



HOTEL CORPORATION OF INDIA LIMITED



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BOARD OF DIRECTORS (AS ON 31.12.2014)

Shri Rohit Nandan **Chairman**

Smt. M Sathiyavathy

Shri Arun Kumar

Shri S Venkat

Company Secretary

Kum. Shyamala P Kunder

Auditors

MA Parikh & Co.,
Chartered Accountants
Mumbai

Solicitors

M/s. MV Kini & Co.

Bankers

State Bank of India
United Bank of India
Axis Bank Limited

Registered Office

1st floor, Transport Annexe Building,
Air India Complex, Old Airport,
Santacruz (E), Mumbai-400 029.

**DIRECTORS' REPORT**

The Directors have pleasure in presenting their Forty Third Annual Report and the Audited Accounts for the year ended 31 March 2014.

(Rupees in lakhs)

Particulars	2013-14	2012-13	Variance
Total Revenue	5050.29	4636.45	413.84
Total Operating Expenditure	8509.36	7936.36	573.00
Gross Operating Profit/(Loss)	(3459.07)	(3299.91)	159.17
Interest	548.62	2.03	546.59
Cash (Loss)	(4007.69)	(3301.94)	705.76
Depreciation	184.43	176.18	8.25
Net Profit/(Loss) Before Extra Ordinary Items	(4192.12)	(3478.12)	714.01
Extra Ordinary Items	(110.60)	(0.47)	-
Prior Period Adjustments	34.31	83.88	-
Net Profit/(Loss) After Extra Ordinary Items but Before Tax	(4047.21)	(3561.53)	485.69

Overview:

- During the year the total revenue had increased to Rs. 5050.29 lakhs as against Rs 4636.45 lakhs, an increase of Rs. 413.84 lakhs (9%) over 2012-13. This was mainly on account of increase in the revenue of the T3 Lounge at Delhi by Rs 460.04 lakhs, Chefair Mumbai by Rs. 245.77 lakhs (34%). However there was a reduction in the total revenue of Centaur Delhi by Rs 195.42 lakhs (10%), and of Centaur Srinagar by Rs. 206.58 lakhs (20%).
- The total expenditure had increased to Rs. 8509.36 lakhs, i.e. by Rs.573 lakhs (7%) over previous year mainly on account of increase in the staff cost by Rs. 378.84 lakhs (which was mainly due to increase in the actuarial provision for gratuity and leave encashment by Rs. 248.05 lakhs and full year's impact of the staff cost for T3 Lounge, Delhi amounting to Rs. 47.44 lakhs).
- The retirement age of all employees was reduced from 60 to 58 years effective 1.3.2014, wherein 140 employees were retired.
- In view of the above, the Gross Operating Loss was Rs.3459.07 lakhs as against Rs.3299.90 lakhs during the previous year.
- Interest, being reimbursement of finance costs to Air India on borrowings for operational requirements, amounting to Rs. 534.51 lakhs was charged to the P&L account.
- The Net Loss after extraordinary items is Rs.4047.21 lakhs as against Rs.3561.52 lakhs during the previous year.

The Unit-wise performance of the Company was as under:

CENTAUR HOTEL DELHI AIRPORT

The Unit had earned a revenue of Rs.1841.44 lakhs as compared to Rs.2036.86 lakhs in the previous year, a decrease of 10% over the previous year. This was mainly due to decrease in room nights sold from 37,779 in the previous year to 29,714 in 2013-14.

The total expenditure was Rs.3140.96 lakhs, as against Rs.3024.92 lakhs in the previous year. As a result, the Unit made an Operating Loss of Rs.1299.52 lakhs as compared to Rs. 988.06 lakhs in the previous year. After providing for interest and depreciation, the Unit made a Net Loss of Rs.1589.69 lakhs as compared to Rs.1085.29 lakhs in the previous year.

After considering extra-ordinary items, the unit had incurred a Net Loss of Rs.1483.44 lakhs as against Rs.1100.74 lakhs in the previous year.

**CENTAUR LAKE VIEW HOTEL, SRINAGAR:**

The Unit earned a revenue of Rs.804.71 lakhs as compared to Rs.1011.29 lakhs in the previous year i.e. a reduction of 20% over the previous year.

The total expenditure is Rs.1353.20 lakhs as against Rs.1342.13 lakhs in the previous year. As a result, the Unit made an Operating Loss of Rs.548.49 lakhs as against Rs.330.84 lakhs in the previous year. After providing for interest and depreciation, the Unit incurred a Net Loss of Rs.650.37 lakhs as compared to Rs.355.60 lakhs in the previous year.

After considering extra-ordinary items, the unit had incurred a Net Loss of Rs.650.64 lakhs as against Rs.360.80 lakhs in the previous year.

CHEFAIR FLIGHT CATERING, MUMBAI

The Unit earned a revenue of Rs.966.69 lakhs as compared to Rs.720.92 lakhs in the previous year i.e. an increase of 34% over the previous year.

The total expenditure was higher at Rs.2131.09 lakhs as against Rs.1826.32 lakhs in the previous year.

As a result, the Unit made an Operating Loss of Rs.1164.39 lakhs as against Rs.1105.40 lakhs in the previous year. After providing for interest and depreciation, the Unit had incurred a Net Loss of Rs.1379.80 lakhs as compared to Rs.1136.67 lakhs. in the previous year.

After considering extra-ordinary items, the unit had incurred a Net Loss of Rs.1370.69 lakhs as against Rs.1204.35 lakhs in the previous year.

CHEFAIR FLIGHT CATERING, DELHI:

The Unit earned a revenue of Rs.372.01 lakhs as compared to Rs.285.24 lakhs in the previous year i.e an increase of 30%. The total expenditure was Rs.1044.93 lakhs as against Rs.1116.48 lakhs in the previous year.

As a result, the Unit made an Operating Loss of Rs.672.92 lakhs as against Rs.831.24 lakhs in the previous year. After providing for interest and depreciation, the Unit had incurred a Net Loss of Rs.794.40 lakhs as against Rs.853.50 lakhs in the previous year.

After considering extra-ordinary items, the Net Loss of the unit was Rs.763.88 lakhs as against Rs.848.77 lakhs in the previous year.

T3 LOUNGE, DELHI:

The Unit had started its operations in January 2013 and earned a revenue of Rs.510.96 lakhs during the year 2013-14 as compared to Rs.50.92 lakhs in the previous period January-March 2013. The total expenditure was Rs.335.15 lakhs during the year 2013-14 as against Rs.109.69 lakhs in the previous period January-March 2013.

As a result, the Unit made an Operating Profit of Rs.175.81 lakhs as against Loss of Rs.58.77 lakhs in the previous period January-March 2013. After providing for depreciation, the Unit had incurred a Net Profit of Rs.175.16 lakhs as against a Loss of Rs.58.83 lakhs in the previous period January-March 2013.

ANNUAL PLAN OUTLAY 2013-14 :

The Government had approved an Annual Plan Outlay of Rs.12 crores for the financial year 2013-14.

EMPLOYMENT OF EX-SERVICEMEN :

The Company had been following the Government directive received in this regard for employment of Ex-Servicemen.

EMPLOYMENT OF SC, ST & OBC :

Subsequent to the disinvestment of three out of six Units of HCI, there was a ban on recruitment and hence, no recruitment exercise was carried out. However, the Company continued to observe the Government directives for reservation of posts in promotions of SC, ST and OBC candidates.

**IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY :**

With regard to the implementation of Official Language Policy, the directives received from the Government from time to time were being followed.

TRAINING & DEVELOPMENT :

During the year under review, opportunities were provided to its employees at all levels to acquaint themselves with Modern Management, Technical Concept and latest innovation in the Hotel Industry through sponsoring them for various Seminars, Conferences and various short duration Refresher Courses organised by various agencies.

VIGILANCE :

During the year under report, periodic surprise checks and inspections were carried out at all units of HCI. Report to various agencies have been sent based on inputs received from the administrative department. During the year, procedural advice was rendered from time to time in matters pertaining to tender/ purchase procedures. Vigilance Awareness Week was observed from 20th October to 3rd November 2013.

FOREIGN TOURS :

The Company incurred NIL expenditure under this head during the year under review.

PERSONNEL :

As on 31st March, 2014 the Company had on its payroll a total of 1065 employees as against 1273 as on 31st March 2013 in the Head Office and various Units of the Company. The Management's relations with the employees continued to be good and cordial during the year under review.

WAGE SETTLEMENT :

The Wage settlement signed with the various Unions representing Unionised category of employees of all the Units for the period 2002 to 2006 has already been executed and the new wage revision effective January 2007 is pending.

PARTICULARS OF EMPLOYEES :

There were no employees who were employed throughout the year who were in receipt of remuneration of Rs.5 lakhs per month or Rs.60 lakhs per annum. Therefore no statement has been enclosed in this regard.

FOREIGN EXCHANGE EARNING & OUTGO :

The Foreign Exchange earning during the year were Rs.3.42 lakhs as against Rs.29.46 lakhs in the previous year. The outgo of Foreign Exchange during the year was NIL.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION :

Energy conservation continues to be given a high priority by the Company. Constant efforts are being made to reduce energy consumption. Energy conservation has been made possible due to automation and better controls.

Particulars required under Form B of the relevant Rules Pursuant to Section 134 (2)(m) of the Companies Act 2013, have not been given since the Company has no Research and Development activity. The question of technology absorption, adaptation or innovation is not applicable to the Company, in view of it being a Service Industry.

STATUS ON REMAINING UNITS OF HCI**Chefair Flight Catering, Mumbai**

As per the decision of the Board of Air India Limited, assured business of 30% Catering business of Air India was granted to Chefair without following the tender procedure.

Centaur Lake View Hotel, Srinagar :

With the infusion of fund by the Government in the year 2012-13, a fund of Rs.5 crores was sanctioned in the Annual Plan 2012-13 by the Central government for CLVH, Srinagar., which could be spent for the renovation of the unit. Accordingly, steps are being taken to renovate the unit to upgrade it to bring it at par with other star hotels of the State.

**Centaur Hotel Delhi & Chefair Delhi:**

With the approved Annual Plan 2012-13 of Rs.10 crores, efforts are being made to upgrade the Chefair Flight Catering, Delhi (CFCD) and Centaur Hotel Delhi Airport (CHDA) at the cost of Rs.5 crore. While approving the Project Report the Board had advised that, the government sector companies like Airports Authority of India (AAI) or other PSUs who had undertaken such projects of upgrading their existing properties be consulted. Accordingly, the renovation work is being carried out by AAI, on depositary work basis after following the laid down procedures.

POST DISINVESTMENT ISSUES:

The Arbitration Petition filed by M/s Sahara Hospitality Limited against the Arbitration Award granted on the issue of settlement of Net Current Assets and other obligations with respect to Centaur Hotel Mumbai Airport, is yet to come up on regular Board for hearing.

In the settlement proceeding with regard to the dispute in the settlement of Net Current Assets subsequent to the sale of Centaur Hotel Juhu Beach to M/s Tulip Hospitality Services Limited (currently known as M/s V Hotels Ltd.), Award was finalized by Director-Finance Air India Limited, the Mediator. However, Award is yet to be implemented pending the requisite approval from the governing Ministry.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

The comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of the Company for the year ended 31 March 2014 and Management's Replies thereto are annexed to this report.

