit herewith their report and audited financial statements of Taj International Hotels (H.K.) Limited (the "Company") for the year ended 31 March 2016.

Principal activities

The principal activities of the Company are investment holding and provision of consultancy, hotel management and operating services. The principal activities of its subsidiaries are set out in note 8 to the financial statements.

Results and dividends

The results of the Company for the year ended 31 March 2016 are set out in the statement of comprehensive income on page 745.

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year or during the period from the end of the year to the date of this report were:

R. K. Sarna

A. P. Goel

R. H. Parekh

N. Chandrasekhar (resigned on 31 December 2015 and appointed on 19 April 2016)

There being no provision in the Company's Articles of Association for retirement by rotation, all existing directors shall continue in office.

Arrangements for acquisition of shares or debentures

At no time during the year was the Company, its holding company 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 company.

Material interests in transactions, arrangements or contracts

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company's holding company 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.

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.

Equity-linked agreements

No equity-linked agreements into which the Company entered subsisted at any time during the year.

Permitted indemnity provisions

No permitted indemnity provision was in force during the year, or is in force at the date of this report, for the benefit of a then director or a director of the Company (whether made by the Company or otherwise) or a then director or a director of its holding company or fellow subsidiaries (if made by the Company).

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.

Approved by the Board of Directors and signed on its behalf by

A. P. GOEL

Director

5 May 2016

INDEPENDENT AUDITORS' REPORT

**To the members of
Taj International Hotels (H.K.) Limited**

We have audited the financial statements of Taj International Hotels (H.K.) Limited (the "Company") set out on pages 745 to 764, which comprise the statement of financial position as at 31 March 2016, 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 ("HKFRSs") 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 section 405 of 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 Company and its subsidiaries (collectively 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 2016 and of the financial performance and cash flows of the Group and of the Company for the year then ended in accordance with HKFRSs 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

5 May 2016

Statement of Comprehensive Income for the year ended March 31, 2016

	Note	2016 US\$	2015 US\$
Revenue	2	42,436,996	4,930,325
Other income	3	44,445,313	25,278,072
Amortisation of intangible assets		(536,088)	(536,209)
Other operating expenses	4	(20,969,570)	(66,467,365)
Finance costs	5	(1,726,335)	(1,274,676)
Share of results of an associate		-	82,148
Profit (loss) before tax	5	63,650,316	(37,987,705)
Income tax expense	6	-	-
Profit (loss) for the year		63,650,316	(37,987,705)
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive loss of an associate		-	(2,781)
Exchange loss arising from translation of interest in an associate		-	(49,657)
Other reserve released on disposal of an associate		20,580	-
Exchange differences reclassified on disposal of an associate		870,159	-
Other comprehensive income (loss) for the year, net of tax		890,739	(52,438)
Total comprehensive income (loss) for the year		64,541,055	(38,040,143)

TAJ INTERNATIONAL HOTELS (H.K.) LIMITED

Statement of Financial Position at March 31, 2016

	Note	2016 US\$	2015 US\$
Non-current assets			
Intangible assets	7	-	536,088
Interest in subsidiaries	8	78,346,809	172,183,965
Interest in an associate	9	-	1,564,698
Available-for-sale financial assets	10	-	12,628,870
		<u>78,346,809</u>	<u>186,913,621</u>
Current assets			
Due from subsidiaries	8	-	1,122,523
Due from an associate	9	-	232,447
Accounts receivable and advances	11	925,807	666,006
Loan advanced to a fellow subsidiary	12	5,000,000	-
Loan advanced to related companies	13	9,026,507	15,507,053
Due from fellow subsidiaries	14	9,022,184	-
Due from ultimate parent	15	6,949	-
Bank balances		<u>3,641,882</u>	<u>1,941,227</u>
		<u>27,623,329</u>	<u>19,469,256</u>
Current liabilities			
Accounts payable and accrued charges		140,120	297,939
Due to a subsidiary	14	17,484	23,141
Due to fellow subsidiaries	14	2,060,303	3,432,733
Due to a related company	14	27,745	783,349
Due to ultimate parent	15	-	8,227
		<u>2,245,652</u>	<u>4,545,389</u>
Net current assets		<u>25,377,677</u>	<u>14,923,867</u>
Total assets less current liabilities		<u>103,724,486</u>	<u>201,837,488</u>
Non-current liabilities			
Due to ultimate parent	15	29,398,000	177,963,415
Bank loan	16	35,197,858	49,286,500
		<u>64,595,858</u>	<u>227,249,915</u>
NET ASSETS (LIABILITIES)		<u>39,128,628</u>	<u>(25,412,427)</u>
Capital and reserves			
Share capital	17	230,000,000	230,000,000
Exchange reserve		-	(870,159)
Other reserve		-	(20,580)
Accumulated losses		(190,871,372)	(254,521,688)
TOTAL EQUITY (DEFICIT)		<u>39,128,628</u>	<u>(25,412,427)</u>

