

NORTHERN INDIA HOTELS LIMITED

FORTY SECOND ANNUAL REPORT 2013-2014

THE GATEWAY HOTEL
AGRA

NORTHERN INDIA HOTELS LIMITED

FORTY SECOND ANNUAL REPORT 2013-2014

DIRECTORS

Ms. Deepa Misra Harris - Chairperson

Mr. Sudhir Nagpal

Mr. Prabhat Verma

Mr. Rajesh Nagpal

AUDITORS

O. P. Dadu & Co.

Chartered Accountants

BANKERS

Indian Overseas Bank

State Bank of India

REGISTERED OFFICE

The Gateway Hotel

Fatehabad Road

Taj Ganj

Agra 282 001

CIN L55101UP1971PLC003838

Website: www.northernindiahotelsltd.com

SHARES LISTED AT

Delhi Stock Exchange Limited

3/1, DSE House

Asaf Ali Road

New Delhi 110 002

REGISTRAR AND SHARE TRANSFER AGENT

The Indian Hotels Company Limited

Mandlik House, Mandlik Road,

Mumbai 400 001

Phone: 022-6639 5515

Fax: 022-2202 7442

E-mail: investorrelations@tajhotels.com

NORTHERN INDIA HOTELS LIMITED

NOTICE

NOTICE is hereby given that the Forty Second Annual General Meeting of the Company will be held on Thursday, 11th September, 2014 at 2.00 p.m. at The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra 282 001 to transact the following:

Ordinary business:

1. To receive and adopt the Directors' Report together with Secretarial Compliance Certificate and the Audited Statement of Profit and Loss Account for the year ended 31st March, 2014 and the Balance Sheet as at that date.
2. To appoint a Director in place of Ms. Deepa Misra Harris, who retires by rotation and is eligible for reappointment.
3. To appoint Auditors of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

“**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s O.P. Dadu & Company, Chartered Accountants (Firm Registration Number 001201N), be and is hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of next Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

Special business:

4. **Appointment of Mr. Rajesh Nagpal as Director**

To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :

“**RESOLVED THAT** Mr. Rajesh Nagpal be and is hereby appointed as a Director of the Company liable to retire by rotation.”

5. To place the **Secretarial Compliance Certificate** obtained pursuant to Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001.

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item Nos. 4 and 5 mentioned in the accompanying Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the

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total share capital of the Company. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument appointing the proxy should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies must be supported by appropriate resolution/authority, as applicable.

3. Members are requested to intimate to the Company, changes, if any, in their registered address along with Pin Code Number. Members are also requested to register their email address and changes therein from time to time with the Company to enable the Company to send notices/documents through e-mail as now permitted in law.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 5th September, 2014 to Thursday, 18th September, 2014 (both days inclusive).

5. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to cast their vote electronically, through e-voting services provided by Central Depository Services Limited (CDSL), on all resolutions set forth in this Notice.

The instructions for members for voting electronically are as under:-

(A) In case of Members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "Northern India Hotels Company Limited" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Northern India Hotels Company Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

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- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (B) In case of members receiving the physical copy:**
- (i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (ii) The voting period begins on Friday, September 5, 2014 (9.00 a.m. IST) and ends on Sunday, September 7, 2014 (6.00 p.m. IST) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 1, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- (iii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under 'Help' section or write an email to helpdesk.evoting@cdslindia.com.
- (iv) The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 1, 2014.
- (v) Mr. Shreepad Korde, Practicing Company Secretary (C.P.No. 1079) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (vi) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (vii) Members who do not have access to e-voting facility may send duly completed Ballot Form in the enclosed self-addressed postage prepaid envelope (enclosed with the Annual Report) directly to the Scrutinizer so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Shreepad Korde, Practicing Company Secretary (C.P.No. 1079), at the Office of the Registrar and Share Transfer Agent of the Company not later than Sunday, September 7, 2014 (6.00 p.m. IST).

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- (viii) Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investorrelations@tajhotels.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Office of the Registrar and Share Transfer Agent of the Company not later than Sunday, September 7, 2014 (6.00 p.m. IST).
 - (ix) Ballot Form received after September 7, 2014 will be treated as invalid.
 - (x) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
 - (xi) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.northernindiahotelsltd.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.
6. All documents referred to in the accompanying Notice and the Explanatory Statement, if any, shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, except Sundays and Public Holidays, up to and including the date of the Annual General Meeting of the Company.

By order of the Board of Directors

Place: Mumbai
Dated: 17th July, 2014

SUDHIR NAGPAL
DIRECTOR

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EXPLANATORY STATEMENT **Pursuant to Section 102 of the Companies Act, 2013**

The following Statement sets out all material facts relating to the business under Item No. 4 and 5 mentioned in the accompanying Notice dated 17th July, 2014.