AUDITORS:

M/s. M. A. Parikh & Co, Chartered Accountants, Statutory Auditors of the Company, who will retire at the forthcoming Annual General Meeting of the Company, have been appointed as the sole auditors of the Company for the financial year 2014-15 by the Comptroller & Auditor General of India in accordance with the provisions of the Section 139 of the Companies Act, 2013.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for the support and co-operation extended by the employees of the Company. The Board also wishes to acknowledge gratefully the support and guidance received from the Ministry of Civil Aviation and Air India Limited. The Directors wish to thank the Comptroller and Auditor General of India, Chairman and members of the Audit Board, Statutory Auditors and Banks.

For and on behalf of the Board

Sd/-
(Rohit Nandan)
Chairman

Place : New Delhi
Date : 13 October 2014

**Report on Corporate Governance****1. Company's Philosophy on Code of Governance**

Hotel Corporations of India's corporate philosophy on Corporate Governance has been to ensure fairness to the Stakeholders through transparency, full disclosures, empowerment of employees and collective decision making.

2. Board of Directors

During the year 2013-14, four Board Meetings were held. As on 31 March 2014 the Board consisted of the following members:

Shri Rohit Nandan, CMD, Air India Limited	-	Chairman
Smt M Sathiyavathy Addl. Secy & Fin. Advisor, MOCA	-	Director
Shri S Venkat Director-Finance, Air India Limited	-	Director
Shri G Asok Kumar, Joint Secretary, MOCA	-	Managing Director

As on 1 October 2014, the Board consisted of the following Members:

Shri Rohit Nandan, CMD, Air India Limited	-	Chairman
Smt M Sathiyavathy Addl. Secy. & Fin. Advisor, MOCA	-	Director
Shri Arun Kumar Joint Secretary, MOCA	-	Director
Shri S Venkat Director-Finance, Air India Limited	-	Director
Shri Syed Nasir Ali, Jt. Managing Director-Air India Limited	-	Managing Director

During the year 2013-14, S/Shri S Machendranathan, Shri Nikhil Jain, Shri (Dr.) Prabhat Kumar ceased to be Director effective 19 November 2013, 1 January 2014, 5 March 2014 respectively.

Shri Syed Nasir Ali, Jt. Managing Director, Air India Limited was given additional charge as the Managing Director of HCI effect 10 April 2014, vice Shri G Asok Kumar. Subsequently, Shri Arun Kumar, Jt Secretary, Ministry of Civil Aviation was appointed as Director on the Board of the Company with effect from 23 April 2014.

The Board places on record its appreciation of the valuable services rendered by Shri S Machendranathan and Shri (Dr.) Prabhat Kumar as Director on the Board and Shri Nikhil Kumar Jain and Shri G Asok Kumar, during their tenure as the Managing Director of the Company.

During the year, all meetings of the Board and the Annual General Meeting were chaired by the Chairman & Managing Director.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, the Directors confirm that :

- In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- 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 true and fair view of the state of affairs of the Company as at the 31 March, 2014 and of the profit or loss of the Company for that period.



- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of the knowledge and ability of the Directors.
- The Directors had prepared the Annual Accounts on a going concern basis.

Details regarding the Board Meetings, Annual General Meeting, Directors’ Attendance thereat, Directorships and Committee positions held by the Directors are as under :

Board Meetings :

Four Board Meetings were held during the financial year on the following dates:

26 June 2013	-	223 rd Meeting
20 September 2013	-	224 th Meeting
30 December 2013	-	225 th Meeting
20 January 2014	-	226 th Meeting

Particulars of Directors including their attendance at the Board/Shareholders’ Meetings during the financial year 2013-14

Name of the Director	Academic Qualifications	Attendance in the Board Meetings held during the year	Details of Directorships held in other Companies	Memberships held in Committees
Shri Rohit Nandan CMD Air India Limited	Post Graduation in History & MBA from UK	4	<u>Chairman and Managing Director</u> Air India Limited <u>Part-time Chairman</u> Air India Charters Ltd., Air India Air Transport Services Ltd., Air India Engineering Services Ltd., Airline Allied Services Ltd. Hotel Corporation of India Ltd., <u>Director</u> Air India SATS Airport Services Pvt. Ltd., Air Mauritius Limited, and Air Mauritius Holding Ltd.	<u>In Air India Ltd.,</u> <u>Chairman -</u> Finance Committee HR Committee Strategic Committee <u>Permanent Invitee</u> Audit Committee <u>Member</u> Corporate Social Responsibility and Sustainability Committee, Nomination & Remuneration Committee <u>In Hotel Corp. of India Ltd.,</u> <u>Member</u> Audit Committee <u>In Air India Charters Ltd.,</u> <u>Member</u> Audit Committee
Shri N.K. Jain Director (Personnel) Air India Limited (upto 1 January 2014)	B.Tech, IIT Rourkee	3	<u>Director</u> Air India Limited Hotel Corporation of India Limited	<u>In Air India Ltd.,</u> <u>Member</u> HR Committee Corporate Social Responsibility and Sustainability Committee, Manpower Restructuring Committee <u>In Hotel Corp. of India Ltd.,</u> <u>Member</u> Audit Committee



Name of the Director	Academic Qualifications	Attendance in the Board Meetings held during the year	Details of Directorships held in other Companies	Memberships held in Committees
Shri S. Venkat Director (Finance) Air India Limited (w.e.f 27 December 2013)	B.Com, FCA, FCWA, FCS & CPA (US)	2	<u>Director</u> Air India Limited, Air India Charters Ltd., Air India Air Transport Services Ltd., Air India Engineering Services Ltd., Airline Allied Services Ltd., Hotel Corporation of India Ltd., and Air India SATS Airport Services Pvt. Ltd.	<u>In Air India Ltd.,</u> <u>Member</u> Finance Committee <u>Special Invitee</u> Audit Committee Overseeing Committee <u>Co-opted Member</u> Strategic Committee <u>In Hotel Corp. of India Ltd.</u> <u>Member</u> Audit Committee, <u>In Air India Charters Ltd.</u> <u>Member</u> Audit Committee
Government Directors				
Shri S. Machendra-nathan Addl Secretary & Financial Advisor Ministry of Civil Aviation (upto 19 November 2014)	Post Graduation in Business Administration	2	<u>Director</u> SAIL RINL KIOCL NMDC MECON Pawan Hans Helicopters Ltd., Air India Ltd. Air India Air Transport Services Ltd., Air India Engineering Services Ltd., Hotel Corporation of India Ltd., and Airports Authority of India Ltd.	<u>In Air India Ltd.,</u> <u>Chairman</u> Overseeing Committee <u>Member</u> Finance Committee Audit Committee Strategic Committee <u>In Hotel Corp. of India Ltd.,</u> <u>Chairman</u> Audit Committee
Dr. Prabhat Kumar Jt Secretary Ministry of Civil Aviation (Upto 5 March 2014)	M.B.B.S.	2	<u>Director</u> Air India Ltd., Air India Air Transport Services Ltd., Air India Engineering Services Ltd., and Hotel Corporation of India Ltd.	<u>In Air India Ltd.,</u> <u>Member</u> Audit Committee HR Committee Strategic Committee Remuneration Committee <u>In Hotel Corp. of India Ltd.,</u> <u>Member</u> Audit Committee



Name of the Director	Academic Qualifications	Attendance in the Board Meetings held during the year	Details of Directorships held in other Companies	Memberships held in Committees
Shri G. Asok Kumar Jt Secretary Ministry of Civil Aviation (w.e.f. 1 January 2014 upto 10 April 2014)	B.Tech.	1	<u>Director</u> Air India Limited, Air India Air Transport Services Ltd., Air India Engineering Services Ltd. and Hotel Corporation of India Ltd.	<u>In Air India Ltd.,</u> <u>Member</u> Audit Committee HR Committee Strategic Committee Remuneration Committee <u>In Hotel Corp. of India Ltd.,</u> <u>Member</u> Audit Committee
Smt. M. Sathiyavathy Addl Secretary & Financial Advisor Ministry of Civil Aviation (w e f 5 March 2014)	M.Sc. Math	NIL	<u>Director</u> Air India Limited, Air India Air Transport Services Ltd., Air India Engineering Services Ltd. and Hotel Corporation of India Ltd.	<u>In Air India Ltd.,</u> <u>Member</u> Audit Committee Strategic Committee Finance Committee <u>In Hotel Corp. of India Ltd.,</u> <u>Chair Person</u> Audit Committee

3. Board Committees

AUDIT COMMITTEE:

During the year 2013-14, the constitution of the Audit Committee was as follows:

- | | | |
|---|---|-----------|
| 1. Additional Secretary & Financial Advisor, MOCA | - | Chairman |
| 2. Chairman & Managing Director-AIL | - | Member |
| 3. Joint Secretary, MOCA | - | Member |
| 4. Managing Director, HCI | - | Member |
| 5. Shri S. Venkat, DF-Air India Ltd., | - | Member |
| 6. Ms. Shyamala P. Kunder | - | Secretary |

The quorum for the meeting of Audit Committee would be 1/3rd of the total strength or 2 whichever is higher. During the year under report two meetings were held of the audit committee.

The terms of reference of this Committee are:

- To consider the appointment of the External Auditor, Audit Fee & all matters relating thereto ;
- To discuss with the Auditor before the audit commences, the nature & scope of the audit and to ensure co-ordination where more than one audit firm is involved;
- To review the half yearly and annual financial statements before submission to the Board;
- To review the Statutory Auditor's Report, Management's response thereto and to take steps to ensure implementation of the recommendations of the Statutory Auditors;
- To review the Company's Statement on Internal Control Systems prior to endorsement by the Board;



- To review the Internal Audit program and ensure co-ordination between the Internal & External Auditors as well as determine whether the Internal Audit function is commensurate with the size and nature of the Airlines Business and to consider any other matter as desired by the Board.

The Audit Committee met two times during the year to review various issues including inter alia annual accounts of the Company for the year before submission to the Board, on the following dates :

- 20 September 2013 - 15th Meeting
- 20 January 2014 - 16th Meeting

Attendance at the Audit Committee Meetings

Name of the Member	No. of Meetings Attended
Shri Rohit Nandan	2
Shri S Machendranathan, Chairman	1- (20.09.2013)
Shri Nikhil Kumar Jain	1- (20.09.2013)
Shri G Asok Kumar	1- (20.01.2014)
Shri S Venkat, Director (Finance) - Air India Limited	1- (20.01.2014)

4. Annual General Meetings during the last three years

The details of these meetings are given below :

No. of meeting	Date and time of the Meeting	Venue
40 th Annual General Meeting	28 December 2011 at 1230hrs	1 st floor, Transport Annexe Building, Air India Complex, Old Airport, Santa Cruz(E), Mumbai-400 029.
41 st Annual General Meeting	19 December 2012 at 1230hrs	1 st floor, Transport Annexe Building, Air India Complex, Old Airport, Santa Cruz(E), Mumbai-400 029.
42 nd Annual General Meeting	31 December 2013 at 1100hrs	1 st floor, Transport Annexe Building, Air India Complex, Old Airport, Santa Cruz(E), Mumbai-400 029.



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HOTEL CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of **Hotel Corporation of India Limited** for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 20 October 2014.