Approved and authorised for issue by the Board of Directors on 5 May 2016 and signed on behalf by

Director
A. P. GOEL

Director
R. H. PAREKH

Statement of Changes in Equity Year ended March 31, 2016

	Share capital US\$	Exchange reserve US\$ (Note i)	Other reserve US\$ (Note ii)	Accumulated losses US\$	Total US\$
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)
At 1 April 2015	230,000,000	(870,159)	(20,580)	(254,521,688)	(25,412,427)
Profit for the year	-	-	-	63,650,316	63,650,316
Other comprehensive income Exchange differences reclassified on disposal of an associate	-	870,159	-	-	870,159
Other reserve released on disposal of an associate	-	-	20,580	-	20,580
Total comprehensive income for the year	-	870,159	20,580	63,650,316	64,541,055
At 31 March 2016	230,000,000	-	-	(190,871,372)	39,128,628

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.

TAJ INTERNATIONAL HOTELS (H.K.) LIMITED

Statement of Cash Flows Year ended March 31, 2016

	Note	2016 US\$	2015 US\$
OPERATING ACTIVITIES			
Cash generated from operations	18	2,330,360	880,785
Net cash generated from operating activities		2,330,360	880,785
INVESTING ACTIVITIES			
Acquisition of investment in a subsidiary		-	(88)
Dividend received		38,255,911	923,811
Interest received		18,836	287
Loan to a fellow subsidiary		(5,000,000)	-
Loan to a related party		(212,000)	(23,304,964)
Repayment from a related party		6,498,260	350,000
Repayment from loan to a subsidiary		-	26,300,000
Sales proceeds of disposal of available-for-sales financial assets		27,630,000	-
Sales proceeds of disposal of the associate		7,060,000	-
Sales proceeds of disposal of subsidiaries		75,420,000	-
Net cash generated from investing activities		149,671,007	4,269,046
FINANCING ACTIVITIES			
Interest paid		(1,735,297)	(1,401,550)
New bank loan raised		-	49,286,500
Repayment of bank loan		-	(30,000,000)
Repayment to ultimate parent		(148,565,415)	(25,000,000)
Net cash used in investing activities		(150,300,712)	(7,115,050)
Net increase (decrease) in cash and cash equivalents		1,700,655	(1,965,219)
Cash and cash equivalents at beginning of year		1,941,227	3,906,446
Cash and cash equivalents at end of year, represented by bank balances		3,641,882	1,941,227

Notes to Financial Statements Year Ended March 31, 2016

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 and the principal activities of its subsidiaries are set out in note 8 to the financial statements.

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 (the "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 2015 financial statements. The new / revised HKFRSs that are relevant to the Company and effective from the current year had no significant effects on the results and financial position of the Company for the current and prior years. A summary of the principal accounting policies adopted by the Company is set out below.

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.

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.

Notes to Financial Statements Year Ended March 31, 2016

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.

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.

Notes to Financial Statements Year Ended March 31, 2016

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.

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 interests in subsidiaries 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

Notes to Financial Statements Year Ended March 31, 2016

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.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

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.
 - (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).

Notes to Financial Statements Year Ended March 31, 2016

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to parent of the Company.

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 assumptions concerning the future and judgements are made by the management in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Impairment of investments and receivables

The Company assesses annually if interests in subsidiaries 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.

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 HKFRSs in the future periods will have no material impact on the results of the Company.

