

OBEROI KERALA HOTELS AND RESORTS LTD.

Registered Office: C-46-452, (H) Bristow Road, W. Island, Cochin, Kerala 682003

Telephone: 91-484-3081000 Facsimile: 91-484-3081002

CIN : U55101KL1994PLC007951

DIRECTORS' REPORT

To the Members,

The Board presents the Twenty First Annual Report and Audited Statement of Accounts for the year ended 31st March, 2015, together with the Auditors' Report thereon.

The Company has recorded a profit of Rs. 1,41,167 during the Financial Year 2014-15 as against a profit of Rs. 19,002 during the previous year. The accumulated losses as on 31st March, 2015 amounted to Rs. 83,86,094. This is being carried forward. There were no material changes affecting the financial position of Company.

In pursuance of Section 134(5) of the Companies Act, 2013, ("Act") your Directors hereby confirm that:

- a) in the preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the loss of the Company for the year;
- c) The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Account of the Company on a "going concern" basis.
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

As on 31st March 2015, the Company had six directors on the Board. The Board met five times during the financial year on 30th April 2014, 25th July 2014, 27th October 2014, 16th January 2015 and 4th March 2015.

Mr. K.G. Mohanlal would have retired at the forthcoming Annual General meeting, had he not vacated his office as a Director. Mr. Anil Kumar who was appointed in his place holds office upto the forthcoming Annual General Meeting. Relevant notice under Section 160 of the Companies Act 2013 alongwith payment of Rs. 1,00,000 has been received from a Shareholder proposing the appointment of Mr. Anil Kumar as a regular Director on the Board, liable to retire by rotation.

Mr. Sanjay Garg would have retired at the forthcoming Annual General Meeting had he not vacated his office as a Director. Mr. Rajesh Kumar Sinha who was appointed in his place holds office upto the forthcoming Annual General Meeting. Relevant notice under Section 160 of the Companies Act 2013, along with payment of Rs. 1,00,000 has been received from a Shareholder proposing the appointment of Mr. Rajesh Kumar Sinha as a regular Director on the Board, liable to retire by rotation.

Mr. T.K. Sibal, Director retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

There has been no foreign exchange earnings and outgo during the year, as per the Companies (Accounts), Rules, 2014, as it is yet to commence operations.

The extract of the Annual Return in Form MGT-9 constitutes a part of this report.

There were no employees who were in receipt of remuneration in excess of the amount prescribed in terms of Rule 5 (2) of the Companies (Appointment and Remuneration) Rules 2014.

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

None of the Directors were paid any remuneration during the year under review.

The Company has not made any loans, guarantees or investments u/s 186 nor has entered into any contracts or arrangements u/s 188 of the Companies Act 2013.

The contract or arrangement entered into by the Company with Related Parties is given in Form AOC-2 annexed.

The Company has no subsidiaries, associates or joint ventures.

Under the Companies Act, 2013, the Company does not qualify to comply with the following:

- (i) Policy on Directors appointment and remuneration u/s 178 (3);
- (ii) Risk Management policy;
- (iii) Policy on CSR and CSR compliance;
- (iv) Whistle Blower Policy;
- (v) Board Evaluation process;
- (vi) Internal Audit;
- (vii) Secretarial Auditor;
- (viii) Audit Committee;
- (ix) Nomination and remuneration Committee.

The Auditor's observations, if any, on the accounts for the financial year ended 31st March 2015, has been explained suitably in the notes to the accounts.

The Auditors, Ray & Ray, Chartered Accountants retire and are eligible for re-appointment. The Board recommends that they be re-appointed as Auditors of the Company for the year 2015-16 until conclusion of the next Annual General Meeting.

During the year, there were no significant and material orders passed by the Regulator, Courts or Tribunals in respect of the going concern status and of the Company's operation in future.