I, on the behalf of the Comptroller and Auditor General of India (CAG), have conducted a supplementary audit of **Hotel Corporation of India Limited** under section 619(3) (b) of the Companies Act, 1956 of the financial statements for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is also limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

Auditors' Report

Reference is invited to Para e (i) of Qualified Opinion of the Independent Auditor's Report dated 20 October 2014 where the Auditor has qualified his Report in regard to non-provisions of lease rentals/turnover levy (Rs. 25.63 crores) and interest (Rs.29.63 crores) thereon payable to Airport Authority of India, Mumbai International Airport Private Limited and Delhi International Airport Private Limited.

Non-provision of the lease rentals/turnover fee and the interest has resulted in understatement of 'Current Liabilities', and Profit and Loss Account (Debit Balance)', depicted in the Balance Sheet, each by Rs.55.26 crores.

For and on the behalf of the
Comptroller and Auditor General of India

Sd/-

Abdul Rauf

Principal Director of Commercial Audit
& *ex-officio* Member, Audit Board-II, Mumbai

Place : Mumbai

Date : 30 December 2014



MANAGEMENT REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31 MARCH 2014.

Comments	Management's Reply
<p>Auditor's Report</p> <p>Reference is invited to Para e (i) of Qualified Opinion of the Independent Auditor's Report dated 20 October 2014 where the Auditor has qualified his Report in regard to non-provisions of lease rentals/turnover levy (Rs. 25.63 crores) and interest (Rs.29.63 crores) thereon payable to Airport Authority of India, Mumbai International Airport Private Limited and Delhi International Airport Private Limited.</p> <p>Non-provision of the lease rentals/turnover fee and the interest has resulted in understatement of 'Current Liabilities', and Profit and Loss Account (Debit Balance)', depicted in the Balance Sheet, each by Rs.55.26 crores.</p>	<p>Statement of facts. Non-provision of lease rentals/turnover levy and interest thereon has been adequately disclosed by the Company in the Notes forming part of Financial Statements for the year ended 31 March 2014 Sr.No.26 (a) & (b).</p>



REPORT OF THE AUDITORS TO THE MEMBERS OF HOTEL CORPORATION OF INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Hotel Corporation of India Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Financial Statements of the earlier year were audited by the previous Auditors’ whose report in respect of certain matters has been appropriately considered by us.

Management’s Responsibility for the Financial Statements

The Company’s Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”) read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

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

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

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

Opinion

Basis for qualified opinion:

We draw attention to the following:

In respect of non compliance with Accounting Standards:

- a. AS-6 “Depreciation Accounting” regarding non provision of depreciation on assets as referred to in Note nos. 33 and 34.
- b. AS-9 “Revenue Recognition” in respect of billing done on provisional basis as referred to in Note no. 27.
- c. AS-10 “Accounting for Fixed Assets” regarding non-accounting of assets as referred to in Note no. 33.
- d. AS-15 “Employees Benefits” regarding non provision of liability in respect of New Medical Benefit Scheme as referred to in Note no. 36(B).



- e. AS-29 "Provisions, Contingent Liabilities and Contingent Assets" regarding non provision in respect of:
- i Lease rentals/turnover levy and Interest on delay in payment aggregating to Rs. 2562.91 lakhs and Rs. 2962.59 lakhs respectively as referred in Note no. 26;
 - ii Interest and damages claimed by Provident Fund authorities (Delhi) aggregating to Rs. 359.69 lakhs as stated in Note no. 30;
 - iii Interest and penalty towards outstanding statutory dues as stated in Note nos. 35 and 48.

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matters described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

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

Emphasis of Matters

1. Net worth of the Company is completely eroded.
- 1.1 Company continues to be under severe financial stress as reflected by:
 - a. Trade Receivables Rs. 1932.18 lakhs
 - b. Trade Payables Rs. 810.59 lakhs
 - c. Dues to employees Rs. 879.55 lakhs
 - d. Statutory dues Rs. 1270.90 lakhs

Despite the foregoing, these accounts have been prepared on a "Going Concern" basis as stated in Note no. 52 in view of the following:

The Management is committed to the revival of the Company through various initiatives such as:

- i. The Government of India has infused equity of Rs. 10 crores during fiscal 2013-14 and approved another infusion of Rs. 12 crores for which shares shall be issued during fiscal 2014-15.
 - ii. The Government of India has reduced the retirement age of employees of the Company from 60 years to 58 years. 140 employees retired on 1 March 2014 resulting in a saving of about Rs. 5 crore p.a.
2. The Company has not obtained confirmation of balance from Trade Receivables, Trade Payables etc. as stated in Notes no. 45 and 46.
 3. Inventory reporting system, Revenue cycle and Procurement cycle as referred to in Note no. 50.
 4. Strengthening the internal audit processes generally and in particular those relating to Pay orders on hand as referred to in Note no. 51.
 5. AS 28 "Impairment of Assets" in respect of assessment of potential impairment of loss of assets as referred to in Note no. 32.
 6. Pending wage agreements with workmen and Officers Cadre as referred to in Note no. 28.

Our opinion is not qualified in respect of all these matters.

Other Matter

We draw attention to the Notes to the Financial Statements as follows:



1. Note nos. 23 and 25 re: Loans and Advances.
2. Note no. 29 re: Capital Work in Progress.
3. Note no. 47 re: Statutory non-compliances.

Our opinion is not qualified in respect of all these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ("the said Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, on the basis of such checks of the books and records of the Company as we considered necessary and appropriate, and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and
 - (e) The Company being a Government Company as defined in Section 617 of the Companies Act, 1956, is exempted from the applicability of the section 274(1)(g) of the said Act vide circular no. 2/5/2001/CV.V General Circular no. 8/2002 dated March 22, 2002 issued by Ministry of Law, Justice and Company Affairs.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For and on behalf of
M. A. Parikh & Co
Chartered Accountants
FRN : 107556W

Sd/-
Mukul Patel
MNo : 32489

Place: Mumbai
Date : 20 October 2014

**ANNEXURE TO AUDITOR'S REPORT****Annexure referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report of even date**

1. (a) *The Company is in the process of updating its Fixed Assets Records maintained with reference to full particulars, quantitative details and location thereof. The reconciliation of Fixed Assets Register with financial records is stated to be in progress.*
- (b) *The Company proposes to conduct physical verification of it's Fixed Assets in a phased manner i.e. once in two years. However, during the year these fixed assets have not been physically verified by the Management.*
- (c) *In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of fixed assets during the year affecting the going concern assumption.*
2. (a) *As explained to us, inventories have been physically verified at least once in a year by the management. In our opinion, the frequency of verification by the management is not reasonable and adequate in relation to the size of the Company and the nature of its business.*
- (b) *In our opinion and according to the information and explanations given to us, the procedure for physical verification followed by the management is not reasonable and adequate in relation to the size of the Company and the nature of its business. It needs to be strengthened further in terms of internal controls as referred to in note no 50.*
- (c) *In our opinion and on the basis of our examination of the records, the Company is not maintaining proper records of its inventories. Discrepancies which were noticed on physical verification of stock, which were not material, have been properly dealt with in the books of account (Refer note no. 50).*
3. *The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clause iii of the Order are not applicable.*
4. *In our opinion and according to the information and explanations given to us, internal control procedures are not commensurate with the size of the Company and the nature of its business, for the purchase and sale of goods. During the course of our audit, we have observed that there is continuing failure to correct major weaknesses in the internal controls of the Company (Refer note no 51).*
5. *The Company has not entered into contracts or arrangements referred to in section 301 of the Act. Hence, the provisions of clause v of the Order are not applicable.*
6. *The Company has not accepted any deposits from the public covered under sections 58A and 58AA of the Act and Companies (Acceptance of Deposits) Rules, 1975. Hence, clause vi of the Order is not applicable.*
7. *The Company has an internal audit system. It's scope and coverage, in our opinion, requires to be further enhanced to commensurate with the size of the Company and the nature of its business;*
8. *In our opinion and based on the information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act in respect of the Company's products.*
9. (a) *According to the records of the Company, undisputed relevant statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Value Added Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities. The extent of the arrears of outstanding statutory dues as at 31 March 2014 for a period of more than six months from the date they became payable are as follows:*



(Amount in Lakhs)

Name of the Statute	Amount (Rs.)
<i>Employees Provident Fund</i>	175.55
<i>Employees State Insurance Act, 1948</i>	1.09
<i>Employees Pension Fund</i>	20.89
<i>Value Added Tax of Respective States</i>	106.72
<i>Luxury Tax Act of Respective States</i>	173.13
<i>The Entertainment Tax of Respective States</i>	0.74
<i>Central Excise and Service Tax Act</i>	197.13
<i>The Income Tax Act, 1961</i>	0.47

Note: The information relating to "Period for which amount is due" and "due dates" in respect of statutory dues are voluminous and hence not reported.

- (b) Statutory dues which have not been deposited on account of dispute and the forum where dispute is pending are as under:

(Amount in Lakhs)

Name of the Statute	Nature of Dues	Amount in dispute (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Tax	624.03	2003 – 04	High Court
Sales Tax	Tax	18.93	2000 – 01	Joint Commissioner of Sales Tax Appeal
	Interest	0.29		
	Penalty	0.02		
	Total	19.24		
Sales Tax	Tax	264.57	2001 – 02	Joint Commissioner of Sales Tax Appeal
	Interest	169.41		
	Penalty	15.82		
	Less: Paid	20.00		
	Total	429.80		
Sales Tax	Tax	216.63	2002 – 03	Joint Commissioner of Sales Tax Appeal
	Interest	167.89		
	Penalty	1.00		
	Total	385.51		
VAT	Tax	65.52	2005 – 06	Joint Commissioner of Sales Tax Appeal
	Interest	69.61		
	Penalty	65.52		
	Total	200.65		
VAT	Tax	69.50	2006 – 07	Commissioner (Appeals)
	Interest	70.37		
	Total	139.87		



Name of the Statute	Nature of Dues	Amount in dispute (Rs.)	Period to which the amount relates	Forum where dispute is pending
VAT	Tax	43.84	2008 – 09	Commissioner (Appeals)
	Interest	24.66		
	Penalty	43.84		
	Total	112.34		
Luxury Tax	Tax	1.35	1996 – 97	Joint Commissioner Sales Tax
	Interest	0.21	1997 – 98	
	Penalty	0.04	1999 – 00	
	Total	1.60		
Luxury Tax	Tax	86.80	2000 – 01	Addl. Commissioner Sales Tax
	Interest	93.32		
	Penalty	0.08		
	Less: paid	0.19		
Total	180.01			
Luxury Tax	Tax	19.84	2002 – 03	Commissioner of Sales Tax
	Interest	20.76		
	Penalty	1.00		
	Total	41.60		
Luxury Tax	Tax	27.66	2010 – 11	Asst. Commissioner of Luxury Tax
	Interest	11.20		
	Penalty	2.84		
	Total	41.70		
Luxury Tax	Tax	(27.66)	2011 – 12	Asst. Commissioner of Luxury Tax
	Interest	61.67		
	Penalty	3.15		
	Total	37.16		
Excise Duty	Tax	197.28	2005	Commissioner of Central –Appellate Tribunal, Mumbai

10. *The Company's accumulated losses at the end of the financial year are more than 50% its net worth. The Company has incurred cash losses during the year as well as in the immediately preceding financial year.*
11. Based on our audit procedures and the information and explanations given by the management, the Company did not have any borrowings from financial institution, bank or had not issued debentures. Hence, provision of clause xi of the Order is not applicable.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, provision of clause xii of the Order is not applicable.



