

NORTHERN INDIA HOTELS LIMITED

FORTY FOURTH ANNUAL REPORT 2015-2016

THE GATEWAY HOTEL
AGRA

NORTHERN INDIA HOTELS LIMITED

FORTY FOURTH ANNUAL REPORT 2015-2016

DIRECTORS

Mr. Farhat Jamal
Mr. Sudhir Nagpal
Mr. Rajesh Nagpal
Mr. Taljinder Singh

AUDITORS

O. P. Dadu & Co.
Chartered Accountants

BANKERS

Indian Overseas Bank
State Bank of India

REGISTERED OFFICE

The Gateway Hotel
Fatchabad Road
Taj Ganj
Agra 282 001
CIN - L55101UP1971PLC003838
Website: www.northernindiahotelsltd.com

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 Fourth Annual General Meeting of the Company will be held on Thursday, September 29, 2016 at 12.00 noon at The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra 282 001 to transact the following:

Ordinary business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajesh Nagpal (DIN 00032123) Director 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. Farhat Jamal as a Director

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

"RESOLVED THAT Mr. Farhat Jamal (DIN: 01875688), who was appointed as an Additional Director of the Company with effect from October 8, 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

5. Appointment of Mr. Taljinder Singh as a Director

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

"RESOLVED THAT Mr. Taljinder Singh (DIN: 07206484), who was appointed as an Additional Director of the Company with effect from October 21, 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

NOTES:

1. 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)

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and holding in the aggregate not more than ten percent of the 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

2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 21, 2016 to Tuesday, October 4, 2016 (both days inclusive).
4. Relevant documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours on all working days up to and including the date of the Annual General Meeting of the Company.

By order of the Board of Directors

Place: Mumbai
Dated: 22nd April, 2016

CHAIRMAN

NORTHERN INDIA HOTELS LIMITED

STATEMENT ANNEXED TO NOTICE

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 April 22, 2016.

Item No. 4

Mr. Farhat Jamal was appointed as an Additional Director of the Company with effect from October 8, 2015 by the Board of Directors under Section 161 of the Act and Article 72 of the Articles of Association of the Company and holds office up to the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Jamal's appointment as a Director.

Mr. Farhat Jamal is an experienced hotelier and is the Senior Vice President, Operations, of The Indian Hotels Co. Ltd having a rich experience with the Taj Group. Mr. Jamal did Hotel Management from Institute of Hotel Management - Pusa, New Delhi and later one year practical training in Hotel Management at Burgenstock, Lucerne, Switzerland and had also undergone a Cornell University programme at The National University of Singapore for General Managers. He is also a Certified Hotel Administrator from American Hotel and Educational Institute (CHA). His vast knowledge and experience would be of immense help to the Board.

The Board commends to the Shareholders the appointment of Mr. Jamal as Director on the Board of the Company. Except Mr. Jamal, no other Director or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

Item No. 5

Mr. Taljinder Singh was appointed as an Additional Director of the Company with effect from October 21, 2015 by the Board of Directors under Section 161 of the Act and Article 72 of the Articles of Association of the Company and holds office up to the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Singh's appointment as a Director.

Mr. Taljinder Singh is a hotelier with varied experience and presently holds the position of Area Director Mumbai Hotels and General Manager, The Taj Mahal Palace, Mumbai of The Indian Hotels Co. Ltd. and having a rich experience in the field of Hoteliering. He is B.Com (H) from Delhi University and PG (MDP) of the Taj. His vast knowledge and experience would be of immense help to the Board.

The Board commends to the Shareholders the appointment of Mr. Singh as Director on the Board of the Company. Except Mr. Singh, no other Director or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

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BOARD'S REPORT

Dear Shareholders,

Your Directors hereby present the Forty Fourth Annual Report of the Company for the Financial Year ended March 31, 2016.

1. Financial Performance

The summarized standalone results of your Company are given in the table below.

