

MUMTAZ HOTELS LIMITED

FINANCIAL STATEMENTS FOR  
THE YEAR 2014-2015

## DIRECTORS' REPORT

The Members  
Mumtaz Hotels Limited

The Board presents its Twenty Fifth Annual Report together with the Audited Statement of Accounts and the Auditor's Report in respect of the year ended 31<sup>st</sup> March, 2015.

### Financial Highlights

The financial highlights of the year under review as compared to the previous year are given below:

	<i>Rupees (in million)</i>	
	<b>2014-2015</b>	2013-2014
Total Revenue	902.59	855.24
Earnings before Interest, Depreciation, Taxes, Amortisations and Exceptional Items (EBIDTA)	433.85	428.46
Interest and Finance Charges	0.63	0.70
Depreciation	39.87	35.61
Profit before Tax	393.35	392.15
Current Tax	134.00	130.10
Deferred Tax	(0.73)	1.92
Profit after Tax	260.08	260.13
Profit Brought forward	180.70	188.57
Dividend	206.50	206.50
Dividend Distribution Tax	41.66	35.10
General Reserve	-	26.40
Balance Carried forward	169.82	180.70
Carrying amount of fixed assets where remaining useful life as on 1.4.2014 is Nil	22.80	-

## **Performance**

During the Financial year under review, the Company's Total Revenue was Rs 902.59 million as compared to Rs 855.24 million in the previous year. This represents an increase of 5.5 % when compared to the previous year. The Profit for the year before Interest, Depreciation, Taxes and Amortisations (EBIDTA) was Rs 433.85 million as compared to Rs 428.46 million in the previous year, an increase of 1.3%. The Profit after tax was Rs. 260.08 million as compared to Rs. 260.13 million.

## **Dividend**

At its meeting held on 25<sup>th</sup> February, 2015, the Board had approved payment of interim dividend of Rs 5 per equity share. This was paid to all shareholders on 27<sup>th</sup> February, 2015. The Board recommends to the shareholders a final dividend of Rs 10 per equity share (inclusive of interim dividend of Rs 5 per share) for the financial year ended 31<sup>st</sup> March, 2015 i.e for 2014-15. The outgo on dividend and corporate dividend tax will be Rs 248.16 million.

## **Directors' Responsibility Statement**

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013 ("the Act"), and based on representations from the Management, the Board states that:

- a) in preparing the Annual Accounts, it has followed applicable Accounting Standards and that there are no material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements 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 the end of the financial year and of the profit of the Company for that period;
- c) the Directors, to the best of their knowledge and ability, had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the Annual Accounts of the Company on a "going concern" basis; and
- e) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operate effectively.

## **Directors**

Mr. Raj Kataria was appointed as an "Independent Director" on the Board at the Extraordinary General Meeting held on 25<sup>th</sup> February, 2015 for a period of 5 years, not liable to retire by rotation after the Board of Directors at its meeting held on 25<sup>th</sup> February, 2015 was of the unanimous opinion that Mr. Raj Kataria is an Independent Director based on the declaration given by Mr. Kataria under sub-section (6) of Section 149 of the Act.

Mr. P.R.S.Oberoi and Mr. Bharat Bhushan Goyal retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

## **Key Managerial Personnel**

Mr. Samit Guha who was appointed as the Chief Financial Officer ('CFO') of the Company at the Board meeting held on 15<sup>th</sup> May, 2014 had resigned. In his place Mr. Biswajit Mitra has been appointed as the CFO of the Company with effect from 29<sup>th</sup> November, 2014, at the Board Meeting held on 26<sup>th</sup> November, 2014.

Mr. S.N. Sridhar has been appointed as the Company Secretary of the Company, at the Board Meeting held on 15<sup>th</sup> May, 2014.

## **Corporate Social Responsibility**

In accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formulated a CSR policy which can be accessed at the website of the holding company viz: [www.eihltd.com](http://www.eihltd.com). The details of the policy and the Annual Report on CSR on or after 1<sup>st</sup> April, 2014 is given in the enclosed **Annexure** which forms part of this Report.

## **Audit Committee**

The Board of Directors on 31<sup>st</sup> March, 2015 had reconstituted the Audit Committee comprising of Mr. Raj Kataria, Independent Director and Chairperson of the Audit Committee, another independent Director (when appointed) and Mr. Vikram Oberoi.

## **Company's Policy on Directors' Appointment and Remuneration**

The Company is making its best effort to appoint another independent Director on the Board as required under the Companies Act, 2013. The Directors' Appointment and Remuneration Policy will be formulated once the Company appoints another Independent Director on the Board and constitute the Nomination and Remuneration Committee.

As the Company's share capital is less than Rs 25 crores, the evaluation process for the Board, its committees and Directors are not applicable to the Company.

## **Risk Management**

The Company is a subsidiary of EIH Limited, the holding Company. At the group level, a comprehensive Risk Management policy, procedure and risk committee is in place which is being followed by the Company's hotel, *The Oberoi Amarvilas* and the Company as a whole. The risk, if any on the Company and the Company's hotel is monitored periodically.

## **Energy Conservation Measures**

Energy conservation measures during this year included improved automation of hot water system, insulation of chiller evaporator & improved control of operation in air-conditioning, ventilation, lighting and other equipments of hotel during normal and low season.

Measures planned for next year are replacement of Halogen lamps with energy efficient LED lamps, improved heat exchanger coils for air handling units, installation of occupancy sensors and energy audit of hotel.

## **Foreign Exchange Earnings and outgo**

Foreign Exchange earnings during the year amounted to Rs.761.98 million as compared to Rs.760.59 million in the previous year. The outflow of Foreign exchange during the year was Rs. 9.61million as compared to Rs. 10.46 million in the previous year.

## **Auditors**

The Auditors, Messers Virmani & Associates, Chartered Accountants, retire at the conclusion of the Twenty fifth Annual General Meeting and offer themselves for re-appointment. They have confirmed that if appointed, their appointment will be within the limits prescribed under Section 139 of the Act. Directors recommend their appointment as auditors of the Company for the financial year 2015-16.

## **Auditor's Report**

The Auditor's Report does not contain any observation, adverse comment or qualification for the Board to comment.

## **Significant and Material Orders, if any**

During the year, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

### **Contracts or Arrangements**

The Contract or arrangements with Related Parties are in the ordinary course of business and are at arm's length. There are no material Contracts or arrangements entered into by the Company with its Related Parties, required to be reported in the prescribed form in terms of Section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

### **Extract of Annual Return**

Extract of the Annual Return in **Form MGT-9 is Annexed.**

### **Loans, Guarantees or investments**

During the year, the Company has not given any loan or Guarantee and have not made any investments.

### **Deposits**

During the year, the Company has not accepted any deposits.

### **Secretarial Audit, Internal Audit, Vigil Mechanism**

The Company does not qualify the requirement for appointment of a Secretarial Auditor and Internal Auditor. The Company does not qualify the requirement of establishment of a Vigil Mechanism in terms of Section 177 of the Act read with Rule 7 (1) of the Companies (Meetings of the Board) Rules, 2014.

### **Board Meetings**

During the year, the Company held four Board Meeting on 15<sup>th</sup> May, 2014, 10<sup>th</sup> September, 2014, 26<sup>th</sup> November, 2014 and 25<sup>th</sup> February, 2015 respectively.

### **Subsidiaries, Associates and Joint Ventures**

The Company does not have any subsidiary, Associate or Joint venture.

### **Director / KMP Remuneration**

Directors of the Company are not paid any remuneration except sitting fee for each sitting of the Board or committee thereof. Mr. Bharat Bhushan Goyal, Managing Director, does not draw any remuneration from the Company. The Key Managerial Personnel, CFO and the Company Secretary of the Company also do not draw any remuneration from the Company.

