

Annual Reports
2010-2011

ISLAND HOTEL MAHARAJ LIMITED

ISLAND HOTEL MAHARAJ LIMITED

BOARD

Mr. P. R. S. Oberoi, *Chairman*

Mr. T. K. Sibal, *Managing Director*

Mr. S. S. Mukherji

Mr. Vikram Oberoi

Mr. Sudipto Sarkar

AUDITORS

Joseph Renji

Chartered Accountant

Panakal, 41/1337

Veekshanam Road

Cochin - 682 018

REGISTERED OFFICE

1/24, G.S.T. Road

Meenambakkam

Chennai - 600 027

AUDITOR'S REPORT

To
The Members of
Island Hotel Maharaj Limited

1. I have audited the attached Balance Sheet of **Island Hotel Maharaj Limited**, as at 31st March, 2011 and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Management of the Company. My responsibility is to express an opinion on these Financial Statements based on my audit.
2. I conducted my Audit in accordance with the Auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall Financial Statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ('the Act') and on the basis of such checks as I considered appropriate and according to the information and explanations given to me, I enclose in the **Annexure** a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to my comments in the Annexure referred to in paragraph 3 above, I report that:
 - i) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of my audit;
 - ii) in my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - iii) the Balance Sheet, Profit and Loss Account and the Cash Flow Statement, dealt with by this report are in agreement with the books of accounts;
 - iv) in my opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement, dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) on the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, I report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
5. In my opinion and to the best of my information and according to the explanations given to me the said accounts, read in conjunction with Schedules 1 to 22, give the

information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- b) in the case of the Profit and Loss Account, of the loss for the half year ended on that date; and
- c) in the case of the Cash Flow Statement of the cash flows for the half year ended on that date.

New Delhi
29th May, 2011

JOSEPH RENJI
Chartered Accountant
Membership No. 24486

**ANNEXURE TO THE AUDITOR'S REPORT OF
ISLAND HOTEL MAHARAJ LIMITED**

(Referred to in paragraph 3 of my Report of even date)

- I (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) All the assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year no substantial part of fixed assets have been disposed off by the Company. Therefore, the provisions of clause (i)(c) of paragraph 4 of the aforesaid order in my opinion are not applicable to the Company.
- II (a) The inventory has been physically verified by the Management during the year. In my opinion, the frequency of verification is reasonable.
- (b) In my opinion, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- III (a) 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.
- (b) In view of my comment in paragraph III (a) above, clauses (III)(b), (III)(c) and (III)(d) of paragraph 4 of the aforesaid order are not applicable to the Company.
- IV In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of my audit, I have neither come across nor have I been informed of any continuing failure to correct major weakness in internal control system.
- V (a) On the basis of my examination of the books of Accounts and according to the information and explanations given to me, the Company has entered into the register maintained under section 301 of the Companies Act, 1956, the transaction that need to be entered therein.
- (b) According to the information and explanations given to me, any of the transactions entered in the Register maintained under Section 301 of the Act during the year do not exceed ₹ 500,000/- and hence no comments are to be made thereon.

- VI. The Company has not accepted any deposits from the public under Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- VII In my opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- VIII The Central Government has not prescribed maintenance of cost records under Section 209 (l)(d) of the Companies Act, 1956, for the Company.
- IX (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to me, there are no undisputed amounts payable in respect of income-tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess, which were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable, except the demand of ₹ 203,942 issued during the financial year 2005 - 2006, on the turnover tax for the Assessment Year 1999 - 2000, the request for adjusting the same against the refund of Sales tax receivable for the Assessment Year 1999 - 2000 is pending to be considered by the Sales tax department.
- (c) According to the information and explanations given to me, there are no dues of Income-tax, custom duty, wealth tax, excise duty, service tax and cess which have not been deposited on account of any dispute (other than disputed sales tax), as indicated below :

Nature of disputed dues	Forum where Dispute is pending	Amount (₹)
Kerala Tax on Sales Tax Rules, 1976	Before the DC Appellate, Ernakulam	1,267,169

- X Although the Company has been registered for more than five years, it commenced its renovated business operation only in May, 1999. The accumulated losses of the Company as at the end of financial year are more than 50% of its net worth. The Company has incurred cash losses during the financial year under report and in the immediately preceding year. From the information made available to me the accumulated losses do not affect the going concern as a deluxe hotel and has a long gestation period and the Company is fully supported by the promoters of the Company.
- XI In my opinion and according to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- XII The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.

- XIII In my opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, the provisions of clause (XIII) of paragraph 4 of the aforesaid order are not applicable to the Company.
- XIV In my opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (XIV) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- XV The Company has not given any guarantee for the loan taken by others from banks or financial institutions during the year.
- XVI According to the information and explanations given to me, the term loans raised by the Company during the year have been applied for the purpose for which they were raised.
- XVII According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that no funds raised on short-term basis have been used for long-term investment. No long term funds have been used to finance short-term assets except permanent working capital.
- XVIII The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of clause (XVIII) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- XIX The Company has not issued any Debentures during the year under Audit. Accordingly, the provisions of clause (XIX) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- XX The Company has not raised any money by public issue during the year. Therefore, the provisions of clause (XX) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- XXI During the course of my examination of books of accounts carried out in accordance with generally accepted auditing practices, I have neither come across any instance of fraud on or by the Company nor have I been informed of such case by the Management.