Rs. in Lacs

Particulars	Standalone	
	31-03-2016	31-03-2015
Total Income	353.42	338.68
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	330.93	319.74
Finance Charges	0	0
Depreciation	1.08	(17.33)
Provision for Income Tax (including for earlier years)	99.69	104.59
Net Profit/(Loss) After Tax	232.32	232.48
Profit/(Loss) brought forward from previous year.....	1961.19	1728.72
Amount transferred consequent to Scheme of Merger.....	0	0
Profit/(Loss) carried to Balance Sheet	2193.51	1961.20

*previous year figures have been regrouped/rearranged wherever necessary.

2. Working Results

The Income for the year was Rs. 353.42 lacs compared to Rs. 338.68 lacs for the previous year after expenditure, depreciation and provision for taxes was Rs. 232.32 as compared to Rs. 232.48 lacs for the previous year which has been transferred to the Balance Sheet.

3. Statutory Auditors

M/s. O.P. Dadu & Co., Chartered Accountants have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

4. Directors:

During the year under report, Mr. Prabhat Verma resigned from the Directorship of the Company with effect from July 27, 2015. The Directors place on record their appreciation of the services rendered by Mr. Verma during his tenure as Director of the Company.

Mr. Farhat Jamal and Mr. Taljinder Singh were appointed as Additional Director(s) of the Company effective July 27, 2015 and in terms of Section 161 of the Companies Act, 2013 held the office as Director(s) till the Annual General Meeting of the Company for the year 2014-15. Mr. Farhat Jamal and Mr. Taljinder Singh were then, appointed as Additional Director(s) of the

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Company effective October 8, 2015 and October 21, 2015 respectively and hold office up to the date of the forthcoming Annual General Meeting. It is proposed to appoint Mr Jamal and Mr. Singh as Director(s) of the Company at the ensuing Annual General Meeting. The Board of Directors commends their appointment. Except Mr. Jamal and Mr. Singh, no other Director is interested in this item.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh Nagpal, Director of the Company is liable to retire by rotation and is eligible for reappointment.

5. Number of Board Meetings conducted during the year

The Company held 5 (five) Board Meetings during the financial year under report.

6. Particulars of Loans, Guarantees or Investments Under Section 186:-

During the year under review, the Company had approved the Short term Inter Corporate Deposit of Rs. 4 crores under Section 186 of the Companies Act, 2013.

7. Annual Return

The details forming part of the extract of Annual Return in Form MGT 9 pursuant to Section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, are given in Annexure I.

8. Particulars of Contracts or Arrangements made with Related Parties

All related party transactions were at arm's length basis and in the ordinary course of business.

9. Risk Management

The operations of the Company primarily comprise only the license fee received from Piem Hotels Ltd, to whom The Gateway Hotel, Agra has been given on license which is constantly monitored from the risk management perspective.

10. Internal Financial Controls

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

11. Fixed Deposits

Your Company has not accepted any deposits from public covered under Chapter V of the Act.

12. Borrowings

The Company does not have any borrowings.

13. Significant and material orders passed by the regulators

During the year under review, there were no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations.

14. Particulars of Employees

The Company had no employees during the year who were in receipt of remuneration aggregating to:

(a) Not less than Rs. 60.00 lacs for the year, if employed throughout the financial year,

Or

(b) Not less than Rs. 5.00 lacs per month, if employed for part of the financial year.

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15. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company has no activity relating to conservation of energy or technology absorption. There were no foreign exchange earning and expenditure during the year under review.

16. Details of Holding/Subsidiaries/Joint Venture Companies

Piem Hotels Limited is the Holding Company. The Company does not have any Subsidiary Company/Joint Venture Company.

17. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that: -

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for that period;
- c) The Directors 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;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. Acknowledgements

The Board desires to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 22nd April, 2016

SUDHIR NAGPAL
Director
(DIN: 00044762)

FARHAT JAMAL
Director
(DIN: 01875688)

NORTHERN INDIA HOTELS LIMITED

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2016
of Northern India Hotels Limited)

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L55101UP1971PLC003838
ii)	Registration Date	18/08/1971
iii)	Name of the Company	Northern India Hotels Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government Company
v)	Address of the Registered Office and contact details	The Gateway Hotel, Fatehabad Road, Taj Ganj Agra - 282 001
vi)	Whether listed company	No (It was listed at DSE. Consequent to the derecognition of DSE by SEBI, the Company opted referring to the Dissemination Board of BSE)
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	The Indian Hotels Company Limited Mandlik House, Mandlik Road, Mumbai 400 001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main Products/ Services	NIC Code of the Product/ Service	% of total turnover of the Company
1.	Hoteliering	55101	100%