## Particulars of Employees

There are no employees in the Company drawing remuneration more than the limit as prescribed under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration) Rules, 2014.

## Awards

Awards won by *The Oberoi Amarvilas* are as under:

The Oberoi, Amarvilas, Agra, Uttar Pradesh, India	Top 15 Resorts in Asia (Ranked 7 <sup>th</sup> )	<i>Travel+Leisure</i> Worlds Best Awards, Readers' Survey, 2014
	Best Hotels in India (Ranked 4 <sup>th</sup> )	<i>Conde Nast Traveler</i> , USA Readers' Choice Awards, 2014
	Top 25 Hotels in India (Ranked 12 <sup>th</sup> )	Trip Advisor, Travellers' Choice Awards, 2015
	Top 25 Luxury Hotels in India (Ranked 14 <sup>th</sup> )	Trip Advisor, Travellers' Choice Awards, 2015
	Top 25 Hotels for Romance (Ranked 17 <sup>th</sup> )	Trip Advisor, Travellers' Choice Awards, 2015
	Top 25 Hotels for Romance in India (Ranked 14 <sup>th</sup> )	Trip Advisor, Travellers' Choice Awards, 2014
	Top 25 Luxury Hotels in India (Ranked 17 <sup>th</sup> )	Trip Advisor, Travellers' Choice Awards, 2014

## Acknowledgement

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

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

For and on behalf of the Board

Place: New Delhi  
Date: 20<sup>th</sup> May, 2015

Bharat Bhushan Goyal      Shivy Bhasin  
*Managing Director*      *Vice Chairperson*

**Format for the Annual Report on CSR Activities to be included in the Board Report**

**1. A brief outline of the Company's CSR Policy, including overview of projects or programs to be undertaken and a reference to the web-link to the CSR Policy and projects and programs.**

The Board of Directors, on the recommendation of the CSR Committee, had formulated a Corporate Social Responsibility Policy ("CSR"). As per the Policy Statement, Company's CSR policy will focus on addressing the critical social, economic and educational needs of the marginalized under-privileged children of the society. The policy will particularly direct its energies to orphan and homeless children and care for their educational, nutritional, health and psychological development needs. The policy will also focus on sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation, Contribution to Clean Ganga Fund set up by the Central Government for rejuvenation river Ganga and also contribution to the Prime Minister's National Relief Fund.

The CSR Policy and the activities of the Company are available in the holding Company's website [www.eihltd.com](http://www.eihltd.com).

**2. The Composition of the CSR Committee**

The Composition of CSR Committee is as under:

- i) Mr. Vikram Oberoi- Chairperson;
- ii) Mr. Arjun Oberoi- Member;
- iii) Mr. Manish Goyal- Member;
- iv) Mr. Raj Kataria- Independent Director and Member

**3. Average Net Profit of the Company for the last three Financial Years**

Rs.33,95,92,079 (Rupees Thirty three crores Ninety Five lacs Ninety two thousand).

**4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above).**

Rs. 67,91,842 (Rupees Sixty Seven lacs Ninety Two Thousand).

**5. Details of CSR spent during the financial year**

a) Total Amount to be spent for the financial year : Rs 67,91,842

b) Amount unspent, if any : Nil

c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs )	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Over-heads : (Rs )	Cumulative expenditure up to the reporting period (Rs)	Amount spent Direct or through implementing agency
1	Swatch Bharat Abhiyan Sanitation Program	Urban	Around 500 meters of the Hotel Complex at The Oberoi Amarvilas at Agra.	2,50,000	1,38,249	1,38,249	Direct
2.	Prime Minister's National Relief Fund	-	-	-	66,53,752	66,53,752	Direct
			<b>TOTAL</b>		<b>67,92,001</b>	<b>67,92,001</b>	

6. In case the Company has failed to spend the two percent 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 the Board report.

The Company has fully spent the 2% CSR amount during the financial year 2014-15.

7. The CSR Committee states that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

**Bharat Bhushan Goyal**  
Managing Director

**Vikram Oberoi**  
Chairperson – CSR Committee

Annexure

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U55101WB1990PLC095270
2.	Registration Date	01/10/1990
3.	Name of the Company	MUMTAZ HOTELS LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	4, MANGO LANE, 6TH FLOOR WEST BENGAL, KOLKATA - 700001
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

**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
1	HOTELS	9963/99631110	100 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

S N	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/A ssociate	% of Share held	Applicable Section
1	EIH Ltd, 4, Mangoe Lane, Kolkata - 700001	L55101WB1949PLC017981	HOLDING	60%	2(46)

**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[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) <b>Indian</b>									
a) Individual/HUF	NIL	8260010	8260010	40	NIL	8260010	8260010	40	NIL
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	NIL	12389990	12389990	60	NIL	12389990	12389990	60	NIL
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	NIL	20650000	20650000	100	NIL	20650000	20650000	100	NIL
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									

<b>Sub-total (B)(1):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>NIL</b>	<b>20650000</b>	<b>20650000</b>	<b>100</b>	<b>NIL</b>	<b>20650000</b>	<b>20650000</b>	<b>100</b>	<b>NIL</b>

**(ii) Shareholding of Promoters-**

S N	Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year	% change in
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		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	shareholding during the year
1	PARMA DEVI GOYAL	233005	1.13	NIL	233005	1.13	NIL	NIL
2	VIJAY GOYAL	260005	1.26	NIL	260005	1.26	NIL	NIL
3	SASHI MALHOTRA	55511	0.27	NIL	55511	0.27	NIL	NIL
4	MANISH GOYAL	799296	3.87	NIL	799296	3.87	NIL	NIL
5	MANAV GOYAL	1068939	5.17	NIL	1068939	5.17	NIL	NIL
6	RAVISH GOYAL	799294	3.87	NIL	799294	3.87	NIL	NIL
7	VINISH GOYAL	799294	3.87	NIL	799294	3.87	NIL	NIL
8	GAURAV GOYAL	1068940	5.17	NIL	1068940	5.17	NIL	NIL
9	CHANDRA SEONI	55501	0.26	NIL	55501	0.26	NIL	NIL
10	MRIDU BHASIN	1560107	7.56	NIL	1560107	7.56	NIL	NIL
11	SHIVY BHASIN	1560108	7.56	NIL	1560108	7.56	NIL	NIL
12	EIH LIMITED	12389990	60	NIL	12389990	60	NIL	NIL
13	EIH LIMITED JOINTLY WITH P.K.SARKAR	1	-	NIL	1	-	NIL	NIL
14	EIH LIMITED JOINTLY WITH S.N.SRIDHAR	1	-	NIL	1	-	NIL	NIL
15	EIH LIMITED JOINTLY WITH BISWAJIT MITRA	2	-	NIL	1	-	NIL	NIL
16	EIH LIMITED JOINTLY WITH M.K.MUKHERJEE	1	-	NIL	1	-	NIL	NIL
17	EIH LIMITED JOINTLY WITH MANAS KUMAR DATTA	1	-	NIL	1	-	NIL	NIL
18	EIH LIMITED JOINTLY WITH P.K MUKHOPADHYAY	1	-	NIL	1	-	NIL	NIL
19	EIH LIMITED JOINTLY WITH S.S.MONDAL	1	-	NIL	1	-	NIL	NIL
20	EIH LIMITED JOINTLY WITH SUMIT NAG	1	-	NIL	1	-	NIL	NIL
21	EIH LIMITED JOINTLY WITH S.DUTTA	1	-	NIL	1	-	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	20650000	100	20650000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /	NO CHANGES		NO CHANGES	

decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
At the end of the year	20650000	100	20650000	100

**(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
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NOT APPLICABLE		NOT APPLICABLE	
	At the end of the year				