Item No. 4

Mr. Rajesh Nagpal was appointed as an Additional Director of the Company on 18th October, 2013. In terms of Section 161 of the Companies Act, 2013 and Article 120 of the Articles of Association of the Company, Mr. Nagpal holds the office up to the ensuing Annual General Meeting. A notice under Section 160 of the Companies Act, 2013 has been received from a member signifying its intention to propose Mr. Nagpal's candidature to the office of the Director at the forthcoming Annual General Meeting.

Mr. Rajesh Nagpal is associated with hospitality industry for the last 20 years and holds a rich experience. He is presently Managing Director in PIEM Hotels Limited (The Holding Company). His vast knowledge and experience would be of immense help to the Company.

The Board commends to the shareholders the appointment of Mr. Nagpal as Director on the Board of the Company. Except Mr. Rajesh Nagpal himself and Mr. Sudhir Nagpal being related to Mr. Rajesh Nagpal, no other Director is concerned or interested in the Resolution.

Item No. 5

Pursuant to Section 383A of the Companies Act, 1956 the Company has obtained the Secretarial Compliance Certificate from Mr. Arvind Kohli, Company Secretary in Practice. In terms of the Companies (Compliance Certificate) Rules, 2001, the aforesaid certificate is to be laid in the Annual General Meeting of the Company. The said certificate is attached to the Directors' Report. None of the Directors are interested in this item.

By order of the Board of Directors

Place: Mumbai
Dated: 17 July, 2014

SUDHIR NAGPAL
DIRECTOR

NORTHERN INDIA HOTELS LIMITED

DIRECTORS' REPORT

The Directors hereby present the Forty Second Annual Report of the Company together with the Audited Statements of Account for the year ended 31st March, 2014.

1. WORKING RESULTS

The Income for the year was Rs. 308.91 lacs compared to Rs. 278.61 lacs for the previous year. The profit for the year after expenditure, depreciation and provision for taxes was Rs. 192.19 lacs as compared to Rs. 239.94 lacs for the previous year which has been transferred to the Balance Sheet.

2. SECRETARIAL COMPLIANCE

In terms of Section 383A of the Companies Act, 1956, the Company has obtained the Secretarial Compliance Certificate from a Practicing Company Secretary. A copy of the said Certificate is attached to this Report.

3. INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

The Company has no activity relating to conservation of energy or technology absorption.

4. FIXED DEPOSITS

The Company has not accepted any deposit as contemplated under the Companies (Acceptance of Deposits) Rules, 1975.

5. PARTICULARS OF EMPLOYEES

There was no employee during the year who was drawing a remuneration of Rs. 60,00,000/- or more per annum or Rs. 5,00,000/- or more per month.

6. DIRECTORS

During the year under report, Mr. Rajesh Nagpal ceased to be an Alternate Director to Mr. R. M. Nagpal w.e.f. 24th April, 2013. He was appointed as an Alternate Director to Mr. R M Nagpal w.e.f. 15th July, 2013. Mr. Rajesh Nagpal ceased to be an Alternate Director to Mr. R. M. Nagpal w.e.f. 16th October, 2013.

Mr. R M Nagpal resigned from the Directorship of the Company with effect from 16th October, 2013. Mr. Rajesh Nagpal was appointed as an Additional Director by the Board of Directors vide Board Circular Resolution No. 1 of 2013-14 dated October 18, 2013. In terms of Section 152 of the Companies Act, 1956 and Article 120 of the Articles of Association of the Company, Mr. Nagpal holds office upto the date of the Annual General Meeting of the Company. It is proposed to appoint Mr. Nagpal as Director of the Company at the ensuing Annual General Meeting. The Board of Directors commend his appointment.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Ms. Deepa Misra Harris, Director of the Company is liable to retire by rotation and are eligible for re-appointment.

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7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors, based on the representations received from the Operating Management, confirms that -

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- b. It has, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 31st March, 2014 and of the profit of the Company for that period;
- c. it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of their knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control & records; and
- d. it has prepared the annual accounts on a going concern basis.

8. ACKNOWLEDGEMENTS

The Directors record their grateful appreciation of the devoted services rendered by all the employees.

9. AUDITORS

M/s O. P. Dadu & Co, Chartered Accountants, retire and are eligible for reappointment.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 22nd April, 2014

SUDHIR NAGPAL **PRABHAT VERMA**
DIRECTOR DIRECTOR

NORTHERN INDIA HOTELS LIMITED

ANNEXURE TO DIRECTORS REPORT COMPLIANCE CERTIFICATE

To,
The Members
Northern India Hotels Limited
The Gateway Hotel
Fatehabad Road
Taj Ganj, Agra 282001

We have examined the registers, records, books and papers of Northern India Hotels Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its Officers and Agents, we certify that in respect of the aforesaid financial year:

- (1) The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
- (2) The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- (3) The company being a public limited company, no comments are required to be made.
- (4) The Board of Directors duly met 4 times on April 24, 2013, July 15, 2013, October 15, 2013, and January 15, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including circular resolution in the Minutes Book maintained for the purpose.
- (5) The company closed its Register of Members from Wednesday, August 14, 2013 to Monday, August, 26, 2013 and necessary compliance of section 154 of the Act has been made.
- (6) The annual general meeting for the financial year ended on March 31, 2013 was held on August 22, 2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- (7) No Extra ordinary general meeting was held during the financial year.
- (8) The company has not advanced any loan to its directors and/or persons or firms or companies referred to in the section 295 of the Act.
- (9) The company has not entered into any contract falling within the purview of section 297 of the Act.
- (10) The company has made necessary entries in the register maintained under section 301 of the Act.
- (11) As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approval from the Board of Directors, Members and prior approval of the Central Government.

