

NORTHERN INDIA HOTELS LIMITED

THIRTY NINTH ANNUAL REPORT 2010-2011

THE GATEWAY HOTEL
AGRA

NORTHERN INDIA HOTELS LIMITED

[THIRTY NINTH ANNUAL REPORT 2010-11

DIRECTORS

Mr. Ajoy Misra - Chairman

Mr. R. M. Nagpal

Mr. Sudhir Nagpal

Mr. P. K. Mohankumar

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

SHARES LISTED AT

Delhi Stock Exchange Limited
3/1, DSE House
Asaf Ali Road
New Delhi 110 002

NORTHERN INDIA HOTELS LIMITED

NOTICE

NOTICE is hereby given that the Thirty Ninth Annual General Meeting of the Company will be held on Thursday, 29th September, 2011 at 2.30 p.m. at The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra-282 001 to transact the following business :

Ordinary business:

1. To receive and adopt the Directors' Report together with Secretarial Compliance Certificate and Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date.
2. To appoint a Director in place of Mr. Sudhir Nagpal who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. P.K. Mohankumar who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and to fix their remuneration.

Special business:

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 relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under Item No. 5 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.
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 the Share Transfer Books of the Company will remain closed from Thursday, September 22, 2011 to Monday, October 3, 2011 (both days inclusive).

By Order of the Board of Directors

Place : Mumbai
Dated : 29th April, 2011

SUDHIR NAGPAL
DIRECTOR

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EXPLANATORY STATEMENT

Pursuant to Section 173 of the Companies Act, 1956

The following Explanatory Statement sets out all material facts relating to the business under Item No. 5 mentioned in the accompanying Notice dated 29th April, 2011.

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.

By Order of the Board of Directors

Place : Mumbai
Dated : 29th April, 2011

SUDHIR NAGPAL
DIRECTOR

NORTHERN INDIA HOTELS LIMITED

DIRECTORS' REPORT

The Directors hereby present the Thirty Ninth Annual Report of the Company together with the Audited Statements of Account for the year ended 31st March, 2011.

1. WORKING RESULTS

The Income for the year was ₹ 214.66 lacs compared to ₹ 208.92 lacs for the previous year. The profit for the year after expenditure, depreciation and provision for taxes was ₹ 134.38 lacs as compared to ₹ 133.03 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 Practising 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 ₹ 60,00,000/- or more per annum or ₹ 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. 28th July, 2010. Mr. Rajesh Nagpal was again appointed as an Alternate Director to Mr. R. M. Nagpal w.e.f. 29th October, 2010. He again ceased to be an Alternate Director to Mr. R.M. Nagpal w.e.f. 7th February, 2011.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sudhir Nagpal and Mr. P.K. Mohankumar, Directors of the Company are liable to retire by rotation and are eligible for re-appointment.

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, 2011 and of the profit of the Company for that period;

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- 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 recognised 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 : 29th April, 2011

SUDHIR NAGPAL
DIRECTOR

P.K. MOHANKUMAR
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-282 001

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, 2011. 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 May 5, 2010, July 28, 2010, October 28, 2010 and February 07, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- (5) The Company closed its Register of Members from September 03, 2010 to September 13, 2010 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, 2010 was held on September 09, 2010 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 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.

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- (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.
- (12) The Company has not issued any duplicate share certificates during the financial year.
- (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; and
 - (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 alternate director have been duly made; however, no director to fill in the casual vacancy were appointed 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.

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- (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.
- (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 : 29th April, 2011

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.	Members' & Directors' Minutes 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 Particulars 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, 2011.