**(V) Shareholding of Directors and Key Managerial Personnel: (AS PER ANNEXURE-1)**

S N	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				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	<b>AS PER ANNEXURE-1</b>			
	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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5,116,729	.....	.....	5,116,729
ii) Interest due but not paid	.....	.....	.....	.....
iii) Interest accrued but not due	.....	.....	.....	.....
<b>Total (i+ii+iii)</b>	<b>5,116,729</b>	.....	.....	<b>5,116,729</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	1,112,994	.....	.....	1,112,994
* Reduction	1,545,203	.....	.....	1,545,203
<b>Net Change</b>	<b>(432,209)</b>	.....	.....	<b>(432,209)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,684,520	.....	.....	4,684,520
ii) Interest due but not paid	.....	.....	.....	.....
iii) Interest accrued but not due	.....	.....	.....	.....
<b>Total (i+ii+iii)</b>	<b>4,684,520</b>	.....	.....	<b>4,684,520</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	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,	-----					-----
	Total (A)	-----					-----
	Ceiling as per the Act	10% of Net Profit					-----

**B. Remuneration to other directors (AS PER ANNEXURE – 2)**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		-----	----	---	
1	Independent Directors	NOT APPLICABLE			
	Fee for attending board committee meetings	----			
	Commission	-----			
	Others, please specify	-----			
	Total (1)	-----			
2	Other Non-Executive Directors	AS PER ANNEXURE - 2			
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL

4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	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)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

(V) Shareholding of Directors and Key Managerial Personnel: (ANNEXURE-1)

S N O ..1	MR. SHIVY BHASIN VICE CHAIRMAN	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	1560108	7.56	1560108	7.56
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	<b>NO CHANGE</b>		<b>NO CHANGE</b>	
	At the end of the year	1560108	7.56	1560108	7.56

S N O ..2	MR. MANISH GOYAL 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	799296	3.87	799296	3.87
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	<b>NO CHANGE</b>		<b>NO CHANGE</b>	
	At the end of the year	799296	3.87	799296	3.87

B. Remuneration to other directors (ANNEXURE – 2)

2) Other Non-Executive Directors (NAMES)	Fee for attending board committee meetings	Commission	Others. please Specify	Total (2)	Total (B)=(1+2)	Total Managerial Remuneration	Overall Ceiling as per the Act
Mr. PRS Oberoi	20,000	NIL	NIL	20,000	20,000	20,000	Rs. 1,00,000 Per Meeting
Mr. Vikram Oberoi	1,60,000	NIL	NIL	1,60,000	1,60,000	1,60,000	Rs. 1,00,000 Per Meeting
Mr. Arjun Oberoi	1,80,000	NIL	NIL	1,80,000	1,80,000	1,80,000	Rs. 1,00,000 Per Meeting
Mr. B.B Goyal	1,20,000	NIL	NIL	1,20,000	1,20,000	1,20,000	Rs. 1,00,000 Per Meeting
Mr. Shivy Bhasin	1,20,000	NIL	NIL	1,20,000	1,20,000	1,20,000	Rs. 1,00,000 Per Meeting
Mr. Manish Goyal	1,80,000	NIL	NIL	1,80,000	1,80,000	1,80,000	Rs. 1,00,000 Per Meeting
Mr. T.K.Sibal	1,40,000	NIL	NIL	1,40,000	1,40,000	1,40,000	Rs. 1,00,000 Per Meeting
<b>Total Amount</b>	9,20,000	NIL	NIL	9,20,000	9,20,000	9,20,000	

## **Independent Auditor's Report**

**To the Members of Mumtaz Hotels Limited**

### **Report on the Financial Statements of Mumtaz Hotels Limited**

We have audited the accompanying financial statements of Mumtaz Hotels Limited ('the Company'), which comprise the balance sheet as at March 31, 2015, the statement of profit and loss, and the cash flows 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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial

reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **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 this Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit and cash flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

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

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

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid 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 written representations received from directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act and

(f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 24 to the financial statements;

ii. 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 Virmani and Associates  
Chartered Accountants  
ICAI Registration No.000356N

Suresh Virmani  
Partner  
Membership No: 17617

Place: New Delhi  
Dated: May 20, 2015

### **Annexure to the Independent Auditor's Report**

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements of the Murtaz Hotels Limited Company for the year ended March 31, 2015. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The 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.
- (ii) (a) The inventory has been physically verified during the year by the Management of the Company. In our opinion, the frequency of verification is reasonable.
- (b) According to the explanation given to us, the procedures for physical verification of inventory followed by the Management of the Company 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 physical verification as compared to the book of records were not material and have been properly adjusted in the books of account.
- (iii) The Company has not given any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, matters relating to receipt of principal amount, interest and recovery thereof etc., are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the products and services offered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, sales tax, service tax, customs duty, excise duty, value added tax, cess, and any other material statutory dues.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value

added tax, cess and any other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following dues of expenditure tax, sales tax, value added tax, excise duty, income tax and fringe benefit tax have not been deposited by the Company on account of disputes:

	Name of Statute	Nature of Dues	Period for which it relates	Amount [₹]	Forum where dispute is pending
1.	Expenditure Tax Act, 1987	Expenditure tax	Assessment Year 2002-03	96,638/-	Assessing Officer, Kolkata
2.	Uttar Pradesh Trade Tax Act, 1948	Sales Tax	Financial year 2006-07	761,782/-	Uttar Pradesh Commercial Tax Tribunal, Agra
			Financial year 2007-08	189,810/-	Allahabad High Court, U.P.
				<b>951,592/-</b>	
3.	Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Financial Year 2007-08 (3 months)	329,904/-	Uttar Pradesh Commercial Tax Tribunal, Agra
			Financial Year 2007-08	340,839/-	Additional Commissioner (Judicial) Commercial Tax Agra
			Financial Year 2009-10	182,360/-	Uttar Pradesh Commercial Tax Tribunal, Agra
				<b>853,103/-</b>	
4.	Central Excise Act 1944	Excise Duty	Financial year 2003-04 to 2007-08	302,065/-	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Delhi
				<b>302,065/-</b>	

5.	Income Tax Act 1961	Fringe Benefit Tax	Assessment Year 2007-08	128,782/-	Commissioner of Income Tax (Appeals), Kolkata
			Assessment Year 2008-09	443,936/-	Commissioner of Income Tax (Appeals), Kolkata
				572,718/-	
6.	Income Tax Act 1961	Income Tax	Assessment Year 2009-10	1,28,174/-	Commissioner of Income Tax (Appeals), Kolkata
			Assessment Year 2012-13	20,794,370/-	Commissioner of Income Tax (Appeals), Kolkata
				20,922,544/-	

(c) According to information and explanation given to us, no amounts were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956 and the rules made thereunder.

(viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) There is no borrowing from any bank or financial institution. No debentures have been issued by the Company.

(x) According to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) The term loans being vehicle loans have been applied for the purpose for which they were obtained.

(xii) Based on the audit procedures performed and information and explanations given to us, no material fraud on or by the Company has been noticed or reported in the course of our audit.