New Delhi
29th May, 2011

JOSEPH RENJI
Chartered Accountant
Membership No. 24486

Balance Sheet

as at 31st March, 2011

			As at 31st March	
	Schedule	Rupees	2011 Rupees	2010 Rupees
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
SHARE CAPITAL	1	319,708,800		298,711,300
ADVANCE AGAINST ISSUE OF SHARES		222		222
RESERVES AND SURPLUS	2	<u>581,494,169</u>		<u>518,964,477</u>
			901,203,191	817,675,999
LOAN FUNDS				
SECURED LOANS	3		<u>6,990,444</u>	<u>75,794,203</u>
TOTAL			<u>908,193,635</u>	<u>893,470,202</u>
APPLICATIONS OF FUNDS				
FIXED ASSETS				
GROSS BLOCK	4	518,056,885		518,985,470
<i>Less</i> : DEPRECIATION		<u>199,911,504</u>		<u>188,654,934</u>
NET BLOCK		318,145,381		330,330,536
CAPITAL WORK IN PROGRESS		<u>150,980</u>		<u>39,273</u>
			318,296,361	330,369,809
DEFERRED TAX (NET)	5		<u>66,771,092</u>	<u>63,969,217</u>
CURRENT ASSETS, LOANS & ADVANCES				
INTEREST ACCRUED		28,257		17,484
INVENTORIES	6	6,329,411		5,557,901
SUNDRY DEBTORS	7	11,213,465		12,402,086
CASH AND BANK BALANCES	8	1,161,997		1,253,643
LOANS & ADVANCES	9	<u>20,329,052</u>		<u>19,222,452</u>
		<u>39,062,182</u>		<u>38,453,566</u>
<i>Less</i> : CURRENT LIABILITIES & PROVISIONS				
LIABILITIES	10	20,145,597		17,150,675
PROVISIONS	11	<u>1,042,315</u>		<u>496,812</u>
		<u>21,187,912</u>		<u>17,647,487</u>
NET CURRENT ASSETS			17,874,270	20,806,079
PROFIT AND LOSS ACCOUNT (As per annexed account)	12		<u>505,251,912</u>	<u>478,325,097</u>
TOTAL			<u>908,193,635</u>	<u>893,470,202</u>
SIGNIFICANT ACCOUNTING POLICIES	21			
NOTES TO THE ACCOUNTS	22			

Schedules 1 to 12, 21 & 22 referred to above form an integral part of the Balance Sheet.

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

For JOSEPH RENJI
Chartered Accountants
Membership Number 24486

New Delhi
29th May, 2011

P. R. S. OBEROI	<i>Chairman</i>
T. K. SIBAL	<i>Managing Director</i>
S. S. MUKHERJI] <i>Directors</i>
VIKRAM OBEROI	
SUDIPTO SARKAR	

Profit and Loss Account for the year ended 31st March, 2011

INCOME	Schedule	Year ended 31st March	
		2011 Rupees	2010 Rupees
GUEST ACCOMMODATION, RESTAURANTS, BARS AND BANQUETS, ETC.	13	76,817,018	77,113,137
OTHER INCOME	14	578,113	663,887
		<u>77,395,131</u>	<u>77,777,024</u>
EXPENDITURE			
CONSUMPTION OF PROVISIONS, STORES, WINES AND SMOKES	15	7,871,180	6,341,983
EMPLOYEES' REMUNERATION AND WELFARE EXPENSES	16	25,484,117	22,089,573
UPKEEP AND SERVICE COST	17	26,126,641	23,811,354
ADMINISTRATIVE, SELLING AND OTHER EXPENSES	18	22,550,291	21,635,560
INTEREST AND FINANCE CHARGES	19	10,741,738	22,121,124
DEPRECIATION		14,349,854	14,422,564
		<u>107,123,821</u>	<u>110,422,158</u>
PROFIT/(LOSS) BEFORE EXTRA ORDINARY ITEMS AND TAXATION		(29,728,690)	(32,645,134)
PROVISION FOR TAXATION	20	2,801,875	4,616,752
PROFIT/(LOSS) AFTER TAXATION		<u>(26,926,815)</u>	<u>(28,028,382)</u>
PROFIT/(LOSS) BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		(478,325,097)	(450,296,715)
LOSS CARRIED TO BALANCE SHEET		<u>(505,251,912)</u>	<u>(478,325,097)</u>
SIGNIFICANT ACCOUNTING POLICIES	21		
NOTES TO THE ACCOUNTS	22		
BASIC AND DILUTED EARNINGS PER SHARE (In Rupees)		(9.01)	(10.09)
FACE VALUE ₹ 100 (NOTE 11)			
NUMBER OF EQUITY SHARES		3,197,088	2,987,113
WEIGHTED AVERAGE OF EQUITY SHARES		2,987,688	2,776,635

Schedules 13 to 22 referred to above form an integral part of the Profit & Loss Account.