13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Hence, the provisions of clause xiii of the Order are not applicable to the Company;
14. According to information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures & other investments. Hence, provision of clause xiv of the Order is not applicable to the Company;
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution. Hence, provision of clause xv of the Order is not applicable to the company;
16. The Company has not borrowed any funds (except from its Holding Company) by way of term loans. Hence, provision of clause xvi of the Order is not applicable to the Company;
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31 March 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company;
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year. Hence, provision of clause xviii of the Order is not applicable to the Company;
19. The Company has not issued any debentures. Hence, provision of clause xix of the Order is not applicable to the Company;
20. The Company has not raised any money by public issue during the year. Hence, provision of clause xx of the Order is not applicable to the Company;
21. To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud of material significance on or by the Company has been noticed or reported during the year and, nor have we been informed of such case by the management.

For and on behalf of
M. A. Parikh & Co
Chartered Accountants
FRN : 107556W

Sd/-
Mukul Patel
MNo : 32489

Place : Mumbai
Date : 20 October 2014



BALANCE SHEET AS ON 31 MARCH 2014

(Amount in Rupees)

Particulars	Notes	As at March 31, 2014	As at March 31, 2013
<u>EQUITIES AND LIABILITIES</u>			
Shareholders' funds			
Share capital	3	506,000,000	406,000,000
Reserves and Surplus	4	(1,416,400,392)	(1,011,663,856)
		(910,400,392)	(605,663,856)
Non-current liabilities			
Other long-term liabilities	5	978,100,170	287,262,571
Other Non current liabilities	8	47,359,780	44,638,522
Long-term provisions	6	308,842,733	372,832,340
		1,334,302,683	704,733,433
Current liabilities			
Other short-term liabilities	5	18,209,928	26,807,041
Trade payables	7	81,059,060	99,794,851
Other current liabilities	8	435,363,390	462,251,191
Short-term provisions	6	139,535,417	235,676,631
		674,167,795	824,529,715
TOTAL		1,098,070,086	923,599,292
<u>ASSETS</u>			
Non-current assets			
Fixed assets			
Tangible assets	9	305,537,097	322,633,529
Capital work-in-progress		1,014,395	1,014,395
Long-term loans and advances	10	274,369,123	318,522,985
		580,920,615	642,170,909
Current assets			
Inventories	12	22,396,689	22,530,826
Trade receivables	11	193,218,425	112,729,168
Cash and Cash equivalents	13	137,501,870	12,851,987
Short-term loans and advances	10	164,032,487	133,316,402
		517,149,471	281,428,383
TOTAL		1,098,070,086	923,599,292

Summary of significant accounting policies

2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of
M.A. Parikh & Co.
Chartered Accountants
FRN : 107556W

For and on behalf of the Board

Sd/-
Rohit Nandan
Chairman

Sd/-
Arun Kumar
Director

Sd/-
Mukul Patel
Partner
MNo : 32489

Sd/-
Shyamala P Kunder
Company Secretary

Place : Mumbai
Date : 20 October 2014

Place : New Delhi
Date : 13 October 2014



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

(Amount in Rupees)

Particulars	Notes	2013-14	2012-13
Continuing operations			
Income			
Revenue from operations	14	484,211,477	452,804,289
Other income	15	20,818,287	10,836,922
Foreign Exchange fluctuation, net		-	4,519
TOTAL REVENUE		505,029,764	463,645,730
Expenses			
Cost of raw material consumed	16	92,183,824	85,539,106
Employee Benefits	17	571,420,944	533,535,768
Finance Cost	19	54,862,398	202,628
Depreciation /Amortisation Expenses	9	18,442,816	17,618,029
Other Expenses	18	187,346,210	174,562,115
TOTAL EXPENSES		924,256,192	811,457,645
Profit/(Loss) before Tax		(419,226,427)	(347,811,916)
Exceptional Items			
- Excess provision written back related to VRS		(16,466,472)	(47,850)
- Arbitration awards		5,406,100	-
- Prior Period Adjustment (Net)		(3,429,520)	8,389,397
Profit /(Loss) for the year		(404,736,535)	(356,153,463)
Earnings per equity share			
Basic and Diluted Earnings per share			
		(87.37)	(87.72)
Summary of significant accounting policies	2		
Notes forming part of the Financial Statement			

As per our attached report of even date

For and on behalf of
M.A. Parikh & Co.
Chartered Accountants
FRN: 107556W

Sd/-
Mukul Patel
Partner
MNo : 32489

Place : Mumbai
Date : 20 October 2014

For and on behalf of the Board

Sd/-
Rohit Nandan
Chairman

Sd/-
Shyamala P Kunder
Company Secretary

Place : New Delhi
Date : 13 October 2014

Sd/-
Arun Kumar
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

(Amount in Rupees)

Particulars	As at March 31, 2014	As at March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(404,736,535)	(356,153,462)
<u>Adjustment for</u>		
Depreciation (Net)	17,884,778	17,618,029
Interest Charged	54,862,398	202,628
(Profit)/Loss on Sale of Fixed Assets	-	(22,999)
Provision for Bad & Doubtful Debts	7,397,172	-
Interest Income	(5,219,310)	(1,671,190)
Operating loss before working capital changes	(329,811,497)	(340,026,994)
Movement in working capital:		
(Increase)/Decrease in Trade and Other Receivables	(64,518,503)	2,850,071
Decrease/(Increase) in Inventories	134,137	(340,008)
Increase in Trade and Other Payables	425,755,792	324,907,483
Cash generated from operations	31,559,929	(12,609,448)
Taxes paid	9,930,147	7,504,135
Net cash generated/(used in) from operating activities	(A) 21,629,781	(20,113,583)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (net)	(788,348)	(919,943)
Interest Received	5,219,310	1,671,190
Net cash used in from investing activities	(B) 4,430,962	751,247
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	100,000,000	-
Interest Paid	(1,410,860)	(202,628)
NET CASH FROM FINANCING ACTIVITIES	(C) 98,589,140	(202,628)
NET INCREASE/ (DECREASE) IN CASH OR CASH EQUIVALENTS	(A+B+C) 124,649,883	(19,564,965)
Cash and cash balance as at beginning of the year	12,851,987	32,416,952
Cash and Bank Balance at the end of the year	137,501,870	12,851,987
Earmarked balances with banks	4,049,880	4,049,880
FIXED DEPOSITS WITH BANKS (MATURITY MORE THAN 12 MONTHS)	17,202,304	702,304
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	116,249,686	8,099,803

As per our attached report of even date

For and on behalf of
M.A. Parikh & Co.
Chartered Accountants
FRN : 107556W

For and on behalf of the Board

Sd/-
Rohit Nandan
Chairman

Sd/-
Arun Kumar
Director

Sd/-
Mukul Patel
Partner
MNo : 32489

Sd/-
Shyamala P Kunder
Company Secretary

Place : Mumbai
Date : 20 October 2014

Place : New Delhi
Date : 13 October 2014

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****NOTE “1” : CORPORATE INFORMATION**

Hotel Corporation of India Limited was incorporated as Government Company on 8 July 1971 under the Companies Act, 1956 as wholly owned subsidiary Company of Air India Limited with a view to enter the Hotel Industry. The Hotel Corporation of India Limited owns Hotels in Delhi & Srinagar and Flight Kitchens in Mumbai & Delhi.

NOTE “2” : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) GENERAL**

The accounts are prepared in accordance with the generally accepted accounting principles under the historical cost convention on the basis of a going concern.

b) Income & Expenditure Recognition

- i) Income & Expenditure are accounted on the accrual basis except income from Health Club which is accounted on cash basis.
- ii) Sales represent the amount of Invoices to customers, net of trade discounts.

c) Fixed Assets

- i) Fixed Assets are stated at historical cost.
- ii) In case of contracts extending over years, revision in cost estimates are reflected in the Accounting period in which the revisions crystallise.
- iii) Leasehold land is amortised over the period of lease.

d) Depreciation

- i) Depreciation on fixed assets is provided, irrespective of the lease period, at the rates & in the manner prescribed in Schedule XIV to the Companies Act, 1956 on the Straight Line Method on prorata basis from the month of addition except in the case of the following assets:
 - In respect of assets acquired prior to 1 April 1982, at rates on the estimated useful life of the Fixed Asset.
 - In respect of the assets acquired from 1 April 1982 to 2 April 1987 at the rates prescribed under the Income Tax Act, 1961 and rules there under.
 - Assets purchased/installed during the year having cost less than Rs. 5,000/- each are being fully depreciated in the year of purchase.

e) Amortisation

- i) Kitchen utensils purchased for the first time for a new unit are written off equally in four years. Any additions in the subsequent years are written off in the year of purchase.
- ii) Carpets purchased initially for a new unit/major renovation are capitalised as Fixed Assets in the year of purchase and depreciated on the Straight Line Method as specified in para 4 above. Carpets purchased in the subsequent years are being written off as Soft furnishings in the year of purchase.
- iii) Heavy curtains are written off in the year of issue.

f) Treatment of Expenditure During Construction Period

All revenue expenses directly attributable to ongoing projects are set apart as expenses during construction and capitalised on the basis of value of work completed during the year in which the Asset is put to use.

g) Foreign Exchange Transaction

- i) Foreign Currency balances are valued on the basis of exchange rates prevailing as on the date of the Balance Sheet.
- ii) The exchange difference pertaining to the Current Assets and Current Liabilities are transferred to the Statement of Profit and Loss.



- iii) Collection transaction in Foreign Currencies are translated into rupees at the rate of exchange ruling at the date of deposit with the Bank.

h) Valuation of Inventories

Stock is valued at cost after making allowance for spoilage, except in case of linen, cutlery & crockery in rooms and outlets which are being valued at cost irrespective of the period of use.

i) Retirement Benefits

- i) Gratuity and Leave Encashment are provided on the basis of Actuarial Valuation as at the Balance Sheet date.
- ii) Voluntary Retirement Scheme is accounted for in the year of announcement of scheme by the Company and acceptance of the same by the employees.

j) Investments

Long term investments, if any, are stated at cost, less permanent diminution in value. Current investments are valued at lower of the cost or fair market value.

k) Liabilities & Provisions

- i) The Company considers claims under arbitration as Contingent Liability.
- ii) The effect of arbitration awards decided against the Company for which Appeals have been preferred, are accounted in the year of final disposal.
- iii) Show Cause Notices received from various authorities/parties are not considered as Contingent Liabilities. However, when Demand Notices are raised against the same, those demands are either paid or treated as Liabilities, if accepted by the Company, and are treated as Contingent Liabilities if disputed by the Company.
- iv) Outstanding current liabilities are reviewed periodically and those over three years, if not considered payable are transferred to other Income.

l) Prior Period Adjustments

Expenditure/Income pertaining to prior year(s) is classified as Prior Period items, only in cases where the amount exceeds Rs. 25,000/- per transaction.

m) Accounting for Doubtful Debts

Debts pertaining to the Government, Government Departments and Public Sector Undertakings are provided for only when specifically known to be doubtful. All other debts are provided for, if they are either more than 3 years old or specifically known to be doubtful.

n) Accounting for Taxation

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the period.
- ii) Deferred tax is recognised on timing differences, between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred Tax Assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised. This is in accordance with AS-22 "Accounting for taxes on Income."

o) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are materialized.

