



HOTEL CORPORATION OF INDIA LIMITED

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BOARD OF DIRECTORS (as on 29 DECEMBER 2015)

Shri Ashwani Lohani

Chairman

Shri Pankaj Kumar

Managing Director

Shri Vinod Hejmadi

Smt. Gargi Kaul

Shri B S Bhullar

Chief Financial Officer

Smt. Trity C Dalal

Company Secretary

Kum. Shyamala P Kunder

Auditors

MA Parikh & Co.,

Solicitors

M/s. MV Kini & Co.

Bankers

State Bank of India
United Bank of India
Axis Bank Limited
Syndicate Bank
J&K Bank

Registered Office

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

**DIRECTORS' REPORT**

The Directors take pleasure in presenting their Forty Fourth Annual Report and the Audited Accounts for the year ended 31 March 2015

REVIEW OF FINANCIAL PERFORMANCE :**(Rupees in Lakhs)**

PARTICULARS	2014-15	2013-14	Variance
TOTAL REVENUE	5285.88	5050.30	235.58
TOTAL OPERATING EXPENDITURE	8419.95	8509.51	(89.56)
GROSS OPERATING (LOSS)	(3134.07)	(3459.21)	(325.14)
INTEREST	1245.52	548.62	696.90
CASH (LOSS)	(4379.59)	(4007.83)	371.76
DEPRECIATION	545.34	184.43	360.91
NET PROFIT/(LOSS) BEFORE EXTRA ORDINARY ITEMS	(4924.93)	(4192.26)	732.67
PRIOR PERIOD ADJUSTMENTS	(162.55)	(34.29)	
EXTRA ORDINARY ITEMS	200.00	54.06	
EXCEPTIONAL ITEMS	83.52	(164.66)	
NET PROFIT/(LOSS) AFTER EXTRA ORDINARY ITEMS BUT BEFORE TAX	(5045.91)	(4047.36)	998.55

Overview:

- During the year, the total revenue has increased to Rs. 5285.88 lakhs as against Rs 5050.29 lakhs in the previous year, an increase of Rs. 235.58 lakhs (5%) over 2013-14. This is mainly on account of increase in the revenue of the T3 Lounge at Delhi by Rs.179.68 lakhs, at Centaur Srinagar by Rs.83.39 lakhs and at Chefair Mumbai by Rs.34.64 lakhs. However, there is a reduction in the total revenue of Centaur Delhi by Rs. 34.88 lakhs.
- The total operating expenditure has reduced to Rs. 8419.95 lakhs, i.e. by Rs. 89.54 lakhs over previous year mainly on account of staff cost by Rs.274.29 lakhs which has been offset by increase in Fuel Cost by Rs.74.20 lakhs and Maintenance by Rs.157.51 lakhs.
- In view of the above, the Gross Operating Loss has reduced to Rs.3134.07 lakhs as against Rs.3459.07 lakhs during the previous year.
- The Net Loss after extraordinary items, exceptional items and prior period adjustments is Rs.5045.91 lakhs as against Rs.4047.21 lakhs during the previous year.

OTHER FINANCIAL INFORMATION**SHARE CAPITAL :**

As on 31 March 2015, the Authorised Share Capital of the Company was Rs.100,00,00,000/- (Rupees One hundred crores) divided into 100,00,000 shares of Rs.100/- each.



As on 31 March 2015, the Paid-up Share Capital of the Company was Rs.50,60,00,000/- (Rupees Fifty Crores sixty lakhs) divided into 50,60,000 shares of Rs.100/- each which are held as follows :

- Rs.40,60,00,000 (Rupees Forty Crore sixty lakhs) divided into 40,60,000 shares of Rs.100 each held by Air India Limited being the Holding Company.
- Rs.10,00,00,000/- (Rupees Ten crore) divided into 10,00,000 shares of Rs.100/- each held by the Central Government in the name of the President of India.

CHANGES IN SHARE CAPITAL, IF ANY

Subsequently, in June 2015 the Government of India had infused equity of Rs.12,00,00,000 (Rupees Twelve crores) and 12,00,000 equity shares of Rs.100/- each were issued in the name of the President of India. Accordingly, the Paid-up Share Capital of the Company has increased to Rs.62,60,00,000 (Rupees Sixty two crores sixty lakhs) in June 2015.

ANNUAL PLAN OUTLAY 2014-15 :

The Government had not approved any Annual Plan Outlay for the financial year 2014-15.

FOREIGN TOURS :

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

INDUSTRIAL RELATIONS :

Personnel

As on 31 March 2015, the Company had on its payroll a total of 1008 employees as against 1065 as on 31 March 2014 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 Unionized category of employees of all the Units for the period 2002 to 2006 has already been executed and the new wage revisions effective January 2007 and 2012 are pending.

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 by 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 has 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 20 October to 3 November 2015.

**STATUTORY COMPLIANCE :****Employment of Ex-Servicemen**

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

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.

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.

SC/ST/OBC – Number of employees as on 31 March 2015

Total No. of employees	Total No. of SC employees	% of SC employees	Total No. of ST employees	% of ST employees	Total No. of OBC employees	% of OBC employees
1008	263	26.09	63	6.25	65	6.45

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.