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	PIEM Hotels Limited	U55101MH1968PLC013960	Holding	93.14	2(87)(ii)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	4,07,567	Nil	4,07,567	93.14	4,07,567	Nil	4,07,567	93.14	Nil
e) Banks / FI									
F) Any Other									
Sub-total (A) (1):	4,07,567	Nil	4,07,567	93.14	4,07,567	Nil	4,07,567	93.14	Nil
2) Foreign									
a) NRIs - Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4,07,567	Nil	4,07,567	93.14	4,07,567	Nil	4,07,567	93.14	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian									
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	28,033	28,033	6.14	Nil	28,033	28,033	6.14	Nil
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
(c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	30,033	30,033	6.86	Nil	30,033	30,033	6.86	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	4,07,567	30,033	4,37,600	100	4,07,567	30,033	4,37,600	100	Nil

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(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged/ encumbered to total Shares	No. of Shares	% of Total Shares of the Company	% of shares Pledged/ encumbered to total Shares	
1.	PIEM Hotels Limited	407567	93.14	Nil	407567	93.14	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	407567	93.14	407567	93.14
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	407567	93.14	407567	93.14

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Bhushan Sachdev				
	At the beginning of the year	2400	0.55	2400	0.55
	At the end of the year	2400	0.55	2400	0.55
2	Shellka Woolen Pvt. Ltd.				
	At the beginning of the year	2000	0.46	2000	0.46
	At the end of the year	2000	0.46	2000	0.46
3	Narinder Kumar				
	At the beginning of the year	800	0.18	800	0.18
	At the end of the year	800	0.18	800	0.18
4	Pagadala Kuppuswami				
	At the beginning of the year	750	0.17	750	0.17
	At the end of the year	750	0.17	750	0.17
5	Rajendra Mehra				
	At the beginning of the year	700	0.16	700	0.16
	At the end of the year	700	0.16	700	0.16
6	Sunder Singh Gahlaut				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
7	Tirath Raj Vaid				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
8	Gulshan Kapoor				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
9	Kush Kant				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11
10	Madam Mohan Kapoor				
	At the beginning of the year	500	0.11	500	0.11
	At the end of the year	500	0.11	500	0.11

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(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the end of the year	NA	NA	NA	NA

V. INDEBTEDNESS:

The Company had no indebtedness with respect to secured or unsecured loans or deposits during the financial year 2015-16.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL - NA

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

The Company is a Board managed Company and does not have any Managing Director, Whole Time Directors and / or Manager.

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors	Sudhir Nagpal	Rajesh Nagpal	Farhat Jamal	Taljinder Singh	Prabhat Verma
	Fee for attending board committee meetings	-	-	1,000	1,000	1,000
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	Nil	Nil	1,000	1,000	1,000
	Overall Ceiling as per the Act	(3% of the net profit of the Company), but no remuneration has been paid.				

* Mr. Prabhat Verma resigned from the Directorship of the Company w.e.f. July 27, 2015.

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C. Remuneration to key Managerial Personnel other than MD/ Manager/ WTD :
Not Applicable

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ punishments/ compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 22nd April, 2016

SUDHIR NAGPAL
Director
(DIN: 00044762)

FARHAT JAMAL
Director
(DIN: 01875688)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHERN INDIA HOTELS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of NORTHERN INDIA HOTELS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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2. As required by Section 143(3) of the Act, we report that :
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by 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, 2016