**p) Impairment of Fixed Assets**

At the end of the year, the Company determines where a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standards 28 on Impairment of Assets prescribed by Companies (Accounting Standard) Rules, 2006 where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

NOTE "3" : SHARE CAPITAL

(Amount in Rupees)

Particulars	As at	
	March 31, 2014	March 31, 2013
Authorised Share Capital		
51,00,000 (P.Y. - 41,00,000) Equity Shares of Rs. 100/- each	510,000,000	410,000,000
TOTAL	510,000,000	410,000,000
Issued, subscribed and fully paid-up shares		
50,60,000 (P.Y. - 40,60,000) Equity Shares of Rs. 100/- each	506,000,000	406,000,000
TOTAL	506,000,000	406,000,000

Note: During the year, the Company has issued 10,00,000 Equity Shares of Rs. 100 each aggregating to Rs. 10,00,00,000 in the name of "The President of India" as per the order of the Ministry of Civil Aviation dated 30 March 2013.

3.a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

(Amount in Rupees)

Equity Shares	As at March 31, 2014		As at March 31, 2013	
	Nos	Amount	Nos	Amount
At the beginning of the period	4,060,000	406,000,000	4,060,000	406,000,000
Issued during the period	1,000,000	100,000,000	-	-
O/S As at the end of the period	5,060,000	506,000,000	4,060,000	406,000,000

The company has only one class of equity shares having a par value of Rs.100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. In the event of liquidation, Equity Share holders will be entitled to receive the assets of the company remaining after distribution of all preferential amount, in proportion to the number of shares held by them.

3.b. Shares held by Holding/Ultimate Holding Company and for their subsidiaries /associates

Out of equity shares issued by the company, shares held by its Holding Company and ultimate holding company are as below:

Particulars	As at	
	March 31, 2014	March 31, 2013
President of India	1,000,000	
Air India Limited	4,060,000	4,060,000

3.c. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2014		As at March 31, 2013	
	Nos	%	Nos	%
President of India	1,000,000	19.76	-	-
Air India Limited and its nominees	4,060,000	80.24	4,060,000	100
	5,060,000	100	4,060,000	100

**NOTE “4” : RESERVES AND SURPLUS**

(Amount in Rupees)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	(1,011,663,857)	(655,510,394)
Profit/(Loss) for the year	(404,736,535)	(356,153,463)
Balance as at the end of the year	(1,416,400,392)	(1,011,663,857)

NOTE “5” : OTHER LIABILITIES

(Amount in Rupees)

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Amount due to Related Party	943,642,576	277,673,220	-	-
Advance Against Share Capital (Refer Note No 52)	-	-	16,500,000	-
Deposit	34,457,594	9,589,352	1,509,697	26,344,584
Others- Retention Money	-	-	200,231	462,457
TOTAL	978,100,170	287,262,572	18,209,928	26,807,041

Note: Represents amount payable to Air India Limited, a related party, and is subject to confirmation and reconciliation

NOTE “6” : PROVISIONS

(Amount in Rupees)

Particulars	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Gratuity	231,412,270	272,724,405	34,934,767	38,186,307
Employees payable	-	-	87,955,030	171,951,752
Leave Encashment	77,430,463	83,641,464	16,645,620	20,250,000
VRS payable	-	16,466,472	-	-
Provision for Fringe benefit tax	-	-	-	5,288,572
TOTAL	308,842,733	372,832,341	139,535,417	235,676,631

NOTE “7” : TRADE PAYABLES

(Amount in Rupees)

Particulars	As at	As at
	March 31, 2014	March 31, 2013
Trade payables	81,059,060	99,794,851
TOTAL	81,059,060	99,794,851



NOTE “8” : OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Other Liabilities				
Statutory dues	-	-	127,090,384	127,494,857
Lease Rental & Turnover levy Payable	-	-	190,932,893	170,363,914
Outstanding Liabilities	-	-	41,852,785	67,935,511
Advance from customers	-	-	51,496,547	51,799,199
Due to J & K Government	44,729,538	44,638,522	-	-
Other liabilities	2,630,242	-	23,990,781	44,657,710
TOTAL	47,359,780	44,638,522	435,363,390	462,251,191

NOTE “9” : TANGIBLE ASSETS

(Amount in Rupees)

Particulars	Land (Leasehold)	Buildings (On leasehold land)	Plant & Machinery	Furniture & Fixtures	Vehicles	Object d’ Art	Total
Cost or valuation							
At 1 April 2013	2,708,800	334,963,420	268,541,833	173,931,812	27,495,291	774,250	808,415,407
Additions	-	-	658,908	137,255	-	-	796,163
Disposals	-	-	(7,815)	-	-	-	(7,815)
At 31 March 2014	2,708,800	334,963,420	269,192,926	174,069,067	27,495,291	774,250	809,203,755
Depreciation / Amortisation							
At 1 April 2013	923,590	109,329,258	212,777,224	142,801,594	19,175,974	774,240	485,781,880
Charge for the year	27,500	4,560,759	7,937,817	3,791,683	2,125,057	-	18,442,816
Adjustments	(27,362)	-	10,923	5,149	569,328	-	558,038
At 31 March 2014	978,452	113,890,017	220,704,117	146,588,128	20,731,703	774,240	503,666,658
Net Block							
At 31 March 2013	1,785,210	225,634,162	55,764,609	31,130,221	8,319,317	10	322,633,529
At 31 March 2014	1,730,348	221,073,403	48,488,809	27,480,939	6,763,588	10	305,537,097

Notes:

- 1) Buildings (on leasehold land) includes value of ownership flats :-
 - i) In Sher-e-Punjab Society Rs. 9 lakhs (at cost) (P. Y. Rs. 9 lakhs), conveyance deeds/ agreements in respect there of are pending execution, since matter is subjudice. Share Certificates have not been issued by the Society.
 - ii) In Everest Apartments Cooperative Housing Society, Rs 500 (P. Y. Rs 500) being the cost of 10 equity shares (P. Y. 10 equity shares)
- 2) Mutation in respect of the property of housing colony at Srinagar is not required since records of rights has been obtained in favour of the Company from the concerned Naib Tehsildar. Some part of the land has been encroached by a school for which the Company has filed a suit in the Court.



NOTE “10” : LOANS AND ADVANCES

(Amount in Rupees)

Particulars	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Loans to Staff	-	-	946,583	1,559,061
Advance Income Tax	121,927,240	168,107,186	-	-
Receivable on account of sale of properties (Refer note no.21 b (i&ii), Notes 22 & 23)	23,167,503	23,167,503	-	-
Deposits	8,316,633	9,321,214	-	-
Due from Holding Company	-	-	47,789,991	29,032,166
Prepaid Expenses	-	-	2,461,385	3,256,627
Other advance receivable	-	-	12,350,586	14,930,248
Receivable from J&K Government	120,957,747	117,927,083	-	-
Other Loans and advances	-	-	103,187,363	86,975,089
	274,369,123	318,522,986	166,735,908	135,753,191
Less: Provision for doubtful advances	-	-	(2,703,421)	(2,436,791)
	274,369,123	318,522,986	164,032,487	133,316,400
The above amount is sub classified as:				
Unsecured, considered good	274,369,123	318,522,986	166,735,908	135,753,191
Doubtful	-	-	(2,703,421)	(2,436,791)
TOTAL	274,369,123	318,522,986	164,032,487	133,316,400

Note: The Company is in the process of reviewing the provision for doubtful advances, as against the corresponding Loans and Advances with a view to adjust the Excess / Shortfall in the said provisions for doubtful advances in due course.

NOTE “11” : TRADE RECEIVABLES

(Amount in Rupees)

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	69,225,479	48,100,544
Doubtful	16,096,890	14,894,729
Other Receivables		
Unsecured, considered good	123,992,946	64,628,624
	209,315,315	127,623,897
Less: Provision for doubtful debts	(16,096,890)	(14,894,729)
TOTAL	193,218,425	112,729,168

NOTE “12” : INVENTORIES

(Amount in Rupees)

Particulars	As at March 31, 2014	As at March 31, 2013
Raw Material	3,190,552	2,658,392
Stores	3,075,071	6,135,129
Operating Supplies	16,131,066	13,737,305
TOTAL	22,396,689	22,530,826

**NOTE “13” : CASH AND BANK BALANCES**

(Amount in Rupees)

Particulars	As at March 31, 2014	As at March 31, 2013
<u>Cash & Cash Equivalent</u>		
Balances with Bank:		
On Current Accounts	53,311,010	3,625,394
On Fixed Deposits	62,683,310	20,968
Cheques on Hand / in Transit	-	4,302,437
Cash on Hand	255,366	151,004
<u>Other Balance</u>		
Fixed Deposits with Bank (pledged with Govt Bodies)	4,049,880	4,049,880
Fixed Deposits with Banks (Maturity more than 12 months)	17,202,304	702,304
TOTAL	137,501,870	12,851,987

NOTE “14” : REVENUE FROM OPERATIONS

(Amount in Rupees)

Particulars	2013-14	2012-13
Revenue from Hotels and Flight Kitchen		
Rooms - Guest Accommodation	180,743,644	208,114,429
Food, Cigars and Cigarettes	224,857,560	198,006,896
Other Services	58,385,382	26,117,172
Licence fees for Shops and Offices	18,683,452	18,236,290
Beverages (Wine and Liquor)	1,386,355	1,967,388
Telex and Telephone	155,084	362,115
TOTAL	484,211,477	452,804,290

NOTE “15” : OTHER INCOME

(Amount in Rupees)

Particulars	2013-14	2012-13
Interest Income	5,219,310	1,671,190
Profit on sale of asset (net)	-	22,999
Excess provision written back	9,454,344	5,942,228
Sundry balance written off	2,125,167	-
Scrap sale / Others	4,019,466	3,200,505
TOTAL	20,818,287	10,836,922

**NOTE "16" : COST OF RAW MATERIAL CONSUMED**

(Amount in Rupees)

Particulars	2013-14	2012-13
Food Consumed (Including Cigars and Cigarettes)		
Opening stock	1,818,888	1,723,375
Add: Purchases	96,314,049	80,640,567
Closing stock	10,745,129	1,725,049
	87,387,808	80,638,893
Beverages (Wine and Liquor)		
Opening Stock	350,775	462,256
Add: Purchases	262,264	320,157
Closing stock	115,722	350,775
	497,317	431,638
Consumption of Stores and Supplies		
Opening Stock	9,730,502	8,501,676
Add: Purchases	7,233,389	5,508,665
	16,963,892	14,010,341
Closing Stock	12,665,193	9,541,766
	4,298,698	4,468,575
Cost of Raw material consumed	TOTAL	
	92,183,824	85,539,106

NOTE "17" : EMPLOYEE BENEFITS

(Amount in Rupees)

Particulars	2013-14	2012-13
Salaries, Wages and other benefits	410,738,061	403,398,057
Gratuity	66,002,998	53,754,979
Leave Encashment	29,813,224	17,255,955
Contribution to Provident Fund and Other Fund	44,254,588	42,199,223
Staff Welfare Expenses	19,962,593	16,037,632
Bonus	649,481	889,922
	TOTAL	
	571,420,944	533,535,768

**NOTE "18" : OTHER EXPENSES**

(Amount in Rupees)