For Virmani and Associates  
Chartered Accountants.  
ICAI Registration No. 000356 N

Suresh Virmani  
Partner  
Membership No. 017617

Place: New Delhi  
Dated: May 20, 2015

MUMTAZ HOTELS LIMITED  
Registered Office: 4 Mangoe Lane  
Kolkata

BALANCE SHEET  
As at 31st March, 2015

	NOTE	As at 31st March	
		2015 ₹	2014 ₹
<b>I. EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share Capital	2	20,65,00,000	20,65,00,000
Reserves and surplus	3	54,88,24,232	55,97,04,076
		75,53,24,232	76,62,04,076
Non-current liabilities			
Long term borrowings	4	28,77,962	38,62,067
Deferred tax liabilities (net)	5	12,73,11,899	13,63,20,511
Long term provisions	6	27,96,000	20,86,000
		13,29,85,861	14,22,68,608
Current liabilities			
Trade payables	7	6,55,33,717	6,68,84,521
Other current liabilities	8	2,70,34,999	3,20,77,227
Short-term provisions	9	12,48,03,056	12,11,64,302
		21,73,71,772	22,01,26,050
<b>TOTAL ...</b>		<b>1,10,56,81,865</b>	<b>1,12,85,98,734</b>
<b>II. ASSETS</b>			
Non-current assets			
Fixed assets			
Tangible assets	10	72,84,49,739	76,91,55,166
Capital work-in-progress		8,84,303	2,48,151
		72,93,34,042	76,94,03,317
Long term loans and advances	11	18,82,074	1,48,33,049
Current assets			
Inventories	12	2,50,34,529	2,06,97,486
Trade receivables	13	9,52,77,713	8,69,07,109
Cash and bank balances	14	21,03,54,180	20,01,43,859
Short-term loans and advances	15	3,83,28,744	3,11,02,513
Other current assets	16	54,70,583	55,09,401
		37,44,65,749	34,43,62,368
<b>TOTAL ...</b>		<b>1,10,56,81,865</b>	<b>1,12,85,98,734</b>

Significant Accounting Policies  
Notes on Financial Statements

1  
2 to 36

As per our report of even date attached

For Virmani & Associates  
Chartered Accountants  
ICAI Registration No. 000356N

Suresh Virmani  
Partner  
Membership No. 17617

Place: New Delhi  
Dated: May 20, 2015

For and on behalf of the Board

F.R.S. Oberoi  
Shivji Bhasin  
Bharati B. Goyal  
T.K. Sibal  
Arjun Oberoi  
Vibram Oberoi  
Manish Goyal  
Raj Kataria  
Biswajit Mitter  
S.N. Sridhar

Chairman  
Vice-Chairman  
Managing Director  
Director  
Director  
Director  
Director  
Director  
Chief Financial Officer  
Company Secretary

**MUMTAZ HOTELS LIMITED**  
Registered Office: 4 Mangoe Lane  
Kolkata

**Statement of Profit and Loss**  
**For the year ended 31st March, 2015**

	NOTE	Year ended 31st March	
		2015 ₹	2014 ₹
<b>INCOME</b>			
Revenue from operations	17	89,17,44,764	84,45,90,487
Other income	18	1,08,41,536	1,06,50,225
<b>Total Income</b>		<b>90,25,86,300</b>	<b>85,52,40,712</b>
<b>EXPENSES</b>			
Consumption of provisions, stores, wines and smokes	19	4,96,79,860	4,77,67,053
Employee benefits expense	20	7,95,91,980	6,90,85,457
Finance cost	21	6,28,368	7,02,455
Depreciation	21	3,98,66,506	3,56,06,807
Other expenses	22	33,94,65,379	30,99,30,653
<b>Total Expenses</b>		<b>50,92,32,093</b>	<b>46,30,92,425</b>
<b>Profit before tax</b>		<b>39,33,54,207</b>	<b>39,21,48,287</b>
<b>Tax expense</b>	23		
- Current tax		13,40,00,000	13,01,00,000
- Deferred tax		(7,31,321)	19,20,167
<b>Profit for the year</b>		<b>26,00,85,528</b>	<b>26,01,28,120</b>
Earnings Per Share - Basic and Diluted		12.59	12.60
Number of Equity Shares		2,06,50,000	2,06,50,000
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 36		

As per our report of even date attached.

For Virmani & Associates  
Chartered Accountants  
ICAI Registration No. 000356N

Suresh Virmani  
Partner  
Membership No. 17617

Place: New Delhi  
Dated: May 20, 2015

For and on behalf of the Board

P.R.S. Oberoi  
Shivy Bhasin  
Bharath B. Goyal  
T.K. Sibal  
Arjun Oberoi  
Vikram Oberoi  
Manish Goyal  
Raj Kataria  
Biswajit Mitra  
S.N. Sridhar

Chairman  
Vice-Chairman  
Managing Director  
Director  
Director  
Director  
Director  
Director  
Chief Financial Officer  
Company Secretary

Mumtaz Hotels Limited  
Registered Office: 4 Mangoe Lane  
Kolkata

Cash Flow Statement  
For the year ended 31st March, 2015

	Year ended 31st March	
	2015	2014
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per statement of profit and loss	39,33,54,207	39,21,48,287
Adjustments for:		
Depreciation	3,98,66,506	3,56,06,807
Assets written off	-	3,361
Loss/(Profit) on sale of fixed assets	10,53,389	5,78,097
Loss/(Profit) on redemption of units of mutual funds	-	4,10,877
Dividend income from mutual funds	(76,92,057)	(56,66,262)
Provision for wealth tax	2,04,240	19,546
Interest income	(13,34,521)	(32,30,892)
Interest expense	5,28,368	7,02,455
Prior period expense	33,963	-
Operating Profit before Working Capital Changes	42,61,14,095	42,05,72,274
Adjustments for:		
Inventories	(43,37,043)	9,62,324
Trade and other receivables	(99,57,221)	1,33,53,586
Trade payables and other dues	(62,52,798)	24,68,545
Cash generated from operations before tax & prior period items	40,55,67,033	43,93,56,731
Prior period (expense)/income	(33,963)	-
	40,55,33,070	43,93,56,731
Payment of direct taxes	(13,98,22,059)	(13,43,68,226)
Net cash from operating activities	26,57,11,011	30,49,88,505
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(3,21,51,909)	(2,30,70,006)
Decrease/(increase) in capital work in progress	(6,36,152)	23,11,564
Decrease/(increase) in advances made for capital contracts	1,31,02,616	(1,33,65,919)
Decrease/(increase) in investment in mutual funds	-	10,69,75,915
Sale of fixed assets	8,57,946	19,18,636
Interest received	13,84,593	30,70,679
Changes in other bank balances	16,70,654	35,07,831
Dividend income from mutual funds	76,92,057	56,66,262
(Loss)/Profit on redemption of units of mutual funds	-	(4,10,877)
Cash used in investing activities	(80,80,195)	8,66,04,085
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(6,28,368)	(7,02,455)
Increase / (Decrease) of finance lease liability	(4,32,209)	13,10,270
Dividend paid including tax on dividend	(24,46,91,264)	(34,48,44,676)
Net cash used in financing activities	(24,57,51,841)	(34,42,36,861)
Net increase in cash & cash equivalents (A+B+C)	1,18,78,975	4,73,55,729
Opening balance of cash & cash equivalents	18,92,89,447	14,19,33,718
Closing balance of cash & cash equivalents	20,11,68,422	18,92,89,447

As per our report of even date attached.

For Virmani & Associates  
Chartered Accountants  
ICAI Registration no. 000356N

Suresh Virmani  
Partner  
Membership No. 17617

Place: New Delhi  
Dated: May 20, 2015

P.R.S. Oberoi  
Shiv Bhasin  
Bharath B. Goyal  
T.C. Sibal  
Arjun Oberoi  
Vikram Oberoi  
Manish Goyal  
Raj Kataria  
Biswajit Mitra  
S.N. Srinhar

For and on behalf of the Board

Chairman  
Vice-Chairman  
Managing Director  
Director  
Director  
Director  
Director  
Director  
Chief Financial Officer  
Company Secretary

## **Significant Accounting Policies and Notes on Financial Statements**

### **Company overview**

Mumtaz Hotels Limited owns 'The Oberoi Amarvilas', a leading luxury hotel having 102 rooms. The Oberoi Amarvilas is located about 600 meters from the Taj Mahal and all rooms, suites, lobby, bar and lounge offer a picturesque view of the monument. Built in a style inspired by the Moorish and Mughal architecture, the hotel is a splendid display of terraced lawns, fountains, reflection pools and pavilions.