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

For JOSEPH RENJI
Chartered Accountants
Membership Number 24486

New Delhi
29th May, 2011

P. R. S. OBEROI	Chairman
T. K. SIBAL	Managing Director
S. S. MUKHERJI	Directors
VIKRAM OBEROI	
SUDIPTO SARKAR	

Cash Flow Statement

	Year ended 31st March	
	2011 Rupees	2010 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before Tax & Extraordinary items	(29,728,690)	(32,645,134)
Adjustments for:		
Depreciation	14,349,854	14,422,564
Interest Received	(10,773)	(198,692)
Loss on Sale of Assets	(175,996)	202,440
Miscellaneous exp write off	-	-
Interest Paid	10,741,738	22,121,124
Operating Profit before Working Capital Changes	<u>(4,823,867)</u>	<u>3,902,302</u>
Adjustments for:		
Trade & Other Receivables	1,078,516	(6,061,296)
Inventories	(771,510)	1,600,326
Trade Payables	2,668,343	(647,060)
Cash Generated from Operations	<u>(1,848,518)</u>	<u>(1,205,728)</u>
Interest Paid	(10,692,236)	(22,110,759)
Refund/Payment of Fringe Benefit Tax	-	-
Direct Taxes Paid	(996,495)	(5,024,089)
Cash Flow before Extraordinary Items	<u>(13,537,249)</u>	<u>(28,340,576)</u>
Net Cash From Operating Activities	<u>(13,537,249)</u>	<u>(28,340,576)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,856,822)	(4,221,361)
Capital Work in Progress	(111,707)	313,793
Sale of Fixed Assets	405,311	-
Interest Received	-	184,954
Net Cash used in Investing Activities	<u>(2,563,218)</u>	<u>(3,722,614)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares	20,997,500	21,105,600
Advancg against Issue of Shares	-	(236,358)
Share Premium Issue of Shares	62,992,500	63,316,800
Cash Credit	(8,803,759)	7,661,339
Repayment Term Loan	(60,000,000)	(60,000,000)
Liability for Leased Vehicles	872,082	(145,526)
Financing Charges as Leased Vehicles	(49,502)	(10,365)
Net Cash used in Financing Activities	<u>16,008,821</u>	<u>31,691,490</u>
Net Increase in Cash & Cash Equivalents (A+B+C)	<u>(91,646)</u>	<u>(371,700)</u>
Opening Balance of Cash & Cash Equivalents	<u>1,253,643</u>	<u>1,625,343</u>
Closing Balance of Cash & Cash Equivalents	<u>1,161,997</u>	<u>1,253,643</u>

Notes :

- The Cash Flow Statement has been prepared in indirect method.
- Cash and Cash Equivalents represent Cash and Bank Balances.

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

For JOSEPH RENJI
Chartered Accountants
Membership Number 24486

New Delhi
29th May, 2011

P. R. S. OBEROI

Chairman

T. K. SIBAL

Managing Director

S. S. MUKHERJI

VIKRAM OBEROI

SUDIPTO SARKAR

Directors

Schedules to Accounts

		As at 31st March	
	Rupees	2011 Rupees	2010 Rupees
1			
SHARE CAPITAL			
AUTHORISED			
3,500,000 (2010 - 3,000,000) Equity Shares of ₹ 100 each		350,000,000	300,000,000
		<u>350,000,000</u>	<u>300,000,000</u>
ISSUED, SUBSCRIBED & PAID UP ISSUED			
3,197,088 (2010 - 2,987,113) Equity Shares of ₹ 100 each		319,708,800	298,711,300
		<u>319,708,800</u>	<u>298,711,300</u>
SUBSCRIBED, CALLED AND PAID UP			
3,197,088 (2010 - 2,987,113) Equity Shares of ₹ 100 each, fully paid up (Note 1)		319,708,800	298,711,300
		<u>319,708,800</u>	<u>298,711,300</u>

NOTES :

All the Equity Shares are held by EIH Associated Hotels Limited, the Holding Company, except six Equity Shares jointly held for, with its respective nominees.

2			
RESERVES AND SURPLUS			
REVALUATION RESERVE			
As per last Account	8,330,577		8,793,385
Less: Adjustments (refer Note 7b)	<u>462,808</u>		<u>462,808</u>
		7,867,769	8,330,577
SHARE PREMIUM			
As per last Account	510,633,900		447,317,100
Addition during the year	<u>62,992,500</u>		<u>63,316,800</u>
		573,626,400	510,633,900
		<u>581,494,169</u>	<u>518,964,477</u>
3			
SECURED LOANS			
Term Loan from Bank		–	60,000,000
Cash Credit from Bank		6,990,444	15,794,203
		<u>6,990,444</u>	<u>75,794,203</u>

PARTICULARS OF SECURITIES**i) TERM LOAN**

The loan together with interest, etc, is secured by mortgage by way of first charge by deposit title deeds in respect of immovable properties together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth and the whole of the movable properties of the Company including its movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future, pertaining to Trident, Cochin.

The term loan is guaranteed by Holding Company EIH Associated Hotels Limited.

ii) CASH CREDIT

Secured by way of hypothecation of all inventories, Book -debts, etc. both present and future, pertaining to Trident, Cochin.

Schedules to Accounts — Contd.

4 **FIXED ASSETS**

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31st March, 2010	Additions	Sales/ Adjustments	Cost as at 31st March, 2011	For the year	Sales/ Adjustments	As at 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2010
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Leasehold Land	41,970,435	-	-	41,970,435	1,271,832	-	20,349,304	21,621,131	22,892,963	
Building	243,068,901	-	-	243,068,901	3,962,023	-	46,613,652	196,455,249	200,417,272	
Sanitary Installation	19,404,001	-	-	19,404,001	316,285	-	3,741,299	15,662,702	15,978,987	
Plant & Machinery	166,613,361	897,422	117,235	167,393,548	8,155,024	63,165	90,010,914	77,382,634	84,694,306	
Computers	11,107,131	405,561	83,815	11,428,877	529,929	79,624	9,546,638	1,882,239	2,010,798	
Furniture & Fittings	33,870,654	607,278	1,330,715	33,147,217	407,039	1,267,264	29,354,703	3,792,514	3,655,726	
Vehicles	2,950,987	-	2,253,643	697,344	78,870	2,146,040	203,333	494,011	680,484	
Leased Vehicles (Note 12)	-	946,562	-	946,562	91,661	-	91,661	854,901	-	
	518,985,470	2,856,823	3,785,408	518,056,885	14,812,663	3,556,093	199,911,503	318,145,381	330,330,536	
Capital Work-in-Progress	39,273	1,124,329	1,012,622	150,980	-	-	-	150,980	39,273	
Total	519,024,743	3,981,152	4,798,030	518,207,865	14,812,663	3,556,093	199,911,503	318,296,361	330,369,809	
Previous Year	516,234,355	7,197,551	4,407,163	519,024,743	14,885,371	914,740	188,654,934	330,369,809	341,550,052	

Note:

Land & Buildings were revalued in 1994-1995 (Note 7b)

Schedules to Accounts — *Contd.*

		As at 31st March	
		2011	2010
		Rupees	Rupees
5	DEFERRED TAX (NOTE 9)		
	DEFERRED TAX ASSETS		
	Unabsorbed Depreciation	120,488,625	117,615,751
	Depreciation for the period	5,017,131	5,667,847
	Provision for leave encashment	<u>311,621</u>	<u>133,427</u>
		125,817,377	123,417,025
	DEFERRED TAX LIABILITIES		
	Depreciation	<u>59,046,285</u>	<u>59,447,808</u>
		<u>66,771,092</u>	<u>63,969,217</u>
6	INVENTORIES		
	AT COST		
	Provisions, Stores, Wines & Smokes	907,683	653,587
	Cutlery, Crockery, Chinaware, Glassware, Linen, etc.	3,535,649	3,359,128
	Other Stores	<u>1,886,079</u>	<u>1,545,186</u>
		<u>6,329,411</u>	<u>5,557,901</u>
7	SUNDRY DEBTORS (Unsecured - Considered good)		
	Debts Outstanding over six months		
	Considered good	52,791	205,858
	Considered doubtful	—	—
		<u>52,791</u>	<u>205,858</u>
	Other Debts	<u>11,160,674</u>	<u>12,196,228</u>
		<u>11,213,465</u>	<u>12,402,086</u>
8	CASH & BANK BALANCES		
	Cash including Cheques in hand	296,866	266,375
	with Scheduled Banks on :		
	– Current Accounts	713,631	835,768
	– Fixed Deposits (Note 6a)	<u>151,500</u>	<u>151,500</u>
		<u>1,161,997</u>	<u>1,253,643</u>
9	LOANS AND ADVANCES (Unsecured - Considered good)		
	Advances recoverable in cash or in kind or for value to be received		
	Considered good	<u>1,358,487</u>	—
		1,358,487	1,240,325
	Security Deposits - (Note 6b)	2,711,980	2,730,580
	Prepaid Expenses	3,241,555	3,231,012
	Income-tax Payment/Refund	<u>13,017,030</u>	<u>12,020,535</u>
		<u>20,329,052</u>	<u>19,222,452</u>

Schedules to Accounts — *Contd.*

	As at 31st March	
	2011	2010
	Rupees	Rupees
10		
CURRENT LIABILITIES		
Sundry Creditors		
Total outstanding dues of Small Scale Industrial Undertakings (Note 4)		
Total outstanding dues of Creditors other than Small Scale Industrial Undertakings	15,043,900	14,041,275
Liability for leased vehicle (Note 12)	872,082	–
Other Liabilities	<u>4,229,615</u>	<u>3,109,400</u>
	<u>20,145,597</u>	<u>17,150,675</u>
11		
PROVISIONS		
Leave Encashment	1,042,315	496,812
	<u>1,042,315</u>	<u>496,812</u>
12		
PROFIT AND LOSS ACCOUNT		
Loss as per Annexed Profit & Loss Account	(505,251,912)	(478,325,097)
	<u>(505,251,912)</u>	<u>(478,325,097)</u>

Schedules to Accounts — *Contd.*

	Rupees	Year ended 31st March	
		2011 Rupees	2010 Rupees
13			
INCOME FROM GUEST ACCOMMODATION, RESTAURANTS, BARS & BANQUETS, ETC.			
Rooms		50,617,855	54,225,666
Food & Beverages (Note 13)		23,329,447	20,242,886
Other Services (Note 13)		2,869,716	2,644,585
		<u>76,817,018</u>	<u>77,113,137</u>
14			
OTHER INCOME			
Interest (Gross) (Tax deducted at source ₹ Nil; 2010 - ₹ Nil)		10,773	198,692
Profit on Sale of Fixed Assets		175,996	–
Leave Encashment Provision no longer required written back		–	139,251
Others		391,344	325,944
		<u>578,113</u>	<u>663,887</u>
15			
CONSUMPTION OF PROVISIONS, STORES, WINES & SMOKE			
Opening Stock		653,587	769,861
Add : Purchases		8,125,276	6,225,709
		<u>8,778,863</u>	<u>6,995,570</u>
Less : Closing Stock		907,683	653,587
		<u>7,871,180</u>	<u>6,341,983</u>
16			
EMPLOYEES' REMUNERATION & WELFARE EXPENSES			
Salaries, Wages & Bonus		22,336,471	20,111,663
Company's Contribution to Provident Fund		801,110	624,633
Workmen & Staff Welfare Expenses		1,363,823	1,032,834
Contribution to Employees' State Insurance		239,468	162,685
Provision for leave encashment		545,503	–
Contribution to Gratuity Fund		197,742	157,758
		<u>25,484,117</u>	<u>22,089,573</u>
17			
UPKEEP & SERVICE COST			
Linen, Uniform Washing & Laundry Expenses		412,164	278,874
Expenses on Apartment & Board		2,430,465	1,695,860
Power & Fuel		15,776,509	14,234,917
Renewals & Replacements		1,392,932	1,535,946
REPAIR			
Building	1,835,664		1,551,147
Plant & Machinery	4,070,525		4,114,158
Others	208,382		400,452
		<u>6,114,571</u>	<u>23,811,354</u>
		<u>26,126,641</u>	<u>23,811,354</u>