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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 discrepancies were noticed on such verification.
c) According to information and explanation given to us, the title deeds of Immovable Properties are held in the name of the company and the title deeds in respect of Land admeasuring 14744.60 Sq.Yards are pending Registration.
2. The company doesn't hold any inventory, during the year.
3. The company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The Company has complied with the provision of section 186 of the Companies Act, 2013 in respect of loan granted to other company during the year.
5. The Company has not accepted any deposit from the public.
6. As far as we are aware, the Central Government has not specified the maintenance of cost records by the company under section 148(1) of the Companies Act, 2013.
7. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, cess and other statutory dues wherever applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, ESI, Income Tax, Sales Tax, Service Tax , customs duty, excise duty, value added Tax and cess were in arrears, as at 31.03.2016 for a period of more than six months from the date they became payable.
b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value Added Tax and cess which have not been deposited on account of any dispute.
8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year.
10. 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.
11. The company has not paid or provided any managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanation given to us, the transaction with Related Parties are in compliance with section 177 and 188 of the Act, and details have been disclosed in Financial Statements etc, as required by the applicable accounting standards.
14. According to the information and explanation given to us, the Company has not made any Preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanation given to us, the Company has not entered into any non cash transaction with Director or persons connected with him during the year.
16. The Company is not required to registered U/s 45 IA of Reserve Bank of India Act, 1934.

For O. P. DADU & CO.

Chartered Accountants

Firm Registration No. 001201N

O. P. DADU

PARTNER

M.No. 10871

Place: New Delhi

Date: 22nd April, 2016

NORTHERN INDIA HOTELS LIMITED

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Northern India Hotels Limited ("the Company") as of 31, March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

FORTY FOURTH ANNUAL REPORT 2015-16

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

O. P. DADU
PARTNER
M.No. 10871

Place: New Delhi
Date: 22nd April, 2016

NORTHERN INDIA HOTELS LIMITED

Balance Sheet as at 31st March, 2016

	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>21,93,51,325</u>		<u>19,61,19,377</u>
Total			<u>22,37,66,575</u>	<u>20,05,34,627</u>
2. Non-current Liabilities				
(a) Deferred Tax Liabilities (Net)	4		8,68,000	9,00,000
3. Current Liabilities				
(a) Other Current Liabilities	5	7,14,491		7,53,512
(b) Short-term Provisions	6	—		—
Total		<u>7,14,491</u>		<u>7,53,512</u>
TOTAL FUNDS EMPLOYED			<u><u>22,53,49,066</u></u>	<u><u>20,21,88,139</u></u>
ASSETS - NON CURRENT ASSETS				
4. Fixed Assets				
(a) Tangible Assets	7	41,22,661		42,17,653
(b) Intangible Assets		<u>37,518</u>		<u>50,530</u>
(c) Total			41,60,179	42,68,183
5. Non-current Investments				
(a) Long-term Loans and Advances	8	10,43,136		10,43,136
(b) Other Non-current Assets	9	58,621		58,621
	10	—		—
			<u>52,61,936</u>	<u>53,69,940</u>
6. Current Assets				
(a) Trade Receivables	11	30,34,363		11,67,462
(b) Cash and cash equivalents	12	17,55,23,066		19,44,97,343
(c) Short-term loans and advances	13	4,05,42,414		11,53,394
(d) Other current assets	14	9,87,287		—
(d) Total			<u>22,00,87,130</u>	<u>19,68,18,199</u>
			<u><u>22,53,49,066</u></u>	<u><u>20,21,88,139</u></u>

The accompanying notes form an integral part of the Financial Statements

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

O. P. DADU
Partner
M.NO. 010871

For and on behalf of the Board

FARHAT JAMAL Director
DIN: 01875688

RAJESH NAGPAL Director
DIN: 00032123

New Delhi, 22nd April, 2016

Mumbai, 22nd April, 2016

FORTY FOURTH ANNUAL REPORT 2015-16

Statement of Profit and Loss for the Year Ended 31st March, 2016

	Notes	Rupees	Rupees	Previous Year Rupees
INCOME				
1. Income from Hotel Operations.....	15	1,50,82,506		1,63,43,317
2. Other Income.....	16	2,02,59,994		1,75,24,674
Total Income.....			3,53,42,500	3,38,67,991
EXPENDITURE				
1. Employee Benefit Expense.....	17	—		—
2. Depreciation/Amortization (Refer note no. 20)	7	1,08,004		(17,33,017)
3. Other Operating and General Expenditure.....	18	20,33,592		18,94,401
Total Expenditure.....			21,41,596	1,61,384
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		3,32,00,904		3,37,06,607
EXCEPTIONAL ITEMS.....	19	—		—
PROFIT BEFORE TAX.....			3,32,00,904	3,37,06,607
TAX EXPENSES				
(a) Current Tax.....		1,00,00,000		99,00,000
(b) Deferred Tax.....		(32,000)		5,70,000
(c) Short/(Excess) Provision of Tax of earlier years (Net).....		956		(11,240)
PROFIT AFTER TAX.....			2,32,31,948	2,32,47,847
EARNINGS PER SHARE (₹).....				
1. Basic and diluted.....	22		53.13	53.13
2. Face value per Equity Share (₹).....			10.00	10.00

