

# MUMTAZ HOTELS LIMITED

## BOARD

Mr. P. R. S. Oberoi, *Chairman*

Mr. Shivy Bhasin, *Vice Chairman*

Mr. Bharath Bhushan Goyal, *Managing Director*

Mr. T. K. Sibal

Mr. Manish Goyal

Mr. Vikram Oberoi

Mr. Arjun Oberoi

## AUDITORS

Virmani & Associates

Chartered Accountants

Suite No. 702

Nilgiri Place

9, Barakhamba Road

New Delhi 110 001

## REGISTERED OFFICE

4, Mangoe Lane

Kolkata 700 001

## DIRECTORS' REPORT

The Board presents its Twenty-first Annual Report together with the Audited Statement of Accounts and the Auditor's Report in respect of the year ended 31st March, 2011.

The financial highlights are set out below:

	<i>Rupees (in million)</i>	
	2010-2011	2009-2010
Total Revenue	<b>637.63</b>	586.85
Earnings before Interest, Depreciation, Taxes, Amortisations and Exceptional items (EBIDTA)	<b>300.16</b>	301.42
Interest and Finance Charges	<b>10.71</b>	30.77
Depreciation	<b>49.94</b>	56.32
Exceptional Income	–	0.03
Profit before Tax	<b>239.51</b>	214.29
Current Tax	<b>75.30</b>	(8.16)
Deferred Tax	<b>(5.53)</b>	35.94
Fringe Benefit Tax	–	–
Profit after Tax	<b>169.74</b>	186.51
Profit brought forward	<b>292.02</b>	129.59
Dividend	<b>206.50</b>	20.65
Dividend Tax	<b>33.90</b>	3.43
General Reserve	<b>20.00</b>	–
Balance carried forward	<b>201.36</b>	292.02

The Company, in respect of the year under report, recorded yet another year of satisfactory performance:

- Total Revenue during the Financial Year 2010-2011 was ₹ 637.63 million as compared to ₹ 586.85 million in the previous year, an increase of nearly 9%;
- Operating Profit during the Financial Year 2010-2011 was ₹ 300.16 million as compared to ₹ 301.42 million in the previous year;
- The Profit before Tax during the Financial Year 2010-2011 was ₹ 239.51 million as compared to ₹ 214.29 million in the previous year, an increase of nearly 12%;
- The Profit after Tax was ₹ 169.74 million as compared to ₹ 186.51 million in the previous year.

At its Meeting held on 8th February, 2011, the Board had approved payment of an interim dividend @ ₹ 5 per Equity Share. This was paid to all Shareholders on 9th February, 2011. The Board is pleased to now recommend a Final Dividend of ₹ 5 per Equity Share for declaration at the forthcoming Annual General Meeting.

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 ("the Act") and, based upon representations from the Management, the Board states that:

- a) in preparing the Annual Accounts, applicable Accounting Standards have been followed and there are no material departures;
- b) the Directors have selected accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent 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 Profit of the Company for the year;

- c) the Directors have taken proper and sufficient care in maintaining 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 of the Company on a “going concern” basis.

Mr. Shivy Bhasin and Mr. T.K. Sibal, Directors, retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

Energy conservation measures taken during the year include the following:

- installation of master switches in guest rooms;
- replacement of various sump pumps with higher efficiency sump pumps;
- replacement of incandescent lights with CFL, LED and IR lights in balance guest rooms and public areas;
- replacement of copper chokes with electronic ballasts in light fittings.

Further, energy conservation measures planned include:

- replacement of the existing boiler with a higher efficiency boiler;
- installation of new capacitor bank in power factor controller;
- upgradation of Building Management System;
- installation of higher efficiency motors for water filtration plant.

Foreign Exchange earnings during the year amounted to ₹ 585.92 million as against ₹ 567.32 million in the previous year. The expenditure in foreign currency during the year was ₹ 16.88 million as against ₹ 12.14 million in the previous year.

The Oberoi Amarvilās received the following Awards during the Financial Year 2010-2011:

<b>Award</b>	<b>Awarded by</b>
Top 100 Hotels in the World (Ranked 5th)	<i>Travel + Leisure</i> , World’s Best Service Awards, Readers’ Survey 2010
Top 15 Resorts in Asia (Ranked 2nd)	<i>Travel + Leisure</i> , World’s Best Service Awards, Readers’ Survey 2010
Top 100 Hotels in the World (Ranked 25th)	<i>Condé Nast Traveler</i> , USA, Readers’ Choice Awards 2010
Top 100 Hotels in Asia (Ranked 7th)	<i>Condé Nast Traveler</i> , USA, Readers’ Choice Awards 2010

The Company is endeavouring to appoint a suitable Company Secretary.

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is annexed.

The Company expresses its gratitude to the Government of India, Department of Tourism and all other Central and State Departments for their continued co-operation and support.

The Board takes the opportunity to thank all employees for their commitment and dedication.

For and on behalf of the Board

Bharath Bhushan Goyal *Managing Director*

T.K. Sibal  
Arjun Oberoi } *Directors*

New Delhi  
5th May, 2011

**INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011**

**A. Employed throughout the year and were in receipt of remuneration for the year which, in the aggregate, was not less than ₹ 6,000,000 or for part of the year and were in receipt of remuneration for any part of the year at a rate which, in the aggregate, was not less than ₹ 500,000 per month.**

S.No.	Name and Age of the Employee	Designation/ Nature of Duties	Gross Remuneration (₹)	Qualifications	Experience	Date of Commencement of Employment	Particulars of previous Employment
1	2	3	4	5	6	7	8
1.	Nigel Badminton 52 years	General Manager The Oberoi Amarvilās	10,684,822	Hotel Management, Hotel School of South Africa in Johannesburg	21 years	March, 2010	New York Palace

**B. Employed part of the year and were in receipt of remuneration for the year which, in aggregate was not less than ₹ 500,000 per month**

S.No.	Name and Age of the Employee	Designation/ Nature of Duties	Gross Remuneration (₹)	Qualifications	Experience	Date of Commencement of Employment	Particulars of previous Employment
1	2	3	4	5	6	7	8
1.	Manish Aggarwal 43 years	Financial Controller The Oberoi Amarvilās	1,214,310	Chartered Accountant	18 years	November, 2005	Ericsson India (P) Ltd. Gurgaon

**NOTE :**

- Gross remuneration shown above comprises of salaries, allowances and benefits as per the Company's Rules and contribution to Provident Fund but excludes payments on account of encashment of leave on retirement/resignation.
- Appointment in respect of the employee marked\* is governed by an individual service contract.
- The above employees are /were wholetime employees of the Company.
- The employees listed above are not related to any Director of the Company.
- The above employees have/had adequate experience to discharge their duties.
- No employee listed above holds by himself or along with his spouse and dependent children 2% or more of the equity shares of the Company.