The Company has a long term management agreement with EIH Limited, its holding company for running and managing the hotel.

### **1. Significant Accounting Policies**

#### **Basis of presentation of financial statements**

These financial statements of the Company have been prepared on accrual basis of accounting under the historical cost convention in accordance with generally accepted accounting principles in India and comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) in accordance with section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### **Revenue recognition**

Revenue from hospitality services is recognised on accrual basis on rendering of service. Revenue from shop licence fees is recognised on accrual basis as per terms of agreement. Income from interest is accrued and recognised on a time basis, determined by contractual rate of interest. Dividend income is stated at gross amount when right to receive dividend is established.

#### **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 recognized in the period the same is determined.

### **Provisions, Contingent liability and Contingent assets**

Provisions are recognised in terms of Accounting Standard (AS) 29 on 'Provisions, Contingent Liabilities and Contingent Assets', 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 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 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.

### **Tangible fixed assets and capital work in progress**

Fixed assets are stated at cost of acquisition. Expenditure incurred on improvements and construction including interest on borrowed capital and incidental expenses that relate to construction activity are capitalized.

Assets acquired under finance lease are capitalized at lower of the fair value and the present value of minimum lease payments at the inception of lease term and are stated at the capitalized value net of accumulated depreciation.

Capital work in progress refers to cost of assets that are under construction, installation and are not ready for their intended use at the reporting date.

### **Depreciation**

Depreciation on fixed assets is provided on straight-line method on the useful life of the asset as specified in Part C of Schedule II of the Companies Act, 2013, except for hotel building, motor vehicles acquired under finance lease, and assets costing less than Rs.5,000 which are charged off in the year of purchase.

Depreciation for assets purchased/sold during the period is charged on a pro rata basis.

Management has estimated the balance useful life of the hotel building at 61 years based on technical evaluation carried out by an independent valuer, and believes that the useful life of the hotel building as assessed best represents the period over which the hotel building is expected to be in use. Accordingly, the balance useful life estimated for hotel building is different from the useful life as prescribed in Part C of Schedule II of the Companies Act, 2013.

Motor vehicles under finance lease are amortised over the life of the lease contract.

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically including at the end of each year

#### **Impairment of assets**

Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognized whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount.

#### **Investments**

Investments that is readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments and are carried at the lower of cost and fair value. All other investments are classified as long term investments and are carried at the cost unless there is any permanent diminution in value where provision for diminution is made on individual basis.

#### **Transactions in foreign currency**

Transactions in foreign currency including services are converted at the prevailing rate of exchange at the date of transactions. Difference in realization 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**

##### **Short Term Employee Benefits**

Short term employee benefits is recognized as expense in the Statement of Profit and Loss of the year in which related service is rendered.

##### **Post-employment 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 recognized in the Statement of Profit and Loss on accrual basis.
- (b) The Company maintains defined benefit plans like Gratuity and Leave Encashment. These plans are not funded and provision is made in the books of account for Gratuity and Leave Encashment on the basis of actuarial valuation using the project unit credit method and the charge is recognized in the Statement of Profit and Loss after considering actuarial gains and losses and benefits paid during the year.

#### **Inventories**

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

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### **Taxes on income**

Current tax is determined on the amount of tax payable in respect of taxable income for the year.

The deferred tax charge or credit is recognized using current tax rates. Where there are unabsorbed depreciation or carry forward losses etc., deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date to reassess realization/liabilities.

### **Earnings per share**

Basic and Diluted earnings per equity share are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares in issue during the year.

### **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **Proposed Dividend**

Dividend when recommended by the Board of Directors, is provided for in the Accounts pending Shareholders' approval.

## Mumtaz Hotels Limited

### Notes on Financial Statements

Previous year figures have been regrouped / reclassified wherever necessary to conform to the current year presentation.

	As at 31st March	
	2015	2014
	₹	₹
<b>2 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
25,000,000 Equity shares of ₹ 10 each (2014-25,000,000)	25,00,00,000	25,00,00,000
	<b>25,00,00,000</b>	<b>25,00,00,000</b>
<b>Issued, subscribed and fully paid up</b>		
20,650,000 Equity shares of ₹ 10 each, fully paid up (2014-20,650,000)	20,65,00,000	20,65,00,000
	<b>20,65,00,000</b>	<b>20,65,00,000</b>

The Company has only one class of shares referred to as equity shares with the par value of 10/- each. All equity share capital has been issued for consideration received in cash. Each holder of equity share is entitled to one vote per share. Dividends are declared and paid by the Company out of profits after providing depreciation. The Dividends paid do not exceed the amount recommended by the Board of Directors and are subject to the approval of shareholders. In the event of winding up of the Company, the equity shareholders will be entitled to return of capital on a pari passu basis among themselves.

The reconciliation of the number of shares outstanding at the beginning and at the close of the year is set out below:

	31st March 2015		31st March 2014	
	Number	Amount ₹	Number	Amount ₹
Number of shares at the beginning and close of the year	2,06,50,000	20,65,00,000	2,06,50,000	20,65,00,000

Details of equity shares held by holding company EIH Limited and other shareholders holding more than 5% shares in the paid-up equity capital of the Company

	31st March 2015		31st March 2014	
	Number of shares	Percentage	Number of shares	Percentage
Equity shares held by EIH Limited (Holding Company)	1,23,90,000	60%	1,23,90,000	60%
<b>Names of other shareholders holding more than 5% equity shares in the equity capital of the Company</b>				
Mr. Shivy Bhasin	15,60,108	7.56%	15,60,108	7.56%
Mrs. Mridu Bhasin	15,60,107	7.55%	15,60,107	7.55%
Mr. Manav Goyal	10,68,939	5.18%	10,68,939	5.18%
Mr. Gaurav Goyal	10,68,940	5.18%	10,68,940	5.18%

# Mumtaz Hotels Limited

## Notes on Financial Statements

	As at 31st March	
	2,015	2014
	₹	₹
<b>3 RESERVES AND SURPLUS</b>		
<b>(i) Reserves and Surplus</b>		
<b>(a) Securities premium reserve</b>		
Balance at the beginning and close of the year	29,35,00,000	29,35,00,000
<b>(b) General reserve</b>		
Balance at the beginning of the year	8,55,00,000	5,91,00,000
Add: Transfer from Statement of Profit and Loss	-	2,64,00,000
Balance at the end of the year	<u>8,55,00,000</u>	<u>8,55,00,000</u>
<b>(c) Surplus</b>		
Balance at the beginning of the year	18,07,04,076	18,85,70,632
Less: adjustment on account of charge for depreciation due to change in accounting policy (net of deferred tax)	(2,28,02,175)	-
Add: Profit for the year transferred from Statement of Profit and Loss	15,79,01,901	18,85,70,632
Amount available for appropriations	<u>26,00,85,528</u>	<u>26,01,28,120</u>
<b>Appropriations</b>	41,79,87,429	44,86,98,752
Interim dividend	10,32,50,000	10,32,50,000
Final dividend	10,32,50,000	10,32,50,000
Tax on dividend	4,16,63,197	3,50,94,676
Transfer to general reserve	-	2,64,00,000
Balance at the end of the year	<u>16,98,24,232</u>	<u>18,07,04,076</u>
<b>Total of Reserves and Surplus</b>	<u>54,88,24,232</u>	<u>55,97,04,076</u>
<b>4 LONG TERM BORROWINGS</b>		
Long term maturities of finance lease obligations (secured)	28,77,962	38,62,067
	<u>28,77,962</u>	<u>38,62,067</u>
* Finance lease obligations are secured against hypothecation of leased assets being motor vehicles. (refer note 28)		
<b>5 DEFERRED TAX LIABILITIES [NET]</b>		
<b>Deferred Tax Liabilities</b>		
Excess of net block of fixed assets as per Companies Act 2013 over written down value as per the provisions of the Income tax Act 1961	12,87,51,429	13,75,13,607
<b>Deferred Tax Assets</b>		
Provision for Gratuity	(1,81,346)	(1,48,876)
Provision for Leave Encashment	(7,93,215)	(5,66,613)
Provision for Bonus	(4,64,969)	(4,77,577)
	<u>12,73,11,899</u>	<u>13,63,20,541</u>

Deferred Tax Liability reversed for the current year amounting to ₹ 731,321 [2014- ₹ (1,920,167)] is stated net of ₹ 8,277,321 adjusted on account of increase in charge for depreciation due to change in accounting policy.