FOREIGN EXCHANGE EARNING & OUTGO :

The Foreign Exchange earning during the year were Rs.2.78 lakhs as against Rs.3.42 lakhs in the previous year. The outgo of Foreign Exchange during the year was NIL.

COMPLIANCE WITH THE RTI ACT, 2005 :

Hotel Corporation of India Limited has successfully ensured compliance with the provisions of Right to Information Act for providing information to the citizens.

Hotel Corporation of India Limited has decentralized its structure to deal with the applications/appeals received under RTI Act and has 3 Assistant Public Information Officers (APIOs), 5 Public Information Officers (PIOs) and an Appellate Authority have been appointed for speedy disposal of applications/appeals.

During 2014-15, 59 Requests/Appeals were received, out of which 44 Requests/Appeals have been disposed off, 4 were rejected and 11 were carried forward.

**SEXUAL HARASSMENT :**

The Company has a Cell in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this.

During the year 2014-15 no complaints pertaining to sexual harassment have been received.

MEETINGS OF THE BOARD OF DIRECTORS

As required under Section 173 of the Companies Act, 2013, three Meetings of the Board of Directors of the Company were held during the Financial Year 2014-15 as detailed below, and the provisions of the Companies Act, 2013 were adhered to while considering the time gap between two Meetings:

Sr.No.	Date of Meeting	Board Strength	No. of Directors Present
1	25 June 2014	5	4
2	13 October 2014	5	5
3	11 February 2014	4	3

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 31 March 2015 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 Company being an unlisted Company, provisions of Section 134(3)(e) are not applicable.
- That the annual accounts have been prepared on a going concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES :

Since there were no employees who were employed throughout the year in receipt of remuneration of Rs.5 lakhs per month or Rs.60 lakhs per annum, no statement has been enclosed in this regard under Section 197 read with Rule 5(2) of the Companies Act 2013.

CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance with the exception of appointment of Independent Directors on the Board. This matter is being pursued with the Administrative Ministry. The detailed Corporate Governance Report forms part of this Annual Report separately .

**AUDITORS :**

M/s. M. A. Parikh & Co, Chartered Accountants, Mumbai, 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 2015-16 by the Comptroller & Auditor General of India in accordance with the provisions of the Section 139 of the Companies Act 2013.

SECRETARIAL AUDIT REPORT :

Pursuant to the provisions of section 204 of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the company has appointed M/s Vijay Sonone & Company, Practicing Company Secretary, Mumbai, to conduct Secretarial Audit for the financial year 2014-15.

The Secretarial Audit Report for the financial year ended 31 March 2015 is enclosed at Annexure I .

The Managements' Comments on Secretarial Auditors' observations are as under:

Observations	Management's Comments
<p>The Company has not appointed Independent Directors as required under the provisions of Section 149(4) of the Companies Act 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules 2014 and hence, no meeting of the Independent Directors could be held during the Audit Period.</p>	<p>Hotel Corporation of India Limited (HCI) is a subsidiary of Air India Limited (AIL), a Government Company.</p> <p>As per Article 22 of the Articles of Association of the Company, all the Directors of the Company are appointed by AIL in consultation with Government of India.</p> <p>HCI has requested AIL to nominate at least two Independent Directors on its Board and the reply from AIL is awaited.</p>
<p>Since the Company has not appointed Independent Directors, the Company has not complied with the provisions of Section 177(2) and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 as regards the composition of the Audit Committee and the Nomination and Remuneration Committee of the Board.</p>	<p>As per the provisions of Section 177(2) the Audit Committee shall consist of a minimum of three Directors with Independent Directors forming a majority.</p> <p>As required under section 178, the Nomination and Remuneration Committee should consist of 3 or more Non Executive Directors out of which not less than one half should be Independent Directors.</p> <p>Presently there is no Independent Director on the Board of HCI and the matter has been taken up with AIL.</p>
<p>3(three) meetings of the Board of Directors of the Company were held during the year and hence the Company has not complied with the provision of Section 173 of the Companies Act 2013.</p>	<p>As per provisions of Section 173(1) every company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board.</p>



Observations	Management's Comments
The Company has not complied with the provision of Section 128 of the Companies Act 2013, as regards to the maintenance of Fixed Asset Records as required to be maintained by the Company.	The Fourth Meeting of the Company could not be held for want of quorum. It is a Statement of Fact and corrective action has been taken.

EXTRACT OF ANNUAL RETURN :

Pursuance to Section 92(3) of the Companies Act 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, extract of Annual Return is annexed as Annexure II.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

The comments of the Comptroller and Auditor General of India under Section 143 of the Companies Act 2013 on the accounts of the Company for the year ended 31 March 2015 is annexed to this report.