Schedules to Accounts — *Contd.*

	Rupees	Year ended 31st March	
		2011 Rupees	2010 Rupees
18			
ADMINISTRATIVE, SELLING & OTHER EXPENSES			
Rent		628,600	628,109
Lease Rent		1,651,586	1,042,683
Technical Service Fees		–	461,806
Royalty		772,191	774,391
Advertisement, Publicity & Other Promotional Expenses		2,701,632	2,635,541
Commission to Travel Agents and on Credit Card		2,678,029	2,008,912
Rates & Taxes		5,882,567	6,721,048
Insurance		331,400	384,122
Passage & Travelling		3,821,485	3,309,167
Postage, Telephone & Telex		724,567	631,063
Musical, Banquet & Kitchen Expenses		981,362	888,392
Auditor's Remuneration (Note 8)		100,000	85,000
Water Charges		452,744	315,277
Printing & Stationery		544,031	490,015
Other Expenses		1,280,097	1,260,034
		<u>22,550,291</u>	<u>21,635,560</u>
19			
INTEREST & FINANCE CHARGES			
On Term Loans	4,163,528		10,559,365
Less: Adjustment on account of currency swap	<u>5,296,465</u>		<u>9,823,119</u>
		9,459,993	20,382,484
On Other Loans		1,281,745	1,738,640
		<u>10,741,738</u>	<u>22,121,124</u>
20			
PROVISION FOR TAXATION			
Deferred Tax		2,801,875	4,616,752
		<u>2,801,875</u>	<u>4,616,752</u>

Schedules to Accounts — *Contd.*

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SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with the Accounting Standards specified by the Institute of Chartered Accountants of India.

ACCOUNTING CONVENTION AND REVENUE RECOGNITION

The Financial Statements have been prepared in accordance with historical cost convention. Both income and expenditure items are recognised on accrual basis.

USE OF ESTIMATES

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.

PRIOR PERIOD ADJUSTMENTS, EXTRAORDINARY ITEMS AND CHANGES IN ACCOUNTING POLICIES

Prior period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

FIXED ASSETS

Fixed Assets are stated at cost of acquisition and subsequent improvements thereto inclusive of taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation except in case of revaluation of such assets where it is stated at revalued amount. Interest during construction period on borrowings to finance fixed assets is capitalised.

Other incidental expenditure directly attributable to construction is accumulated as Capital work-in-progress and is allocated to the relevant fixed assets on a pro-rata basis depending on the prime cost of the assets.

DEPRECIATION

Depreciation on fixed assets other than land and leased vehicles is provided on "Straight Line Method" at the rates, which are in conformity with the requirements of the Companies Act, 1956. Vehicles acquired on lease are amortised over their respective lease period or sixty months, whichever is earlier.

IMPAIRMENT OF ASSETS:

Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

INVESTMENTS

Investments

FINANCE LEASES

In respect of assets acquired on or after 1st April, 2001, the same are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the interest charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Interest component is charged to the Profit and Loss Account.

INVENTORIES

Inventories are valued at cost which is based on First-In-First-Out method or net realisable value whichever is lower. Unserviceable/ damaged/ discarded stocks and shortages are charged to the Profit and Loss Account, under the policies adopted by the company from time to time.

Schedules to Accounts — *Contd.*

TRANSACTIONS IN FOREIGN CURRENCY

- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
- b) Monetary items outstanding at the Balance Sheet date are translated at the exchange rate prevailing at the balance sheet date and the difference is recognised as income or expenses.
- c) Marked to Market (MTM) gains/losses on derivative transactions under currency/interest swaps/hedging are recognized in the books of accounts in line with Accounting Standard (AS-11) on 'The Effect of Changes in Foreign Exchange Rates' read with the pronouncement of The National Advisory Committee on Accounting Standard dated 26th March, 2009.

Realised/settled gains/losses arising out of currency /interest swaps during the year are recognized as income/expenditure in the Profit and Loss Account.

RETIREMENT BENEFITS

Retirement benefits are provided in the books on the basis of contribution to the Schemes or independent actuarial valuation as the case may be in the following manners:

- (i) The Company's liability towards gratuity of employees is paid to a fund maintained by Life Insurance Corporation of India through the Trustees of EIH Employees' Gratuity Fund and adjustments are made for provision / write back if any, to bring the gratuity liability in line with the year end actuarial valuation.
- (ii) Leave encashment on retirement: as per actuarial valuation as at the Balance Sheet date.
- (iii) Provident Fund and Employees' State Insurance: as and when they become due the contributions made to concerned authorities.

BORROWING COSTS

Borrowing cost that is attributable to the acquisition / construction of fixed assets is capitalised as part of the cost of the respective assets. Other borrowing costs are recognised as expenses in the year in which they arise.

MISCELLANEOUS EXPENDITURE

Expenses incurred in connection with franchise arrangement are treated as Intangible Assets as per the Accounting Standard on Intangible Assets (AS-26) issued by the Institute of Chartered Accountants of India ('ICAI') and the same is being amortised over a period of sixty months from the commencement of such arrangement.

TAXES ON INCOME

Income-tax is computed in accordance with Accounting Standard (AS-22) 'Accounting for taxes on income' issued by the ICAI. Tax expenses are accounted in the same period to which the revenue and expenses relate.

Current tax is determined in respect of taxable income for the year.

Deferred tax is provided and recognised on timing differences between taxable income and accounting income subject to prudential consideration.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is virtual certainty about availability of future taxable income to realise such assets.

ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognised in terms of Accounting Standard (AS-29) 'Provisions, Contingent Liabilities and Contingent Assets' issued by the ICAI, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

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

Contingent Assets are not recognised in the financial statements.