Sr. No.	Form No.	U/Section	Particulars	Due on	Filed on
1.	eForm 32	303(2)	Changes in Directorship	27.08.2010	20.08.2010
2.	eForm 23AC & 23AC A	220	Balance Sheet & P&L A/c etc. March 31, 2010	08.10.2010	20.10.2010
3.	eForm 66	383 A	Secretarial Compliance Certificate March 31, 2010	08.10.2010	16.10.2010
4.	eForm 20B	159	Annual Return September 09, 2010	07.11.2010	02.11.2010
5.	eForm32	303(2)	Changes in Directorship	27.11.2010	20.11.2010
6.	eForm32	303(2)	Changes in Directorship	09.03.2011	04.03.2011

Place : New Delhi
Dated : 29th April, 2011

Arvind Kohli
Company Secretary
(CP No. 2818)

NORTHERN INDIA HOTELS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of 'NORTHERN INDIA HOTELS LIMITED, AGRA,' as at 31st March, 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) In our opinion, and based on information and explanations given to us, none of the directors is disqualified as on 31st March, 2011 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of Balance Sheet, of the State of affairs of the Company as at 31st March, 2011.
 - b) in the case of the Profit and Loss Account, of the 'Profit' for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the Cash Flow of the company for the year ended on that date.

For O. P. DADU & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 001201N

Place : New Delhi
Dated : 29th April, 2011

O. P. DADU
PARTNER
M.No. 10871

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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our Report of even date)

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 details 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 the Company has not disposed of any Fixed Assets.
2. a) According to the information and explanations given to us, we are of the opinion that particulars 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.
3. The Company did not accept any public deposit during the year.
4. The Company has an Internal Audit System which is considered adequate commensurate with its size and the nature of its business.
5. 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 31-03-2011 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.
6. 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.
7. Matters specified in items, ii (a), (b), (c), (iii) (a), (b), (c), (d), (e), (f) & (g), (iv), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx) of clause to para 4 of Companies (Auditors' 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
Dated : 29th April, 2011

NORTHERN INDIA HOTELS LIMITED

Balance Sheet as at 31st March, 2011

	Sch. No.	Rupees	Rupees	Previous Year Rupees
SOURCES OF FUNDS				
1. Shareholders' Funds				
(a) Share Capital	1	44,15,250		44,15,250
(b) Reserves and Surplus	2	11,24,51,715		9,90,13,354
TOTAL			11,68,66,965	10,34,28,604
2. Deferred Tax Liability			3,80,000	4,10,000
TOTAL FUNDS EMPLOYED			11,72,46,965	10,38,38,604
APPLICATION OF FUNDS				
3. Fixed Assets				
(a) Gross Block	3	88,19,490		88,19,490
(b) Less : Depreciation		61,36,639		60,66,609
(c) Net Block			26,82,851	27,52,881
4. Investments	4		41,78,685	41,78,685
5. Current Assets, Loans & Advances				
(a) Sundry Debtors		42,25,212		93,83,585
(b) Cash and Bank Balances		10,59,98,530		9,40,76,622
(c) Loan and Advances.....		1,70,22,418		2,45,53,701
			12,72,46,160	12,80,13,908
Less:				
6. Current Liabilities & Provisions				
(a) Current Liabilities	6	20,68,203		91,68,366
(b) Provisions		1,47,92,528		2,19,38,504
			1,68,60,731	3,11,06,870
Net Current Assets			11,03,85,429	9,69,07,038
TOTAL ASSETS			11,72,46,965	10,38,38,604

Schedules referred to above form an integral part of the Balance Sheet

As per our Report attached
For O. P. DADU & CO.
 Chartered Accountants

O. P. DADU
 Partner
 New Delhi, 29th April, 2011

For and on behalf of the Board
SUDHIR NAGPAL Director
P K MOHANKUMAR Director

Mumbai, 29th April, 2011

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Profit and Loss Account for the Year Ended 31st March, 2011