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/-
(ASHWANI LOHANI)
CHAIRMAN

Date : 28 December 2015

Place: New Delhi.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ANALYSIS OF THE FINANCIAL/PHYSICAL PERFORMANCE :

UNIT WISE PERFORMANCE:

Centaur Hotel Delhi Airport

- The Unit earned revenue of Rs.1806.56 lakhs as compared to Rs. 1841.44 lakhs in the previous year, a decrease of Rs 34.88 lakhs over the previous year.
- The total expenditure is Rs.3068.95 lakhs as against Rs. 3140.96 lakhs in the previous year, a reduction of Rs 72.01 lakhs.
- As a result, the Unit made an Operating Loss of Rs.1262.39 lakhs as compared to Rs. 1299.52 lakhs in the previous year.
- After providing for interest and depreciation, the Unit made a Net Loss of Rs. 2054.40 lakhs as compared to Rs. 1589.69 lakhs in the previous year.
- After considering extra-ordinary items and prior period adjustments, the unit has incurred a Net Loss of Rs. 2118.50 lakhs as against Rs.1483.44 lakhs in the previous year.

Centaur Lake View Hotel, Srinagar:

- The Unit earned a revenue of Rs.888.10 lakhs as compared to Rs. 804.71 lakhs in the previous year, i.e. an increase of 10% over the previous year mainly due to increase in the room nights sold by 1037.
- The total expenditure is Rs.1453.36 lakhs as against Rs. 1353.20 lakhs in the previous year, an increase of Rs 100.16 lakhs (7%).
- As a result, the Unit made an Operating Loss of Rs.565.26 lakhs as against Rs. 548.49 lakhs in the previous year.
- After providing for interest and depreciation, the Unit incurred a Net Loss of Rs.806.77 lakhs as compared to Rs. 650.37 lakhs in the previous year.
- After considering extra-ordinary items, the unit has incurred a Net Loss of Rs. 808.83 lakhs as against Rs. 650.64 lakhs in the previous year.

Chefair Flight Catering, Mumbai

- The Unit earned revenue of Rs. 1001.33 lakhs as compared to Rs.966.69 lakhs in the previous year, i.e. an increase of 4% over the previous year.
- The total expenditure is lower at Rs.2093.98 lakhs as against Rs.2131.09 lakhs in the previous year.
- As a result, the Unit made an Operating Loss of Rs.1092.65 lakhs as against Rs.1164.39 lakhs in the previous year. After providing for interest and depreciation, the Unit incurred a Net Loss of Rs.1549.81 lakhs as compared to Rs.1379.80 lakhs. in the previous year.
- After considering extra-ordinary items, the unit has incurred a Net Loss of Rs.1548.38 lakhs as against Rs.1370.69 lakhs in the previous year.

Chefair Flight Catering, Delhi:

- The Unit earned revenue of Rs.305.99 lakhs as compared to Rs.372.01 lakhs in the previous year i.e a decrease of 18%. The total expenditure is Rs. 863.24 lakhs as against Rs. 1044.93 lakhs in the previous year.
- As a result, the Unit made an Operating Loss of Rs.557.25 lakhs as against Rs.672.92 lakhs in the previous year. After providing for interest and depreciation, the Unit incurred a Net Loss of Rs.849.47 lakhs as against Rs.794.40 lakhs in the previous year.
- After considering extra-ordinary items, the unit has incurred a Net Loss of Rs.730.77 lakhs as against Rs.763.88 lakhs in the previous year.

**T3 LOUNGE, DELHI:**

- The Unit, which started its operation in January 2013, earned revenue of Rs.690.64 lakhs as compared to Rs. 510.96 lakhs in the previous year (35% increase). The total expenditure is Rs.432.99 lakhs as against Rs.335.15 lakhs in the previous year.
- As a result, the Unit made an Operating Profit of Rs. 257.64 lakhs as against Rs.175.81 lakhs in the previous year. After providing for depreciation, the Unit made Net Profit of Rs.256.15 lakhs as against Rs.175.16 lakhs in the previous year.

POST DISINVESTMENT ISSUES:**Centaur Hotel Mumbai Airport (CHMA):-**

An Arbitration Petition was filed by M/s Sahara Hospitality Limited, the buyer, against the Award granted in the dispute of settlement of Net Current Assets with them in the sale of CHMA. Finally on 8 May 2015 Single Judge of Hon'ble High Court at Bombay passed an Order, setting aside the Arbitral Tribunal Award dated 19 April 2011 which is challenged by the Company before the Hon'ble Division Bench of High Court at Bombay. The matter is yet to come up on regular Board for hearing.

Centaur Hotel Juhu Beach: (CHJB):-

The Award was granted by Director (Finance), Air India Limited, the Mediator, in the dispute with regard to the settlement of Net Current Assets, subsequent to the sale of Centaur Hotel Juhu Beach (CHJB) to M/s Tulip Hospitality Services Limited (currently known as M/s V Hotels Ltd.). The Award so granted was to be implemented in two parts. Accordingly, as per Part I of the Award, out of the total Award amount of Rs. 2 crores, Rs.1.25 crores has been paid to M/s V Hotels Ltd. As per Part II of the Award, balance amount of Rs.0.75 crores would be paid by way of Agency Credit Memos (ACMs) to their Associate Company i.e. M/s Cox & Kings Ltd., in installments of ACM not exceeding Rs.0.25 crores. The same is under process.