For and on behalf of the Board

Directors

Date :

Place :

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	U55101KL1994PLC007951
2.	Registration Date	01.06.1994
3.	Name of the Company	OBEROI KERALA HOTELS AND RESORTS LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	C46 452 HBRISTOW ROAD W. ISLAND COCHIN ERNAKULAM KERALA- 682003
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 SERVICE	9963/99631110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S N	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of Share held	Applicable section
1	EHIL LIMITED 4, MANGOE LANE KOLKATA-700001	L55101WB1949PLC017981	HOLDING	80%	2(46)

IV VI. 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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	NIL	2720007	2720007	100	NIL	2720007	2720007	100	NIL
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	NIL	2720007	2720007	100	NIL	2720007	2720007	100	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
a) 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									
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	2720007	2720007	100	NIL	2720007	2720007	100	NIL

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	LHI LIMITED (HLD)	2176000	80	NIL	2176000	80	NIL	NIL
2	TOURISTS RESORTS (KERALA) LIMITED (TRKL)	544000	20	NIL	544000	20	NIL	NIL
3	EHJ JT. P.R.S OBIROI	1	-	NIL	1	-	NIL	NIL
4	EHJ JT. S.S MUKHERJI	1	-	NIL	1	-	NIL	NIL
5	EHJ JT. T.K SIBAL	1	-	NIL	1	-	NIL	NIL
6	EHJ JT. AMARDEEP SINGH	1	-	NIL	1	-	NIL	NIL
7	TRKL JT. S. HARIKISHORE	1	-	NIL	1	-	NIL	NIL
8	TRKL JT. RAJESH KUMAR SINHA	1	-	NIL	1	-	NIL	NIL
9	TRKL JT. ANIL KUMAR	1	-	NIL	1	-	NIL	NIL

C) 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	2720007	100	2720007	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NO CHANGE			
	At the end of the year	2720007	100	2720007	100

D) 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			
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NOT APPLICABLE			
	At the end of the year	NIL	NIL	NIL	NIL

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	NOT APPLICABLE	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NOT APPLICABLE	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NOT APPLICABLE	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NOT APPLICABLE	
2	Stock Option	NOT APPLICABLE	
3	Sweat Equity	NOT APPLICABLE	
4	Commission - as % of profit - others, specify...	NOT APPLICABLE	
5	Others, please specify	NOT APPLICABLE	
	Total (A)	NOT APPLICABLE	
	Ceiling as per the Act	NOT APPLICABLE	

B. Remuneration to other directors

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

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

SN	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	CS	CFO		
1	Gross salary	NOT APPLICABLE	N.A	N.A		N.A
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of profit					
	others, specify...					
5	Others, please specify					
	Total	NOT APPLICABLE	N.A	N.A		N.A

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

FORM AOC -2

RENT OF JETTY FOR M V VRINDA

1	Name of the related party	LIH Ltd
2	Nature of relationship	Holding Company
3	Nature of contract / arrangement	Contract is renewed yearly
4	Duration of contract / arrangement	upto 31st March 2016
5	Terms of contract / arrangement	The rent that is charged by the Irrigation Department, State Government of Kerala, from OKHRL, same amount is billed to LIH Ltd
6	Amount paid as an advance	NIL
7	Rate/value of the contract / arrangement	Not exceeding Rs.3,00,000/- per annum
8	Manner of determining prices	As mentioned in Sl. No.5 above
9	Arms length justification	Since the charge is based on market rate of rent fixed by the Irrigation Department, this transaction is at arm's length

Director

Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Oberoi Kerala Hotels & Resorts Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

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

Emphasis of Matters

We draw attention to the following matter in the Notes to Financial Statement.

Note 16 to the Financial Statement which indicates that the company will not commence any construction / operation of the hotel on the freehold land at Thekkady having a cost of Rs. 17,179,831, the Company has taken a decision for its disposal. Necessary approvals are still awaited from Government of Kerala as the matter is under their active consideration. However, the accounts have been drawn up on going concern basis. On receipt of approval from Government of Kerala, this would be treated as Current Assets. These conditions indicate the existence of material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required the Companies (Auditor's Report) Order 2015, issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Companies Act, 2013 ('the Act') we give in the Annexure a statement on the matters specified in paragraph 3 & 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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) The going concern matter described in paragraph under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company as such the question of delay does not arise.