	SCH	Rupees	Rupees	Previous Year Rupees
INCOME				
1. Income from Hotel Operations	7	1,41,49,970	1,25,72,862	
2. Other Income	8	73,16,503	83,19,076	
TOTAL INCOME		2,14,66,473	2,08,91,938	
OPERATING AND GENERAL EXPENSES				
1. Administration and General Expenses		13,81,027	10,34,439	
Total Expenditure		13,81,027	10,34,439	
PROFIT BEFORE DEPRECIATION AND TAX		2,00,85,446	1,98,57,499	
2. Depreciation/Amortisation		70,030	74,084	
PROFIT BEFORE TAX		2,00,15,416	1,97,83,415	
3. Provision for Taxes				
(a) Current Tax		64,50,000	65,00,000	
(b) Deferred Tax		(30,000)	(20,000)	
(c) Short/(Excess) Provision for tax of earlier years		1,57,055	—	
		65,77,055	64,80,000	
PROFIT AFTER TAX		1,34,38,361	1,33,03,415	
4. Balance brought forward from the previous year		9,90,13,354	8,57,09,939	
5. Balance carried to Balance Sheet		11,24,51,715	9,90,13,354	
6. Notes to Accounts	10			
7. Basic and Diluted Earnings per share		30.71	30.40	
(Refer Note No. 8 of Schedule 10)				

Schedules referred to above form an integral part of the Profit & Loss Account

As per our Report attached

For O. P. DADU & CO.
Chartered Accountants

O. P. DADU
Partner

New Delhi, 29th April, 2011

For and on behalf of the Board

SUDHIR NAGPAL Director

P K MOHANKUMAR Director

Mumbai, 29th April, 2011

NORTHERN INDIA HOTELS LIMITED

Cash Flow Statement for the Year Ended 31st March, 2011

A. CASH FLOW FROM OPERATING ACTIVITIES	2010-11 Rupees	2009-10 Rupees
Net profit before tax and extraordinary items	2,00,15,416	1,97,83,415
Adjustments for :		
Depreciation	70,030	74,084
Writeback of excess depreciation of earlier years	—	—
Profit on sale of Investments	—	—
Foreign Exchange Gain/loss on Currency Swap	—	—
Interest/Dividend Income	(73,16,496)	(83,15,018)
Interest Expenses	—	—
Provision for Diminution in Value of Investment	—	—
Loss on Assets sold/Discarded (Net)	—	—
	(72,46,466)	(82,40,934)
Operating Profit before working capital changes.....	1,27,68,950	1,15,42,481
Adjustments for:		
Inventories	—	—
Trade and other receivables	51,58,373	(1,94,281)
Loans & Advances	26,15,485	(24,98,820)
Deposits with Public Bodies	—	—
Trade Payables/other liabilities	(68,81,339)	43,59,304
Sundry Deposits	—	—
	8,92,519	16,66,203
Cash Generated from Operations	1,36,61,469	1,32,08,684
Direct Taxes paid	(90,56,057)	(49,07,546)
Net Cash from operating activities	46,05,412	83,01,138
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	—	—
Sale of fixed assets	—	—
Purchase of investment	—	—
Dividend Received	7,12,589	8,32,644
Interest Received.....	66,03,907	74,82,374
Deposits to Companies	—	—
Net Cash from investing activities	73,16,496	83,15,018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	—	—
Repayment of Borrowings	—	—
Interest Paid.....	—	—
Dividend paid (includes tax on dividends).....	—	—
Foreign Exchange Gain/loss on Currency Swap.....	—	—
Net Cash used in financing activities	—	—
Net increase in Cash and Cash equivalents.....	1,19,21,908	1,66,16,156
Cash and cash equivalents as at (Opening Balance).....	9,40,76,622	7,74,60,466
Cash and cash equivalent as at (Closing Balance).....	10,59,98,530	9,40,76,622

As per our Report attached

For O. P. DADU & CO.
Chartered Accountants

O. P. DADU
Partner

New Delhi, 29th April, 2011

For and on behalf of the Board

SUDHIR NAGPAL Director

P K MOHANKUMAR Director

Mumbai, 29th April, 2011

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Schedules Forming Part of the Balance Sheet as at 31st March, 2011