The accompanying notes form an integral part of the Financial Statements

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

O. P. DADU
Partner
M.NO. 010871

New Delhi, 22nd April, 2016

For and on behalf of the Board
FARHAT JAMAL Director
DIN: 01875688

RAJESH NAGPAL Director
DIN: 00032123

Mumbai, 22nd April, 2016

NORTHERN INDIA HOTELS LIMITED

Cash Flow Statement for the Year Ended 31st March, 2016

	2015-16 Rupees	2014-15 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before extraordinary items and tax	3,32,00,904	3,37,06,607
Adjustments for:		
Depreciation and amortisation expense	1,08,004	(17,33,017)
Provision for impairment of fixed assets		
Amortisation of share issue expenses and discount on shares (Profit)/Loss on sale/write off of assets		
Expense on employee stock option scheme		
Finance costs		
Interest Income	(1,78,50,499)	(1,59,55,038)
Dividend Income	(24,09,494)	(15,43,996)
Net (gain)/loss on sale of investments	—	99
Rental income from investment properties		
Rental income from operating leases		
Share of profit from partnership firms		
Share of profit from AOPs		
Share of profit from LLPs		
Liabilities / provisions no longer required written back		
Adjustments to the carrying amount of investments	—	—
Provision for losses of subsidiary companies		
Provision for doubtful trade and other receivables, loans and advances		
Provision for estimated loss on derivatives	—	58,799
Provision for estimated losses on onerous contracts		
Provision for contingencies		
Other non-cash charges	—	—
Net unrealised exchange (gain) / loss	(2,01,51,990)	(1,91,73,153)
Operating profit/ (loss) before working capital changes	1,30,48,914	1,45,33,454
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories		
Trade receivables	(18,66,901)	27,79,131
Short-term loans and advances	(420)	—
Long-term loans and advances		
Other current assets	(9,87,287)	—
Other non-current assets		
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables		
Other current liabilities	(39,021)	(5,87,848)
Other long-term liabilities		
Short-term provisions		
Long-term provisions	(28,93,629)	21,91,283
Cash flow from extraordinary items	—	—
Cash generated from operations	1,01,55,285	1,67,24,737
Net income tax (paid) / refunds	(93,89,556)	(98,62,839)
Net cash flow from/(used in) operating activities (A)	7,65,729	68,61,898

FORTY FOURTH ANNUAL REPORT 2015-16

Cash Flow Statement for the Year Ended 31st March, 2016 (Contd.)

B. CASH FLOW FROM INVESTING ACTIVITIES

Capital expenditure on fixed assets, including capital advances	(16,500)	—
Proceeds from sale of fixed assets		
Inter-corporate deposits (net).....	(4,00,00,000)	—
Bank balances not considered as Cash and cash equivalents		
Placed	—	—
Matured.....		16,65,46,070
Current investments not considered as Cash and cash equivalents		
Purchased		
Proceeds from sale		
Share application money given		
Share application money refund received		
Purchase of long-term investments		
Subsidiaries		
Associates		
Joint ventures		
Business units		
Others		
Proceeds from sale of long-term investments		
Subsidiaries		
Associates		
Joint ventures		
Business units		
Others.....		1
Loans given		
Subsidiaries		
Associates		
Joint ventures		
Others		
Loans realised		
Subsidiaries		
Associates		
Joint ventures		
Others		
Interest received		
Subsidiaries		
Associates		
Joint ventures		
Others.....	1,78,50,499	1,59,55,038
Dividend received		
Subsidiaries		
Associates		
Joint ventures		
Others.....	24,09,495	15,43,996
Rental income from investment properties		
Rental income from operating leases		

NORTHERN INDIA HOTELS LIMITED

Cash Flow Statement for the Year Ended 31st March, 2016 (Contd.)