2. REVENUE

Revenue recognised by category are as follows:

	2016	2015
	US\$	US\$
Operating fees	2,127,238	1,775,471
Incentive fees	1,328,209	1,387,471
Technical fees	706,802	843,285
Interest income	18,836	287
Dividend income	38,255,911	923,811
	42,436,996	4,930,325

Notes to Financial Statements Year Ended March 31, 2016

3. OTHER INCOME

	2016 US\$	2015 US\$
Reversal of impairment loss of interest in a subsidiary	-	25,000,000
Exchange gain	-	277,022
Recruitment and reservation fees	272	1,050
Marketing Fees	192,176	-
Group Services Fees	192,176	-
Hospitality Consulting Services	115,000	-
Gain on disposal of the subsidiary	16,129,997	-
Gain on disposal of the associate	4,604,562	-
Gain on disposal of available-for-sale financial assets	23,211,130	-
	<u>44,445,313</u>	<u>25,278,072</u>

4. OTHER OPERATING EXPENSES

	2016 US\$	2015 US\$
Technical fees expenses	463,538	503,426
Impairment loss on interest in a subsidiary	11,237,606	55,000,000
Net impairment loss on loan advanced to a related party	-	6,100,000
Impairment loss on due from fellow subsidiaries	-	27,732
Loss on disposal of the subsidiary	8,502,430	-
Other expenses	765,996	4,836,207
	<u>20,969,570</u>	<u>66,467,365</u>

5. PROFIT (LOSS) BEFORE TAX

	2016 US\$	2015 US\$
This is stated after charging:		
Finance costs		
Agency and arrangement fee	176,763	58,850
Interest on bank and other loans	1,549,572	1,215,826
	<u>1,726,335</u>	<u>1,274,676</u>
Other item		
Auditor's remuneration	26,429	25,537

Notes to Financial Statements Year Ended March 31, 2016

6. 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

	2016 US\$	2015 US\$
Profit (loss) before tax	<u>63,650,316</u>	<u>(37,987,705)</u>
Income tax at applicable tax rate of 16.5% (2015:16.5%)	10,502,302	(6,267,971)
Tax exempt income	(10,502,302)	-
Non-deductible expenses	-	6,267,971
Tax expense for the year	<u>-</u>	<u>-</u>

7. INTANGIBLE ASSETS

	Management contracts US\$
Reconciliation of carrying amount – year ended 31 March 2015	
At beginning of year	1,072,297
Amortisation	(536,209)
At the end of the reporting period	<u>536,088</u>
Reconciliation of carrying amount – year ended 31 March 2016	
At beginning of year	536,088
Amortisation	(536,088)
At the end of the reporting period	<u>-</u>
At 1 April 2015	
Costs	13,918,104
Accumulated amortisation and impairment loss	(13,382,016)
	<u>536,088</u>
At 31 March 2016	
Costs	13,918,104
Accumulated amortisation and impairment losses	(13,918,104)
	<u>-</u>

Notes to Financial Statements Year Ended March 31, 2016

8. INTEREST IN SUBSIDIARIES

	2016 US\$	2015 US\$
Unlisted shares, at cost	38,389,330	106,181,762
Impairment loss	(38,373,983)	(27,136,376)
	15,347	79,045,386
Loans to a subsidiary	310,195,086	325,002,203
Due from subsidiaries	-	1,122,523
Impairment loss	(231,863,624)	(231,863,624)
	78,346,809	173,306,488
Less: Receivable within one year	-	(1,122,523)
	<u>78,346,809</u>	<u>172,183,965</u>

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
Samsara Properties Limited ("SPL")	British Virgin Islands	100.00	-	Investment holding

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 was unsecured, interest-free and had no fixed repayment term.

The carrying amount of the amounts due approximates their fair values at the end of the reporting period.

During the year, the interests in two subsidiaries, St. James Court Hotel Limited ("SJCHL") and TAJ International Hotels Limited were disposed to a fellow subsidiary on 30 August 2015 for a consideration of US\$59,290,000 and US\$16,130,000 respectively and a loss on disposal of approximately US\$8,502,430 and a gain on disposal of approximately US\$16,129,997 were recognised respectively during the year ended 31 March 2016.

Notes to Financial Statements Year Ended March 31, 2016

9. INTEREST IN AN ASSOCIATE

	2016	2015
	US\$	US\$
Share of net assets	-	1,564,698
Due from an associate	-	232,447
	-	1,797,145
Less: Receivable within one year	-	(232,447)
	-	1,564,698

Interest in an associate as at 31 March 2015 represented 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 was accounted for using the equity method in the financial statements.