New Delhi  
5th May, 2011

For and on behalf of the Board

Bharath Bhushan Goyal  
Managing Director  
T.K. Sibal  
Director  
Arjun Oberoi  
Director

## AUDITOR'S REPORT

To  
The Members of  
Mumtaz Hotels Limited

We have audited the attached Balance Sheet of Mumtaz Hotels Limited as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v) On the basis of the written representation received from the Directors of the Company as at 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

- b. in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For VIRMANI & ASSOCIATES  
*Chartered Accountants*

SURESH VIRMANI  
*Partner*

Membership No. 17617  
Firm's Registration No. 000356N

New Delhi  
5th May, 2011

**ANNEXURE TO THE AUDITOR'S REPORT**

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

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. The fixed assets are physically verified by the management according to a phased program designed to cover all items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, the management during the year has physically verified a portion of the fixed assets and no material discrepancies were noticed between the book records and the physical inventory.
3. The assets disposed off do not constitute a substantial part of the fixed assets of the company and therefore such disposal of fixed assets does not affect the going concern.
4. The inventory has been physically verified during the year by the management at reasonable intervals.
5. The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
6. The company is maintaining proper records of inventory. Having regard to the size of operation of the company and nature of inventory held, the discrepancies noticed on physical verification as compared to book records were not material and has been properly dealt with in the books of account.
7. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, matters relating to number of parties and amounts involved in the transactions, rate of interest, payment of principal and interest on a regular basis and recovery etc., are not applicable.
8. The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year and accordingly, matters relating to number of parties, amount involved in the transactions, rate of interest, payment of principal and interest on a regular basis and the other terms and conditions etc., are not applicable.
9. According to the information and explanations given to us, we are of the opinion that there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
10. (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.  
  
(b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except that for printed materials no comparable quotations are available. We are informed by the management that the charges so paid for printed materials are reasonable having regard to the nature and quality of work involved.

11. The Company has not accepted any deposits from the public. The provisions of Sections 58-A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable.
12. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
13. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
14. The Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance dues, income tax, sales tax, service tax, wealth tax, customs duty, excise duty, etc., with the relevant authorities.
15. According to the information and explanations given to us, no undisputed amounts payable by the company in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, etc., were in arrears as at 31st March, 2011, for a period of six months from the date they became payable.
16. According to the information and explanation given to us, the following dues have not been deposited on account of disputes.

S.No.	Name of the Statute	Nature of Dues	Forum where dispute is pending	Amount (₹)
1.	Uttar Pradesh Trade Tax Act, 1948	Sales Tax	Joint Commissioner (Appeals)	17,845,145
2.	Central Excise Act 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Delhi	302,065
3.	Income Tax Act 1961	Fringe Benefit Tax	Commissioner of Income Tax (Appeals), Kolkata	128,782
4.	Income Tax Act 1961	Income Tax	Chief Commissioner of Income Tax Kolkata	3,118, 565

17. The Company has no accumulated losses as at 31st March, 2011 and has not incurred cash loss during the financial year under report and in the immediately preceding financial year.
18. As per records of the Company and on the basis of the information and explanations given, we are of the opinion that the management has not defaulted in repayment of dues to banks. The company has not issued any debentures.
19. The Company has not given any loans and advances on the basis of security of pledge of shares, debentures etc., and matters specified in sub-paragraph (xii) of paragraph 4 of the Order are not applicable.
20. The matters specified in sub-paragraph (xiii) of paragraph 4 of the Order are not applicable as the company is not a chit fund or a nidhi / mutual benefit fund/society.

MUMTAZ HOTELS LIMITED

21. The matters specified in sub-paragraph (xiv) of paragraph 4 of the Order are not applicable as the company is not dealing or trading in shares, securities, debentures etc.
22. The Company has not given any guarantee for loans taken by others from any bank or financial institutions.
23. In our opinion the term loans were applied for the purpose for which they were raised.
24. According to the information & explanations given to us and on an overall examination of the balance sheet, we report that no funds raised on short-term basis have been used for long-term investment.
25. The matters specified in sub-paragraph (xviii), (xix) and (xx) of paragraph 4 of the Order relating to preferential allotment of shares, creation of security or charge for debentures issued and end use of money raised by public issue respectively are not applicable.
26. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported in the course of our audit.

For VIRMANI & ASSOCIATES  
*Chartered Accountants*

SURESH VIRMANI  
*Partner*

Membership No. 17617  
Firm's Registration No. 000356N

New Delhi  
5th May, 2011

# Balance Sheet

## as at 31st March, 2011

SOURCES OF FUNDS	Schedule	As at 31st March	
		2011 Rupees	2010 Rupees
<b>SHAREHOLDERS' FUNDS</b>			
CAPITAL	1	206,500,000	206,500,000
RESERVES AND SURPLUS	2	514,863,861	585,518,039
		<u>721,363,861</u>	<u>792,018,039</u>
<b>LOAN FUNDS</b>			
SECURED LOANS	3	72,000,000	201,714,280
DEFERRED TAX LIABILITY (Note 7)		126,840,008	132,370,262
TOTAL		<u>920,203,869</u>	<u>1,126,102,581</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	4	1,311,618,597	1,303,870,283
<i>Less</i> : DEPRECIATION		525,443,592	485,350,820
NET BLOCK		<u>786,175,005</u>	<u>818,519,463</u>
CAPITAL WORK-IN-PROGRESS		3,657,099	–
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
INTEREST ACCRUED		362,391	116,378
INVENTORIES	5	26,283,221	23,512,072
SUNDRY DEBTORS	6	61,387,732	51,152,994
CASH AND BANK BALANCES	7	162,814,623	233,370,333
LOANS AND ADVANCES	8	163,905,831	109,680,645
		<u>414,753,798</u>	<u>417,832,422</u>
<i>Less</i> : CURRENT LIABILITIES AND PROVISIONS			
LIABILITIES	9	81,672,254	79,050,159
PROVISIONS	10	202,709,779	31,199,145
		<u>284,382,033</u>	<u>110,249,304</u>
NET CURRENT ASSETS		130,371,765	307,583,118
MISCELLANEOUS EXPENDITURE (to the extent not amortised or adjusted)	11	–	–
TOTAL		<u>920,203,869</u>	<u>1,126,102,581</u>
SIGNIFICANT ACCOUNTING POLICIES	20		
NOTES TO THE ACCOUNTS	21		

Schedules 1 to 11, 20 & 21 referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For VIRMANI & ASSOCIATES  
*Chartered Accountants*