VISION

The Company commits itself to curtail its losses in the coming years by implementing consistent and stringent measures. The projections as estimated by the Company on a yearly basis show a decline in its overall expenditure, thereby lowering its losses gradually.

The management of the Company along with the support of the Government of India (GOI) is committed to achieve the complete revival of the company by putting in place a Business Plan. Various initiatives are being undertaken by the management for improving the operational performance of the company and increasing the revenues leading to improved financial performance.

Besides, the Company is upgrading all the properties of the company during the 12th Five Year Plan (2012-17) with equity infusion of Rs 35 crores from the Government of India (GoI). In order to facilitate this process, the GoI has infused fund by way of Equity Infusion to the tune of Rs.22 crores till 2014-15 and the proceeds of which to be utilized for renovation of its properties in Delhi and Srinagar.

As on 1 March 2014, as per the decision of the Cabinet, GoI, the retirement age of the employees of the Company was reduced from 60 to 58 years which would result in a savings of approx. Rs 5 crores per annum.

Unit-wise details of Revival Plan :

Central Government had infused fund of Rs.22 crores by way of Equity infusion i.e. Rs.10 crores in the year 2012-13 and Rs.12 crores in the year 2013-14. This fund was granted for the renovation of three units of HCI viz., Centaur Hotel Delhi Airport (CHDA), Chefair Flight Catering, Delhi (CFCD) and Centaur Lake View Hotel, Srinagar (CLVH). As a result of these unit-wise efforts undertaken, HCI would be able to substantially increase its revenues, thereby enabling the Company to generate operational profits.

**Centaur Hotel Delhi Airport (CHDA) including Chefair Flight Catering, Delhi (CFCD) :**

- Out of the total funds provided by the Central Government, Rs.16.60 crores was sanctioned for these units. Accordingly, as per the direction of the Board, Airports Authority of India (AAI) being a PSU has been assigned the job of renovation of these units and the status is as under :
 - ♦ At CHDA renovation of 80 guest rooms has been started by AAI. AAI has been advised to set up a sample room and present the same to HCI for its final approval.
 - ♦ At CFCD, work of fabrication of body building of hi-lifts has been awarded and procurement of kitchen equipment through tendering process is under progress.
- The Company is contemplating to give the hotel rooms on long-term lease to the Service Tax and Customs authorities, which will yield incremental revenue of approximately Rs. 21 crores per annum.
- A formal request was received from Delhi Customs Preventive formation, for 72 guest rooms and 6 vacant shops in the Shopping Arcade of the Unit for office use on long term lease.
- Similarly, another request was received from the Service Tax Audit-I Commissionerate, Delhi, Government of India, seeking space for the accommodation of their Officers and staff consisting 72 guest rooms, on long-term lease.
- Necessary action being taken to conclude the lease agreement at the earliest to earn fixed income.
- Chefair Delhi will be given further additional flights in order to make it self sufficient.

Chefair Flight Catering Mumbai

- Air India has offered 5 flights in addition to the existing flights, to Chefair Mumbai and Delhi with immediate effect. This will enable Chefair Mumbai to improve its efficiency and thus, generate Operational Profit.
- Even though the unit has been granted with assured catering business of 30% by Air India, as per the decision of its Board, business could not be augmented further as the unit could not be upgraded due to shortage of finance.
- The Chefair Flight Catering Mumbai is likely to be handed over to Mumbai International Airport Limited (MIAL), who will demolish the unit for the purposes of development of airport infrastructure. Rs.93.37 lakhs allocated in financial year 2012-13 towards Chefair Flight Catering Mumbai is to be utilized for renovation of CLVH, Srinagar.

Dining Facilities Centre, Nariman Point, Mumbai (DFC)

- In view of the various floors of AI Building being given to various Government agencies on lease, arrangements are being made to cater to these floors by DFC so that revenue could be augmented.

Centaur Lake View Hotel, Srinagar (CLVH)

- Out of the total funds provided by the Central Government, Rs.5.60 crores was sanctioned for the unit. Accordingly, renovation of kitchen and water proofing of roof top of the unit is under process with the assistance of Airport Authority of India. It is expected to be completed in two months period.

**CORPORATE GOVERNANCE****Meetings of Board of Directors**

During the year 2014-15, three Board Meetings were held and the Board consisted of the following members:

1. Shri Rohit Nandan
Chairman & Managing Director, AIL - Chairman
2. Smt. M Sathiyavathy,
Addl. Secretary & Financial Advisor,
Ministry of Civil Aviation
(ceased w.e.f. 11 February 2015) - Director
3. Shri Sudhanshu Shekhar Mohanty
Addl. Secretary & Financial Advisor,
Ministry of Civil Aviation
(From 11 February 2015 to 6 May 2015) - Director
4. Shri Arun Kumar
Joint Secretary
Ministry of Civil Aviation
(ceased w.e.f. 7 January 2015) - Director
5. Shri B S Bhullar,
Joint Secretary
Ministry of Civil Aviation
(w.e.f. 7 January 2015) - Director
6. Shri. S. Venkat, Director - Finance
Air India Limited - Director
7. Shri Syed Nasir Ali
Joint Managing Director-Air India Ltd.
(ceased w.e.f 20 December 2014) - Managing Director
8. Shri Pankaj Kumar,
Executive Director-Sales & Marketing,
Air India Limited
(w.e.f. 10 February 2015) - Managing Director

During the year 2015-16, Smt M Sathiyavathy, S/Shri S Mohanty, Rohit Nandan and S Venkat ceased to be Director effective 11 February 2015, 6 May 2015, 31 August 2015 and 31 October 2015 respectively.