For RAY & RAY
Chartered Accountants
Firm Registration no. 301072E

Place:
Date:

(A. K. Sharma)
Partner
Membership no. 080085

ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in paragraph 1 under the heading 'Report on other Legal and Regulatory Requirements' of our report at even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

 (b) The Fixed Assets of the Company have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
2. The Company did not have any inventory during the year. In view of this, clauses (ii) (a), (ii) (b) and (ii) (c) of paragraph 3 of the aforesaid order are not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a) & (b) of paragraph 3 of the aforesaid Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business for purchases of fixed assets and purchase /sale of services. There was no purchase of inventory and sale of goods. Further during the course of our audit, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system which would require corrective action.
5. The Company has not accepted any deposits from the public. As such requirement of clause 3 (v) of paragraph 3 of the aforesaid order is not applicable.
6. The Central Government has not prescribed the maintenance of cost records by the Company under Section 148 (1) of the Companies Act, 2013.
7. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor education & Protection fund, Employees' State Insurance, Income-tax, Sales-tax/Value Added tax, Wealth-tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Customs duty, Service tax, Excise duty and Cess were outstanding, as at 31.03.2015 for a period of more than six months from the date they became payable.

 (b) According to the records of the company, there are no dues of Sale tax/Value Added tax, Income-tax, Customs duty, Wealth-tax, Service tax, Excise duty and Cess which have not been deposited on account of any dispute.

 c) According to the records of the Company there are no amount required to be transferred to Investor Education and Protection Fund. As such the requirement of clause (vii) (c) of paragraph 3 of the said Order is not applicable.

8. The Company's accumulated losses at the end of the financial year are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial period covered by our report and had also not incurred cash losses in the immediately preceding financial period.
9. The Company has not taken any loans from financial institution or bank or debenture holders. As such requirements of clause (ix) and (xi) of paragraph 3 of the aforesaid Order are not applicable to the Company.
10. The company has not given any guarantee for loans taken by others from bank or financial institutions. As such requirement of Clause (x) of paragraph 3 of the aforesaid Order are not applicable to the Company.
11. During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the Management.

For RAY & RAY
Chartered Accountants
Firm's Registration no. 301072E

(A.K. Sharma)
Partner
Membership no. 80085

Place:
Date:

OBEROI KERALA HOTELS & RESORTS LIMITED

Balance Sheet

as at 31st March, 2015

			As at 31st March	
			2015	2014
	Note	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
SHARE CAPITAL	2	27,200,070		27,200,070
RESERVES AND SURPLUS	3	(8,386,094)		(8,527,261)
			18,813,976	18,672,809
NON-CURRENT LIABILITIES				
OTHER LONG TERM LIABILITIES	4		1,600,000	1,600,000
CURRENT LIABILITIES				
TRADE PAYABLES	5	279,572		427,524
OTHER CURRENT LIABILITIES	6	6,922		20,220
			286,494	447,744
			<u>20,700,470</u>	<u>20,720,553</u>
ASSETS				
NON-CURRENT ASSETS				
FIXED ASSETS				
TANGIBLE ASSETS	7	20,331,258		20,331,258
LONG TERM LOANS AND ADVANCES	8	185,869		235,089
			20,517,127	20,566,347
CURRENT ASSETS				
TRADE RECEIVABLES	9	19,300		150,846
CASH AND CASH EQUIVALENTS	10	137,926		3,360
SHORT-TERM LOANS AND ADVANCES	11	26,117		-
			183,343	154,206
			<u>20,700,470</u>	<u>20,720,553</u>

NOTES TO THE ACCOUNTS
form an integral part of the Balance Sheet

1 to 22

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

For RAY & RAY
Chartered Accountants

A.K.SHARMA
Partner
Membership Number 80085
Firm's Registration no. 301072E

DIRECTORS

Place :
Date :

OBEROI KERALA HOTELS & RESORTS LIMITED

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

		Year ended 31st March	
		2015	2014
	Note	Rupees	Rupees
INCOME			
REVENUE FROM OPERATIONS		-	-
OTHER INCOME	12	589,842	429,619
		<u>589,842</u>	<u>429,619</u>
EXPENSES			
FINANCE COST - INTEREST ON INCOME TAX		1,603	-
OTHER EXPENSES	13	384,825	402,119
		<u>386,428</u>	<u>402,119</u>
PROFIT BEFORE TAX		203,414	27,500
CURRENT TAX	14	62,247	8,498
PROFIT FOR THE YEAR		<u>141,167</u>	<u>19,002</u>
 BASIC AND DILUTED EARNINGS PER SHARE (in Rupees) Face Value Rs. 10	17	0.052	0.007