SURESH VIRMANI  
*Partner*  
Membership No. 17617  
Firm's Registration No. 000356N  
  
New Delhi  
5th May, 2011

For and on behalf of the Board

P.R.S. OBEROI	<i>Chairman</i>
SHIVY BHASIN	<i>Vice-Chairman</i>
BHARATH BHUSHAN GOYAL	<i>Managing Director</i>
T. K. SIBAL	} <i>Directors</i>
ARJUN OBEROI	
VIKRAM OBEROI	
MANISH GOYAL	

# Profit and Loss Account for the year ended 31st March, 2011

INCOME	Schedule	Year ended 31st March	
		2011 Rupees	2010 Rupees
GUEST ACCOMMODATION, RESTAURANTS, BARS & BANQUETS, ETC.	12	630,682,910	581,822,850
OTHER INCOME	13	6,948,654	5,026,617
		<u>637,631,564</u>	<u>586,849,467</u>
<b>EXPENDITURE</b>			
CONSUMPTION OF PROVISIONS, STORES, WINES AND SMOKES	14	36,038,720	34,057,695
EMPLOYEES' REMUNERATION AND WELFARE EXPENSES	15	82,649,057	60,714,630
UPKEEP AND SERVICE COST	16	97,454,455	74,187,977
ADMINISTRATIVE, SELLING & OTHER EXPENSES	17	121,328,703	116,472,464
INTEREST	18	10,713,238	30,768,017
MISCELLANEOUS EXPENDITURE AMORTISED		-	66,343
DEPRECIATION		49,935,248	56,322,891
		<u>398,119,421</u>	<u>372,590,017</u>
<b>PROFIT BEFORE PRIOR PERIOD ITEMS AND TAXATION</b>		<b>239,512,143</b>	<b>214,259,450</b>
PRIOR PERIOD INCOME		-	(33,142)
PROFIT BEFORE TAXATION		<u>239,512,143</u>	<u>214,292,592</u>
PROVISION FOR TAXATION	19	69,768,056	27,783,390
PROFIT AFTER TAXATION		<u>169,744,087</u>	<u>186,509,202</u>
PROFIT BROUGHT FORWARD		<u>292,018,039</u>	<u>129,588,544</u>
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>		<b><u>461,762,126</u></b>	<b><u>316,097,746</u></b>
<b>APPROPRIATIONS</b>			
GENERAL RESERVE		20,000,000	-
INTERIM AND FINAL DIVIDEND		206,500,000	20,650,000
CORPORATE DIVIDEND TAX		33,898,265	3,429,707
BALANCE CARRIED TO BALANCE SHEET		<u>201,363,861</u>	<u>292,018,039</u>
EARNINGS PER SHARE - BASIC AND DILUTED		8.22	9.03
NUMBER OF EQUITY SHARES		20,650,000	20,650,000
SIGNIFICANT ACCOUNTING POLICIES	20		
NOTES TO THE ACCOUNTS	21		

Schedules 12 to 21 referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For VIRMANI & ASSOCIATES  
Chartered Accountants

SURESH VIRMANI  
Partner  
Membership No. 17617  
Firm's Registration No. 000356N

New Delhi  
5th May, 2011

For and on behalf of the Board

P.R.S. OBEROI	Chairman
SHIVY BHASIN	Vice-Chairman
BHARATH BHUSHAN GOYAL	Managing Director
T. K. SIBAL	} Directors
ARJUN OBEROI	
VIKRAM OBEROI	
MANISH GOYAL	

## Cash Flow Statement

	Year ended 31st March	
	2011 Rupees	2010 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation and Prior Period Items	239,512,143	214,259,450
Adjustments for:		
Depreciation	49,935,248	56,322,891
Excess balances and depreciation written back	(102,497)	(18,431)
Loss on Sale of Assets	338,810	82,820
Profit on redemption of units of Mutual Funds	(9,278)	(971)
Dividend Income from Mutual Funds	(5,515,544)	(733,278)
Interest Income	(657,055)	(3,659,543)
Interest Expense	10,713,238	30,768,017
Miscellaneous Expenditure written off	–	66,343
Operating Profit before Working Capital Changes	<u>294,215,065</u>	<u>297,087,298</u>
Adjustments for:		
Trade & Other Receivables	(12,215,143)	(4,169,127)
Inventories	(2,771,149)	1,614,953
Trade Payables	3,858,740	9,684,833
Cash Generated from Operations before Tax & Prior Period Items	<u>283,087,513</u>	<u>304,217,957</u>
Prior Period income	–	33,142
Cash Generated from Operations before Tax	<u>283,087,513</u>	<u>304,251,099</u>
Payment of Direct Taxes	(52,267,481)	(35,852,840)
Net Cash from Operating Activities	<u>230,820,032</u>	<u>268,398,259</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(22,802,206)	(7,371,930)
Sale of Fixed Assets	463,758	888,962
Interest Received	411,042	3,862,703
Dividend Income from Mutual Funds	5,515,544	733,278
Profit on redemption of units of Mutual Funds	9,278	971
Cash used in Investing Activities	<u>(16,402,584)</u>	<u>(1,886,016)</u>

Cash Flow Statement — *Contd.*

	Year ended 31st March	
	2011 Rupees	2010 Rupees
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(12,557,094)	(32,967,630)
Repayment of Secured Loan	(129,714,280)	(106,857,144)
Increase of Finance Lease liability	1,776,457	1,871,502
Dividend paid including Corporate Dividend Tax	(144,478,241)	(24,159,468)
Net Cash used in Financing Activities	<u>(284,973,158)</u>	<u>(162,112,740)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	<u>(70,555,710)</u>	<u>104,399,503</u>
Opening Balance of Cash and Cash Equivalents	233,370,333	128,970,830
Closing Balance of Cash and Cash Equivalents	<u>162,814,623</u>	<u>233,370,333</u>

**Notes :**

1. The Cash Flow Statement has been prepared in indirect method.
2. Cash and Cash Equivalents represent Cash and Bank Balances.
3. Additions to Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between the beginning and the end of the year and are treated as part of the Investing Activities.

This is the Cash Flow Statement referred to in our report of even date.