Shri Pankaj Kumar, Executive Director-Sales & Marketing, Air India Limited was given additional charge as the Managing Director of HCI effective 10 February 2015, *vice* Shri Syed Nasir Ali.

The Board places on record its appreciation of the valuable services rendered by Shri Rohit Nandan during his tenure as the Chairman of the Company and Smt M Sathiyavathy, Shri S Mohanty, and Shri S Venkat as Director on the Board.



During the year, all meetings of the Board were chaired by the Chairman and the Annual General Meeting was chaired by the Director-Finance-Air India Limited, being the representative of Air India Limited

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

Board Meetings:

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

25 June 2014	-227 th Meeting
13 October 2014	-228 th Meeting
11 February 2015	-229 th Meeting

Particulars of Directors including their attendance at the Board/Shareholders' Meetings during the financial year 2014-15

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	3	<u>Chairman & MD-</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



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 Syed Nasir Ali Jt.Managing Director- Air India Limited	M.Sc. (Zoology)	2	In Air India Ltd., Jt Managing Director In Hotel Corp. of <u>India Ltd.</u> Managing Director	In Air India Ltd., <u>Member-</u> HR Committee Strategic Committee Manpower Restructuring Committee
Shri Pankaj Kumar	MBA	-	In Hotel Corp. of <u>India Ltd.</u> Managing Director	In Hotel Corp. of <u>India Ltd.</u> <u>Member-</u> Audit Committee
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 SATS Airport Services Pvt Ltd	In Air India Ltd., <u>Member</u> Finance Committee <u>Special Invitee</u> Audit Committee Overseeing Committee <u>Co-opted Member</u> Strategic Committee In Hotel Corp. of India Ltd., <u>Member</u> Audit Committee, In Air India <u>Charters Ltd.</u> , <u>Member</u> Audit Committee
Government Directors				
Smt. M Sathiyavathy Addl Secretary & Financial Advisor, Ministry of Civil Aviation (ceased w.e.f. 11 February 2015)	Post Graduate	2	<u>Director</u> Air India Ltd., Hotel Corporation of India Ltd., Air India Air Transport Services Ltd., Air India Engineering Services Ltd.	In Air India Ltd., <u>Member</u> Audit Committee Strategic Committee Finance Committee In Hotel Corp. of <u>of India Ltd.</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
<p>Shri S Mohonty Addl Secretary & Financial Advisor, Ministry of Civil Aviation (w e f 11 February 2015 upto 6 May 2015)</p>	<p>Post Graduate</p>	<p>Nil</p>	<p><u>Director</u> Air India Ltd., Hotel Corporation of India Ltd., Air India Air Transport Services Ltd., Air India Engineering Services Ltd.</p>	<p><u>In Air India Ltd.,</u> <u>Member</u> Audit Committee Strategic Committee Finance Committee <u>In Hotel Corp. of India Ltd.,</u> <u>Chairman</u> Audit Committee</p>
<p>Shri Arun Kumar Jt. Secretary, Ministry of Civil Aviation (ceased w e f 07 January 2015)</p>	<p>B.Sc (Engineering- Mechanical)</p>	<p>2</p>	<p><u>Director</u> Air India Ltd., Hotel Corporation of India Ltd., Air India Air Transport Services Ltd., Air India Engineering Services Ltd.</p>	<p><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> Audit Committee</p>
<p>Shri B.S. Bhullar Jt. Secretary, Ministry of Civil Aviation (w e f 07 January 2015)</p>	<p>Post Graduate in Business Administration</p>	<p>1</p>	<p><u>Director</u> Air India Ltd., Hotel Corporation of India Ltd., Air India Air Transport Services Ltd., Air India Engineering Services Ltd.</p>	<p><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> Audit Committee</p>

**Board Committees****AUDIT COMMITTEE:**

During the year 2014-15, 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, one meeting of the audit committee was held.

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 Hotel Business and to consider any other matter as desired by the Board.

The Audit Committee met once 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:

13 October 2014

-17th Meeting

Attendance at the Audit Committee Meetings

Name of the Member	No. of Meetings Attended
Shri Rohit Nandan	1
Smt. M Sathiyavathy, Chairperson	1
Shri Arun Kumar	1
Shri S Venkat, Director(Finance)-Air India Limited	1
Shri Syed Nasir Ali, Managing Director	1

**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
42 nd Adjourned Annual General Meeting	11 April 2014 at 1130hrs	1 st floor, Transport Annexe Building, Air India Complex, Old Airport, Santa Cruz(E), Mumbai-400 029.
Extra Ordinary General Meeting	8 August 2014 at 1630 hrs	1 st floor, Transport Annexe Building, Air India Complex, Old Airport, Santa Cruz(E), Mumbai-400 029
43 rd Annual General Meeting	31 December 2014 at 1430 hrs	1 st floor, Transport Annexe Building, Air India Complex, Old Airport, Santa Cruz(E), Mumbai-400 029