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- (12) The company has not issued any duplicate share certificates during the financial year. However, the Company issued a new set of share certificate replacing the existing share certificate.
- (13) The Company has:
- i) delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year;
 - iii) was not required to post warrants for dividend to any member of the company as no dividend was declared during the financial year;
 - iv) has not transferred any amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon as there are no such sum which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund;
- V) duly complied with the requirements of section 217 of the Act.
- (14) The Board of Directors of the company is duly constituted and the appointment of directors; alternate directors and additional directors were duly made during the financial year and there was a cessation of directorship due to resignation during the financial year.
- (15) The company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
- (16) The company has not appointed any sole-selling agent during the financial year.
- (17) The company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
- (18) The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- (19) The company has not issued any shares, debentures or other securities during the financial year.
- (20) The company has not bought back any shares during the financial year.
- (21) The company has not redeemed any preference shares or debentures during the year.
- (22) There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year.
- (23) The company has not invited or accepted any deposits including any unsecured loans falling within the purview of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the financial year.
- (24) The Company has not made any borrowings during the financial year.
- (25) The company has made loans and investments, in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose and has given no guarantees nor provided any securities to other bodies corporate.

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- (26) The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
- (27) The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
- (28) The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
- (29) The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
- (30) The company has not altered its articles of association during the year under scrutiny.
- (31) There were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
- (32) The company has not received any money as security from its employees during the financial year.
- (33) The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place: New Delhi
Dated: 22nd April, 2014

Arvind Kohli
Company Secretary
(CP No. 2818)

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Annexure A

Registers as maintained by the Company

Sr No	Particulars	Section Reference
1.	Member's & Director's Minute Book	192
2.	Register of Directors, Manager, Secretaries	303
3.	Register of Charges	143
4.	Register of Loans and Investments	372A
5.	Register of Members	150/151
6.	Register of Particular of Contracts	301
7.	Register of Transfer of Shares	108

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on March 31, 2014.

Sr No	Form No	U/Section	Particulars	Due on	Filed on
1.	eForm 32	303(2)	Changes in Directorship	25.04.2013	14.05.2013
2.	eForm 32	303(2)	Changes in Directorship	16.08.2013	01.08.2013
3.	eForm 32	303(2)	Changes in Directorship	22.09.2013	03.09.2013
4.	eForm 32	303(2)	Changes in Directorship	16.11.2013	09.11.2013
5.	eForm 32	303(2)	Changes in Directorship	16.11.2013	11.11.2013
6.	Eform 23AC & 23ACA (XBRL)	220	Balance Sheet & PL A/c etc. March 31, 2013	22.09.2013	11.09.2013
7.	eForm 66	383 A	Secretarial Compliance Certificate March 31, 2013	22.09.2013	03.09.2013
8.	eForm 20B	159	Annual Return August 25, 2013	23.10.2013	18.10.2013

Place: New Delhi
Dated: 22nd April, 2014

Arvind Kohli
Company Secretary
(CP No. 2818)

NORTHERN INDIA HOTELS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the accompanying financial statements of NORTHERN INDIA HOTELS' LIMITED, AGRA which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

2. As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) In our opinion, and based on information and explanations given to us, none of the directors is disqualified as on 31st March, 2014 from being appointed as director in terms of clause(g) of sub-section(1) of Section 274 of the Companies Act, 1956;

For O. P. DADU & CO.
Chartered Accountants
Firm Registration No. 001201N

Place: New Delhi
Date: 22nd April, 2014

O. P. DADU
PARTNER
M.No. 10871

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ANNEXURE TO THE AUDITORS' REPORT

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

1. a) The Company has maintained proper records of its Fixed Assets, showing full particulars including their quantitative detail and situation.
b) The Company has, during the year, physically verified all the Fixed Assets in respect of which record is kept. No serious discrepancies were noticed on such verification
c) During the year Company has not disposed off substantial part of Fixed Assets.
2. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
3. a) According to the information and explanations given to us, we are of the opinion that particular of contract that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies' Act, 1956 and exceeding the value of rupees five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
4. The Company did not accept any public deposit during the year.
5. The Company has an Internal Audit System which is considered adequate commensurate with its size and the nature of its business.
6. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, cess and other material statutory dues wherever applicable to it.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth tax, Service Tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.2014 for a period of more than six months from the date they became payable.
c) According to the information and explanation given to us, there are no dues of sales tax, Income tax, Customs duty, wealth tax, Service Tax, excise duty and cess which have not been deposited on account of any dispute.
7. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.
8. Matters specified in items, ii(a), (b), (c), iii (a), (b), (c), (d), (e), (f) & (g), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx) of clause to para 4 of Companies (Auditor's Report) Order, 2003 do not apply to the Company.