# Mumtaz Hotels Limited

## Notes on Financial Statements

As at 31st March  
2015      2014  
₹              ₹

### 6 LONG TERM PROVISIONS

#### Provision for Employee Benefits

Leave encashment

22,86,000      16,55,000

Gratuity

5,10,000      4,31,000

**27,96,000      20,86,000**

### CURRENT LIABILITIES

### 7 TRADE PAYABLES

Amount payable for goods and services \*

6,55,33,717      6,68,84,521

**6,55,33,717      6,68,84,521**

\* includes amounts due to related parties (refer note 27)

\* As identified by the Company on the basis of information available, there are no amounts due to Micro and Small Enterprises required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

### 8 OTHER CURRENT LIABILITIES

Salary & wages and other dues payable

4,12,017      4,92,730

Employee related statutory dues payable

16,57,841      18,40,444

Amounts payable for capital expenditure

42,33,635      42,85,635

Security deposit from shops

19,58,000      17,48,000

Current maturity of finance lease obligation

18,06,558      12,54,662

Indirect taxes payable

22,52,700      37,55,930

Income tax deducted at source & payable

72,58,442      58,46,213

Advance from customers

74,55,806      1,28,53,613

**2,70,34,999      3,20,77,227**

## Mumtaz Hotels Limited

### Notes on Financial Statements

	As at 31st March	
	2015	2014
	₹	₹
<b>9 SHORT TERM PROVISIONS</b>		
Provision for employee benefits		
Leave encashment	6,000	12,000
Gratuity	14,000	7,000
Compensated absences	1,06,122	1,24,991
<b>Other Provisions</b>		
Income Tax *	-	-
Wealth tax	2,78,881	94,191
Fringe benefit tax for earlier years	1,28,782	1,28,782
Proposed dividend - final	10,32,50,000	10,32,50,000
Tax on dividend	2,10,19,271	1,75,47,338
	<u>12,48,03,056</u>	<u>12,11,64,302</u>

\* net of advance tax and tax deducted / tax collected at source aggregating to ₹13,40,00,000 (2014 ₹ 13,01,00,000)

MCUMTAZ HOTELS LIMITED

Note 10

Fixed Assets

Tangible Assets

AS AT 31st MARCH 2015

NAME OF THE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Original Cost as at 1st April 2014	Additions during the period	Sale / Adjustments	Total Cost as on 31st March 2015	As on 1st April 2014	Amount transferred to Retained Earnings	For the period*	Written back on sale or adjustment	Total as at 31st March 2015	As at 31.03.2015	As at 31.03.2014
Freehold Land*	5,69,85,340	-	-	5,69,85,340	-	-	-	-	-	5,69,85,340	5,69,85,340
Building	70,18,87,991	-	-	70,18,87,991	14,54,17,083	-	86,52,227	-	15,40,69,310	54,78,18,681	55,64,70,908
Plant & Machinery	50,40,64,994	84,73,509	48,22,394	50,77,16,109	35,99,73,440	2,89,98,778	2,67,33,396	30,44,010	41,26,61,604	9,50,54,505	14,40,91,55-
Furniture & Fixtures	9,51,23,033	3,12,281	-	9,54,35,316	9,26,31,975	2,30,057	4,70,296	-	9,33,32,528	21,02,988	24,91,064
Vehicles on operating lease	77,41,941	2,22,53,125	19,47,628	2,80,67,438	59,00,835	14,54,806	19,77,320	18,50,246	74,81,915	2,05,65,523	18,41,908
Vehicles	54,05,116	-	11,89,969	42,05,147	25,55,072	1,18,131	6,44,297	11,64,399	19,53,101	22,82,046	30,50,044
Office Equipments	13,30,220	-	-	13,30,220	6,99,035	2,77,724	80,015	-	10,59,774	2,70,446	6,51,18-
<b>TOTAL (A)</b>	<b>1,37,25,38,637</b>	<b>3,10,38,915</b>	<b>79,69,990</b>	<b>1,39,56,07,562</b>	<b>60,69,76,640</b>	<b>3,10,79,496</b>	<b>3,85,60,551</b>	<b>60,58,656</b>	<b>67,05,58,032</b>	<b>72,50,49,579</b>	<b>76,55,61,997</b>
Assets on finance lease	74,29,919	11,12,994	11,92,799	73,50,114	38,36,748	-	13,05,955	11,92,799	39,49,904	34,00,210	35,93,171
Vehicles	74,29,919	11,12,994	11,92,799	73,50,114	38,36,748	-	13,05,955	11,92,799	39,49,904	34,00,210	35,93,171
<b>TOTAL (B)</b>	<b>1,37,99,68,556</b>	<b>3,21,51,909</b>	<b>91,62,788</b>	<b>1,40,29,57,876</b>	<b>61,08,13,386</b>	<b>3,10,79,496</b>	<b>3,98,66,506</b>	<b>72,53,485</b>	<b>67,45,07,936</b>	<b>72,84,49,739</b>	<b>76,91,55,166</b>
<b>TOTAL (A+B)</b>	<b>1,36,22,26,446</b>	<b>2,30,70,006</b>	<b>53,27,896</b>	<b>1,37,99,68,556</b>	<b>57,80,34,305</b>	<b>-</b>	<b>3,56,06,807</b>	<b>26,27,802</b>	<b>61,08,13,990</b>	<b>76,91,55,166</b>	<b>78,41,92,061</b>
Previous year											

\* Includes Leasehold Land of the value of ₹ 30,592,639 (2014 ₹ 30,592,639) in respect of which the registration formalities for conversion into freehold is pending completion with Agra Development Authority.

\*\* The amount transferred to Retained Earnings has been adjusted for effects of deferred tax of ₹ 8,277,321 and the balance of ₹ 22,802,175 has been adjusted against Retained Earnings.