For VIRMANI & ASSOCIATES  
*Chartered Accountants*

SURESH VIRMANI  
*Partner*  
Membership No. 17617  
Firm's Registration No. 000356N  
  
New Delhi  
5th May, 2011

For and on behalf of the Board

P.R.S. OBEROI	<i>Chairman</i>
SHIVY BHASIN	<i>Vice-Chairman</i>
BHARATH BHUSHAN GOYAL	<i>Managing Director</i>
T. K. SIBAL	} <i>Directors</i>
ARJUN OBEROI	
VIKRAM OBEROI	
MANISH GOYAL	

## Schedules to Accounts

1	Rupees	As at 31st March	
		2011 Rupees	2010 Rupees
<b>SHARE CAPITAL</b>			
AUTHORISED			
25,000,000 Equity Shares of ₹ 10 each		<u>250,000,000</u>	<u>250,000,000</u>
		<u>250,000,000</u>	<u>250,000,000</u>
ISSUED, SUBSCRIBED, CALLED AND PAID UP			
20,650,000 Equity Shares of ₹ 10 each, fully paid up (2010 - 20,650,000)		<u>206,500,000</u>	<u>206,500,000</u>
(of the above 12,390,000 Equity Shares are being held by the Holding Company - EIH Limited)		<u>206,500,000</u>	<u>206,500,000</u>
<b>2</b>			
<b>RESERVES AND SURPLUS</b>			
SHARE PREMIUM		<u>293,500,000</u>	<u>293,500,000</u>
GENERAL RESERVE		<u>20,000,000</u>	<u>-</u>
PROFIT AND LOSS ACCOUNT		<u>201,363,861</u>	<u>292,018,039</u>
		<u>514,863,861</u>	<u>585,518,039</u>
<b>3</b>			
<b>SECURED LOANS</b>			
TERM LOAN FROM BANKS		<u>70,000,000</u>	<u>195,714,280</u>
HOUSING LOAN FROM BANK		<u>2,000,000</u>	<u>6,000,000</u>
		<u>72,000,000</u>	<u>201,714,280</u>
<b>PARTICULARS OF SECURED LOANS AND NATURE OF SECURITIES</b>			
TERM LOAN FROM BANKS			
STATE BANK OF INDIA, NEW DELHI	70,000,000		
ICICI BANK, KOLKATA	-		
	<u>70,000,000</u>		
HOUSING LOAN FROM BANK			
ICICI BANK, KOLKATA	2,000,000		
1. Term Loans from Banks are secured by joint mortgage of fixed and movable assets, present and future, other than Residential Complex. The Term Loans from Banks are additionally secured by Corporate Guarantee of Holding Company and personal guarantee of three Directors.			
2. Housing Loan is secured by first mortgage of Land and Building of Residential Complex, Corporate Guarantee of Holding Company and personal guarantee of two Directors.			
3. Secured Loans due within one year ₹ 72,000,000 (2010 - ₹ 106,857,144).			

Schedules to Accounts — *Contd.*

## 4

## FIXED ASSETS

Name of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 1st April, 2010	Additions during the year	Sale/ Adjustments	Total Cost as at 31st March, 2011	As at 1st April, 2010	For the Year	Written back on sale or adjustment	Total as at 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Freehold Land (Note 1)	56,985,340	–	–	56,985,340	–	–	–	–	56,985,340	56,985,340
Building	696,842,045	374,895	–	697,216,940	99,898,619	11,360,550	–	111,259,169	585,957,771	596,943,426
Plant & Machinery	437,016,913	14,356,985	7,716,292	443,657,606	298,885,491	26,695,763	7,163,657	318,417,597	125,240,009	138,131,423
Furniture & Fixtures and Office Equipments	95,158,443	613,598	1,974,124	93,797,917	77,964,894	9,225,844	1,826,688	85,364,050	8,433,867	17,193,550
Leasehold Vehicles	7,155,408	3,799,629	1,706,377	9,248,660	4,395,619	1,635,438	852,131	5,178,926	4,069,734	2,759,789
Vehicles	10,712,134	–	–	10,712,134	4,206,197	1,017,653	–	5,223,850	5,488,284	6,505,935
<b>Total</b>	<b>1,303,870,283</b>	<b>19,145,107</b>	<b>11,396,793</b>	<b>1,311,618,597</b>	<b>485,350,820</b>	<b>49,935,248</b>	<b>9,842,476</b>	<b>525,443,592</b>	<b>786,175,005</b>	<b>818,519,463</b>
Capital Work-in-Progress	–	3,657,099	–	3,657,099	–	–	–	–	3,657,099	–
<b>Total including Capital Work-in-Progress</b>	<b>1,303,870,283</b>	<b>22,802,206</b>	<b>11,396,793</b>	<b>1,315,275,696</b>	<b>485,350,820</b>	<b>49,935,248</b>	<b>9,842,476</b>	<b>525,443,592</b>	<b>789,832,104</b>	<b>818,519,463</b>
Previous year	1,299,597,735	7,371,930	3,099,382	1,303,870,283	431,173,960	56,322,891	2,146,031	485,350,820	818,519,463	868,423,775

## Note :

- Includes Leasehold Land of the value of ₹ 30,592,639 (2010 - ₹ 30,592,639) in respect of which the registration formalities for conversion into freehold is pending completion with Agra Development Authority.

## 5

## INVENTORIES

	As at 31st March	
	2011 Rupees	2010 Rupees
Provisions, Stores, Wines & Smokes	5,538,499	5,912,857
Cutlery, Crockery, Chinaware, Glassware, Linen, etc.	12,103,345	10,762,131
Other Stores	8,641,377	6,837,084
	<b>26,283,221</b>	<b>23,512,072</b>

## 6

## SUNDRY DEBTORS (Unsecured, Considered good)

Debts Outstanding over six months	222,965	–
Other Debts	61,164,767	51,152,994
	<b>61,387,732</b>	<b>51,152,994</b>

## 7

## CASH &amp; BANK BALANCES

Cash / Cheques in Hand	894,500	2,571,259
With Scheduled Banks :		
Current Accounts	52,982,601	45,880,350
Fixed Deposits	108,937,522	184,918,724
	<b>162,814,623</b>	<b>233,370,333</b>