For O. P. DADU & CO.
Chartered Accountants
Firm Registration No. 001201N

O. P. DADU
PARTNER
M.No. 10871

Place: New Delhi
Date: 22nd April, 2014

NORTHERN INDIA HOTELS LIMITED

Balance Sheet as at 31st March, 2014

	Notes	Rupees	Rupees	Previous Year Rupees
EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a) Share Capital	2	44,15,250		44,15,250
(b) Reserves and Surplus	3	<u>17,28,71,530</u>		<u>15,36,52,509</u>
Total.....			17,72,86,780	15,80,67,759
2. Non-current Liabilities				
(a) Deferred Tax Liabilities (Net)	4		3,30,000	3,46,000
3. Current Liabilities				
(a) Other Current Liabilities.....	5	13,41,360		11,15,316
(b) Short-term Provisions.....	6	<u>—</u>		<u>—</u>
Total			13,41,360	11,15,316
TOTAL FUNDS EMPLOYED			<u>17,89,58,140</u>	<u>15,95,29,075</u>
ASSETS - NON CURRENT ASSETS				
4. Fixed Assets.....				
(a) Tangible Assets.....	7	24,93,946		25,53,447
(b) Intangible Assets		<u>24,720</u>		<u>41,200</u>
(c) Total			25,18,666	25,94,647
5. Non-current Investments.....				
(a) Long-term Loans and Advances	8	11,02,035		11,02,035
(b) Other Non-current Assets.....	9	58,621		58,621
	10	<u>16,65,46,070</u>		<u>14,49,91,658</u>
			17,02,25,392	14,87,46,961
6. Current Assets.....				
(a) Trade Receivables.....	11	39,46,593		51,74,457
(b) Cash and bank balances.....	12	36,06,840		37,25,015
(c) Short-term loans advances.....	13	<u>11,79,315</u>		<u>18,82,642</u>
(d) Total.....			87,32,748	1,07,82,114
			<u>17,89,58,140</u>	<u>15,95,29,075</u>

The accompanying notes form an integral part of the Financial Statements

For O. P. DADU & CO.
Chartered Accountants
FRN: 001201N

O. P. DADU
Partner
M.NO. 010871

New Delhi, 22nd April, 2014

For and on behalf of the Board

RAJESH NAGPAL Director

PRABHAT VERMA Director

Mumbai, 22nd April, 2014

FORTY SECOND ANNUAL REPORT 2013-14

Statement of Profit and Loss for the Year Ended 31st March, 2014

	Notes	Rupees	Rupees	Previous Year Rupees
INCOME				
1. Income from Hotel Operations.....	14	1,55,36,925		1,51,34,172
2. Other Income	15	1,53,54,327		1,27,26,836
Total Income			3,08,91,252	2,78,61,008
EXPENDITURE				
1. Employee Benefit Expense	16	—		—
2. Depreciation / Amortization.....	7	75,981		90,139
3. Other Operating and General Expenditure.. ...	17	30,12,250		15,32,783
Total Expenditure			30,88,231	16,22,922
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		2,78,03,021		2,62,38,086
EXCEPTIONAL ITEMS	18	—		60,39,927
PROFIT BEFORE TAX			2,78,03,021	3,22,78,013
TAX EXPENSE				
(a) Current Tax.....		86,00,000		83,00,000
(b) Deferred Tax		(16,000)		(16,000)
(c) Short/(Excess) Provision of Tax of earlier years (Net)		—		—
PROFIT AFTER TAX			1,92,19,021	2,39,94,013
EARNINGS PER SHARE (₹) 21				
1. Basic and diluted			43.92	54.83
2. Face value per Ordinary Share (₹).....			10.00	10.00

The accompanying notes form an integral part of the Financial Statements

As per our Report of even date:

For O. P. DADU & CO.
Chartered Accountants
FRN: 001201N

O. P. DADU
Partner
M.NO. 010871

New Delhi, 22nd April, 2014

For and on behalf of the Board

RAJESH NAGPAL Director
PRABHAT VERMA Director

Mumbai, 22nd April, 2014

NORTHERN INDIA HOTELS LIMITED

Cash Flow Statement for the Year Ended 31st March, 2014

	2013-14 Rupees	2012-13 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,78,03,021	3,22,78,013
Adjustments for:		
Depreciation	75,981	90,139
Dividend Income	(13,53,994)	(7,33,043)
Interest Income	(1,40,00,333)	(1,19,71,621)
Profit on sale of Investment	—	(60,39,927)
	(1,52,78,346)	(1,86,54,452)
Operating Profit before working capital changes.....	1,25,24,675	1,36,23,561
Adjustments for:		
Movements in Working capital:		
Increase/ (decrease) in current liabilities	2,26,044	(6,14,981)
Decrease/ (increase) in trade receivables	12,27,864	(12,28,043)
Decrease/ (increase) in short-term loans and advances...	13,59,556	(13,59,556)
	28,13,464	(32,02,580)
Cash Generated from Operations	1,53,38,139	1,04,20,981
Direct Taxes paid	(92,56,229)	(81,72,127)
Net Cash from Operation Activities	60,81,910	22,48,854
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	—	—
Proceeds of investments.....	—	80,44,577
Interest received	1,40,00,333	1,19,71,621
Dividends received	13,53,994	7,33,043
Deposit more than 12 months	(2,15,54,412)	(2,08,64,962)
NET CASH USED IN INVESTING ACTIVITIES	(62,00,085)	(1,15,721)
C. CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH USED IN FINANCING ACTIVITIES	—	—
Net (Decrease)/ increase in Cash and Cash equivalents.....	(1,18,175)	21,33,133
Cash and cash equivalents (Opening Balance).....	37,25,015	15,91,882
Cash and cash equivalents (Closing Balance).....	36,06,840	37,25,015

Notes:

1. The above cash flow statement has been prepared under the "Indirect Method" as the set out in the Accounting Standard 3 of Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.
2. Cash and Cash equivalents exclude margin money deposits with banks.
3. Previous year figures have been regrouped / restated where necessary.

As per our Report of even date

For O. P. DADU & CO.

Chartered Accountants

FRN: 001201N

O. P. DADU

Partner M.NO. 010871

New Delhi, 22nd April, 2014

For and on behalf of the Board

RAJESH NAGPAL Director

PRABHAT VERMA Director

Mumbai, 22nd April, 2014

FORTY SECOND ANNUAL REPORT 2013-14

Notes to Financial Statements as on 31st March, 2014

NOTE: 1 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention on accrual basis and comply with the Accounting Standards (AS) as mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006. The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, provision for loyalty programme, income taxes and the useful lives of fixed assets and intangible assets. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

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

a) INCOME.

Income is accounted for on accrual basis

b) TANGIBLE AND INTANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation / amortization and impairment losses, if any. Cost includes expenses incidental to the acquisition/installation of assets. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Interest on loans to acquire qualifying assets is added to the cost of fixed assets in accordance with Accounting Standard 16 on "Borrowing Costs" as mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006.

c) DEPRECIATION / AMORTIZATION

Depreciation on fixed assets is provided on the W.D.V. method in accordance with the provisions of Section 205 (2) (b), at the rates and in the manner specified in Schedule XIV of the Companies Act 1956.

d) TAXATION.

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognised deferred tax assets, if any.

e) INVESTMENTS

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

NORTHERN INDIA HOTELS LIMITED

Notes to Financial Statements as on 31st March, 2014

f) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

g) IMPAIRMENT OF ASSETS

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

h) ASSETS GIVEN UNDER LICENSE AGREEMENT

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

FORTY SECOND ANNUAL REPORT 2013-14

Note to Financial Statement as on 31st March, 2014

	Rupees	Previous Year Rupees
NOTE '2' SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
Equity Shares		
5,50,000 Equity Shares of ₹ 10/-each.....	55,00,000	55,00,000
Preference Shares		
5,000 9.5% Cumulative Redeemable Preference Shares of ₹ 100/-each	5,00,000	500,000
	60,00,000	60,00,000
ISSUED SHARE CAPITAL		
4,49,050 (Previous Year - 4,49,050) Equity Shares of ₹ 10/-each.....	44,90,500	44,90,500
	44,90,500	44,90,500
SUBSCRIBED AND PAID UP		
4,37,600 (Previous Year - 4,37,600) Equity Shares of ₹ 10/-each Fully Paid	43,76,000	43,76,000
Add: 11,450 Shares forfeited	39,250	39,250
	44,15,250	44,15,250

(a) RECONCILIATION OF NUMBER OF EQUITY SHARES:

Particulars	31-3-2014		31-3-2013	
	No of Shares	Rupees	No. of shares	Rupees
Shares outstanding at the beginning of the year	4,37,600	43,76,000	4,37,600	43,76,000
Add Shares issued during the year	—	—	—	—
Shares outstanding at the end of the year	4,37,600	43,76,000	4,37,600	43,76,000

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

(c) SHARE HELD BY HOLDING COMPANY

Name of Shareholder	31-3-2014		31-3-2013	
	No. of Shares held	%. of Holding	No. of Shares held	%. of Holding
PIEM Hotels Limited (PIEM)	4,07,567	93.14%	4,07,567	93.14%
Total	4,07,567	0.93	4,07,567	0.93