NOTES TO THE ACCOUNTS **1 to 22**
form an integral part of the Statement of Profit & Loss

This is the Statement of Profit & Loss referred to in our report of even date

For RAY & RAY
Chartered Accountants

A.K.SHARMA
Partner
Membership Number 80085
Firm's Registration no. 301072E

DIRECTORS

Place :
Date :

OBEROI KERALA HOTEL & RESORTS LIMITED

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

	Year ended 31st March	
	2015 Rupees	2014 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	203,414	27,500
Adjustment for:		
Rent Received	(586,332)	(429,619)
Interest Received	(3,510)	-
Interest on income tax	1,603	
Amounts written off	15,000	-
Operating Profit before Working Capital Changes	(369,825)	(402,119)
Adjustment for		
Trade & other receivables	105,429	(150,846)
Trade Payables & others	(161,250)	1,816,711
Cash Generated from Operations	(425,646)	1,263,746
Direct Taxes (Net)	(29,630)	(96,145)
Net Cash from Operating Activities	(455,276)	1,167,601
B. CASH FLOW FROM INVESTING ACTIVITIES		
Share Application Money	-	(1,600,000)
Interest Received	3,510	-
Rent Received	586,332	429,619
Cash used in Investing Activities	589,842	(1,170,381)
C. CASH FLOW FROM FINANCE ACTIVITIES		
Net Cash used in Financing Activities	-	-
Net increase / (decrease) in Cash & Cash equivalents (A + B + C)	134,566	(2,780)
Cash & Cash equivalents at beginning of period	3,360	6,140
Cash & Cash equivalent at end of period	137,926	3,360

Notes

- The Cash Flow Statement has been prepared in indirect method except for purchase of fixed assets and Capital Work in Progress. Rent received is treated as part of Investing Activities
- Cash and Cash Equivalents represent Cash and Bank Balances

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

For RAY & RAY
Chartered Accountants

A.K. Sharma
Partner
Membership Number 80085
Firm's Registration no. 301072E

DIRECTORS

Place :
Date:

OBEROI KERALA HOTELS & RESORTS LIMITED

Notes to Accounts

1.

SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Financial Statements have been prepared on accrual basis and under the historical cost convention and going concern basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
- 1.2 The preparation of the Financial Statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reporting amounts of income and expenditure during the year. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.
- 1.3
- a) Fixed Assets are stated at cost less depreciation. The cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the asset to their working conditions. Interest during construction period to finance fixed assets is capitalised. Assets held for disposal are stated at lower of their net book value and net realisable value.
 - d) The carrying value of Fixed Assets which are in excess of the higher of its value in use or net realizable value is recognized as an impairment loss.
 - c) Depreciation on fixed assets is provided in conformity with requirements of Schedule II of the Companies Act, 2013. Freehold land is not amortised.
- 1.4 Current tax is determined on the amount of tax payable in respect of taxable income for the year and provided for in accordance with the provisions of Income Tax Act, 1961.
- The deferred tax is provided and recognized on timing differences between taxable income and accounting income subject to prudential consideration. Deferred tax assets on unabsorbed depreciation and carry forward of losses is not recognized unless there is virtual certainty about availability of future taxable income to realize such assets.
- 1.5 Prior period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

OBEROI KERALA HOTELS & RESORTS LIMITED

Notes to Accounts (Contd.)

- 1.6 Provisions are recognized 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 recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the Financial Statements.

- 1.7 Earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding.

OBEROI KERALA HOTELS & RESORTS LIMITED
Notes to Accounts -- Contd.

2

SHARE CAPITAL

AUTHORISED

10,000,000 (2014-10,000,000) Equity Shares of Rs. 10 each

As at 31st March
2015 2014
Rupees Rupees

100,000,000 100,000,000

100,000,000 100,000,000

ISSUED, SUBSCRIBED & FULLY PAID UP

2,720,007 (2014-2,720,007) Equity Shares of Rs. 10 each

27,200,070 27,200,070

27,200,070 27,200,070

Notes:

a) Reconciliation of number of shares

As at 31st March
2015 2014
Number of Number of
shares shares

Balance at the beginning of the year

2,720,007 2,720,007

Movement during the year

- -

Balance at the end of the year

2,720,007 2,720,007

b) Details of Shares held by Shareholders holding more than 5 percent of the aggregate shares in the Company