Schedules to Accounts — *Contd.*

	As at 31st March	
	2011 Rupees	2010 Rupees
<b>8</b>		
<b>LOANS &amp; ADVANCES (Unsecured, Considered good)</b>		
Advances and other recoverables in cash or in kind or for value to be received	10,836,744	8,145,143
Insurance Claim Receivable	–	463,649
Prepaid Expenses	5,194,840	5,442,387
Sundry Deposits	1,996,497	1,996,497
Fringe Benefit Tax (Net of provisions)	34,497	34,497
Advance Tax and Tax Deducted / Collected at Source	80,416,620	–
MAT Credit Entitlement	96,062,657	90,841,701
<i>Less:</i> MAT Credit Availed	(33,778,400)	–
Income Tax Refundable	3,142,376	2,756,771
	<u>163,905,831</u>	<u>109,680,645</u>
<b>9</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
– Due to micro enterprises and small enterprises	–	–
– Due to creditors other than micro enterprises and small enterprises	23,285,969	19,415,101
– Due to Holding Company [net of debit balances]	22,875,171	24,005,162
Security deposit from shops	1,698,000	1,683,000
Liabilities for Leased Vehicles [refer Note 9(a)]	4,896,739	3,120,282
Other Liabilities	28,252,855	28,319,238
Interest accrued but not due	663,520	2,507,376
	<u>81,672,254</u>	<u>79,050,159</u>
<b>10</b>		
<b>PROVISIONS</b>		
Gratuity	298,000	253,000
Leave Encashment	1,764,000	1,494,000
Current Tax	80,416,620	36,552,100
Wealth Tax	102,646	22,700
Income Tax/Wealth Tax/Fringe Benefit Tax for earlier years	128,782	5,349,738
Proposed Dividend	103,250,000	20,650,000
Corporate Dividend Tax	16,749,731	3,429,707
	<u>202,709,779</u>	<u>67,751,245</u>
<i>Less :</i> MAT Credit Entitlement	–	(36,552,100)
	<u>202,709,779</u>	<u>31,199,145</u>
<b>11</b>		
<b>MISCELLANEOUS EXPENDITURE</b> <b>(to the extent not amortised or adjusted)</b>		
Preliminary Expenses	–	66,343
	–	66,343
<i>Less :</i> Amortised for the year	–	66,343
	–	–

Schedules to Accounts — *Contd.*

	Year ended 31st March	
	2011 Rupees	2010 Rupees
<b>12</b>		
<b>INCOME FROM GUEST ACCOMMODATION, RESTAURANTS, BARS &amp; BANQUETS, ETC.</b>		
Rooms	440,520,402	400,659,703
Food & Beverages	150,584,504	144,411,390
Other Services	39,578,004	36,751,757
	<u>630,682,910</u>	<u>581,822,850</u>
<b>13</b>		
<b>OTHER INCOME</b>		
Interest [(Gross) (Tax Deducted at Source ₹ 93,400 (2010 - ₹ 349,834))]	657,055	3,515,935
Interest on Income Tax Refund	—	143,608
Rent [(Gross) (Tax Deducted at Source ₹ 62,400 (2010 - ₹ 95,082))]	624,000	608,000
Dividend [(Gross) from Mutual Funds (Tax Deducted at Source ₹ Nil)]	5,515,544	733,278
Profit on redemption of units of Mutual Funds	9,278	971
Balances, excess depreciation and other provisions written back	142,777	24,825
	<u>6,948,654</u>	<u>5,026,617</u>
<b>14</b>		
<b>CONSUMPTION OF PROVISIONS, STORES, WINES &amp; SMOKES</b>		
Opening Stock	5,912,857	5,426,706
Add : Purchases	35,664,362	34,543,846
	<u>41,577,219</u>	<u>39,970,552</u>
Less : Closing Stock	5,538,499	5,912,857
	<u>36,038,720</u>	<u>34,057,695</u>
<b>15</b>		
<b>EMPLOYEES' REMUNERATION &amp; WELFARE EXPENSES</b>		
Salaries, Wages & Bonus	68,767,051	49,700,361
Company's Contribution to Provident Fund	3,165,827	1,830,172
Workmen & Staff Welfare Expenses	9,391,084	7,892,695
Gratuity	181,269	81,402
Leave Encashment	1,143,826	1,210,000
	<u>82,649,057</u>	<u>60,714,630</u>
<b>16</b>		
<b>UPKEEP &amp; SERVICE COST</b>		
Linen, Uniform Washing & Laundry Expenses	691,473	560,323
Expenses on Apartment & Board	11,938,080	8,712,167
Power & Fuel	37,878,479	32,007,597
Renewals & Replacement	3,682,215	2,712,522
Repairs (as per Schedule 16A)	43,264,208	30,195,368
	<u>97,454,455</u>	<u>74,187,977</u>
<b>16A</b>		
<b>REPAIRS</b>		
Building	10,978,593	10,385,012
Plant & Machinery	22,624,881	13,483,820
Others	9,660,734	6,326,536
	<u>43,264,208</u>	<u>30,195,368</u>

Schedules to Accounts — *Contd.*

	Year ended 31st March	
	2011	2010
	Rupees	Rupees
<b>17</b>		
<b>ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Professional & Consultancy Fees	2,125,891	1,873,083
Royalty	6,384,542	5,883,666
Hotel Operating Fees	26,506,633	27,091,892
Advertisement, Publicity & Other Promotional Expenses	39,171,906	35,159,513
Commission to Travel Agents & on Credit Cards	19,614,191	19,598,221
Rates & Taxes	10,339,418	9,864,896
Insurance	1,835,952	2,322,475
Passage & Travelling	3,954,750	3,530,235
Postage, Telephone & Telex	2,547,521	2,919,086
Musical, Banquet & Kitchen Expenses	2,756,851	2,932,863
Loss on Sale of Assets	338,810	82,820
Auditor's Remuneration (refer Note 6)	917,856	648,786
Water Tax	1,841,963	1,841,963
Bank Guarantee Commission	-	3,219
Directors' Sitting Fees	520,000	540,000
Printing & Stationery	2,023,964	1,792,342
Other Expenses	448,455	387,404
	<u>121,328,703</u>	<u>116,472,464</u>
<b>18</b>		
<b>INTEREST</b>		
On Fixed Loans	<u>10,713,238</u>	<u>30,768,017</u>
	<u>10,713,238</u>	<u>30,768,017</u>
<b>19</b>		
<b>PROVISION FOR TAXATION</b>		
Income Tax/Wealth Tax/Fringe Benefit Tax for earlier years	-	334,564
Current Tax	80,416,620	36,552,100
Wealth Tax	102,646	22,700
Deferred Taxation	<u>(5,530,254)</u>	<u>35,942,627</u>
	<u>74,989,012</u>	<u>72,851,991</u>
MAT Credit Entitlement for earlier years	<u>(5,220,956)</u>	<u>(45,068,601)</u>
	<u>69,768,056</u>	<u>27,783,390</u>

## Schedules to Accounts — *Contd.*

### 20

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared in accordance with the Accounting Standards specified under Section 211(3C) of the Companies Act, 1956.

##### **ACCOUNTING CONVENTION AND REVENUE RECOGNITION**

The Financial Statements have been prepared in accordance with historical cost convention. Both Income and Expenditure items are recognised on accrual basis.

##### **USE OF ESTIMATES**

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of Financial Statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.

##### **FIXED ASSETS AND CAPITAL WORK-IN-PROGRESS**

Fixed Assets are stated at cost. Expenditure incurred during construction period including interest on borrowed capital used for construction is capitalised. Capital Work-in-Progress refers to assets under construction and includes advances paid on capital contracts.