(d) DETAILS OF SHARES HELD BY OTHER SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

Name of Shareholder	31-3-2014		31-3-2013	
	No. of Shares held	%. of Holding	No. of Shares held	%. of Holding
PIEM Hotels Limited (PIEM)	4,07,567	93.14%	4,07,567	93.14%

NORTHERN INDIA HOTELS LIMITED

Notes to Financial Statement as on 31st March, 2014

	Rupees	Rupees	Previous Year Rupees
NOTE '3' - RESERVES AND SURPLUS			
SURPLUS IN STATEMENT OF PROFIT AND LOSS			
Balance as at the beginning of the year.....	15,36,52,509		12,96,58,496
Add: Profit for the year.....	1,92,19,021		2,39,94,013
Total		<u>17,28,71,530</u>	<u>15,36,52,509</u>

NOTE '4' - DEFERRED TAX LIABILITIES (Net)

DEFERRED TAX LIABILITY

Depreciation on fixed assets.....		3,30,000	3,46,000
Total		<u>3,30,000</u>	<u>3,46,000</u>

NOTE '5' - OTHER CURRENT LIABILITIES

ON CURRENT ACCOUNT DUES

Holding Company	9,61,051		7,99,891
Others.....	—		—
		9,61,051	7,99,891
Statutory Liabilities.....		1,99,812	1,30,787
Other Liabilities.....		1,80,497	1,84,638
Total		<u>13,41,360</u>	<u>11,15,316</u>

NOTE '6' - SHORT TERM PROVISIONS

Short-term Provision for employee Benefits		—	—
Total		<u>—</u>	<u>—</u>

Notes to Financial Statements as on 31st March, 2014

NOTE '7' - FIXED ASSETS

	Gross Block (at cost)				Depreciation/Amortization				Net Block	
	As at 31-03-2013 ₹	Additions ₹	Deductions ₹	As at 31-03-2014 ₹	As at 31-03-2013 ₹	For the year ₹	Deduction/ Adjustments ₹	As at 31-03-2014 ₹	As at 31-03-2014 ₹	As at 31-03-2013 ₹
(A) Tangible Assets*										
1. Freehold Land	3,79,479	—	—	3,79,479	—	—	—	—	3,79,479	3,79,479
2. Leasehold Land	9,86,922	—	—	9,86,922	—	—	—	—	9,86,922	9,86,922
3. Buildings	62,18,681	—	—	62,18,681	50,32,628	59,302	—	50,91,930	11,26,751	11,86,053
4. Plant and Machinery	11,78,078	—	80,017	10,98,061	11,77,085	199	80,017	10,91,267	794	993
5. Vehicles	1,042	—	1,042	—	1,042	—	1,042	—	—	—
Total	87,64,202	—	81,059	86,83,143	62,10,755	59,501	81,059	61,89,197	24,93,946	25,53,447
Previous Year	87,64,202	—	—	87,64,202	61,48,083	62,672	—	62,10,755	25,53,447	—
B Intangible Assets										
Computer Software	1,25,880	—	—	1,25,880	84680	16,480	—	1,01,160	24,720	41,200
Total	1,25,880	—	—	1,25,880	84680	16,480	—	1,01,160	24,720	41,200
Previous Year	1,25,880	—	—	1,25,880	57,214	27,466	—	84,680	41,200	—
Total	88,90,082	—	81,059	88,09,023	62,95,435	75,981	81,059	62,90,357	26,18,666	25,94,647
Total Previous Year	88,90,082	—	—	88,90,082	62,05,297	90,139	—	62,95,435	25,94,647	—

* For Assets given under License Agreement (Refer Note no. 20)

Notes:

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

NORTHERN INDIA HOTELS LIMITED

Notes to Financial Statements as on 31st March, 2014

NOTE '8' - NON CURRENT INVESTMENTS

Particulars	Face Value ₹	As at 31.03.314		As at 31.03.13	
		Nos.	₹	Nos.	₹
LONG-TERM TRADE INVESTMENTS (At Cost)					
A. TRADE INVESTMENTS					
1. Fully Paid Unquoted Equity Instruments					
Investments in Associates					
a) Taida Trading and Industries Limited.....	100	4,000	8,800	4,000	8,800
b) Inditravel Limited.....	10	24,000	2,40,000	24,000	2,40,000
c) Taj Trade and Transport Company Limited.....	10	49,998	7,91,635	49,998	7,91,635
			<u>10,40,435</u>		<u>10,40,435</u>
Investment in Fellow Subsidiaries					
a) Indian Dairy Entrepreneurs Agricultural Co. Ltd.	1	50,000	50,000	50,000	50,000
b) Residency Foods and Beverages Ltd.....	10	10	100	10	100
			<u>50,100</u>		<u>50,100</u>
2. Fully paid Quoted Equity Instruments					
Investment in Fellow Subsidiaries					
i) Benares Hotels Limited.....	10	150	1,500	150	1,500
			<u>1,500</u>		<u>1,500</u>
Total of Trade Investments (A).....			<u>10,92,035</u>		<u>10,92,035</u>
B. NON TRADE INVESTMENTS:					
Fully Paid Unquoted Equity Instruments					
Saraswat Co-operative Bank Ltd.....	10	1,000	10,000	1,000	10,000
Total of Non Trade Investments (B).....			<u>10,000</u>		<u>10,000</u>
Total Long-Term Investments (A+B).....			<u>11,02,035</u>		<u>11,02,035</u>