Schedules to Accounts — *Contd.*

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NOTES TO THE ACCOUNTS

1. During the year 209,975 equity shares having face value of ₹ 100 each were issued and allotted during the year at a premium of ₹ 300. (2010 - 211,056 equity shares having face value of ₹ 100 each were issued and allotted during the year at a premium of ₹ 300)
2. The estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ Nil (2010 - ₹ Nil).
3. Contingent Liabilities not provided for in respect of:
 - a) Counter Guarantees given by the Company to Banks for Guarantees given to various parties ₹ Nil (2010-739,500)
 - b) The Sales Tax Department is yet to consider the request by the Company to adjust the excess amount of ₹ 259,156 (2010 - ₹ 259, 156) paid towards the Sales Tax demand for Assessment Year 1999-2000, refundable on the quashing of the said demand by the Appellate Tribunal (vide its Order dated 6th December, 2005, in Appeal No.248/05). The original demand of ₹ 203, 942 (2007 - ₹ 203, 942) for the Assessment year 1999-2000 is outstanding since 2007 and no provision has been made in the accounts for this liability.
 - c) The following demands towards Sales Tax, delivered to the Company on various dates, as under, are disputed in appeal and the decision of the appropriate authorities is pending:

Assessment No.	Date	Demand (₹)	Disputed Amount (₹)
24122207/2004-05	31.03.2011	255,870	165,895
24122207/2003-04	31.03.2011	627,704	403,759
24122207/2002-03	31.03.2011	264,727	258,144
24122207/2001-02	31.03.2011	519,899	439,371
Total		<u>1,668,200</u>	<u>1,267,169</u>

4. There are no reported Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues.

Schedules to Accounts — *Contd.*

5. LEAVE ENCASHMENT & GRATUITY

		Year ended 31st March			
5a.	Leave Encashment	2011	2010	2009	2008
I	Components of Employer Expense	₹	₹	₹	₹
1	Current Service Cost	170,705	23,816	43,110	201,000
2	Interest Cost	176,795	34,105	23,298	122,000
3	Expected Return on Plan Assets	—	—	—	—
4	Curtailement Cost / (Credit)	—	—	—	—
5	Settlement Cost / (Credit)	—	—	—	—
6	Past Service Cost	—	—	—	—
7	Actuarial Losses / (Gains)	198,003	(197,172)	42,326	(485,844)
8	Total expense recognised in the Statement of Profit & Loss Account	545,503	(139,251)	108,734	(162,844)
The Gratuity Expenses have been recognised in "Contribution to Gratuity Funds" and Leave Encashment in "Salaries/Wages and Bonus" under Sechedule 17.					
II	Net Asset / (Liability) recognised in Balance Sheet as at March 31, 2011				
1	Present Value of Defined Benefit Obligation	1,042,315	496,812	636,063	527,329
2	Fair Value of Plan Assets	—	—	—	—
3	Status [Surplus/(Deficit)]	(1,042,315)	(496,812)	(636,063)	(527,329)
4	Unrecognised Past Service Cost	—	—	—	—
5	Net Asset / (Liability) recognised in Balance Sheet	(1,042,315)	(496,812)	(636,063)	(527,329)
III	Change in Defined Benefit Obligations (DBO) during the year ended 31st March 2011				
1	Present value of DBO as at beginning of the year	496,812	636,063	527,329	690,173
2	Current Service Cost	170,705	23,816	43,110	201,000
3	Interest Cost	176,795	34,105	23,298	122,000
4	Curtailement Cost/(Credit)	—	—	—	—
5	Settlement Cost/(Credit)	—	—	—	—
6	Plan Amendments	—	—	—	—
7	Acquisitions	—	—	—	—
8	Actuarial (Gains)/Losses	198,003	(197,172)	42,326	(485,844)
9	Benefits Paid	—	—	—	—
10	Present Value of DBO at the end of year	1,042,315	496,812	636,063	527,329
IV	Changes in Fair Value of Assets during the year ended 31st March 2011				
1	Fair value of Plan Assets at the Beginning of the year	—	—	—	—
2	Acquisition Adjustment	—	—	—	—
3	Actuarial Return on Plan Assets	—	—	—	—
4	Actuarial Gain/(Losses)	—	—	—	—
5	Actual Company Contribution	—	—	—	—
6	Benefits Paid	—	—	—	—
7	Plan Assets at the end of the year	—	—	—	—
V	Investments Details				
	Invested with LIC Group Gratuity Scheme	—	—	—	—
VI	Actuarial Assumptions				
1	Discounting Rate (%)	8%	8%	8%	8.25%
2	Expected rate of return	—	—	—	—
3	Salary Escalation (%)	3%	3%	3%	5%
4	Mortality	Indian assured lives mortality (1994-96)			