**Mumtaz Hotels Limited**

**Notes on Financial Statements**

	As at 31st March	
	2015	2014
	₹	₹
<b>11 LONG TERM LOANS AND ADVANCES</b>		
[Unsecured; considered good]		
Advances for capital contracts	4,40,299	1,35,42,915
Security deposits with Government Agencies/Departments	12,83,455	12,83,455
Prepaid expenses	1,58,320	6,679
	<u>18,82,074</u>	<u>1,48,33,049</u>
<b>12 INVENTORIES</b>		
[at lower of cost and net realisable value]		
Provision, stores, wines & smokes	77,89,157	68,37,447
Cutlery, crockery, chinaware, glassware, linen etc.	82,14,660	64,44,480
Other stores	90,30,712	74,15,559
	<u>2,50,34,529</u>	<u>2,06,97,486</u>
<b>13 TRADE RECEIVABLES</b>		
[Unsecured; considered good]		
Debts outstanding over six months	14,78,615	2,64,850
Other debts *	9,37,99,098	8,66,42,259
	<u>9,52,77,713</u>	<u>8,69,07,109</u>
* includes trade receivables due from related parties (refer note 27)		
<b>14 CASH AND BANK BALANCES</b>		
(a) Cash and Cash Equivalents		
- Cash in hand	16,49,890	14,01,968
- Fixed deposit accounts with banks with original maturity of less than three months	14,90,00,000	16,96,50,000
- Current accounts	5,05,18,532	1,82,37,479
(b) Other Bank Balances		
- Fixed deposits with maturity of three months and less than twelve months	91,85,758	1,08,56,412
	<u>21,03,54,180</u>	<u>20,01,45,859</u>

**Mumtaz Hotels Limited**

**Notes on Financial Statements**

As at 31st March  
2015                      2014  
₹                              ₹

**15 SHORT TERM LOANS AND ADVANCES ( Unsecured; considered good)**

Advance to staff	2,535	17,886
Advance to suppliers	20,53,444	24,27,458
Claim recoverable	7,86,529	-
Sales tax recoverable	29,74,663	25,77,663
Advance service tax	10,89,538	12,92,625
Cenvat credit refundable	54,22,342	38,80,587
Prepaid expenses	58,46,578	59,32,172
Security deposits	6,82,572	7,01,772
Advance tax and tax deducted at source refundable *	53,93,296	42,86,688
Income tax refundable	1,40,55,481	93,59,580
Guarantee commission refundable from bank	-	6,26,082
Advance Excise Duty	21,766	-
	<u>3,83,28,744</u>	<u>3,11,02,513</u>

\* net of provision of income tax ₹ 13,40,00,000 (2014 ₹ 13,01,00,000)

**16 OTHER CURRENT ASSETS**

Land compensation claim recoverable *	51,90,356	51,90,356
Interest accrued on fixed deposit with banks	2,64,943	3,15,015
Other receivables	15,284	4,030
	<u>54,70,583</u>	<u>55,09,401</u>

\* refers to cost of land acquired by State Government, the Uttar Pradesh Shashan Van Anubhag. The Company's claim for compensation is pending adjudication before the Additional District Judge, Agra, Uttar Pradesh.

**Mumtaz Hotels Limited**

**Notes on Financial Statements**

Year ended 31st March  
2015                      2014  
₹                              ₹

**17 REVENUE FROM OPERATIONS**

Sale of services		
Rooms	62,58,82,262	58,22,25,955
Food & beverages	21,17,22,572	20,92,59,009
Other operating services	5,41,39,930	5,31,05,523
	<u>89,17,44,764</u>	<u>84,45,90,487</u>

**18 OTHER INCOME**

Interest	13,34,521	32,30,892
Rent	6,24,000	6,24,000
Dividend from mutual funds	76,92,057	56,66,262
Provision for bonus for earlier years reversed	1,36,944	-
Foreign currency incentive	10,54,014	11,29,071
	<u>1,08,41,536</u>	<u>1,06,50,225</u>

**19 CONSUMPTION OF PROVISIONS, STORES, WINES AND SMOKES**

Opening stock	68,37,447	61,41,464
Add: Purchases	<u>5,06,31,570</u>	<u>4,84,63,036</u>
	5,74,69,017	5,46,04,500
Less: Closing stock	<u>77,89,157</u>	<u>68,37,447</u>
	<u>4,96,79,860</u>	<u>4,77,67,053</u>

**20 EMPLOYEE BENEFITS EXPENSE**

Salaries and wages	6,75,14,544	5,89,82,492
Company's contribution to provident fund and other funds	33,22,105	29,66,603
Workmen & staff welfare expenses	87,55,331	71,36,362
	<u>7,95,91,980</u>	<u>6,90,85,457</u>

**Mumtaz Hotels Limited****Notes on Financial Statements****Year ended 31st March****2015**  
₹**2014**  
₹**21 FINANCE COST**

Interest	6,28,368	7,02,455
	<u>6,28,368</u>	<u>7,02,455</u>

**22 OTHER EXPENSES**

Expenses on apartment & board	2,33,00,381	2,20,01,214
Contract services	1,20,14,427	1,20,71,598
Power & fuel	6,23,76,185	6,40,12,987
Rent	38,56,422	36,05,076
Repairs		
- Building	89,89,221	51,62,263
- Plant & machinery	1,64,98,891	1,69,41,502
Royalty	90,21,129	85,79,065
Hotel operating fees	5,82,89,040	5,55,91,431
Advertisement, publicity & other promotional expenses	3,83,74,636	4,13,48,849
Commission to travel agents & on credit cards	5,34,04,916	3,70,62,038
Rates & taxes	1,30,40,289	1,11,90,397
Insurance	10,46,433	17,04,451
Loss on sale of assets	10,53,389	5,78,097
Loss on redemption of units of mutual funds	-	4,10,877
Auditors remuneration		
- As auditor	12,50,000	9,50,000
- For taxation matters	1,00,000	1,12,360
- For certification	1,65,000	1,68,540
- For reimbursement of out of pocket expenses	35,104	22,536
Corporate Social Responsibility	67,92,001	-
Prior period expenses	33,963	-
Miscellaneous	2,98,23,952	2,84,17,372
	<u>33,94,65,379</u>	<u>30,99,30,653</u>

**Mumtaz Hotels Limited**

**Notes on Financial Statements**

**Year ended 31st March**  
**2015**                      **2014**  
₹                                      ₹

**23 TAX EXPENSES**

Current tax	13,40,00,000	13,01,00,000
Deferred tax	(7,31,321)	19,20,167
	<u>13,32,68,679</u>	<u>13,20,20,167</u>

**Mumtaz Hotels Limited**  
**Notes on Financial Statements**

**24 Contingent liabilities and commitments**

**I Contingent Liabilities not provided for in respect of :**

Claims against the Company pending adjudication by assessing officer / appellate authorities:

(i) Stamp Duty ₹ 10,231,992 (2014 ₹ 10,231,992)

(ii) Expenditure tax ₹ 96,638 (2014- ₹ 96,638)

(iii) Sales tax demand ₹ 951,592 (2014 ₹ 991,387)

(iv) Value Added Tax ₹ 853,103 (2014 ₹ 3,050,318)

(v) Central Excise duty demand ₹ 302,065 (2014 ₹ 302,065)

(vi) Fringe Benefit Tax ₹ 443,936 (2014 ₹ 443,936)

(vii) Income Tax demand ₹ 20,922,544 (2014 ₹ 67,913,395)

**II Commitments**

(a) The estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 68,386 (2014 - ₹ 271,653).

(b) Other commitments ₹ Nil (2014 ₹ Nil)

25 The Company has reappraised its policy for providing for depreciation on tangible fixed assets and have also reassessed their useful lives. The Company follows the straight-line method to depreciate all classes of tangible fixed assets. The revised useful lives of the fixed assets as assessed by the Company match those specified in Part C of Schedule II of the Companies Act 2013, except for hotel building and items costing less than Rs 5000. Had the company continued with the previously assessed useful lives, the charge for depreciation would have been lower by ₹ 6,462,565 for assets held at April 1,2014. Further, the Company has adjusted ₹ 22,802,175 (net of deferred tax) against Retained Earnings of the Company in respect of excess of carrying amount of fixed assets over their residual value as at April 1,2014.

**26 Corporate Social Responsibility.**

As per Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the company. The areas of CSR activities relate to sanitation under the Swatch Bharat Abhiyyan and contributions to the Prime Minister's National Relief Fund. The company has expended not less than 2% of the average net profit earned during the three immediately preceding years as follows:

a) Swatch Bharat Abhiyyan	₹ 138,249
b) Contribution to the Prime Minister's National relief fund	₹ 6,653,752
<b>Total</b>	<b>₹ 6,792,001</b>

Notes on Financial Statements

27 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) Mashobra Resorts Limited
- (b) EIH International Limited
- (c) Oberoi Kerala Hotels and Resorts Limited
- (d) EIH Flight Services Limited, Mauritius

(III) Enterprises in which key management person has significant influence.