Amounts received from partnership firms		
Amounts received from AOPs		
Amounts received from LLPs	(1,97,40,006)	18,40,28,605
Cash flow from extraordinary items	—	—
Net income tax (paid) / refunds.....	—	—
Net cash flow from / (used in) investing activities (B)	(1,97,40,006)	18,40,28,605
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares		
Proceeds from issue of preference shares		
Redemption / buy back of preference / equity shares		
Proceeds from issue of share warrants		
Share application money received / (refunded)		
Proceeds from long-term borrowings		
Repayment of long-term borrowings		
Net increase / (decrease) in working capital borrowings		
Proceeds from other short-term borrowings		
Repayment of other short-term borrowings		
Finance costs (includes borrowing costs capitalised, Refer Note 30.5)		
Dividends paid		
Tax on dividend		
Cash flow from extraordinary items		
Net cash flow from / (used in) financing activities (C)		
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(1,89,74,277)	19,08,90,503
Cash and cash equivalents at the beginning of the year	19,44,97,343	36,06,840
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents.....	—	—
Cash and cash equivalents at the end of the year	17,55,23,066	19,44,97,343

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.
- (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

As per our Report of even date

For O. P. DADU & CO.

Chartered Accountants

Firm Registration No.: 001201N

O. P. DADU

Partner

M.NO. 010871

New Delhi, 22nd April, 2016

For and on behalf of the Board

FARHAT JAMAL

Director

DIN: 01875688

RAJESH NAGPAL

Director

DIN: 00032123

Mumbai, 22nd April, 2016

FORTY FOURTH ANNUAL REPORT 2015-16

Notes to Financial Statements as on 31st March, 2016

NOTE: 1 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

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 III to the Companies Act, 2013.

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

a) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

b) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

c) Income

Income is accounted for on accrual basis.

d) Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established

e) 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"

f) Depreciation / Amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible/intangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

g) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

NORTHERN INDIA HOTELS LIMITED

Notes to Financial Statements as on 31st March, 2016

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

h) 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

i) 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.

j) 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.

k) Assets given under license agreement

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

FORTY FOURTH ANNUAL REPORT 2015-16

Note to Financial Statement as on 31st March, 2016

	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	31-3-2016		31-3-2015	
	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 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) SHARES HELD BY HOLDING COMPANY

Name of Shareholder	31-3-2016		31-3-2015	
	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	31-3-2016		31-3-2015	
	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, 2016

	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.....	19,61,19,377		17,28,71,530
Add: Profit for the year.....	2,32,31,948		2,32,47,847
Total		<u>21,93,51,325</u>	<u>19,61,19,377</u>

NOTE '4' - DEFERRED TAX LIABILITIES (Net)

DEFERRED TAX LIABILITY

Depreciation on fixed assets.....		8,68,000	9,00,000
Total		<u>8,68,000</u>	<u>9,00,000</u>

NOTE '5' - OTHER CURRENT LIABILITIES

ON CURRENT ACCOUNT DUES

Holding Company	55,205		39,000
Others.....	—		—
		55,205	39,000
Statutory Liabilities		5,72,101	6,10,883
Other Liabilities.....		87,185	1,03,629
Total		<u>7,14,491</u>	<u>7,53,512</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, 2016