The interest in associate was disposed to a fellow subsidiary on 30 September 2015 for a consideration of US\$7,060,000 and a gain on disposal of approximately US\$4,604,562 was recognised during the year ended 31 March 2016.

The amount due from an associate was unsecured, interest-free and had no fixed repayment term.

Summary of financial information of the associate is as follows:

	As at 31 March 2016	As at 31 March 2015
	US\$	US\$
<i>Gross amount</i>		
Current assets	-	3,628,453
Non-current assets	-	11,694,947
Current liabilities	-	(1,089,961)
Non-current liabilities	-	(7,888,354)
Equity	-	6,345,085

Reconciliation

Total equity of the associate	-	6,345,085
Company's ownership interests	-	24.66%
Company's share of equity and carrying amount of interests	-	1,564,698

	Year Ended As at 31 March 2016	Year Ended As at 31 March 2015
<i>Gross amount</i>		
Revenue	-	9,160,430
Profit (loss) from continuing operations	-	333,123
Other comprehensive loss	-	(11,279)
Total comprehensive income	-	321,844

Notes to Financial Statements Year Ended March 31, 2016

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016 US\$	2015 US\$
Unlisted shares, at cost	-	4,426,299
Equity investment listed outside Hong Kong, at cost	-	8,202,571
At end of the reporting period	<u>-</u>	<u>12,628,870</u>

The available-for-sale financial assets were disposed to a fellow subsidiary during the year for a consideration of US\$35,840,000 and a gain on disposal of approximately US\$23,211,130 was recognized during the year ended 31 March 2016.

11. ACCOUNTS RECEIVABLE AND ADVANCES

	Note	2016 US\$	2015 US\$
Accounts receivables			
From third parties	11(a)	594,688	519,323
From a related company	11(b)	331,119	116,683
		<u>925,807</u>	636,006
Other receivables and advances		-	30,000
		<u>925,807</u>	<u>666,006</u>

11 (a) Included in the Company's trade receivables balance are debtors with a carrying amount of US\$41,784 (2015: US\$181,871), 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.

11 (b) The accounts receivable of US\$331,119 (2015: US\$116,683) due from a related company in which the ultimate parent of the Company has significant influence, is unsecured, interest-free and payable within 30 days from each quarter end. 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.

12. LOAN ADVANCED TO A FELLOW SUBSIDIARY

The amount is unsecured, interest-free and repayable on 21 August 2016 while the Company has the right to call back the loan with 3 days' notice. The total carrying amount approximates its fair value at the end of the reporting period.

13. LOAN ADVANCED TO RELATED COMPANIES

	Note	2016 US\$	2015 US\$
Loan advanced to a company in which the ultimate parent has significant influence	13(a)	22,306,171	28,592,431
Loan advanced to a company in which the ultimate parent has joint control	13(b)	9,045,803	9,240,089
		<u>31,351,974</u>	37,832,520
Impairment loss		<u>(22,325,467)</u>	<u>(22,325,467)</u>
	13(c)	<u>9,026,507</u>	<u>15,507,053</u>

Notes to Financial Statements Year Ended March 31, 2016

- 13 (a) The amount is unsecured, bears interest at LIBOR + 5% per annum and repayable on 30 June 2016 (2015: repayable on 30 June 2015).
- 13 (b) The amount is unsecured, interest-free and repayable on 2 April 2018 (2015: repayable on 2 April 2018) while the Company has the right to call back the loan with 3 days' notice.
- 13 (c) The total carrying amount approximates its fair value at the end of the reporting period.

14. DUE FROM (TO) A SUBSIDIARY, FELLOW SUBSIDIARIES AND A RELATED COMPANY

	Note	2016 US\$	2015 US\$
Due from fellow subsidiaries	14(a)	9,022,184	-
Due to a subsidiary	14(a)	(17,484)	(23,141)
Due to fellow subsidiaries	14(b)	(2,060,303)	(3,432,733)
Due to a related company in which the ultimate parent has significance influence	14(a)	<u>(27,745)</u>	<u>(783,349)</u>
14 (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.		
14 (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 FROM (TO) ULTIMATE PARENT

	Note	2016 US\$	2015 US\$
Accounts receivable, loans and advance		(620,000)	(620,000)
Professional fees and charges (receivables)/payables		(6,949)	8,227
Shareholder's deposits	15(a)	<u>30,018,000</u>	<u>178,583,415</u>
		29,391,051	177,971,642
Less: Receivable (repayable) within one year		<u>6,949</u>	<u>(8,227)</u>
		<u>29,398,000</u>	<u>177,963,415</u>

15 (a) Shareholder's deposits

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 Hotels 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\$595,810, US\$34,793,669 would be repayable on 23 November 2019 and US\$1,000,000 would be repayable on 23 December 2019.