	Rupees	Rupees	Previous Year Rupees
SCHEDULE '1' - SHARE CAPITAL			
AUTHORISED			
5,000 9.5% Cumulative Redeemable Preference Shares of ₹ 100/- each	5,00,000		5,00,000
5,50,000 Equity Shares of ₹ 10/- each	<u>55,00,000</u>		55,00,000
		<u>60,00,000</u>	<u>60,00,000</u>
ISSUED			
4,49,050 Equity Shares of ₹ 10/- each		44,90,500	44,90,500
SUBSCRIBED AND PAID-UP			
4,37,600 Equity Shares of ₹ 10/- each fully called up	43,76,000		43,76,000
11,450 Forfeited Shares	<u>39,250</u>		39,250
		<u>44,15,250</u>	<u>44,15,250</u>
SCHEDULE '2': RESERVES & SURPLUS			
1. Profit & Loss Account		11,24,51,715	9,90,13,354
TOTAL		<u>11,24,51,715</u>	<u>9,90,13,354</u>

NORTHERN INDIA HOTELS LIMITED

Schedules Forming Part of the Balance Sheet as at 31st March, 2011

SCHEDULE '3' - FIXED ASSETS

	Fixed Assets (At cost)	Gross Block			Depreciation			Net Block	
		As at 31.03.2010	Additions	Deductions/ Adjustments	As at 31-03-2011	For the Year	Up to 31-03-2011	As at 31-03-2011	As at 31-03-2010
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
1.	Land-Freehold	3,79,479	—	—	3,79,479	—	—	3,79,479	3,79,479
2.	Land-Leasehold	9,86,922	—	—	9,86,922	—	—	9,86,922	9,86,922
3.	Buildings	62,18,681	—	—	62,18,681	69,168	49,04,495	13,14,186	13,83,354
4.	Plant and Machinery	12,33,366	—	—	12,33,366	862	12,31,102	2,264	3,126
5.	Vehicles	1,042	—	—	1,042	—	1,042	—	—
	Total	88,19,490	—	88,19,490	60,66,609	70,030	61,36,639	26,82,851	27,52,881
	Previous Year	88,19,490	—	88,19,490	59,92,525	74,084	60,66,609	27,52,881	—

Gross Block includes Freehold Land admeasuring 14,744.60 Sq. Yd. aggregating to ₹ 1,93,499/- pending conveyance.

THIRTY NINTH ANNUAL REPORT 2010-11

Schedules Forming Part of the Balance Sheet as at 31st March, 2011

SCHEDULE '4' - INVESTMENTS

Particulars	Face	Nos.	As at	Nos.	As at
	Value		31.03.11		31.03.10
	Rupees		Rupees		Rupees
LONG TERM TRADE INVESTMENTS AT COST					
1. In Shares of Companies					
a. Quoted Equity Shares					
i. Benares Hotels Ltd.	10	150	1,500	150	1,500
ii. The Indian Hotels Co. Ltd. (1,07,203 shares allotted consequent to the merger of Gateway Hotels & Gateway Resorts Ltd. with The Indian Hotels Co. Ltd.)	1	1,28,643	20,04,650	—	20,04,650
			20,06,150		20,06,150
b. Unquoted Equity Shares					
i. Taj Trade & Transport Co. Ltd. (including 8,333 Bonus Shares)	10	49,998	7,91,635	49,998	7,91,635
ii. Indian Dairy Entrepreneurs Agricultural Co. Ltd.	1	50,000	50,000	50,000	50,000
iii. Indi Travels Pvt. Ltd. (Formerly Taj Services Pvt. Ltd)	10	24,000	2,40,000	24,000	2,40,000
iv. Residency Foods & Beverages Ltd.	10	10	100	10	100
vi. Taida Trading & Industries Ltd. (₹ 2.20 each fully paid up)	100	4,000	8,800	4,000	8,800
vi. M/s. Saraswat Co-operative Bank Ltd.	10	1,000	10,000	1,000	10,000
			11,00,535		11,00,535
2. In Debentures of Company					
6% Non Convertible debentures of IHCL	100	10,720	10,72,000	10,720	10,72,000
TOTAL			41,78,685		41,78,685