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hotel Corporation of India Limited,
CIN- U55101MH1971GOI015217
Transport Annex Building,
1st Floor, Air India Complex,
Santacruz East,
Mumbai -400029

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hotel Corporation of India Limited [CIN- U55101MH1971GOI015217] (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representation made by the Management, I hereby report that in my opinion, the Company has, during the Audit Period covering the financial year ended on 31st March, 2015 ('**Audit Period**') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder (In so far as they are applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not applicable to the Company during the Audit Period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not applicable to the Company during the Audit Period);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the Audit Period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Not applicable to the Company during the Audit Period);



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the Audit Period);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

Having regard to the compliance system prevailing in the Company and on the basis of the Compliance Certificates/Management Representation Letters issued by the designated officers of the Company, the Company has generally complied with the following laws applicable specifically to the Company:

- (a) The Prevention of Food Adulteration Act, 1954
- (b) Food Safety and Standards Act, 2006
- (c) The Legal Metrology Act, 2009
- (d) The State specific Shops and Establishments statutes.
- (e) The Water (Prevention and Control of Pollution) Act, 1974
- (f) The Air (Prevention and Control of Pollution) Act, 1981
- (g) The Employees' Provident Acts & Misc. Provisions Act, 1952
- (h) The Employment Exchange (Compulsory Notifications of Vacancies) Act, 1959
- (i) The Weekly Holidays Act, 1942
- (j) The Equal Remuneration Act, 1976
- (k) The Contract Labour (Regulation & Abolition) Act, 1946
- (l) The Maternity Benefit Act, 1961
- (m) The Payment of Wages Act, 1936
- (n) The Payment of Gratuity Act, 1972
- (o) The Minimum Wages Act, 1948
- (p) The Employees' State Insurance Act, 1963



- (q) The Apprentices Act, 1961
- (r) The Workmen's Compensation Act, 1923
- (s) The Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013.

As regards applicable laws, other than those listed above are subject to review by other designated officers and professionals.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable to the Company during the Audit Period).
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) (Not applicable to the Company);

During the Audit Period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- i. The Company has not appointed Independent Directors as required under the provisions of Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence, no meeting of the Independent Directors could be held during the Audit Period.*
- ii. Since the Company has not appointed Independent Directors, the Company has not complied with the provisions of Section 177(2) and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 as regards the composition of the Audit Committee and the Nomination and Remuneration Committee of the Board.*
- iii. 3(three) meetings of the Board of Directors of the Company were held during the year and hence the Company has not complied with the provision of Section 173 of the Act.*
- iv. The Company has not complied with the provision of Section 128 of the Act as regards to the maintenance of Fixed Asset Records as required to be maintained by the Company.*

I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals;

Subject to what is stated herein above as regards the appointment of Independent Directors, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the Management, were taken with requisite majority.

As represented and explained to us, I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



I further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

- a) The Members of the Company have accorded their approval for increase in its Authorised Share Capital from Rs.51,00,00,000/- (Rupees Fifty One Crores) divided into 51,00,000 (Fifty One Lacs) Equity Shares of Rs.100/- (Rupees One Hundred only) each to Rs.100,00,00,000 (Rupees One Hundred Crores) divided into 100,00,000 (One Crore) Equity Shares of Rs.100/- (Rupees One Hundred only) each.
- b) The Members of the Company have authorised its Board of Directors to issue, offer and allot 12,00,000 (Twelve Lacs) Equity Shares of the face value Rs.100/- (Rupees One Hundred) each at par on a preferential basis to the Government of India and its nominees/affiliates in one or more tranches.
- c) Pursuant to the Special Resolution approved by the members the Company is in the process of change the situation of its Registered Office from the State of Maharashtra to the Union Territory of New Delhi (subject to the confirmation of the Central Government /Office of Regional Director).

Vijay B. Sonone
Company Secretary in Practice

FCS No: 7301
Certificate of Practice No-7991

Place : Mumbai
Date : 28 December 2015

This Report is to be read with our letter of even date which is annexed as '**Appendix A**' and forms an integral part of this report.



'Appendix A'

To,
The Members,
Hotel Corporation of India Limited,
CIN- U55101MH1971GOI015217
Transport Annex Building,
1st Floor, Air India Complex,
Santacruz East,
Mumbai -400029

My report of even date is to be read along with this letter.