Particulars	2013-14	2012-13
Power & Fuel	97,950,718	93,680,972
Rent and Licences Fee	22,352,970	24,670,650
Security Charges	11,858,913	10,968,084
Repairs & Maintenances:		
Building	3,762,169	4,427,992
Plant and Machinery	4,073,842	6,385,370
Other	4,174,272	5,816,409
Miscellaneous Expense	13,118,427	7,936,600
Travelling & Conveyance:		
Travelling	342,737	259,397
Conveyance	1,256,441	962,732
Vehicle Expense	6,279,495	5,051,734
Soft Furnishing	2,352,606	1,959,627
Rates and Taxes	5,109,631	5,082,913
Printing and Stationery	1,890,392	1,774,011
Legal and Professional Charges	1,755,038	1,493,184
Communication costs	1,640,484	1,508,464
Insurance	1,370,627	1,061,596
Advertisement and Publicity	181,943	433,977
Commission	148,027	313,076
Payment to Auditor (refer note below)	330,305	376,847
Provision for Doubtful debts	2,276,202	-
Bad Debts	5,120,970	398,480
TOTAL	187,346,210	174,562,115

Payment to Auditor

For Audit	173,265	176,405
For Other services	-	114,180
For Reimbursement of expenses	157,040	86,262
TOTAL	330,305	376,847

NOTE "19" : FINANCE COST

(Amount in Rupees)

Particulars	2013-14	2012-13
- Interest Expenses	54,862,398	202,628
TOTAL	54,862,398	202,628



Sl. Particulars No	(Amount in Rupees)	
	2013-14	2012-13
20. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of mobilisation advance)	405,000	1,405,000
21. Contingent Liabilities in respect of :		
a) Claims against the Company not acknowledged as debts	74,370,429	19,017,000
b) Claims under Arbitration :		
i) Counter Claim made by M/s Tulip Hospitality Services Ltd. (Currently known as M/s V. Hotels Ltd.) the buyer of Centaur Hotel Juhu Beach for Rs. 3.33 crores towards Net Current Assets, has been disputed by the Company as the Net Current Assets and other obligations of the buyers were to be settled in terms of the Agreement to Sell dated 11.03.2002 and on this issue as per the said Agreement, a sum of Rs. 0.43 crore is payable by the buyers and accordingly reflected as receivable on account of Net Current Assets. Since there was no consensus on some issues, the same was referred for adjudication to the Ministry of Civil Aviation. Under their advice, the matter is being amicably resolved between the Company & M/s Tulip Hospitality Services Ltd. (Currently known as M/s V. Hotels Ltd.). Series of meetings were held between the Company and M/s Tulip Hospitality Services Ltd. (Currently known as M/s V. Hotels Ltd.). The mediator's recommendations for settlement of Net Current Assets for Rs 2 crores (including interest Rs. 0.50 crores) has been submitted to the Competent Authority whose approval is awaited. (Refer Note no. 31).	20,000,000	33,300,000
ii) Counter Claim of Rs. 2.36 crores by M/s Sahara Hospitality Ltd. (formerly known as M/s Batra Hospitality Pvt. Ltd.), the buyer of Centaur Hotel in Mumbai Airport, towards Net Current Assets which was disputed by the Company, as the Net Current Assets and other obligations of the buyer were to be settled in terms of the Agreement to Sell dated 18.4.2002. In the prior year, the Hon'ble Arbitral Tribunal published their award under which the buyer had to finally pay an amount of Rs. 1.88 crores and interest thereon along with legal costs of Rs. 0.40 crores. However, the buyers preferred an appeal in the Hon'ble High Court of Bombay against the award, which is still pending for final hearing. The Company has recorded an amount of Rs. 1.88 crores in the books of Accounts (Refer Note no. 31).	18,800,000	18,800,000
iii) The Management Contract Agreement executed on 15.9.2010 with M/s B.D. & P Hotels (India) Pvt. Limited and an interest free Security Deposit of Rs.10 crores and proportionate Minimum Guaranteed Amount of Rs. 1.08 crores was deposited by the party. However, before the hotel could be handed over under Management Contract, instructions were received from the Ministry of Civil Aviation and as per Committee of Secretaries, Government of India, that the J&K State Government had indicated that since the land was leased to the Company by J&K Government, the Management Contract was not feasible. Hence, after approval of the Board of Directors, Management Contract Agreement was terminated effective 26.09.2011 and the Security deposit and Minimum Guaranteed amount were returned to the party. Thereafter, party filed a writ in the High Court of Bombay for invoking arbitration. The Hon'ble High Court has granted the appeal of the party and sole arbitrator has been appointed. The party has challenged the termination of the Agreement and claimed Rs. 341 crores plus 18% interest from the Company, Arbitration hearing is in progress.	3,410,000,000	-



Sl. No	Particulars	(Amount in Rupees)	
		2013-14	2012-13
	iv) Awards that have gone against the Company for which appeals are preferred and pending disposal.	1,062,000	1,062,000
c)	Guarantees given to Customs Authorities	300,000	300,000
d) i)	Claims of Income Tax Authorities for which the department has preferred an appeal	62,403,000	-
	ii) Claims of Income Tax Authorities for which the Company has preferred an appeal with various authorities from Income Tax Department for the financial year 2002-03 (A Y 2003-04) regard the capital gain on sale of 2 properties i.e. Centaur Hotel Mumbai Airport & Centaur Hotel Juhu Beach, disputed by the Company in Tribunal, covered by refunds withheld by the Income Tax authorities).	-	62,403,000
	iii) Disputed Sales Tax/VAT Liability for which the Company has preferred an appeal with various authorities (includes demand of Sales Tax on "slump sale" for the sale of 2 properties in 2002-03 i.e. Centaur Hotel Mumbai Airport & Centaur Hotel Juhu Beach) (against which Company has deposited Rs. 59,92,628/- previous year Rs. 73,82,000/-)	132,622,241	119,399,241
	iv) Claims of Luxury Tax authorities, for which the Company has preferred an appeal with various authorities (includes demand of Luxury Tax for 2 properties in 2002-03 i.e. Centaur Hotel Mumbai Airport and Centaur Hotel Juhu Beach) (against which Company has deposited Rs. 6,06,863/- previous year Rs. 6,06,863/-)	30,226,000	35,937,000
	v) Claim of excise duty, for which the Company has preferred an appeal	19,728,246	19,728,246
e)	Claims made by employees	Amount Indeterminate	Amount Indeterminate
22.	Subsequent to the sale of Centaur Hotel Juhu Beach in 2002, State Govt. of Maharashtra claimed an amount of Rs. 4.48 crores from M/s Tulip Hospitality Services Ltd. (Currently known as M/s V. Hotels Ltd.) for premium payable on the transfer of 1810 sq.mtr of land attached to the hotel property which was on lease from the State Govt. and is to be kept open to sky - to be used only as garden. The same was disputed by the Company before the Revenue Minister, Government of Maharashtra. The Order of the State Government dated 1.6.2014 has directed M/s Tulip Hospitality Services Ltd. (Currently known as M/s V. Hotels Ltd.) to make payment of the said premium which has been challenged by them in the Bombay High Court.		
23.	During 2002-03, the Company has accounted for Rs. 0.43 crores and Rs. 2.98 crores as receivable from M/s Tulip Hospitality Services Ltd. (Currently known as M/s V. Hotels Ltd.) and M/s Sahara Hospitality Ltd. (formerly known as M/s Batra Hospitality Pvt. Ltd.) respectively on account of Net Current Assets transferred to the respective buyers of the two units viz Centaur Hotel Juhu Beach and Centaur Hotel Mumbai Airport. Both the buyers M/s Tulip Hospitality Services Ltd. (Currently known as M/s V. Hotels Ltd.) and M/s Sahara Hospitality Ltd. (formerly known as M/s Batra Hospitality Pvt. Ltd.) have disputed the same. Based on the Arbitration award in case of M/s Sahara Hospitality Ltd. (formerly known as M/s Batra Hospitality Pvt. Ltd.) the amount receivable is Rs. 1.88 crores plus legal costs Rs. 0.40 crores. The accounts have been suitably adjusted to the extent of award amount of Rs. 1.88 crores. In the opinion of the Management, the amount receivable from M/s Tulip Hospitality Services Ltd. (Currently known as M/s V. Hotels Ltd.) Rs. 0.43 crores and M/s Sahara Hospitality Ltd. (formerly known as M/s Batra Hospitality Pvt. Ltd.) Rs. 1.88 crores are considered good for recovery and the shortfall, if any, will be adjusted in the year in which finality is reached based on the award of the Competent Authority/High Court of Bombay.		



Sl. No	Particulars	(Amount in Rupees)	
		2013-14	2012-13
24.	The Company had entered into an Agreement with M/s. Gulraj Engineering for renovation of 60 guest rooms and additional 60 guest rooms together with connected shafts and corridors at Centaur Hotel, Mumbai Airport. Certain disputes and differences arose with the said Party and the amount was not settled. Accordingly, the party invoked arbitration clause claiming an amount of Rs. 1.03 crores. On 14.01.2009, the Arbitrator's award was received for Rs 5.81 lakhs, which was duly paid to the party. Thereafter, the party challenged the said award before the Hon'ble High Court. The award was set aside and remanded back to the Sole Arbitrator. The Sole Arbitrator has submitted additional award dated 31.12.2013 for Rs. 40.12 lakhs and interest thereon till date of payment. Accordingly the Company has accepted the liability and has provided for the award as on 31 March 2014 which has been paid since.	5,406,100	9,718,776
25.	The matters relating to cost of construction of Centaur Lake View Hotel Srinagar and the cost sharing arrangement between the hotel and Sher-e-Kashmir Convention Centre (SKICC) between the Company and Government of Jammu & Kashmir (J&K) had been agreed by both the parties in a joint meeting held on 15 October 2004 and all the matters of divergent views were settled. i) Cost Sharing Arrangement Amount receivable from J & K government in respect cost sharing arrangements with SKICC is Rs. 791.83 lacs. ii) The amount payable to J&K government on account of joint construction is Rs. 396.76 lakhs and amount receivable in this regard is Rs. 417.75 lakhs These balances are subject to reconciliation and confirmation		
26.	a) During the year, provision has been made in the Statement of Profit and Loss for lease rentals at the rate of Rs. 163/- per sq m and turnover levy payable @2% of annual turnover to : i) Mumbai International Airport Ltd. (MIAL) for Chefair Flight Catering Mumbai ii) Delhi International Airport Ltd. (DIAL) for Centaur Hotel Delhi Airport & Chefair Flight Catering Delhi b) No provision has been made for the following: i) Lease rentals and turnover levy payable to Airports Authority of India upto 2 May 2006 ii) Lease rental differential payable to Mumbai International Airport Ltd. (MIAL) for Chefair Flight Catering Mumbai, effective 3 May 2006 iii) Lease rental differential payable to Delhi International Airport Ltd. (DIAL) for Centaur Hotel Delhi Airport and Chefair Flight Catering Delhi, effective 3 May 2006 iv) Interest on above: a) payable to AAI b) payable to MIAL c) payable to DIAL	5,792,367 14,983,206 202,766,494 8,385,174 45,139,523 144,569,603 34,412,458 117,276,878	4,811,255 14,983,206 202,766,494 7,319,685 37,532,470 130,945,277 26,858,851 89,572,094
27.	Billing on provisional basis without acceptance from Air India Limited as stated below:	-	-