Notes :

- | | | |
|---|-------------|-------------|
| 1. Aggregate of Quoted Investments cost | 20,06,150 | 20,06,150 |
| Market Value | 1,09,02,398 | 1,32,46,340 |
| 2. Aggregate of Unquoted Investments cost | 21,72,535 | 21,72,535 |
| 3. All Investments are stated at cost and are fully paid up unless otherwise indicated. | | |

NORTHERN INDIA HOTELS LIMITED

Schedules Forming Part of the Balance Sheet as at 31st March, 2011

	Rupees	Rupees	Previous Year Rupees
SCHEDULE '5' - CURRENT ASSETS, LOANS AND ADVANCES			
A. CURRENT ASSETS :			
1) SUNDRY DEBTORS (Unsecured Considered Good)			
a) Outstanding over six months.....	—		17,81,209
b) Other Debts.....	<u>42,25,212</u>		<u>76,02,376</u>
		42,25,212	93,83,585
2) CASH AND BANK BALANCES			
a) Cash in Hand	76,358		43,606
b) Balances with Scheduled Banks			
i. In Current Accounts.....	24,00,198		63,97,016
ii. In Deposit Accounts.....	<u>10,35,21,974</u>		<u>8,76,36,000</u>
		10,59,98,530	9,40,76,622
TOTAL CURRENT ASSETS.....		<u>11,02,23,742</u>	<u>10,34,60,207</u>
B. LOANS AND ADVANCES :			
(Unsecured Considered Good)			
1) Advances Recoverable in cash or in kind or for value to be received	31,73,316		57,88,801
2) Advance Tax Payment.....	1,37,90,481		1,86,91,368
3) Advance Fringe Benefit Tax Payments.....	—		14,911
4) Deposits with Public Bodies & Others	<u>58,621</u>		<u>58,621</u>
TOTAL LOANS AND ADVANCES		<u>1,70,22,418</u>	<u>2,45,53,701</u>
TOTAL CURRENT ASSETS, LOANS AND ADVANCES		<u>12,72,46,160</u>	<u>12,80,13,908</u>

SCHEDULE '6' - CURRENT LIABILITIES AND PROVISIONS :

A. CURRENT LIABILITIES

1) Sundry Creditors..... 20,68,203 91,68,366

B. PROVISIONS

1) Provision for Taxation..... 1,29,50,000 2,03,00,000

2) Provision for Fringe Benefit Tax..... — 14,800

3) Provision for Leave Encashment..... 18,42,528 16,23,704

1,47,92,528 **2,19,38,504**

TOTAL **1,68,60,731** **3,11,06,870**

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Schedules Forming Part of the Profit & Loss Account for the Year ended 31st March, 2011

SCHEDULE '7'	Rupees		Previous Year Rupees
- ROOMS, RESTAURANTS, BANQUETS AND OTHER INCOME :			
A. INCOME FROM HOTEL OPERATIONS		1,41,49,970	1,25,72,862
[TDS ₹ 14,15,010/- (Previous Year ₹ 17,20,380/-)]			
TOTAL		<u>1,41,49,970</u>	<u>1,25,72,862</u>

SCHEDULE '8' - OTHER INCOME :

1. INCOME FROM INVESTMENTS (GROSS)			
Dividend	7,12,589		8,32,644
2. Interest Income	66,03,907		74,82,374
[TDS ₹ 6,60,045/- (₹ 7,56,380/-)]			
3. Miscellaneous Income	7		4,058
TOTAL		<u>73,16,503</u>	<u>83,19,076</u>

SCHEDULE '9' - OPERATING AND GENERAL EXPENSES:

OPERATING EXPENSES

A. Payment to and Provisions for Employees:

1. Salaries, Wages, Bonus etc.	2,38,81,362		2,18,11,902
2. Company's contribution to Provident Funds, and other Funds etc.	23,20,628		17,57,627
3. Retiring Gratuity	6,26,895		45,81,663
TOTAL		<u>2,68,28,885</u>	<u>2,81,51,192</u>
4. Less: Reimbursement of cost of Staff deputed to PIEM Hotels Ltd.		<u>2,68,28,885</u>	<u>2,81,51,192</u>

B. Administration and General Expenses

1. Telephone, Telex, Postage & Telegram	49,650		50,300
2. Advertisement and Publicity	72,187		75,665
3. Printing & Stationery	29,016		20,861
4. Passage, Travelling and Conveyance	345		—
5. Legal Expenses and Professional fees	4,04,565		56,510
6. Auditors Remuneration (Refer Note 6 Schedule "10")	83,480		81,710
7. Data Processing Exp.	17,205		18,424
8. Other Expenses	<u>7,24,579</u>		<u>7,30,969</u>
TOTAL		<u>13,81,027</u>	<u>10,34,439</u>
TOTAL		<u>13,81,027</u>	<u>10,34,439</u>

NORTHERN INDIA HOTELS LIMITED

Schedules Forming Part of the Accounts for the year ended 31st March, 2011

SCHEDULE '10' - NOTES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

1. ACCOUNTING POLICIES

Significant accounting policies adopted in the presentation of the accounts are as follows:

INCOME

Income is accounted for on accrual basis.

FIXED ASSETS

Fixed assets are stated at cost less depreciation. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition.

DEPRECIATION

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.

TAXATION

The current charge for Income Tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that result between the profit offered for Income Tax and the profit as per the financial statements. Deferred tax assets and liabilities are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that they will be released and are reviewed for the appropriateness of their respective carrying value at each Balance Sheet date.

INVESTMENTS

All investments of the Company are long term in nature unless otherwise specifically indicated. Investments are stated at cost inclusive of expenses, directly attributable to the acquisition. Provision if any, for diminution in the value of long-term investments, is made to the extent that such decline, is considered to be other than temporary taking into account relevant factors affecting the investments.

RETIREMENT BENEFITS

Contributions to Provident fund is made at statutory rates to the Government authority and charged to Profit and Loss account. Contribution to Group Gratuity cum Life Assurance Scheme is with LIC and provision for leave encashment, are made on the basis of actuarial valuations made at the end of each financial year and charged to Profit and Loss account.

IMPAIRMENT OF ASSETS

The management assesses the performance of its units to arrive at the value in use to check for impairment, if any, in Fixed Assets, as required under AS 28 of the ICAI and provides for any impairment thereof in the Profit & Loss Account.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

	Current Year Rs./Lacs	Previous Year Rs./Lacs
2. Contingent Liability		
(a) Claims against the Company not acknowledged as debts	Nil	Nil
3. Quantity-wise details of the turnover is not required to be disclosed as income comprises of licence fees receivable from PIEM Hotels Ltd. as per the Licence agreement entered into with them.		

THIRTY NINTH ANNUAL REPORT 2010-11

SCHEDULE '10' NOTES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

4. Information on lease as per Accounting Standard 19 on "Accounting for Lease".

LICENCE FEE

Licence Fee received during the year on the following assets given on Licence is ₹ 1,41,49,970/- (Previous Year ₹ 1,25,72,862/-)