Adyar Gate Hotels Limited

(IV) Key Management Person

Mr. Bharath Bhushan Goyal - Managing Director

(B) Transactions with Related Parties during the Financial Year and Outstanding Balances as at 31st March 2015

Nature of transactions	Holding Company	Fellow Subsidiary	Enterprises in which Key Management person has significant influence	Key Management Person
	₹	₹	₹	₹
<b>Purchases</b>				
Goods & services [inclusive of service tax of ₹ 26,70,395]	3,33,49,797	51,118		-
	(3,89,57,804)	(1,91,294)		-
<b>Expenses</b>				
Management contract (inclusive of service tax of ₹ 94,34,548)	8,57,65,846	-	-	-
	(8,17,41,406)	-		-
<b>Remuneration</b>				
Board sitting fees				1,20,000 (80,000)
<b>Sales</b>				
Goods & services	13,90,378	47,765		-
	(11,08,479)	(3,20,150)		-
Fixed Assets	-			
	(1,70,859)			
<b>Outstanding Balances</b>				
<b>Payables</b>				
For Goods & services	3,21,62,359	-		-
	(3,59,13,956)	(4,400)		-
<b>Receivables</b>				
For Goods & services	4,27,655	13,167		-
	(1,21,265)			

Figures in brackets relate to 2014

**Mumtax Hotels Limited**

**Notes on Financial Statements**

**28 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 ₹ 1,305,955 (2014 ₹ 2,463,971). The yearwise break-up of outstanding lease obligations are detailed as under:

The minimum lease payments outstanding as on 31st March 2015 amounts to ₹ 5,943,314 (2014 ₹ 7,052,906) and the present value of lease liabilities amounts to ₹ 4,684,520 (2014- ₹ 5,116,729)

	Year ended 31st March	
	2015	2014
(i) not later than one year	₹	₹
Minimum lease payments	23,93,858	18,56,850
Present value as at 31st March 2015	18,06,558	12,54,662
(ii) later than one year but not later than five years		
Minimum lease payments	35,49,456	41,91,656
Present value as at 31st March 2015	28,77,962	30,38,358
(iii) later than five years		
Minimum lease payments		10,04,400
Present value as at 31st March 2015		8,23,709

**(B) Operating Leases**

**Operating Leases**

**(I) As Lessor**

The Company has entered into arrangements for giving shop premises, accommodation and motor vehicles on operating lease. Depreciation on shop premises and accommodation is not separately determinable as it is part of hotel building. Depreciation on motor vehicles for the year is ₹ 1,977,320 (2014 ₹ 735,484)

Future minimum lease payments recoverable by the company in respect of operating leases relating to accommodation, shops and motor vehicles is as follows :

	Non cancellable Amount ₹	Cancellable Amount ₹
(i) not later than one year	-	-
(ii) later than one year but not later than five years	-	-
(iii) later than five years	-	-

Contingent rent recognized as income in Statement of Profit and Loss ₹ 4,842,033 (2014 ₹ 6,391,893).

**(II) As Lessee**

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

(i) not later than one year	-	-
(ii) later than one year but not later than five years	-	-
(iii) later than five years	-	( - )

(Figures in bracket represent figures for 2014)

The company has entered into cancellable lease agreements for residential premises for employees. The lease rentals of ₹ 3,856,422 (net of recoveries of ₹ 848,123) (2014 - ₹ 3,605,076/-) (net of recoveries of Rs. 863,540) has been shown as rent under Other Expenses.



Notes on Financial Statements

Experience Adjustments

V	Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)	2015		2014		2013		2012		2011	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Present value of DBO	₹ 5,24,000	₹ 22,92,000	₹ 4,38,000	₹ 16,67,000	₹ 4,23,000	₹ 13,88,000	₹ 2,75,000	₹ 12,63,000	₹ 2,98,000	₹ 17,64
2	Fair Value of Plan Assets	0	0	0	0	0	0	0	0	0	0
3	Status (Surplus / (Deficit))	(5,24,000)	(22,92,000)	(4,38,000)	(16,67,000)	(4,23,000)	(13,88,000)	(2,75,000)	(12,63,000)	(2,98,000)	(17,64
4	Experience Adjustments on Plan liabilities (gains)/losses	(41,000)	3,41,000	(2,13,000)	20,000	(14,000)	(88,000)	(1,81,000)	(7,56,000)	(2,11,000)	78

Notes on Financial Statements

30	Value of Imports calculated on C.I.F. basis in respect of	Year ended 31st March			
		2015		2014	
		₹		₹	
(i)	Raw Materials	-		-	
(ii)	Spares	7,20,942		16,05,278	
(iii)	Capital goods	2,41,58,742		48,27,632	
		2,48,79,684		64,32,911	
31	Expenditure in foreign currency: Marketing, room commission & others (including amounts provided but not paid)	96,12,314		1,04,61,055	
32	Earnings in foreign exchange For hotel services (as certified by Management) inclusive of taxes	76,19,82,649		76,05,88,363	
33	Total value of consumption of Indigenous & Imported Raw materials and Spares:				
		Amount ₹	Percentage	Amount ₹	Percentage
	<b>Raw Materials</b>				
	Imported	-		-	
	Indigenous	4,96,79,860	100.00%	4,77,67,053	100.00%
	<b>Spares</b>				
	Imported	7,20,942	7.41%	16,05,278	17.55%
	Indigenous	90,09,081	92.59%	75,41,752	82.45%
		97,30,023	100.00%	91,47,030	100.00%
34	Particulars of unhedged foreign currency exposure as at the balance sheet date				
	<b>Trade Payables</b>				
	(i) USD 15,135.68 (₹ 947,342) [2014 USD 19,515.85 (₹ 1,180,514)]				
	(ii) Euro 400 (₹ 27,004) [2014 Euro 132 (₹ 11,019)]				
	(iii) GBP 2,885 (₹ 266,718) [2014 GBP 5,391.47 (₹ 543,838)]				
	<b>Trade Receivables Nil (2014 Nil)</b>				
35	The Board of Directors in their meeting held on February 25, 2015 declared an interim dividend of ₹ 5/- per equity share. Further, the Board of Directors in their meeting held on May 20, 2015 proposed a final dividend of Rs. 5/- per equity share. The proposed dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting. The total dividend appropriation amounted to ₹ 24,81,63,197/- including corporate dividend tax of ₹ 4,16,63,197/-.				
	For the year ended March 31, 2014, the Company paid dividend of ₹ 10/- per share. The dividend appropriation for the year ended March 31, 2014 amounted to ₹ 24,15,94,676 including corporate dividend tax of ₹ 3,50,94,676/-.				

**Notes on Financial Statements**

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

**For Virmani & Associates**  
Chartered Accountants  
ICAI Registration No. 000356N

**Suresh Virmani**  
Partner  
Membership No. 17617

Place : New Delhi  
Dated: May 20, 2015

**For and on behalf of the Board**

**P.R.S. Oberoi**  
**Shiv Bhasin**  
**Bharath B. Goyal**  
**T.K. Sibal**  
**Arjun Oberoi**  
**Vikram Oberoi**  
**Manish Goyal**  
**Raj Kataria**  
**Biswajit Mitra**  
**S.N. Sridhar**

**Chairman**  
**Vice-Chairman**  
**Managing Director**  
**Director**  
**Director**  
**Director**  
**Director**  
**Director**  
**Chief Financial Officer**  
**Company Secretary**