TAJ INTERNATIONAL HOTELS (H.K.) LIMITED

Notes to Financial Statements Year Ended March 31, 2016

17. SHARE CAPITAL

	2016		2015	
	<i>No. of shares</i>	<i>US\$</i>	<i>No. of shares</i>	<i>US\$</i>
Issued and fully paid:				
At beginning of the year and end of the reporting period	<u>230,000,000</u>	<u>230,000,000</u>	<u>230,000,000</u>	<u>230,000,000</u>

18. CASH GENERATED FROM OPERATIONS

	2016 <i>US\$</i>	2015 <i>US\$</i>
Profit (loss) before tax	63,650,316	(37,987,705)
Amortisation of intangible assets	536,088	536,209
Dividend income	(38,255,911)	(923,811)
Exchange loss	194,286	-
Gain on disposal of available-for-sales financial assets	(23,211,130)	-
Gain on disposal of the associate	(4,604,562)	-
Gain on disposal of the subsidiary	(16,129,997)	-
Loss on disposal of the subsidiary	8,502,430	-
Impairment loss on interest in a subsidiary	11,237,606	55,000,000
Impairment loss on due from fellow subsidiaries	-	27,732
Impairment loss on loan to a related party	-	6,100,000
Interest expenses	1,549,572	1,215,826
Interest income	(18,836)	(287)
Reversal of impairment loss on interest in a subsidiary	-	(25,000,000)
Share of results of an associate	-	(82,148)
Changes in working capital:		
Accounts receivable and advances	(259,801)	(129,383)
Accounts payable and accrued charges	27,905	48,340
Due from an associate	232,447	146,709
Due from fellow subsidiaries	(812,184)	1,260,024
Due from subsidiaries	1,840,998	331,361
Due from ultimate parent	(6,949)	-
Due to a fellow subsidiary	(1,372,430)	272,379
Due to a subsidiary	(5,657)	(46,695)
Due to related companies	(755,604)	112,314
Due to ultimate parent	(8,227)	(80)
Cash generated from operations	<u>2,330,360</u>	<u>880,785</u>

Notes to Financial Statements Year Ended March 31, 2016

19. MAJOR NON-CASH TRANSACTION

During the year, SPL repaid bank loan of US\$14,088,642 on behalf of the Company by offsetting the loans to a subsidiary.

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.

21. 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	2016	2015
		US\$	US\$
Ultimate parent	Business support service fee	<u>(44,361)</u>	<u>(38,460)</u>
Companies in which the ultimate parent has significant influence (ex-associate)	Operating fee income	293,907	274,895
	Incentive fee income	<u>394,548</u>	<u>299,579</u>
Companies in which the ultimate parent has significant influence	Technical fee income	686,802	763,286
	Operating fee expenses	(157,096)	(155,359)
	Incentive fee expenses	<u>(43,182)</u>	<u>(46,384)</u>
	Loan interest income	18,699	-
Fellow subsidiaries	Interest expenses	-	(6,102)
	Operating fee expenses	(523,851)	(518,061)
	Incentive fee expenses	(143,996)	(154,672)
	Sales proceeds of investments	<u>118,320,000</u>	<u>-</u>
Fellow subsidiaries (ex-subsidaries)	Dividend income	779,602	840,286
	Operating fee income	799,697	790,854
	Incentive fee income	626,818	673,290
	Technical fee expenses	<u>(406,999)</u>	<u>(437,173)</u>
Subsidiary	Dividend income	37,420,000	-
	Restructuring expenses	<u>(28,720)</u>	<u>-</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\$78,331,462 (2015: US\$93,138,579) is in the form of share capital of SPL and shareholders' advances at the end of the reporting period. 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\$nil (2015: US\$55,000,000) was recognised during the year.
- Accounts receivable amounting to US\$9,045,804 (2015: US\$9,240,089).