Schedules to Accounts — *Contd.*

		Year ended 31st March			
5b.	Gratuity	2011	2010	2009	2008
I	Components of Employer Expense	₹	₹	₹	₹
1	Current Service Cost	84,826	118,586	106,473	–
2	Interest Cost	53,459	48,145	27,462	–
3	Expected Return on Plan Assets	69,378	65,707	61,300	–
4	Curtailement Cost / (Credit)	–	–	–	–
5	Settlement Cost / (Credit)	–	–	–	–
6	Past Service Cost	–	–	–	–
7	Actuarial Losses / (Gains)	128,835	56,734	16,327	–
8	Total expense recognised in the Statement of Profit & Loss Account	197,742	157,758	88,962	–
The Gratuity Expenses have been recognised in “Contribution to Gratuity Funds” and Leave Encashment in “Salaries/ Wages and Bonus” under Sechedule 17.					
II	Net Asset / (Liability) recognised in Balance Sheet as at March 31, 2011				
1	Present Value of Defined Benefit Obligation at the end of the year	878,549	741,020	630,387	–
2	Fair Value of Plan Assets	769,688	701,848	626,790	–
3	Status [Surplus/(Deficit)]	(108,861)	(39,172)	(3,597)	–
4	Unrecognised Past Service Cost	–	–	–	–
5	Net Asset / (Liability) recognised in Balance Sheet	(108,861)	(39,172)	(3,597)	–
III	Change in Defined Benefit Obligations (DBO) during the year ended on 31st March 2011				
1	Present value of DBO as at beginning of the year	741,020	630,386	569,087	–
2	Current Service Cost	84,826	118,586	106,473	–
3	Interest Cost	53,459	48,145	27,462	–
4	Curtailement Cost/(Credit)	–	–	–	–
5	Settlement Cost/(Credit)	–	–	–	–
6	Plan Amendments	–	–	–	–
7	Acquisitions	–	–	–	–
8	Actuarial (Gains)/Losses	128,835	56,734	16,327	–
9	Benefits Paid	129,591	112,831	88,962	–
10	Present Value of DBO at the end of year	878,549	741,020	630,387	–
IV	Changes in Fair Value of Assets during the year ended 31st March 2011				
1	Plan Assets at the Beginning of the year	701,848	626,790	66,713	–
2	Acquisition Adjustment	–	–	–	–
3	Actuarial Return on Plan Assets	69,378	65,707	61,300	–
4	Actuarial Gain/(Losses)	–	–	–	–
5	Actual Company Contribution	128,053	122,182	587,739	–
6	Benefits Paid	129,591	112,831	88,962	–
7	Plan Assets at the end of the year	769,688	701,848	626,790	–
V	Investments Details				
	Invested with LIC Group Gratuity Scheme	100%	100%	100%	100%
VI	Actuarial Assumptions				
1	Discounting Rate (%)	8%	8%	8%	8%
2	Expected rate of return	9.40%	9.40%	9.40%	9.35%
3	Salary Escalation (%)	3%	3%	3%	3.5%
4	Mortality	Indian assured lives mortality (1994-96) (modified) Ultimate			

Schedules to Accounts — *Contd.*

VII	Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)	Year ended 31st March 2011		Year ended 31st March 2010		Year ended 31st March 2009		Year ended 31st March 2008	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	Present Value of Defined Benefit Obligation	872,707	754,352	741,020	521,274	630,387	498,457	-	296,774
2	Fair Value of Plan Assets	763,846	-	701,848	-	626,790	-	-	-
3	Status [Surplus/(Deficit)]	(108,861)	(754,352)	(39,172)	(521,274)	(3,597)	(498,457)		(296,774)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	-	198,003	-	(17,339)	-	237,983	-	(91,417)

The estimates of future salary increases, considered in actuarial valuations taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

6. a) Deposits of ₹ 151,500 (2010 - ₹ 151,500) have been lodged with Banks/Government authorities for obtaining Guarantees or as Security Deposits.
- b) Security Deposits include 5 year National Savings Certificate amounting to ₹ 10, 000 (2010 - ₹ 10, 000) which have been assigned in favour of Kerala Sales Tax Authorities as Security Deposits.
7. (a) Depreciation has been provided for in the Accounts on "Straight Line Method" at the rates prescribed in Schedule XIV to the Companies Act, 1956, except for specified assets as stated below which are depreciated as follows :
 - (i) Leased Vehicles over their respective lease period or sixty months, whichever is earlier.
 - (ii) Long term Leasehold Lands other than perpetual leases are depreciated over the balance period of the leases commencing from the date the land is put to use for commercial purposes.
- (b) Depreciation for the year includes amortization of revalued leasehold land amounting to ₹ 1,271,832 (2010 - ₹ 1,271,832). Of the same, ₹ 462,808 (2010 - ₹ 462,808) pertaining to depreciation on revalued portion has been adjusted from Revaluation Reserve.
8. Auditor's remuneration includes Statutory Audit Fees ₹ 26,000 (2010 - ₹ 22,000), Branch Audit Fees ₹ 35,000 (2010 - ₹ 30,000) Tax Audit Fees ₹ 10,000 (2010 - ₹ 8,000), Taxation Matters ₹ 11,000 (2010 - ₹ 10,000) and Other Matters - Certification and Limited Review Audit Fees ₹ 18, 000 (2010 - ₹ 15,000).
9. As a matter of prudence, the Company has not recognised deferred tax assets of ₹ 6,050,069 (2010 - ₹ 6,243,316) relating to carried forward business losses.
10. As the Company's activity is limited to only Hotels, there is no separate reportable segment as per the Accounting Standard, (AS-17) on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

Schedules to Accounts — *Contd.*

		As at 31st March	
		2011	2010
		Rupees	Rupees
11.	EARNINGS PER SHARE:		
	Profit computation for both Basic and Diluted Earnings per share of ₹ 100 each		
	Profit / (Loss) as per Profit and Loss Account	(26,926,815)	(28,028,382)
	Weighted average number of Equity Shares outstanding	2,987,688	2,776,635
	Basic and diluted earnings per share In Rupees of face value - ₹ 100 each	(9.01)	(10.09)

Weighted Average Computation

Particulars of Equity Shares	Number of days outstanding	Number of Equity Shares	Weighted Average
Number of Shares outstanding throughout the year	365	2,987,113	2,987,113
Number of shares issued, allotted and called on 31.03.2011	1	209,975	575
Total		3,197,088	2,987,688

12. Fixed Assets acquired under finance lease amounted to ₹ 9,46,562 (2010 - ₹ Nil) being the Assets acquired between 1st April, 2001 and 31st March, 2011. This includes an amount of ₹ 9,46,562 being the Assets acquired during the year (2010 - ₹ Nil) under finance lease and capitalised in line with the requirement of Accounting Standard, (AS-19) on "Accounting for Leases" issued by ICAI. During the year, the cost of lease arrangements for Motor Vehicles amounting to ₹ Nil (2010 - ₹ 1,099,593) was terminated due to Normal closure. Depreciation for the year includes an amount of ₹ 91,661 (2010 - ₹ 48,429) on account of these Assets.