Sl. No	Particulars	(Amount in Rupees)	
		2013-14	2012-13
i)	The Catering and Handling revenue for Chefair Flight Catering Delhi :		
a)	The revenue for the period 25 May 2009 to 30 November 2012 was provisionally booked as Rs. 9.20 crores on the basis of activity level and at the rates applicable to the period prior to 25 May 2009 due to non-availability of actual billable data. Subsequently on receipt of the information based on approval of the activity level as well as the rates by the Holding Company, the billing commenced in March 2013 and the same is still in progress.		
b)	The revenue for the period December 2012 to March 2013 was provisionally booked Rs.102.17 lacs on the basis of the activity level and at the rates applicable to the period prior to November 2012 due to non-availability of actual billable data. During the year, the Company has booked the actual revenue aggregating to Rs.138.52 lacs resulting in incremental revenue of Rs.36.34 lacs which is disclosed as Prior Period item in the Statement of Profit and Loss.		
ii)	Billing is done on provisional basis in respect of Catering and Handling revenue due to revamping of Billing process at the following locations :		
a)	The revenue for the period October 2013 to March 2014 aggregating to Rs.2.08 crores has been booked on provisional basis in respect of Air India Lounge T3.		
b)	The revenue for the period January 2014 to March 2014 aggregating to Rs. 0.74 crores has been booked on provisional basis in respect of Chefair Flight Catering, Delhi. The difference between the value of provisional billing and final billing will be ascertained/adjusted in the year in which final billing is completed and accepted by Air India Limited.		
28.	The wage agreements with workmen expired on 31.12.2006. The Unions have since submitted their Charters of Demands for the 5 years period ended 31.12.2011. Similarly, the wage revision relating to the Officers Cadre was due on 01.01.2007 for a period of 10 years. In view of the Department of Public Enterprises (DPE) guidelines applicable to Public Sector Undertakings (PSUs) no wage revision can be granted to the employees of loss making PSUs. Hence, since the Company has been incurring losses since financial year 2003-04, no provision has been made towards wage revision.		
29.	Chefair Delhi acquired one Hi - lift TATA Chassis at a cost of Rs10,14,395 during the financial year 2007-08. Based on operational considerations it was transferred to Chefair Mumbai on 21 March 2009 for customisation to meet local requirements. This process has been inordinately delayed due to financial crunch and hence it continues to reflect as Capital Work –in – Progress as on 31 March 2014. The Company is of the view that the asset will be brought into use during the financial year 2014-15.		
30.	The Employees' Provident Fund Organization has raised demands for interest/damages for belated remittance made by Centaur Delhi and Chefair Delhi during the period April 2008 to December 2012 and April 2009 to March 2014 respectively aggregating to Rs. 35,968,543. The Company has made representation to the authorities for condonation of the said delay. Since the Company is hopeful of positive outcome, no provision for the said interest/damages amounting to 35,968,543 has been made.		



Sl. Particulars No	(Amount in Rupees)	
	2013-14	2012-13
31. As per the laid down policy on physical verification of fixed assets, the Company is in the process of conducting the verification of each fixed asset once in two years i.e. for the block period 2014-2016. As and when the reports on such verification are received, necessary accounting adjustments required, if any, shall be carried out in due course.		
32. The Company is in the process of conducting an assessment as to whether there is any indication that an asset may be impaired as envisaged under Accounting Standards (AS-28) 'Impairment of Assets'. If the assessment indicates any such existence, impairment loss will be recognised in the year in which finality is reached. However, in the opinion of the Management, the carrying values of the Fixed Assets of the Company are not lower than their recoverable amounts and hence, no provision for impairment of Fixed Assets is called for.		
33. During the year the company has received a sum of Rs. 10 crores from the Government of India for renovation of Centaur Hotel, Delhi Airport, Chefair Delhi and Centaur Lake View Hotel, Srinagar. The company has entered into a MOU with Airport Authority of India (AAI) for renovation of above properties and for which the company has advanced a sum of Rs. 10 crores to AAI in June 2013. The Company has received some equipments by 31 March 2014. The Company is unable to record the assets in its books due to non-receipt of supporting evidence as on 31 March 2014 in respect of work done/equipment received such as quotations, purchase orders, vendor bills, installation reports, etc. The Company will adjust the advance of Rs.10. crores as and when relevant documentary evidences received from AAI. Accordingly, depreciation in respect of any assets installed on or before 31 March 2014, will be provided for from the date of installation during financial year 2013-14 in the Financial Year 2014-15.		
34. The residual life of certain fixed assets is pending to be reworked in order to facilitate the computation of depreciation as per Schedule XIV of the Companies Act, 1956. The effect of the same will be ascertained and accounted for after due reconciliation of records, which is in progress.		
35. The Company has been advised by its Holding Company that the interest Rs. 5.34 crores due to it on Rs.89.02 crores does not attract Tax Deduction at Source because the Holding Company has claimed it as reimbursement of their finance costs. Accordingly, the Company has not deducted tax at source. However, if tax is deductible, the Company will record the liability as and when it arises.		
36. Employee Benefits		
A Defined Benefit Plan- Gratuity (unfunded)		
a) Change in Benefit Obligation:		
Present value of benefit obligation as at the beginning of the current period	310,910,712	280,504,383
Interest cost	24,872,857	23,842,873
Current service cost	10,042,355	9,036,692
Past service cost - Non vested benefit	-	-
Past service cost - Vested benefit	-	-
Liability transferred in	-	-
(Liability transferred out)	-	-
(Benefit paid)	(109,896,903)	(6,660,613)
Actuarial (gain)/loss on obligations	30,418,016	4,187,377



Sl. No	Particulars	(Amount in Rupees)	
		2013-14	2012-13
	Present value of benefit obligation as at the end of the current period	266,347,037	310,910,712
	b) Recognition of Transitional Liability:		
	Unrecognized transitional liability at the start of the period	-	-
	Transitional liability recognized during the period	-	-
	Unrecognized transitional liability at the end of the period	-	-
	c) Amount Recognized in the Balance Sheet:		
	Fair value of plan assets at the end of the period	-	-
	Present value of benefit obligation as at the end of the period	266,347,037	310,910,712
	Funded status	-	-
	Unrecognized past service cost at the end of the period	-	-
	Unrecognized transitional liability at the end of the period	-	-
	Net Liability Recognized in the Balance Sheet	266,347,037	310,910,712
	d) Expenses Recognized in the Statement of Profit and Loss		
	Current service cost	10,042,355	9,036,692
	Interest cost	24,872,857	23,842,873
	Actuarial (Gain)/ Loss	30,418,016	4,187,377
	Past service cost -Non vested benefit recognized during the period	-	-
	Past service cost -Vested benefit recognized during the period	-	-
	Transitional liability recognized during the period	-	-
	Expenses Recognized in the Statement of Profit and Loss	65,333,228	37,066,942
	e) Balance Sheet Reconciliation:		
	Opening net liability	310,910,712	280,504,383
	Expense as above	65,333,228	37,066,942
	Net transfer in	-	-
	Net transfer out	-	-
	Employer's contribution	(109,896,903)	(6,660,613)
	Net Liability Recognized in the Balance Sheet	266,347,037	310,910,712
	f) Assumptions:		
	Discount rate previous	8.50%	8.50%
	Salary escalation previous	5.00%	5.00%
	Attrition rate previous	2.00%	2.00%
	Discount rate current	9.29%	8.00%
	Salary escalation current	5.00%	5.00%
	Attrition rate current	2.00%	2.00%

B The Company has introduced New Medical Benefit Scheme (Retired Employee Reimbursement Scheme) for those employees who superannuate as on 1 March 2014 and thereafter. The Said Scheme is voluntary and contributory. Eligible employees are required to make a onetime non refundable contribution as per the said Scheme. Accordingly, the company has received an aggregate sum of Rs. 26.30 lacs from 112 retired employees as on 31 March 2014.

The company is in the process of compiling requisite details from retired employees for obtaining an actuarial valuation of the liability under the scheme in order to comply with provisions of Accounting Standard 15 (AS-15) "Employees Benefits". The liability will be recognised in due course.

37. Segment information is provided in Annexure "I" as per AS 17 "Segment Reporting" under the Companies (Accounting Standards) Rules, 2006.



Sl. No	Particulars	(Amount in Rupees)	
		2013-14	2012-13
38.	Related Party Disclosure:		
	Disclosures of Related Party Transactions as per AS-18 "Related Party Disclosure" is as given below except those with State Controlled Enterprise which are not required to be disclosed as per clause 9 of the Standard.		
	a. Key Managerial Personnel & Relatives		
	b. Related Party Transactions.		
	There are no transactions with Key Managerial Personnel		
	c. No loans or credit transactions were outstanding with directors or officers of the Company or their relatives at the end of the year which are required to be disclosed in accounts under the Companies Act, 1956.		
	d. Holding Company -Air India Limited		
	<u>Transactions during the year:</u>		
	Sales	364,481,091	285,885,742
	<u>Closing Balance:</u>		
	Debtors (net of advance received Rs. 4.90 crores against CFCD future billing)	123,573,855	27,581,849
	Due to Air India	890,175,120	277,673,220
	Others (subsidy receivable)	48,054,742	29,032,166
39.	Minimum lease payments payable under Operating lease agreement are as under: (Accounting Standard 19 – Leases).		
	Not later than one year	91,016	91,016
	Later than 1 year and not later than 5 years	364,064	364,064
	Later than 5 years	5,652,966	5,743,982
40.	Accounting for taxes on income in pursuance of AS-22 prescribed under the Companies (Accounting Standards) Rules, 2006 is applicable. The Deferred Tax Asset is subject to consideration of prudence and is recognised only to the extent that sufficient future taxable income will be available. In absence of virtual certainty, Deferred Tax Asset, is not recognised in the books of accounts.		
41. Earnings per share:			
	i) Loss for the year	(404,736,535)	(356,153,463)
	ii) Weighted Average No. of Equity Shares	4,632,603	4,060,000
	iii) Nominal value per equity share (Rs.)	100	100
	iv) Basic and Diluted EPS (Rs.) per share	(87.37)	(87.72)
42.	i) During the year 2011-12 an advance of Rs. 1 crore was paid by Air India to Chefair Delhi for undertaking capital expenditure for the lounge at Terminal 3 at IGI Airport New Delhi. However, in view of non-payment of Luxury Tax dues by Centaur Delhi, the authorities froze five bank accounts on 23 February 2012 and an amount of Rs.107,79,353 was adjusted against the said liability. The accounts were since de-frozen.		
	ii) During the financial year 2012-13, the authorities froze seven bank accounts on 15 February 2013 and these accounts continued to be frozen as on 31 March 2014. The authorities continued to appropriate all the deposits in these accounts towards the Company's dues on account of Luxury Tax. According to the books, the liability of the Company as on 31 March 2014 is Rs.265,82,745 which is subject to reconciliation and confirmation.		
43.	The names of the Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" are being identified and compiled, as the necessary evidence is not in the ready possession of the Company.		