Notes to Financial Statements Year Ended March 31, 2016

(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 (2015: US\$50,000,000) to secure banking facilities granted to the Company.

22. 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 (2015: 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 (2015: 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 2015.

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 2016, if the USD had weakened/strengthened by 1% (2015: 5%) against GBP with all other variables held constant, the Company's net profit (2015: net loss) for the year would have been US\$13,962 higher/lower (2015: US\$159,000 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.

Notes to Financial Statements Year Ended March 31, 2016

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:

	On demand or within 1 year	Over 1 year	Total
	US\$	US\$	US\$
As at 31 March 2016			
Bank loan	1,260,682	39,380,600	40,641,282
Accounts payable and accrued charges	140,120	-	140,120
Due to a subsidiary	17,484	-	17,484
Due to fellow subsidiaries	2,060,304	-	2,060,304
Due to a related company	27,745	-	27,745
Due to ultimate parent	-	29,398,000	29,398,000
	3,506,335	68,778,600	72,284,935
	On demand or 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
	6,154,539	234,101,840	240,256,379

23. FAIR VALUE EMASUREMENTS

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2016 and 2015.

24. 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 2016 and 2015.

Notes to Financial Statements Year Ended March 31, 2016

25. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

The following disclosures are presented pursuant to section 383 of the Hong Kong Companies Ordinance.

(a) Director's remuneration

There is no director remuneration for the year *(2015: Nil)*.

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company that were entered into or subsisted during the year *(2015: Nil)*.

(c) Directors' material interests in transactions, arrangements or contracts

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company 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 *(2015: Nil)*.

Notes to Financial Statements Year Ended March 31, 2016

Detailed Income Statement Year ended 31 March 2016

	<i>Schedule</i>	2016 US\$	2015 US\$
Revenue	<i>A</i>	42,436,996	4,930,325
Other income	<i>B</i>	44,445,313	25,278,072
Amortisation of intangible assets		(536,088)	(536,209)
Other operating expenses	<i>C</i>	(20,969,570)	(66,467,365)
Finance costs	<i>D</i>	(1,726,335)	(1,274,676)
Share of results of an associate		-	82,148
Profit (loss) before tax		63,650,316	(37,987,705)

Schedules to Detailed Income Statement Year ended 31 March 2016

	2016 US\$	2015 US\$
A. REVENUE		
Operating fees	2,127,238	1,775,471
Incentive fees	1,328,209	1,387,471
Technical fees	706,802	843,285
Interest income	18,836	287
Dividend income	38,255,911	923,811
	42,436,996	4,930,325
B. OTHER INCOME		
Reversal of impairment loss of interest in a subsidiary	-	25,000,000
Exchange gain	-	277,022
Recruitment and reservation fees	272	1,050
Marketing Fees	192,176	-
Group Services Fees	192,176	-
Hospitality Consulting Services	115,000	-
Gain on disposal of the subsidiary	16,129,997	-
Gain on disposal of the associate	4,604,562	-
Gain on disposal of available-for-sale financial assets	23,211,130	-
	44,445,313	25,278,072

Notes to Financial Statements Year Ended March 31, 2016

Schedules to Detailed Income Statement Year ended 31 March 2016 (CONTINUED)

	2016 US\$	2015 US\$
C. OTHER OPERATING EXPENSES		
Auditor's remuneration	26,429	25,537
Exchange Loss	315,862	-
General administrative expenses	28,069	20,259
Impairment loss on interest in subsidiaries	11,237,606	55,000,000
Impairment loss on loan advanced to a related party	-	6,100,000
Impairment loss on due from fellow subsidiaries	-	27,732
Legal and professional fees	138,113	63,383
Loss on disposal of the subsidiary	8,502,430	-
Technical fees	463,538	503,426
Withholding taxes	257,523	232,798
Others	-	4,494,230
	20,969,570	66,467,365
D. FINANCE COSTS		
Agency and arrangement fee	176,763	58,850
Interest on bank and other loans	1,549,572	1,215,826
	1,726,335	1,274,676

Disclosures pursuant to section 436 of the Hong Kong Companies Ordinance (the "HKCO")

The above financial information relating to the years ended 31 March 2016 and 2015 does not constitute the Company's specified financial statements for those years as defined in section 436 of the HKCO but is derived therefrom.