PARTICULARS	GROSS BLOCK	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	DEPRECIATION FOR THE YEAR
Building	62,18,681 (62,18,681)	49,04,495 (48,35,327)	13,14,186 (13,83,354)	69,168 (72,808)
Plant and Machinery	11,78,078 (11,78,078)	11,76,526 (11,76,138)	1,552 (1,940)	388 (485)
5. i) Various debts due to Small Scale Industries (SSI), according to the information available with the Company and the information received from Small Scale Industrial (SSI) suppliers Amount outstanding for more than 30 days.			Current Year NIL	Previous Year NIL
ii) 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, 2011.				
6. AUDITORS' REMUNERATION				
(a) Statutory Audit Fees			50,000	50,000
(b) Tax Audit Fees			4,000	4,000
(c) For Taxation Matters			12,750	12,750
(d) Out of Pocket Expenses			9,855	8,085
(e) Service Tax			6,875	6,875
TOTAL			<u>83,480</u>	<u>81,710</u>
7. OTHER EXPENSES INCLUDES				
(a) Directors' sitting fee			12,000	12,000
(b) Service Charges			6,89,194	6,76,056
(c) Other Expenses			23,385	42,913
			<u>7,24,579</u>	<u>7,30,969</u>
8. EARNING PER SHARE				
(a) Profit after tax			1,34,38,361	1,33,03,415
(b) Weighted average number of shares			4,37,600	4,37,600
(c) Nominal value of shares (₹)			10	10
(d) Basic and diluted earnings per share (₹)			30.71	30.40

NORTHERN INDIA HOTELS LIMITED

SCHEDULE '10' NOTES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

9. DEFERRED TAX

Consequent to the adoption of the Accounting Standard 22 on "Accounting For Taxes on Income" the Company has recognized a deferred tax liability of ₹ 3.80 lacs (Previous Year ₹ 4.10 lacs) is in respect of Depreciation.

10. Balance with Canara Bank, Mumbai is subject to confirmation by the Bank.

11. RELATED PARTY TRANSACTIONS:-

Detail of transactions with related parties during the year

**Holding Company
(PIEM Hotels Ltd.)**

	Current Year (₹/lacs)	Previous Year (₹/lacs)
Operating/Licence fees income	141.50	125.73
Deputed staff salary received	268.29	281.51
Deputed staff salary paid	6.89	6.76
Balance at the year end	61.25	118.23

12. SEGMENT REPORTING

The Company operates in only one operational segment viz. Hoteliering and one Geographical segment viz. India.

13. Previous year's figures have been regrouped wherever necessary.

SIGNATURES TO SCHEDULES '1' TO '10'

As per our Report attached
For O. P. DADU & CO.
Chartered Accountants

For and on behalf of the Board
SUDHIR NAGPAL Director
P K MOHANKUMAR Director

O. P. DADU
Partner
New Delhi, 29th April, 2011

Mumbai, 29th April, 2011

NORTHERN INDIA HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No. :

State Code :

Balance Sheet Date :

2. Capital Raised During the Year (Amount in Rs. Thousand)

Public Issue

Right Issue

Bonus Issue

Private Placement

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liabilities

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

4. Performance of Company (Amount in Rs. Thousand)

Turnover

Total Expenditure

+ - Profit/Loss before Tax

+ - Profit/Loss after Tax

Earning per share in Rs.

Dividend Rate %

5. Generic names of Three Principal Products/Services of the Company (As per Monetary Terms)

Item Code (ITC Code)

Services Description

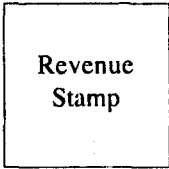
NORTHERN INDIA HOTELS LIMITED

PROXY

I/we.....
of.....in the district ofbeing
a member(s) of the above named Company hereby appoint
.....of.....in the district of
.....or failing him/her.....of
.....in the district of
as my/our Proxy to attend and vote for me/us on my/our behalf at the Thirty
Ninth Annual General Meeting of the Company to be held on, Thursday, 29th September
2011, at 2:30 p.m. and at any adjournment thereof.

Signed this.....day of2011 .

Signature(s).....



.....

**NOTE : THE PROXY MUST BE LODGED AT THE REGISTERED OFFICE OF THE
COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME
FIXED FOR HOLDING THE MEETING.**