NOTE '7' - FIXED ASSETS

	Gross Block (at cost)			Depreciation/Amortization			Net Block	
	As at 31-03-2015 ₹	Additions ₹	Deductions ₹	As at 31-03-2015 ₹	For the year ₹	Deduction/ Adjustments ₹	As at 31-03-2016 ₹	As at 31-03-2015 ₹
(A) Tangible Assets*								
1. Freehold Land	3,79,479	—	—	—	—	—	3,79,479	3,79,479
2. Leasehold Land	9,86,922	—	—	—	—	—	9,86,922	9,86,922
3. Buildings	62,18,681	—	—	33,6,223	94,992	—	27,55,466	28,50,458
4. Plant and Machinery	10,98,061	—	—	10,97,267	—	—	794	794
5. Vehicles	—	—	—	—	—	—	—	—
Total	86,83,143	—	—	44,65,490	94,992	—	41,22,661	42,17,653
Previous Year	86,83,143	—	—	61,89,197	(17,23,707)	—	44,65,490	24,93,946
(B) Intangible Assets								
Computer Software	1,42,380	—	—	91,850	13,012	—	37,518	50,530
Total	1,42,380	—	—	91,850	13,012	—	37,518	50,530
Previous Year	1,25,880	16,500	—	1,01,160	(9,310)	—	91,850	24,720
Total	88,25,523	—	—	45,57,340	1,08,004	—	41,60,179	42,68,183
Total Previous Year	88,09,023	16,500	—	62,90,357	(17,33,017)	—	42,68,183	25,18,666

* For Assets given under License Agreement (Refer Note no. 21)

Notes:

Gross Block includes Freehold Land admeasuring 1.4744.60 Sq. Yd. Aggregating to ₹ 1,93,499/- pending conveyance.

NORTHERN INDIA HOTELS LIMITED

Notes to Financial Statements as on 31st March, 2016

NOTE '8' - NON CURRENT INVESTMENTS

Particulars	Face Value ₹	As at 31.03.16		As at 31.03.15	
		Nos.	₹	Nos.	₹
LONG-TERM 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>
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>10,41,935</u>		<u>10,41,935</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>10,51,935</u>		<u>10,51,935</u>
Less: Provision for Diminution in value of Investment...			8,799		8,799
Total Long-Term Investments - Net.....			<u>10,43,136</u>		<u>10,43,136</u>

Notes:

1. Aggregate of Quoted Investments - Gross		
Cost.....	1,500	1,500
Market Value	1,49,400	1,90,350
2. Aggregate of Unquoted Investments - Gross		
Cost.....	10,50,435	10,50,435

NOTE '9' - LONG TERM LOANS AND ADVANCES

(UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)

	Rupees	Rupees	Previous Year Rupees
Deposits with Public Bodies and Others		58,621	58,621
Total		<u>58,621</u>	<u>58,621</u>

FORTY FOURTH ANNUAL REPORT 2015-16

Notes to Financial Statements as on 31st March, 2016

	Rupees	Rupees	Previous Year Rupees
NOTE '10' - OTHER NON-CURRENT ASSETS			
Deposits with banks with a maturity of more than 12 months		—	—
Total		<u>—</u>	<u>—</u>

NOTE '11' - TRADE RECEIVABLES			
UNSECURED, CONSIDERED GOOD			
Outstanding over six months.....		—	—
Others.....		30,34,363	11,67,462
Total		<u>30,34,363</u>	<u>11,67,462</u>

Note : Trade Receivables include debts due from Holding Company ₹ 30,34,363 (Previous year ₹ 11,67,461) in the ordinary course of business.

NOTE '12' - CASH AND BANK BALANCES			
CASH AND CASH EQUIVALENTS			
Cash on hand.....	19,500		26,692
Cheques, drafts on hand	—		—
BALANCES WITH BANKS			
In Current Accounts	62,97,765		85,65,049
In other deposit accounts.....	16,92,05,801		18,59,05,602
Total		<u>17,55,23,066</u>	<u>19,44,97,343</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			
Unsecured, considered good		420	—
		420	—
Inter-corporate deposits			
Unsecured, considered good		4,00,00,000	—
		4,00,00,000	—
Advance Income Tax (net of provisions)		5,41,994	11,53,394
Total		<u>4,05,42,414</u>	<u>11,53,394</u>

NOTE '14' - OTHER CURRENT ASSETS			
Accruals			
Interest accrued on deposits		9,87,287	—
Others		—	—
Total		<u>9,87,287</u>	<u>—</u>

NORTHERN INDIA HOTELS LIMITED

Notes to Financial Statements as on 31st March, 2016

	Rupees	Rupees	Previous Year Rupees
NOTE '15' - INCOME FROM OPERATIONS			
Income from Hotel Operation		1,50,82,506	1,63,43,317
Total		<u>1,50,82,506</u>	<u>1,63,43,317</u>