##### **FINANCE LEASES**

Fixed Assets acquired under finance leases are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Profit and Loss Account.

##### **DEPRECIATION**

Depreciation on fixed assets other than land & leased vehicles is provided on "Straight Line Method" at the rates which are in conformity with the requirements of the Companies Act, 1956. Leased vehicles are amortised over the life of lease contract.

##### **INVENTORIES**

Inventories are valued at lower of cost and net realisable value. Cost is determined on First-In First-Out basis. Unserviceable, damaged, discarded stock and shortages are charged to the Profit and Loss Account.

##### **TRANSACTIONS IN FOREIGN CURRENCY**

Transactions in foreign currency including services are converted at the prevailing rate of exchange on the date of transactions. Difference in realisation is accounted as profit/loss on foreign exchange.

Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate prevailing at the year-end.

##### **RETIREMENT BENEFITS**

- a) The Company operates a defined contribution scheme for Provident Fund and makes regular contributions, which are fully funded and administered by Government. Contributions are recognised in the Profit and Loss Account on accrual basis.
- b) The Company maintains defined benefit plans like Gratuity and Leave Encashment. These plans are not funded and provision is made for Gratuity and Leave Encashment on the basis of actuarial valuation and the charge is recognised in the Profit and Loss Account after considering actuarial gains and losses and benefits paid during the year.

##### **TAXES ON INCOME AND FRINGE BENEFIT TAX**

Current tax is determined on the amount of tax payable in respect of taxable income/wealth for the year. Fringe benefit tax is determined on the fringe benefits provided or deemed to have been provided in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses, etc., deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws to reassess realisation/liabilities.

##### **MISCELLANEOUS EXPENDITURE**

Preliminary expenditure incurred prior to 1st April, 2000 are amortised over a period of ten years and expenditure incurred after 1st April, 2000 over a period of five years. Pre-opening expenses are amortised on a *pro rata* basis over a period of five years.

## Schedules to Accounts — *Contd.*

### CONTINGENT LIABILITIES

Provisions are recognised in terms of Accounting Standard (AS-29) on 'Provisions, Contingent Liabilities and Contingent Assets', notified pursuant to the Companies (Accounting Standards) Rules, 2006, when there is a present legal or statutory obligation as a result of past events and 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 on going basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognised in the Financial Statements.

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#### NOTES TO THE ACCOUNTS

1. The estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 2,896,000 (2010 - ₹ Nil).
2. Contingent Liabilities not provided for in respect of:
  - (a) Claims against the Company not acknowledged as debts ₹ Nil (2010 - ₹ Nil).
  - (b) Stamp Duty demand aggregating to ₹ 10,231,992 (2010 - ₹ 10,231,992) under the Indian Stamp Act 1899 against which the Company has preferred appeals.
  - (c) Entry tax demand of ₹ 660,919 (2010 - ₹ 660,919) against which the Company has preferred an appeal.
  - (d) Expenditure tax demand of ₹ 96,638 (2010 - ₹ 96,638) for the Assessment Year 2002-2003 pending rectification by Income Tax Department.
  - (e) Sales tax demands aggregating to ₹ 17,845,145 for Assessment years 2006-07 and 2007-08 are disputed in appeal. Stay of Demand has been granted by the Joint Commissioner (Appeal) Commercial Tax, Agra, Uttar Pradesh.
  - (f) Excise duty demand of ₹ 302,065 for Financial Year 2003-04 to 2007-08 disputed in appeal before the Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Delhi for which stay has been granted.
  - (g) Change of interest of ₹ 3,118,565 on Income Tax demand raised for Assessment year 2007-08 due to amendment in law with retrospective effect. The Company's application seeking waiver of interest charged is pending for disposal before the Chief Commissioner of Income Tax, Kolkata.
3. Advances recoverable include cost of land of ₹ 5,190,356 acquired by the Uttar Pradesh Shasan Van Anubhag. The Company's claim for compensation is pending adjudication before the Additional District Judge Agra, Uttar Pradesh.
4. As identified by the Company on the basis of information available, there are no Micro and Small Enterprises required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

Details of purchase and sale of investments in mutual funds during the year (non trade and short term)	Purchase		Redemption		Balance as on 31st, March 2011
	No. of Units	Amount	No. of Units	Amount	
		₹		₹	₹
a. Reliance Liquidity Fund	9,996,034	100,011,316	9,996,034	100,011,316	—
b. Reliance Liquid Fund - Treasury Plan Institutional Option - Daily Dividend	159,290	159,508,490	159,290	159,508,490	—
c. UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option)	268,237	269,348,483	268,237	269,348,483	—
d. UTI Money Market Mutual Fund	64,787	65,006,066	64,787	65,006,066	—
e. UTI Liquid Cash Plan Institutional - Daily Income Option - Reinvestment	44,149	45,007,134	44,149	45,007,134	—
f. Taurus Liquid Fund - Super Institutional Daily Dividend Reinvestment	75,008	75,008,716	75,008	75,008,716	—
g. Taurus Ultra Short Term Bond Fund - Retail Growth Plan	76,554	76,671,769	76,554	76,681,046	—
Dividend received on Mutual Funds ₹ 5,515,544					

Schedules to Accounts — *Contd.*NOTES TO THE ACCOUNTS (*Contd.*)

6. Auditor's remuneration includes Statutory Audit Fees ₹ 375,000 (2010 - ₹ 375,000), Tax Audit Fees ₹ 100,000 (2010 - ₹ 100,000), Taxation matters ₹ 200,000 (2010 - ₹ 125,000), Certification ₹ 220,000 (2010 - ₹ 20,000) and out of pocket expenses of ₹ 22,856 (2010 - ₹ 28,786).
7. During the year, the Company has accounted for Deferred Tax in accordance with Accounting Standard (AS-22) – "Accounting for Taxes on Income" as notified by the Companies Accounting Standards Rules, 2006. This has resulted in Deferred Tax Liability of ₹ 126,840,008 (2010 - ₹ 132,370,262) at the year end. Deferred Tax Liability reversed for the Current Year amounting to ₹ 5,530,254 (2010 - charged ₹ 35,942,627) have been recognised in the Profit and Loss Account under Provision for Taxation.