	As at 31st March			
	2015		2014	
	Number of Shares	% holding	Number of Shares	% holding
(1) EIH LIMITED - The Holding Company	2,176,000	80	2,176,000	80
(2) Kerala Tourism Infrastructure Limited [formerly known as Tourist Resorts (Kerala) Limited]	544,000	20	544,000	20

c) The Company has one class of equity shares having a par value of Rs. 10 each. Each Shareholder is eligible for one vote per share held and such dividend as proposed by the Board of Director, subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

OBEROI KERALA HOTELS & RESORTS LIMITED

Notes to Accounts -- Contd.

		As at 31st March	
	Rupees	2015 Rupees	2014 Rupees
3			
RESERVES AND SURPLUS			
DEBIT BALANCE IN STATEMENT OF PROFIT & LOSS			
Balance at the beginning of the year	(8,527,261)		(8,546,263)
Add : Profit after tax as per Statement of Profit & Loss	<u>141,167</u>		<u>19,002</u>
		(8,386,094)	(8,527,261)
		<u>(8,386,094)</u>	<u>(8,527,261)</u>
4			
OTHER LONG TERM LIABILITIES			
Security Deposit (from EIH Ltd - The Holding Company)		1,600,000	1,600,000
		<u>1,600,000</u>	<u>1,600,000</u>
5			
TRADE PAYABLES			
Total Outstanding dues of Micro Enterprises and Small Enterprises (Note 15)		-	-
Total Outstanding dues of Creditors other than Micro & Small Enterprises		279,572	427,524
		<u>279,572</u>	<u>427,524</u>
6			
OTHER CURRENT LIABILITIES			
Statutory Liabilities		6,922	20,220
		<u>6,922</u>	<u>20,220</u>

OBEROI KERALA HOTELS & RESORTS LIMITED

Notes to Accounts -- Contd.

7

FIXED ASSETS

Particulars	(Amount in Rupees)					
	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	Original Cost as at 31st March, 2014	Additions during the year	Original Cost as at 31st March, 2015	As at 31st March, 2014	For the Year	As at 31st March, 2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS						
Freehold Land	3,151,427		3,151,427	-	-	3,151,427
Freehold Land (held for disposal) Note 16	17,179,831		17,179,831	-	-	17,179,831
TOTAL	20,331,258	-	20,331,258	-	-	20,331,258
Previous year	20,331,258	-	20,331,258	-	-	20,331,258

OBEROI KERALA HOTELS & RESORTS LIMITED
Notes to Accounts -- Contd.

		As at 31st March	
		2015	2014
		Rupees	Rupees
8			
LONG TERM LOANS AND ADVANCES (Unsecured)			
Security Deposits		166,350	181,350
Income tax advance / refund (net of provision)		19,519	53,730
		<u>185,869</u>	<u>235,080</u>
9			
TRADE RECEIVABLES			
(Unsecured, considered good)			
Other debts (from Holding Company)		19,300	150,846
		<u>19,300</u>	<u>150,846</u>
10			
CASH & CASH EQUIVALENTS			
Balances with Banks in Current Account		137,926	3,360
		<u>137,926</u>	<u>3,360</u>
11			
SHORT TERM LOANS AND ADVANCES			
Cenvat Credit adjustable		26,117	-
		<u>26,117</u>	<u>-</u>
		Year ended 31st March	
		2015	2014
		(Rupees)	(Rupees)
12			
OTHER INCOME			
Rental income		586,332	429,619
Interest from Income Tax		3,510	-
		<u>589,842</u>	<u>429,619</u>
13			
OTHER EXPENSES			
Electricity & Water		-	999
Lease Rental		136,332	118,169
Legal & Professional		48,000	60,533
Security Charges		163,296	197,974
Bank Charges		1,352	152
Travelling & Conveyance		-	138
Telephone & Postage		-	1,930
Auditors' Remuneration			
Audit Fees	17,000		17,000
Service Tax	<u>2,101</u>		<u>2,101</u>
Amounts written off		19,101	19,101
Miscellaneous Expenses		15,000	-
		1,744	3,119
		<u>384,825</u>	<u>402,119</u>
14			
CURRENT TAX			
Income Tax		89,678	8,458
Income tax adjustment relating to earlier years		(27,431)	-
		<u>62,247</u>	<u>8,458</u>

OBEROI KERALA HOTELS & RESORTS LIMITED

Notes to Accounts (Contd.)