The year wise breakup of the outstanding lease obligations as on 31st March, 2011 in respect of these assets is as under:

	Year ended 2011 (Rupees)	Year ended 2010 (Rupees)
Vehicles taken on lease		
Total Minimum Lease Payments at the year end	1,168,032	Nil
Present value of Minimum Lease Payments	872,082	Nil
Not later than one year		
Minimum Lease Payments	285,074	Nil
Present value	178,761	Nil
Later than one year but not later than five years		
Minimum Lease Payments	882,959	Nil
Present value	693,322	Nil
Later than five years		
Minimum Lease Payments	Nil	Nil
Present value	Nil	Nil
Present value as on 31st March, 2011	872,082	Nil
(a) Contingent rents have been recognised as an expense in the Statement of Profit and Loss for the year	Nil	Nil
(b) The total of future minimum sublease payments expected to be received under non-cancellable sub leases at the Balance Sheet date	Nil	Nil

Schedules to Accounts — *Contd.*

NOTES TO THE ACCOUNTS - (Contd.)

13. Since it is not practicable to give quantity wise details in respect of purchase, consumption, turnover, stock, etc., the Department of Company Affairs, in exercise of its powers conferred by sub-section (4) of Section 211 of the Companies Act, 1956, by its Order No .46/66/2011 -CL - III dated 22nd February, 2011, has exempted the Company from giving such details for the years ended 31st March, 2011, 31st March, 2012 and ending on 31st March, 2013. However, the said Order requires the Company to disclose certain additional particulars which are given below:

- a) Income from Food & Beverages and Other Services for the year includes Income from Wine and Liquor ₹ 3,870,402 (2010 - ₹ 3,522,036) and Telephone and Telex ₹ 156, 255 (2010 - ₹ 99,811) respectively.
- b) The breakup of consumption of Provisions, Stores, Wines and Smokes is as follows :

	Provisions, Stores (excluding Wine & Liquor and Smokes ₹	Wine &Liquor ₹	Total ₹
Opening Stock	298,355 (348,204)	355,232 (421,657)	653,587 (769,861)
<i>Add</i> : Purchases during the year	6,985,583 (5,342,881)	1,139,693 (882,828)	8,125,276 (6,225,709)
	<u>7,283,938</u> (5,691,085)	<u>1,494,925</u> (1,304,485)	<u>8,778,863</u> (6,995,570)
<i>Less</i> : Closing Stock	431,832 (298,355)	475,851 (355,232)	907,683 (653,587)
Consumption during the year	<u>6,852,106</u> (5,392,730)	<u>1,019,074</u> (949,253)	<u>7,871,180</u> (6,341,983)

(Figures in brackets represent figures for 2010)

14. Other Income include Loss due to foreign exchange fluctuation amounting to ₹ Nil (2010 - Loss ₹ Nil).
15. No provision for Income-tax is required to be made in view of carried forward business losses and unabsorbed depreciation of earlier years and absence of book profit under Section 115JB of the Income-tax Act, 1961.

	Year ended 31st March	
	2011	2010
	Rupees	Rupees
16. Expenditure in Foreign Currencies on account of Franchise fees, reimbursement of market expenses and others	605,930	—
17. Value of Imports calculated on C.I.F basis in respect of: Capital Goods	—	—
18. Earnings in foreign currencies on Sales (As reported by the Company to the Department of Tourism, Government of India)	33,636,654	25,591,924
19. 'Interest and Finance Charges' in the books has been computed after considering the impact of reversal of provision for MTM Swap liability considering the pronouncement of deferment of AS-11 to 1st April,2011 by The National Advisory Committee on Accounting Standard (NACAS). However, realized losses/gains on settlement of currency/interest swap and hedging during the year have been recognized as per past practice and has been accounted for accordingly.		

Schedules to Accounts — *Contd.*

20. Related party transactions: The details of transactions entered into with related parties during the year are as follows :

a	Name of the Party	Nature of relationship	
	Holding Company	EIH Associated Hotels Limited	
	Enterprise exercising significant influence	EIH Limited	
b	Transaction with Related Parties during the Financial Year and Outstanding Balances as on 31st March -2011		
	Transaction	Holding Company	Enterprise exercising significant influence
		(Figures in Rupees)	(Figures in Rupees)
	Purchases		
	Goods and services	528,311	6,852,296
	Sales		
	Goods and services	66,835	1,918,510
	Others		
	Shares issued to holding company	83,990,000	
	Outstanding balances		
	Payables		
	For Goods and services	314,885	1,111,979
	Receivables		
	For Goods and services	25,597	51,126

Schedules to Accounts — *Contd.*

21.

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile :

(I) Registration Details	
Registration Number	75041
State Code	18
Balance Sheet	31.03.2011
(II) Capital raised during the year	<i>(Amount in ₹ thousands)</i>
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	20,997
(III) Position of mobilisation and deployment of funds	<i>(Amount in ₹ thousands)</i>
Total Liabilities	929,382
Total Assets	929,382
Sources of Funds	
Paid-up Capital	319,709
Reserves & Surplus	581,494
Secured Loan	6,990
Applications of Funds	
Net Fixed Assets including Capital	
Work-in-Progress	318,296
Net Current Assets/liabilities	17,874
Investments	Nil
Miscellaneous Expenditure	Nil
Accumulated Losses	505,252
Deferred Tax Assets (net)	66,771
(IV) Performance of the Company	<i>(Amount in ₹ thousands)</i>
Turnover (including other income)	77,395
Total Expenditure	107,124
Profit (+)/Loss (-) before Tax and Extraordinary item	(29,729)
Profit (+)/Loss (-) after Tax and Extraordinary item	(26,927)
Basic and diluted earnings per share (₹)	(9.01)
Dividend Rate (%)	Nil
(V) Generic Names of principal products/services of the Company as per monetary terms	
Item Code No. (ITC Code) #	591001006
Product Description	Hotels

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