NOTE '16' - OTHER INCOME

1. Interest Income	1,78,50,499		1,59,55,038
2. Dividend Income from Long-term Investments	24,09,495		15,43,996
3. Miscellaneous Non-Operating Income	—		25,640
Total		<u>2,02,59,994</u>	<u>1,75,24,674</u>

NOTE '17' - 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 '18' - OTHER OPERATING AND GENERAL EXPENDITURE

1. Advertising and Publicity	—		1,09,982
2. Printing and Stationery	12,000		27,593
3. Passage and Traveling	—		—
4. Loss on sale of Investment	—		99
5. Payment made to Statutory Auditors:			
a) As Statutory Auditors.....	68,700		67,416
b) As Tax Auditors	4,580		4,494
c) For Taxation Matters.....	14,535		12,750
d) For Other Services	—		—
e) For Reimbursement of Expenses	17,190		13,402
6. Directors' Fees	3,000		6,000
7. Legal and professional Expenses	46,393		1,38,340
8. Service Charges	17,06,363		13,21,706
9. Diminution in Value of Investment.....	—		8,799
10. Other Expenses	1,60,831		1,83,821
Total		<u>20,33,592</u>	<u>18,94,401</u>

FORTY FOURTH ANNUAL REPORT 2015-16

Notes to Financial Statements as on 31st March, 2016

	Rupees	Rupees	Previous Year Rupees
NOTE '19' - EXCEPTIONAL ITEMS			
Excess Depreciation Reserved Written Back.....		—	—
Total		<u>—</u>	<u>—</u>

NOTE '20' - CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts		—	—
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NOTE '21' - INFORMATION ON ASSETS GIVEN UNDER LICENSE AGREEMENT

	Rupees	Rupees	Year Rupees
License fee received during the period on the following assets given under License Agreement expiring on 2016			
1. Cost	73,16,742		73,16,742
2. Accumulated Depreciation	45,60,482		44,65,490
3. Net Book Value.....		<u>27,56,260</u>	<u>28,51,252</u>
License Fee Income Recognized in the Statement of Profit and Loss		1,50,82,506	1,63,43,317
Aggregate depreciation charged on the above assets.....		94,992	(17,23,707)

	Rupees	Rupees	Previous Year Rupees
NOTE '22' - EARNINGS PER SHARE			
a) Profit after tax.....		2,32,31,948	2,32,47,847
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).....		53.09	53.13

NOTE '23' -

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, 2015.....

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NORTHERN INDIA HOTELS LIMITED

Notes to Financial Statements as on 31st March, 2016

NOTE '24' - 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)
- ii) **HOLDING COMPANY**
Piem Hotels Limited
- iii) **FELLOW SUBSIDIARY COMPANIES**
Piem International (H.K.) Ltd. (PIHK)
BAHC 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	—	—
2.	Debenture Redeemed	—	—
3.	Interest Received on Debenture	—	—
4.	Sale of Investment	—	—

2. PIEM Hotels Limited

S.No.	Particulars	Current Year	Previous Year
1.	Operating/License Fees Income	1,50,82,506	1,63,43,317
2.	Reimbursement of Services	17,06,363	13,21,706
3.	Balance at the year end	29,79,158	11,28,462

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

NOTE '25' - 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.

For O. P. DADU & CO.

Chartered Accountants
Firm Registration No.: 001201N

O. P. DADU

Partner
M.NO. 010871

New Delhi, 22nd April, 2016

For and on behalf of the Board

FARHAT JAMAL Director
DIN: 01875688

RAJESH NAGPAL Director
DIN: 00032123

Mumbai, 22nd April, 2016

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 FOURTH ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company at The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra - 282 001 at 12.00 noon on Thursday, September 29, 2016 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

3. 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 Fourth Annual General Meeting of the Company, to be held on Thursday, September 29, 2016 at 12.00 noon 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:

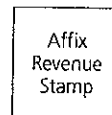
Resolution No.

- 1. To receive consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.
- 2. To appoint a Director in place of Mr. Rajesh Nagpal (DIN 00032123) Director who retires by rotation and is eligible for reappointment.
- 3. To appoint Auditors and fix their remuneration.

Signed this day of 2016

Signature of Member.....

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



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.