15. The Company has not received from parties any information/memorandum as required to be filed by suppliers / vendors with notified authority under Micro, Small & Medium Enterprises Act, 2006 claiming their status as Micro, Small & Medium Enterprises. As such, the Company does not owe any dues on account of principal amount together with interest and accordingly no additional disclosures are made. This has been relied upon by the Auditors.
16. As the company will not commence any construction / operation of the hotel on the freehold land at Thekkady having a cost of Rs. 17,179,831, the Company has taken a decision for its disposal. Necessary approvals are still awaited from Government of Kerala as the matter is under their active consideration. However, the accounts have been drawn up on going concern basis. On receipt of approval from Government of Kerala, this would be treated as Current Assets.
17. Earnings per share:
- | Particulars | As at 31 st March | |
|--|------------------------------|------------------|
| | 2015
(Rupees) | 2014
(Rupees) |
| Profit / Loss computation for both Basic and Diluted earnings per share of Rs. 10 each | | |
| Profit available for Equity Share holders. | 141,167 | 19,002 |
| Weighted average number of Equity Shares outstanding | 2,720,007 | 2,720,007 |
| Basic & Diluted earnings per Equity Share in rupees of face value of Rs. 10. | 0.052 | 0.007 |
18. The Company is yet to commence any construction / operation at the hotel, as such there is nothing to report on segment results as required by Accounting Standard (AS) – 17 "Segment Report".
19. Consequent to the provisions of Accounting Standard 22 "Accounting for taxes on Income", the Company would have a net deferred tax asset, primarily consisting of accumulated losses. However, as the management is not virtually certain of subsequent realisation of the asset, no deferred tax asset has been computed or recognised in the accounts.
20. Disclosures in respect of Company's operating lease arrangements, entered on or after 1st April, 2001, under Accounting Standard (AS-19) on Leases.

The Company has given land on operating lease arrangements. The leases are generally non cancellable in nature.

OBEROI KERALA HOTELS & RESORTS LIMITED

Notes to Accounts (Contd.)

The Future minimum lease payments recoverable by the Company are as under:

As Lessor

	<u>Rupees</u>
Not later than one year	481,500 (450,000)
Later than one year but not later than five years	2,614,448 (2,544,679)
Later than five years	1,337,503 (1,843,178)

Rent in respect of the above is credited to Statement of Profit & Loss.

(Figures in bracket represent figures for 2014)

21. The details of transactions entered with related parties during the year are as follows:

- A.
1. Holding Company
EIH Limited
 2. Fellow Subsidiaries
 - i) Mashobra Resort Limited
 - ii) Mumtaz Hotels Limited
 - iii) EIH Flight Services Limited, Mauritius
 - iv) EIH International Ltd.
 - v) EIH Holdings Ltd
 - vi) EIH Marrakech Ltd
 - vii) J&W Hong Kong Ltd
 - viii) EIHH Corporation Ltd
 - ix) EIH Investments NV
 - x) EIH Management Services BV
 - xi) PT Widja Putra Karya
 - xii) PT Waka Oberoi Indonesia
 - xiii) PT Astina Graha Ubud

OBEROI KERALA HOTELS & RESORTS LIMITED

Notes to Accounts (Contd.)

- B. Transactions with related parties during the financial year and outstanding balances as on 31.3.2015:

	Holding Company Rupees
Purchases	
Goods & Services	--
	(-)
Sale	
Rental Income	586,332
<u>Other</u>	(429,619)
Share Application Money against issue of shares adjusted	--
	(1,600,000)
Security Deposit Received	--
	(1,600,000)
Outstanding balances	
Payable for Goods & Services	Nil
	(-)
Receivables for Goods & Services	19,300
	(150,846)
Security Deposit Payable	1,600,000
	(1,600,000)

(Figures in bracket indicate figures for 2014)

OBEROI KERALA HOTELS & RESORTS LIMITED

Notes to Accounts (Contd.)

22. The figures for the previous year have been regrouped/recast as far as practicable to make them comparable to the current year presentation.

Place:

Date:

DIRECTORS