1. The maintenance of the secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that the correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, I have obtained the Management Representations about the compliance of laws, rules and regulations and occurrence of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Vijay B. Sonone
Company Secretary in Practice

FCS No: 7301
Certificate of Practice No-7991

Place : Mumbai
Date : 28 December 2015



Annexure to Directors' Report for the year 2014-15
FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U55101MH1971GOI015217
2.	Registration Date	8 July 1971
3.	Name of the Company	HOTEL CORPORATION OF INDIA LIMITED
4.	Category/Sub-category of the Company	Government Company
5.	Address of the Registered office & contact details	1 ST Floor, Transport Annex Building, Air India Complex, Old Airport, Santa Cruz (East), Mumbai – 400 029. 91-22-26265440
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated) -

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	To carry on the business of hotel, motel, restaurant, café, tavern, flight kitchen, refreshment-room and boarding and lodging, housekeepers, licensed victuallers, wine, beer and spirit merchants, brewers, maltsters, distillers, importers, exporters and manufacturers and dealers in all kinds of foods and drinks.	551	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

Sr. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary / Associate	% of Shares	Applicable Section
1	Air India Limited 113, Airlines House, Gurudwara Rakabganj Road, New Delhi, 110 001.	U62200DL2007GOI161431	Holding	80%	2 (46)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity): Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2014]				No. of Shares held at the end of the year [As on 31-03-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	10,00,000	10,00,000	20	-	10,00,000	10,00,000	20	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	40,60,000	40,60,000	80	-	40,60,000	40,60,000	80	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)		50,60,000	50,60,000	100	-	50,60,000	50,60,000	100	-
B. Public Shareholding	Not Applicable								
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Banks	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2014]				No. of Shares held at the end of the year [As on 31-03-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions	Not Applicable								
a) Bodies Corp. (Market Maker + LLP)	-	-	-	-	-	-	-	-	-
i) I Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Non Resident Indians	-	-	-	-	-	-	-	-	-
ii) Non Resident Indians - Non Repatriable	-	-	-	-	-	-	-	-	-
iii) Office Bearers	-	-	-	-	-	-	-	-	-
iv) Directors	-	-	-	-	-	-	-	-	-
v) HUF	-	-	-	-	-	-	-	-	-
vi) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
vi) Foreign Nationals	-	-	-	-	-	-	-	-	-
vii) Clearing Members	-	-	-	-	-	-	-	-	-
viii) Trusts	-	-	-	-	-	-	-	-	-
ix) Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2) :-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		50,60,000	50,60,000	100	-	50,60,000	50,60,000	100	-



B) Shareholding of Promoter-

Sr. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1	Air India Limited along with its	40,60,000	80	NIL	40,60,000	80	NIL	-
2	President of India	10,00,000	20	NIL	10,00,000	20	NIL	-

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

There is no change in Promoters Shareholding during the financial year 2014-15

Sr No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding at end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Air India Limited	40,60,000	80	40,60,000	80
	President of India	10,00,000	20	10,00,000	20
	At the end of the year				
	Air India Limited	40,60,000	80	40,60,000	80
	President of India	10,00,000	20	10,00,000	20

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

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NOT APPLICABLE				
2					
3					
4					
5					
6					
7					
8					
9					
10					



E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding at the end of year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Rohit Nandan	1	0	1	0
2	Shri S Venkat	1	0	1	0
	Total	2		2	

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

NIL-

(In Rs Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in figures)

Sr No	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission as % of profit others, specify.						
5	Others : (PF, DCS, House Perks tax etc)						
	Total (A)						
	Ceiling as per the Act						

***There are No Whole Time Directors in the Company. The Managing Director of the Company holds additional charge of the post in addition to his post as Executive Director-Sales and Marketing in Air India Limited.**

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify (Fees for attending Board Sub Committee Meetings)	-	-	-	-	-	-
	Total(1)	-	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(figures in Rs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	*Not Applicable	**	**	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify.	-	-	-	-
5	Others: (PF, DCS, House Perks tax etc)	-	-	-	-
	Total	-	-	-	-

* Not applicable to Government Companies. Only CFO and CS are KMPs.

** The Company Secretary is holding the position in addition to her responsibilities as Sr. Manager-Corporate Affairs, Air India Ltd.

Similarly, The Managing Director of the Company hold additional charge of the post in addition to his post as Executive Director-Sales and Marketing in Air India Limited.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



Annexure-IV

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HOTEL CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of financial statements of Hotel Corporation of India Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 December 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Hotel Corporation of India Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is 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 143(6)(b) of the Act 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:

Auditor's Report

Reference is invited to Para 1(b)(ii) of Qualified Opinion of the Independent Auditors' Report dated 30 December 2015 where the Auditor has qualified his Report in regard to non-provision of lease rentals/turnover levy (Rs. 25.76 crore) and interest (Rs. 30.86 crore) thereon payable to Airports 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 Provisions', and 'Profit and Loss Account (Debit Balance)', depicted in the Balance Sheet, each by Rs.56.62 crore.

The issue regarding non provisioning of lease rentals/turnover levy and the interest thereon was also commented on the Accounts of the Company for the year 2013-2014, Despite CAG's comment the Company did not rectify the position.

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

Sd/-

Parama Sen

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

Place : Mumbai
Date : 18 February 2016



MANAGEMENT REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31 MARCH 2015.