The Net Deferred Tax Liability comprises of the following:

	2011 Rupees	As at 31st March 2010 Rupees
<b>Deferred Tax Liability</b>		
Fixed Assets excess Net Block over written down value as per the provisions of the Income-tax Act, 1961	(128,141,513)	(133,530,660)
	<u>(128,141,513)</u>	<u>(133,530,660)</u>
<b>Deferred Tax Assets</b>		
Provision for Gratuity	98,996	85,995
Provision for Leave Encashment	586,001	507,811
Provision for Bonus	616,508	566,592
	<u>1,301,505</u>	<u>1,160,398</u>
Net Deferred Tax Liability	<u>(126,840,008)</u>	<u>(132,370,262)</u>

## 8. Related Party Disclosures

## A. Names of the Related Parties of the Company are as follows:

## I. Holding Company

EIH Limited

## II. Fellow Subsidiary Companies

- (a) Mercury Car Rentals Limited
- (b) Mashobra Resort Limited
- (c) EIH International Limited
- (d) Oberoi Kerala Hotels and Resorts Limited
- (e) EIH Flight Services Limited, Mauritius
- (f) EIH Holdings Limited
- (g) EIH Marrakech Limited
- (h) J&W Hongkong Limited
- (i) Oberoi Turtle Bay Limited
- (j) EIH Corporation Limited
- (k) EIH Investments NV
- (l) EIH Management Services BV
- (m) PT Widja Putra Karya
- (n) PT Waka Oberoi Indonesia
- (o) PT Astina Graha Ubud

## III. Enterprises in which Key Management Personnel have significant influence

- (a) Oberoi Hotels Private Limited
- (b) Oberoi Properties Private Limited
- (c) Oberoi Holdings Private Limited

Schedules to Accounts — *Contd.***NOTES TO THE ACCOUNTS (Contd.)**

- (d) Oberoi Investments Private Limited
- (e) Oberoi Buildings and Investments Private Limited
- (f) Oberoi Plaza Private Limited
- (g) Bombay Plaza Private Limited
- (h) Oberoi Leasing and Finance Company Private Limited
- (i) Aravali Polymers LLP
- (j) EIH Associated Hotels Limited
- (k) Island Hotel Maharaj Limited
- (l) Pratham Motors Private Limited
- (m) Adyar Gate Hotel Limited

**IV. Key Management Personnel**

- (a) Mr. P.R.S. Oberoi
- (b) Mr. Bharath Bhushan Goyal
- (c) Mr. Shivy Bhasin
- (d) Mr. Vikram Singh Oberoi
- (e) Mr. Arjun Singh Oberoi

**B. Transactions with Related Parties during the Financial Year and outstanding balances as on 31st March, 2011.**

Nature of transactions	Holding Company	Fellow Subsidiary	Enterprises in which Key Management Personnel have significant influence	Key Management Personnel
	Rupees	Rupees	Rupees	Rupees
<b>Purchases</b>				
Goods & Services	20,664,347	548,670	316,448	–
Fixed Assets	526,856	–	–	–
Total	<b>21,191,203</b>	<b>548,670</b>	<b>316,448</b>	–
<b>Expenses</b>				
Management Contract (inclusive of service tax)	43,321,117	–	–	–
Royalty (inclusive of service tax)	–	–	7,042,150	–
Total	<b>43,321,117</b>	–	<b>7,042,150</b>	–
<b>Sales</b>				
Goods & Services	623,108	951,506	1,819,282	–
Fixed Assets	–	–	–	–
Total	<b>623,108</b>	<b>951,506</b>	<b>1,819,282</b>	–
<b>Outstanding Balances</b>				
<b>Payables</b>				
For Goods & Services	23,163,183	1,137,514	2,579,152	–
<b>Receivables</b>				
For Goods & Services	288,011	197,141	475,622	–
<b>Outstanding financial facilities</b>				
Guarantees	43,200,000	–	–	28,800,000

Schedules to Accounts — *Contd.*NOTES TO THE ACCOUNTS (*Contd.*)

## 9. Leases

## (A) Finance Lease

## As Lessee

Fixed Assets – Leased Vehicles refer to leased assets acquired under finance leases and capitalised at the present value of minimum lease payments. The depreciation charged on such assets amounts to ₹ 1,635,438 (2010 - ₹ 1,159,173). The yearwise break-up of outstanding lease obligations are detailed as under:

The minimum lease payments outstanding as on 31st March, 2011 amount to ₹ 6,049,860 (2010 - ₹ 4,065,827) and the present value of lease liabilities amounts to ₹ 4,896,739 (2010 - ₹ 3,120,282).

	Year ended 31st March	
	2011 Rupees	2010 Rupees
<b>(i) Not later than one year</b>		
Minimum Lease Payments	2,031,948	1,233,544
Present value as at 31st March, 2011	1,470,816	821,762
<b>(ii) Later than one year but not later than five years</b>		
Minimum Lease Payments	4,017,912	2,832,283
Present value as at 31st March, 2011	3,425,923	2,298,520

## (B) Operating Leases

## (I) As Lessor

Future minimum lease payments recoverable by the Company in respect of operating leases relating to shops and accommodation are as follows:

	Non cancellable Amount Rupees	Cancellable Amount Rupees
<b>(i) Not later than one year</b>	5,832,000	1,584,000
	(5,394,600)	(1,584,000)
<b>(ii) Later than one year but not later than five years</b>	–	–
<b>(iii) Later than five years</b>	–	–
Contingent rent recognised as Income in Profit and Loss Account ₹ 3,367,567 (2010 - ₹ 4,105,344)		

## (II) As Lessee

Future minimum lease payments payable by the Company in respect of operating leases relating to Employee Housing are as follows :

<b>(i) Not later than one year</b>	–	–
	(–)	(982,735)
<b>(ii) Later than one year but not later than five years</b>	–	–
	(–)	(–)
<b>(iii) Later than five years</b>	–	–
	(–)	(–)

(Figures in brackets represent figures for 2010)

The Company has entered into cancellable lease agreements for residential premises for employees. The lease rentals of ₹ 2,628,478 (net of recoveries of ₹ 697,889) (2010 - ₹ 2,353,793) has been shown under the head workmen and staff welfare expenses.