Sl. No	Particulars	(Amount in Rupees)	
		2013-14	2012-13
44.	During September, 2014, torrential rains and floods from the Dal Lake inundated the Company's property at Srinagar. The Company will estimate the damage as and when the flood water recedes.		
45.	The Company has not sought confirmation of balances in respect of Sundry Debtors, Sundry Creditors, Loans and Advances, Deposits, Other Liabilities, Bank deposits and some bank accounts. Accordingly, such accounts reflect the balances as per their respective ledger accounts and are subject to reconciliation and hence the effect of consequential adjustments will be dealt with as and when ascertained.		
46.	Sundry Debtors includes dues from Related party [Holding Company - Air India Limited] Rs. 12.61 crores (previous year Rs. 2.76 crores) which is subject to reconciliation and confirmation	126,067,386	27,581,849
47.	The Company has not complied with several statutory compliances. The information relating to precise overdue period in respect of each statute is presently unascertainable. Consequently, the liability on account of non-compliance will be ascertained and recognised in due course as and when the liability crystallises.	Amount indeterminate	Amount indeterminate
48.	The Company has unpaid statutory dues with respect to Provident Fund, Profession Tax, LIC, Luxury Tax, VAT and Service Tax for Centaur, Delhi aggregating to Rs.1304.54 lakhs (Previous year - Rs. 594.01 lakhs) , provident fund, VAT, Service Tax, and LIC for Chefair Delhi totalling to Rs. 318.57 lakhs (Previous year - Rs. 224.84 lakhs) and for Chefair Mumbai for VAT and Service Tax totalling to Rs. 30.03 lakhs (previous year PF- Rs. 63.82 lakhs). Interest & penalty payable on these outstandings will be accounted for in the year of payment.	165,313,298	88,267,000
49.	In the opinion of the Company, the Current Assets and Loans and Advances (except those considered doubtful) are approximately of the value stated if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.		
50.	The company is in the process of : a) streamlining the inventory reporting system in terms of generation of reports towards movement of item-wise store records and configuring of the stores ledger. Efforts are also being made to ensure that, at the year end consumption as per the stores records is fully reconciled with the financial records and adjustments are duly accounted for. Goods in Transit account is also under the process of reconciliation. b) rectifying the discrepancies in the billing inaccuracies at certain locations between the software based billing and the manual system of billing in order to plug leakage of revenue and ensure proper control over the Revenue Cycle. c) instituting a maker checker process in order that a system of checks and balances is in place to prevent revenue leakage through Purchase and misuse and to ensure proper control over the Procurement and Consumption Cycles.		
51.	The Company is in the process of : a) strengthening the internal audit process so as to ensure adequate coverage of all the areas and ensure effective internal controls at all units of the Company b) Reviewing the frequency of verification of cash, cheques, drafts etc., in hand through internal audit/officers other than cashiers.		



Sl. Particulars No	(Amount in Rupees)	
	2013-14	2012-13
c) Laying down Standard Operating Procedures with regard to transactions relating to cash, cheques, drafts, pay orders etc., to ensure that all transactions are transparent and routed through the books of accounts.		
52. Going Concern :		
The company has been facing severe liquidity crunch due to various factors like operational losses and its financial and operating performance has been affected in recent years due to a number of external and internal factors. The accumulated losses have exceeded the net worth of the company. The company has experienced delayed payments to the lenders, creditors and its employees.		
However, the management of the company with the support of the Government of India (GOI) is committed to the complete revival of the company by putting in place a Business Plan. Various initiatives have been taken by the management for improving the operational performance of the company and increasing the revenues leading to improved financial performance. Besides, the Company is to upgrade all the properties of the company, during the 12th Five Year Plan (2012-17). In order to facilitate this process, the Government of India has infused equity of Rs. 10 crores in 2013-14 and approved further infusion of Rs. 12 crores as on 31.3.2014, for which shares would be issued in 2014-15. This is to be utilised for renovation of its properties in Delhi and Srinagar.		
As on 1.3.2014, as per the decision of the Cabinet, GOI, the retirement age of the employees of the Company has been reduced from 60 to 58. 140 employees retired on 1.3.2014. This would result in a savings of approx. Rs. 5 crores per annum.		
53. Earnings and Expenditure in foreign currency (Accrual basis)		
Earnings in foreign currency	341,805	2,946,000
54. Previous year figures have been regrouped wherever necessary in order to confirm to those of the current year.		

The accompanying notes are an integral part of the Financial Statements
As per our report of even date

As per our attached report of even date

For and on behalf of
M.A. Parikh & Co.
Chartered Accountants
FRN : 107556W

Sd/-
Mukul Patel
Partner
MNo : 32489

Place : Mumbai
Date : 20 October 2014

For and on behalf of the Board

Sd/-
Rohit Nandan
Chairman

Sd/-
Shyamala P Kunder
Company Secretary

Place : New Delhi
Date : 13 October 2014

Sd/-
Arun Kumar
Director



Segmentwise Reporting for The Year 2013-14

Particulars	Hotel	Flight Kichen	Other	Total
1 Segment Revenue				
(a) Room Sales	180,743,644 (208,114,429)	- -		180,743,644 (208,114,429)
(b) F & B Sales	48,025,509 (62,906,219)	178,218,406 (137,068,064)		226,243,915 (199,974,283)
Other Services	28,222,659 (9,903,079)	49,001,259 (16,576,207)		77,223,918 (26,479,286)
Misc Income	7,622,816 (23,891,876)	8,289,569 (3,989,888)	4,905,902 (1,195,967)	20,818,287 (29,077,731)
Total Revenue	264,614,628 (304,815,603)	235,509,235 (157,634,159)	4,905,902 (1,195,967)	505,029,764 (463,645,729)
2 Total Revenue of each segment as a percentage of total revenue of all segments	52 (66)	47 (32)	1 (2)	100 (100)
3 Segment Result				
Combined Result of all Segments in loss	(213,932,190) (146,154,336)	(195,710,249) (211,195,094)	4,905,904 1,195,967	(404,736,535) (356,153,463)
4 Segment Result	53 (41)	48 (59)	(1) -	100 (100)
5 Segment Assets				
Fixed Assets	280,625,139 (294,955,131)	23,160,388 (25,705,106)	2,765,964 (2,987,687)	306,551,491 (323,647,924)
Current Assets	224,798,014 (217,349,124)	186,567,307 (169,974,354)	380,153,273 (212,627,889)	791,518,594 (599,951,367)
TOTAL ASSETS	505,423,154 (512,304,255)	209,727,695 (195,679,460)	382,919,238 (215,615,576)	1,098,070,087 (923,599,291)
6 Segment assets as a percentage of total assets of all segments.	46 (56)	19 (21)	35 (23)	100 (100)
7 Segment Liabilities				
Total Liability	622,106,970 (618,466,528)	422,220,515 (621,061,632)	1,470,142,993 (289,734,988)	2,514,470,478 (1,529,263,148)
8 Segment liabilities as a percentage of total liabilities of all segments.	25 (40)	17 (41)	58 (19)	100 (100)
9 Total Capital Expenditure	449,312 (482,339)	346,851 (335,000)	- -	796,163 (817,339)
10 Segment capital expenditure as a percentage of all segments.	56 (59)	44 (41)	- -	100 (100)
11 Total Depreciation	14,751,939 (13,743,415)	3,469,153 (3,617,927)	221,724 (256,687)	18,442,816 (17,618,029)

Figures in brackets indicates previous year.



TEN YEAR HIGHLIGHTS

Particulars	2013-14	2012-13	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
Operating Results at a Glance										
Total Revenue	5,050.30	4,636.46	5,773.99	5,357.63	4,128.51	4,905.23	6,128.07	6,650.34	5,856.77	4,921.25
Total Operating Cost	8,509.51	7,936.37	7,688.84	7,880.83	6,690.58	6,494.58	7,544.16	7,723.36	5,804.69	5,122.56
Gross Operating Profit	(3,459.21)	(3,299.91)	(1,914.85)	(2,523.20)	(2,562.07)	(1,589.35)	(1,416.09)	(1,073.02)	52.08	(201.31)
Depreciation	184.43	176.18	196.63	196.63	232.09	220.49	162.37	146.50	142.82	139.67
Interest	548.62	2.03	43.54	42.74	30.77	-	-	0.10	184.77	333.34
Adjustment of Prior Years				-	-	-	-		13.48	70.23
Prior Period & Other Adjust	(144.90)	83.42	(25.98)	(91.54)	86.20	39.25	905.02	27.44	(14.95)	11.21
Adjustment of Income Tax / Fbt				-	-	12.31	13.18	23.32	-	19.96
Profit /(Loss) Before Tax	(4,047.37)	(3,561.53)	(2,129.04)	(2,671.01)	(2,911.13)	(1,861.40)	(2,496.66)	(1,270.38)	(303.94)	(775.72)
Profit /(Loss) After Tax		(3,561.53)	(2,129.04)	(2,671.01)	(2,911.13)	(1,861.40)	(2,496.66)	(1,270.38)	(303.94)	(775.72)
Share Capital	5,060.00	4,060.00	4,060.00	4,060.00	4,060.00	4,060.00	4,060.00	4,060.00	4,060.00	4,060.00
Reserves & Surplus	(14,164.00)	(10,116.64)	(6,555.10)	(4,426.07)	-	1,156.07	3,017.47	5,514.13	6,784.51	7,088.45
Net Worth	(9,104.00)	(6,056.64)	(2,495.10)	(366.07)	2,304.94	5,216.07	7,077.47	9,574.13	10,844.51	11,148.45
Borrowings			-	-	520.26				-	4,326.49
Gross Block	8,092.04	8,084.15	8,075.98	8,040.25	8,269.54	8,181.52	7,232.53	6,866.48	6,825.39	6,758.46
Depreciation	5,036.67	4,857.82	4,682.89	4,490.48	4,576.08	4,347.62	4,127.14	4,058.37	3,938.88	3,828.75
Net Block	3,055.37	3,226.34	3,393.09	3,549.77	3,693.46	3,833.90	3,105.39	2,808.11	2,886.51	2,929.71
Capital Work in Progress	10.14	10.14	10.14	20.69	20.71	109.10	150.29	1.19	1.19	1.19
Current Assets	7,915.19	5,999.51	6,145.22	7,559.17	5,868.00	7,189.26	9,717.00	11,835.85	10,855.69	3,742.07
Current Liabilities	20,084.70	15,292.63	12,043.56	10,884.13	6,757.43	5,916.66	5,895.68	5,071.49	2,899.35	2,698.50
Net Current Assets	(12,169.52)	(9,293.12)	(5,898.34)	(3,324.96)	(889.43)	1,272.60	3,821.32	6,764.36	7,956.34	1,043.57
Capital Employed	(9,114.15)	(6,066.78)	(2,505.25)	224.81	2,804.03	5,106.50	6,926.71	9,572.47	10,842.85	3,973.28
Operational Statistics										
Average Occupancy:										
Centaur Hotel - Delhi %	40	53	66	57	33	46	73	76	67	74
Centaur Lake View Hotel-Srinagar %	43	51	48	45	48	47	46	48	27	58
Total No of Guests										
Centaur Hotel - Delhi	35,365	53356	54399	48,522	29,344	39,053	62,201	65,778	56,158	54,020
Centaur Lake view Hotel-Srinagar	42,157.00	54438	37561	34,525	36,957	35,632	32,525	31,176	33,727	36,000
Earnings in Foreign Exchange										
(Rs. in Lakhs)	3.42	29.46	64.02	89.06	91.71	114.05	172.72	217.08	250.06	217.86
No.of Employees (Year End)	1,065	1273	1279	1325	1381	1439	1486	1664	1695	1715
Employees' Remuneration Benefits (Rs. in Lakhs)	5,714.21	5335.37	5089.39	5,309.06	4,298.43	4,225.85	4,821.02	5,510.15	3,549.81	3,292.57