The Company is not required to deliver its specified financial statements to the Registrar of Companies and has not done so.

Auditor's reports have been prepared on the specified financial statements for both years.

In respect of the year ended 31 March 2016, the auditor's report:

- was qualified or otherwise modified;
- did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

In respect of the years ended 31 March 2015, the auditor's report:

- was qualified or otherwise modified;
- referred to the matter to which the auditor drew attention by way of emphasis without qualifying the report; and
- did not contain a statement under section 406(2) or 407(2) or (3) of the HKCO.

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[illegible]

AWARDS – TAJ HOTELS RESORTS AND PALACES 2015-16



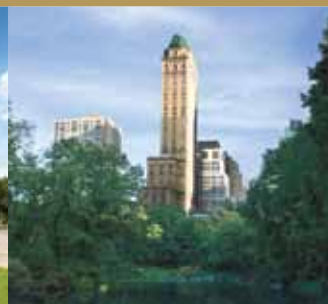
The Taj Mahal Palace, Mumbai



Umaid Bhawan Palace, Jodhpur



Taj Falaknuma Palace, Hyderabad



The Pierre, A Taj Hotel, New York

Taj Hotels Resorts and Palaces

EarthCheck - 39 hotels across brands achieved the Gold Certification and 27 hotels achieved the Silver Certification.

UK Business Traveller Awards – Best Business Hotel Chain in India.

Forbes Magazine – Featured in the list of 10 of the World's Best Luxury Hotel Brands.

T + L India & South Asia's Best Awards – Best Hotel Group in India.

The Taj Mahal Palace, Mumbai

T + L US World's Best Awards – Featured in the list of Top 100 World's Best Hotels.

DestinAsian Readers' Choice Awards – Winner in the Best Hotel in Mumbai category.

TripAdvisor Travellers' Choice Awards – Featured in the list of Top 25 Luxury Hotels in India.

Condé Nast Traveler US Gold List – Featured in the Top Hotels in the world category.

Business Traveller Asia Pacific Awards – Best Business hotel in Mumbai.

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Top 20 Hotels in India & the Himalayas.

Umaid Bhawan Palace, Jodhpur

TripAdvisor Travellers' Choice Awards – Voted as Best Hotel in the World, in Asia and in India.

Condé Nast Traveler US Gold List – Featured in the Top Hotels in the world category.

Town & Country Magazine – Featured in the list of Best Classic Hotels in the World.

Taj Lake Palace, Udaipur

TripAdvisor Travellers' Choice Awards – Featured in the list of Top 25 Hotels in Asia and in India; Top 25 Hotels for Service in Asia and in India.

Condé Nast Traveler US Gold List 2016 – Featured in the list of Favourite Hotels in the World.

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Top 20 Hotels in India & the Himalayas.

Rambagh Palace, Jaipur

Condé Nast Traveller UK, Readers' Travel Awards – Featured in the list of World's Best Hotels in Asia & the Indian Subcontinent.

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Top 20 Hotels in India & the Himalayas.

TripAdvisor Travellers' Choice Awards – Featured in the list of Top 25 Luxury Hotels in the World.

Taj Falaknuma Palace, Hyderabad

TripAdvisor Travellers' Choice Awards – Best Palace Hotel in the World.

T + L India and South Asia Best Awards – Best Heritage Hotel in India.

Nadesar Palace, Varanasi

Robb Report – Featured in the list of Top 100 Hotels: Asia and the Pacific.

The Taj Mahal Hotel, New Delhi

Business Traveller Asia Pacific Awards – Awarded Best Business Hotel in Delhi.

The Pierre, A Taj Hotel, New York

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Best Hotels in NYC.

Taj Campton

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Top 10 Hotels in San Francisco.

Michelin Guide – Campton Place Restaurant awarded second Michelin Star.

Taj Cape Town

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Top 25 Hotels in Africa.

Taj Exotica Resort & Spa, Maldives

Condé Nast Traveller India Readers' Choice Awards – Favourite overseas leisure hotel - Runner-up.

Taj Tashi, Bhutan

Condé Nast Traveler US Gold List 2016 – Featured in the list of Favourite Hotels in the World.

THE INDIAN HOTELS COMPANY LIMITED

Mandlik House, Mandlik Road, Mumbai - 400 001

A **TATA** Enterprise

www.tajhotels.com