Notes:

1. Aggregate of Quoted Investments - Gross

Cost.....	1,500	1,500
Market Value	89,250	88,500

2. Aggregate of Unquoted Investments - Gross

Cost.....	11,00,535	11,00,535
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FORTY SECOND ANNUAL REPORT 2013-14

Notes to Financial Statements as on 31st March, 2014

	Rupees	Rupees	Previous Year Rupees
NOTE '9' - LONG TERM LOANS AND ADVANCES			
UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE			
Deposits with Public Bodies and Others		58,621	58,621
Total		<u>58,621</u>	<u>58,621</u>
NOTE '10' - OTHER NON-CURRENT ASSETS			
Deposits with banks with a maturity of more than 12 months		16,65,46,070	14,49,91,658
Total		<u>16,65,46,070</u>	<u>14,49,91,658</u>
NOTE '11' - TRADE RECEIVABLES			
UNSECURED, CONSIDERED GOOD			
Outstanding over six months.....		—	—
Others.....		39,46,593	51,74,457
Total		<u>39,46,593</u>	<u>51,74,457</u>
Note : Trade Receivables include debts due from Holding Company ₹ 39,46,593 (Previous year ₹ 51,74,457) in the ordinary course of business.			
NOTE '12' - CASH AND BANK BALANCES			
CASH AND CASH EQUIVALENTS			
Cash on hand.....	9,066		46,507
BALANCES WITH BANKS			
Current Accounts.....	35,97,774		36,78,508
Call and Short-term deposit accounts (less than 3 months)	—		—
Total		<u>36,06,840</u>	<u>37,25,015</u>
NOTE '13' - SHORT TERM LOANS AND ADVANCES			
UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE			
Loans and Advance to Related parties on Current Account Dues			
Holding Company		—	—
Other Advances			
Considered good.....		—	13,59,556
		—	13,59,556
Advance Income Tax (net of provisions)		11,79,315	5,23,086
Total		<u>11,79,315</u>	<u>18,82,642</u>

NORTHERN INDIA HOTELS LIMITED

Notes to Financial Statements as on 31st March, 2014

	Rupees	Rupees	Previous Year Rupees
NOTE '14' - INCOME FROM OPERATIONS			
Income from Hotel Operations		1,55,36,925	1,51,34,172
Total		<u>1,55,36,925</u>	<u>1,51,34,172</u>

NOTE '15' - OTHER INCOME

1. Interest Income	1,40,00,333		1,19,71,621
2. Dividend Income from Long-term Investments	13,53,994		7,33,043
3. Miscellaneous Non-Operating Income	—		22,172
Total		<u>1,53,54,327</u>	<u>1,27,26,836</u>

NOTE '16' - EMPLOYEE BENEFITS EXPENSE

1. Salaries, Wages, Bonus etc.....		—	—
2. Company's Contribution to Provident and Other Funds		—	—
3. Retiring Gratuity.....		—	—
4. Staff Welfare Expenses		—	—
Total		<u>—</u>	<u>—</u>

NOTE '17' - OTHER OPERATING AND GENERAL EXPENDITURE

1. Advertising and Publicity	1,38,458		1,02,619
2. Printing and Stationery.....	23,908		22,687
3. Passage and Travelling	—		3,992
4. Payment made to Statutory Auditors:			
a) As Statutory Auditors.....	67,416		67,416
b) As Tax Auditors	4,494		4,494
c) For Taxation Matters.....	12,750		14,326
d) For Other Services	—		—
e) For Reimbursement of Expenses	8,490		8,513
5. Directors' Fees	6,000		5,000
6. Legal and procession Expenses	15,71,082		2,11,448
7. Service Charges	9,71,419		8,70,421
8. Other Expenses	2,08,233		2,21,867
Total		<u>30,12,250</u>	<u>15,32,783</u>

FORTY SECOND ANNUAL REPORT 2013-14

Notes to Financial Statements as on 31st March, 2014

	Rupees	Rupees	Previous Year Rupees
NOTE '18' - EXCEPTIONAL ITEMS			
Profit on Sale of Long Term Trade Investment.....		—	60,39,927
Total		<u>—</u>	<u>60,39,927</u>

NOTE '19' - CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts		—	—
---	--	---	---