Schedules to Accounts — *Contd.*NOTES TO THE ACCOUNTS (*Contd.*)

## 10. Post Retirement Benefits

Long Term Defined Benefit Plans in respect of Gratuity and Leave Encashment on 31st March, 2011 as per Actuarial Valuations using Projected Unit Credit Method and recognised in the Financial Statements in respect of Employee Benefit Schemes:

	2011		2010		2009	
	Gratuity (Unfunded) Rupees	Leave Encashment (Unfunded) Rupees	Gratuity (Unfunded) Rupees	Leave Encashment (Unfunded) Rupees	Gratuity (Unfunded) Rupees	Leave Encashment (Unfunded) Rupees
<b>I Components of Employer Expenses</b>						
1. Current Service Cost	142,000	69,000	252,402	402,445	503,182	969,340
2. Interest Cost	21,000	123,000	21,000	23,000	31,000	24,000
3. Expected Return on Plan Assets	–	–	–	–	–	–
4. Curtailment Cost/(Credit)	–	–	–	–	–	–
5. Settlement Cost/(Credit)	–	–	–	–	–	–
6. Past Service Cost	93,000	–	–	–	–	–
7. Actuarial Losses/(Gains)	(211,000)	78,000	(192,000)	1,137,000	(505,000)	(83,000)
8. <b>Total expenses recognised in the Statement of Profit and Loss Account</b>	<b>45,000</b>	<b>270,000</b>	<b>81,402</b>	<b>1,562,445</b>	<b>29,182</b>	<b>910,340</b>
<b>II Net Asset/(Liability) recognised in Balance Sheet as at 31st March, 2011</b>						
1. Present Value of Defined Benefit Obligations	298,000	1,764,000	253,000	1,494,000	268,000	284,000
2. Fair Value on Plan Assets	–	–	–	–	–	–
3. Status [Surplus/(Deficit)]	–	–	–	–	–	–
4. Unrecognised Past Service Cost	–	–	–	–	–	–
5. <b>Net Asset/(Liability) recognised in Balance Sheet</b>	<b>298,000</b>	<b>1,764,000</b>	<b>253,000</b>	<b>1,494,000</b>	<b>268,000</b>	<b>284,000</b>
<b>III Change in Defined Benefit Obligations (DBO) during the year ended 31st March, 2011</b>						
1. Present value of DBO at the beginning of the year	253,000	1,494,000	268,000	284,000	378,000	291,000
2. Current Service Cost	142,000	69,000	252,402	402,445	503,182	969,340
3. Interest Cost	21,000	123,000	21,000	23,000	31,000	24,000
4. Curtailment Cost/(Credit)	–	–	–	–	–	–
5. Settlement Cost/(Credit)	–	–	–	–	–	–
6. Plan Amendments	93,000	–	–	–	–	–
7. Acquisitions	–	–	–	–	–	–
8. Actuarial (Gains)/Losses	(211,000)	78,000	(192,000)	1,137,000	(505,000)	(83,000)
9. Benefits Paid	–	–	(96,402)	(352,445)	(139,182)	(917,340)
10. <b>Present Value of DBO at the end of the year</b>	<b>298,000</b>	<b>1,764,000</b>	<b>253,000</b>	<b>1,494,000</b>	<b>268,000</b>	<b>284,000</b>
<b>IV Actuarial Assumptions</b>						
1. Discount Rate (%)	8.35%		8.25%		8.00%	
2. Expected rate of return	–		–		–	
3. Salary Escalation (%)	5.00%		5.00%		5.00%	
4. Mortality		LIC (1994-96) mortality tables		LIC (1994-96) mortality tables		LIC (1994-96) mortality tables

The above benefit plans are not funded and therefore disclosure regarding fair value of plan assets. Surplus or deficit in the plan and experience adjustments are not given.

Schedules to Accounts — *Contd.*NOTES TO THE ACCOUNTS (*Contd.*)

11. As the turnover of the Company includes sale of food and beverages, it is not practical to give quantity wise details of the turnover and food and beverages consumed. Exemption u/s 211(4) of the Companies Act, 1956 from giving such details has been granted by the Government of India, Department of Company Affairs vide Order No. 46/115/2009-CL-III dated 24/04/2009.

12. Value of Imports calculated on C.I.F. basis in respect of

	Year ended 31st March	
	2011 Rupees	2010 Rupees
(i) Operating supplies, etc.	642,183	113,843
(ii) Components and Spares	1,940,929	701,098
(iii) Capital Goods	<u>7,248,495</u>	<u>2,631,620</u>
	<u>9,831,607</u>	<u>3,446,561</u>

13. (a) Expenditure in foreign currency :  
Marketing, Room Commission & Others  
(Including amounts provided but not paid) 7,054,275 8,695,145

(b) Earnings in foreign exchange :  
For hotel services (as certified by Management)  
inclusive of taxes 585,918,217 567,321,469

14. The Company has only one business segment - Hotels. Accordingly, disclosure of segmentwise information is not applicable under Accounting Standard (AS-17) relating to Segment Reporting.

15. Basic and Diluted earnings per Equity Share are calculated by dividing the profit attributable to Equity Shareholders of ₹ 169,744,087 (2010 - ₹ 186,509,202) by 20,650,000 (2010 - 20,650,000) Equity Shares being the Weighted Average Number of Equity Shares in issue during the year.

16. The figures for the previous year have been reworked/regrouped and recast wherever considered necessary.

Schedules to Accounts — *Contd.*

17.

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

<b>(I) Registration Details</b>	
Registration Number	L55\0\W.B.2002 PLC21-95270
State Code	21
Balance Sheet Date	31st March, 2011
<b>(II) Capital raised during the year</b> <span style="float: right;"><i>(Amount in ₹ thousands)</i></span>	
Public Issue	—
Rights Issue	—
Bonus Issue	—
Private Placement	—
Conversion of Detachable Warrants	—
<b>(III) Position of mobilisation and deployment of funds</b> <span style="float: right;"><i>(Amount in ₹ thousands)</i></span>	
Total Liabilities	920,204
Total Assets	920,204
<b>Sources of Funds</b>	
Paid-up Capital	206,500
Reserves & Surplus	514,864
Secured Loans	72,000
Deferred Tax Liability	126,840
<b>Applications of Funds</b>	
Net Fixed Assets (Inclusive of Capital Work in Progress)	789,832
Investments	—
Net Current Assets	130,372
Miscellaneous Expenditure	—
Accumulated Losses	—
<b>(IV) Performance of the Company</b> <span style="float: right;"><i>(Amount in ₹ thousands)</i></span>	
Turnover (including other income)	637,632
Total Expenditure	398,119
Profit (+)/Loss (-) before Tax	239,512
Profit (+)/Loss (-) after Tax	169,744
Earnings Per Share (in ₹)	8.22
Dividend (on Equity Shares)	100%
<b>(V) Generic Names of principal products/services of the Company as per monetary terms</b>	
Item Code No. (ITC Code)	591001006
Product Description	Hotels
Item Code No. (ITC Code)	390001002
Product Description	Restaurants

For and on behalf of the Board

For VIRMANI & ASSOCIATES  
Chartered AccountantsSURESH VIRMANI  
Partner  
Membership No. 17617  
Firm's Registration No. 000356NNew Delhi  
5th May, 2011

P.R.S. OBEROI	Chairman
SHIVY BHASIN	Vice-Chairman
BHARATH BHUSHAN GOYAL	Managing Director
T. K. SIBAL	} Directors
ARJUN OBEROI	
VIKRAM OBEROI	
MANISH GOYAL	