NOTE '20' - INFORMATION ON ASSETS GIVEN UNDER LICENSE AGREEMENT

License fee received during the period on the following assets given under License Agreement expiring on 2016

1. Cost	73,16,742		73,96,759
2. Accumulated Depreciation	61,89,197		62,09,713
3. Net Book Value.....		<u>11,27,545</u>	<u>11,87,046</u>
License Fee Income Recognized in the Statement of Profit and Loss		1,55,36,925	1,51,34,172
Aggregate depreciation charged on the above assets.....		59,501	62,672

NOTE '21' - EARNINGS PER SHARE

a) Profit after tax.....	1,92,19,021		2,39,94,013
b) Weighted average number of shares		4,37,600	4,37,600
c) Nominal value of shares (Rupees).....		10	10
d) Basic and diluted earnings per share (Rupees).....		43.92	54.83

NOTE '22' -

Based on information available with the Company, there are no dues to Micro, Small and Medium Enterprises as defined in the Micro, Small & Medium Enterprises Development Act, 2006, as at March, 31, 2014

	Nil		Nil
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NORTHERN INDIA HOTELS LIMITED

Notes to Financial Statements as on 31st March, 2014

NOTE '23' - RELATED PARTY DISCLOSURES

A) The Names of Related Parties of the Company are as under:

- i) **ULTIMATE HOLDING COMPANY**
The Indian Hotels Company Ltd. (IHCL)
TIFCO Holdings Ltd. (Wholly owned Subsidiary of IHCL)
- ii) **HOLDING COMPANY**
Piem Hotels Limited
- iii) **FELLOW SUBSIDIARY COMPANIES**
Piem International (H.K.) Ltd. (PIHK)
BHAC 5 Pte Ltd (Subsidiary of PIHK)
Premium Aircraft Leasing Corporation Ltd (Subsidiary of PIHK)

B) Details of Transactions with Related Parties During the Year

1. The Indian Hotels Company Limited

S.No.	Particulars	Current Year	Previous Year
1.	Dividend Received	—	1,28,643
2.	Debenture Redeemed	—	—
3.	Interest Received on Debenture	—	—
4.	Sale of Investment	—	20,04,650

2. PIEM Hotels Limited

S.No.	Particulars	Current Year	Previous Year
1.	Opening/License Fees Income	1,55,36,925	1,51,34,172
2.	Deputed Staff Salary Paid	9,71,419	8,70,421
3.	Balance at the year end	29,85,542	43,74,566

Note: Previous year's figures have ben regrouped/rearranged wherever necessary.

NOTE '24' - SEGMENT REPORTING

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

As per our Report of even date

For O. P. DADU & CO.

Chartered Accountants

FRN 001201N

O. P. DADU

Partner

M.NO. 10871

Place: New Delhi

Date: 22nd April, 2014

For and on behalf of the Board

RAJESH NAGPAL

Director

PRABHAT VERMA

Director

Mumbai, 22nd April, 2014

NORTHERN INDIA HOTELS LIMITED

Corporate Identification No. (CIN) L55101UP1971PLC003838
 Registered Office: The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra 282 001
 Phone: 0562 6602000 E-mail: investorrelations@tajhotels.com Website: www.northernindiahotelsltd.com

Attendance Slip (To be presented at the entrance)

I hereby record my presence at the FORTY SECOND ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company at The Gateway Hotel, Fatehabad Raod, Taj Ganj, Agra 282 001 at 2.00 p.m. on Thursday, September 11, 2014 and at any adjournment thereof.

Folio No. DP ID No Client ID No.

Name of the Member Signature

Name of the Proxyholder Signature.....

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

3<

NORTHERN INDIA HOTELS LIMITED

Corporate Identification No. (CIN) L55101UP1971PLC003838
 Registered Office: The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra 282 001

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No./Client ID No. :

I/We, being the member (s) of Northern India Hotels Limited, holding..... shares hereby appoint

1. Name : E-mail Id :

Address :

Signature :, or failing him

2. Name : E-mail Id :

Address :

Signature :, or failing him

2. Name : E-mail Id :

Address :

Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Forty Second Annual General Meeting of the Company, to be held on Thursday, 11th September, 2014 at 2.00 p.m. at the Registered Office of the Company at The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra 282 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Please put a (✓) in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Item No.	Resolution	Type of Resolution	FOR	AGAINST
1	Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014.	Ordinary		
2	Reappointment of Ms. Deepa Misra Harris, as a Director of the Company.	Ordinary		
3	To appoint the Auditors of the Company.	Ordinary		
4.	To appoint Mr. Rajesh Nagpal as a Director of the Company	Ordinary		
5.	To place the Secretarial Compliance Certificate	Ordinary		

Signed this day of 2014

Signature of Member.....

Signature of Proxy holder(s).....

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra 282 001, not less than 48 hours before the commencement of the Meeting.