Comments	Management's Reply
<p>Auditor's Report</p> <p>Reference is invited to Para 1(b)(ii) of Qualified Opinion of the Independent Auditors' Report dated 30 December 2015 where the Auditor has qualified his Report in regard to non-provision of lease rentals/turnover levy (Rs. 25.76 crore) and interest (Rs. 30.86 crore) thereon payable to Airports 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 Provisions', and 'Profit and Loss Account (Debit Balance)', depicted in the Balance Sheet, each by Rs.56.62 crore.</p> <p>The issue regarding non provisioning of lease rentals/turnover levy and the interest thereon was also commented on the Accounts of the Company for the year 2013-2014, Despite CAG's comment the Company did not rectify the position.</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 31.03.2015 Sr.No.28 (a), (b) & (c).</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 March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Opinion

Basis for qualified opinion:

We draw attention to the following:



1. In respect of non compliance with Accounting Standards:
 - a. AS-15 “Employees Benefits” regarding non provision of liability in respect of New Medical Benefit Scheme as referred to in Note no. 37(B).
 - b. AS-29 “Provisions, Contingent Liabilities and Contingent Assets” regarding non provision in respect of:
 - i Damages claimed by Provident Fund authorities (Delhi) aggregating to Rs.240.26 lakhs as stated in Note no. 23(e);
 - ii Lease rentals/turnover levy and Interest on delay in payment aggregating to Rs. 2576.32 lakhs and Rs. 3,086.21 lakhs respectively as referred in Note no. 28;
 - iii Interest and penalty towards outstanding statutory dues and non filing of statutory returns as stated in Note nos. 48 and 49.
2. In respect of non compliance with Schedule II Part C of the Companies Act, 2013 relating to depreciation as referred to in Note no. 34.
3. In respect of non compliance with certain provisions of the Companies Act, 2013 to the extent stated below:
 - a. Section 149(4) relating to appointment of Independent Directors.
 - b. Section 177(2) and Section 178 relating to composition of Audit Committee and Nomination and Remuneration Committee of the Board.
 - c. Section 173 relating to meetings of the Board of Directors.

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the possible 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, 2015;
- 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.

Reason for Qualification

1. The Company has not provided for actuarial liability in respect of employees covered by New Medical Scheme (Retired employee Reimbursement Scheme) as referred to in Note 37(B).
2. The Company has not provided for damages claimed by provident fund authorities relating to Centaur Delhi for the period April, 2008 to December, 2012 and Chefair Delhi for the period April, 2009 to December, 2012 aggregating to Rs. 240.26 lakhs as referred to in Note No. 23(e)
3. During the year, provision has been made for lease rentals at the rate of Rs. 163/- per sq m and turnover levy payable @2% of annual turnover aggregating to Rs. 207.76 lakhs. However no provision has been



in respect of Lease rental /turnover levy and Interest due to Airports Authority of India, Mumbai International Airport Ltd (MIAL) and Delhi International Airport Ltd (DIAL) aggregating to Rs. 2,576.32 and Rs. 3,086.21 respectively in relation to the period as referred to in note no 28.

4. The Company has not provided for Interest and penalty in relation to the following:
 - a. Non filing of statutory returns in respect of Luxury Tax, Value Added Tax, Service Tax and Work Contract Tax.
 - b. Unpaid statutory dues in respect of Luxury Tax, Value Added Tax, Service Tax, Provident Fund and ESI.
5. The Company has adopted the opening balance of fixed assets as on 1st April, 2014 as per the books pending ascertainment of discrepancies, arising on account of physical verification of fixed assets and assessing the loss on Impairment of assets, if any. In view of the above, the company is unable to ascertain the impact on the charge for depreciation for the year as required by Schedule II part C of the Companies Act 2013.
6. The Company has not complied with certain provision of the Companies Act, 2013. As a consequence thereof:
 - a. The Company has not appointed Independent Directors as required under the provisions of Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence, no meeting of the Independent Directors could be held during the Audit Period.
 - b. Since the Company has not appointed Independent Directors, the Company has not complied with the provisions of Section 177(2) and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 as regards the composition of the Audit Committee and the Nomination and Remuneration Committee of the Board.
 - c. 3(three) meetings of the Board of Directors of the Company were held during the year and hence the Company has not complied with the provision of Section 173 of the Act.

Emphasis of Matters

1. Net worth of the Company continues to be completely eroded.
 - 1.1 Company continues to be under severe financial stress as reflected by:
 - a. Trade Receivables Rs. 3,333.95 lakhs
 - b. Trade Payables Rs. 872.69 lakhs
 - c. Statutory dues Rs. 1,075.90 lakhs

Despite the foregoing, these accounts have been prepared on a “Going Concern” basis as stated in Note no. 53 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 another infusion of Rs. 12 crores during the year against which equity shares shall be issued during fiscal 2015-16.



- ii. The Government of India has reduced the retirement age of employees of the Company from 60 years to 58 years.
2. Loans and Advances and Other advances receivable are considered good for recovery as referred to in Note Nos. 25, 26 and 27.
3. Non compliance with schedule VI requirement relating to Trade Receivables as referred in Note no. 11.
4. Pending wage agreements with workmen and Officers Cadre as referred to in Note no. 30.
5. Impairment of Assets in respect of assessment of potential impairment of loss as referred to in Note no. 33.
6. Loss to the property and assets due to floods as referred to in Note no. 45
7. The Company has not obtained confirmation of balance from Trade Receivables, Trade Payables, Loan and Advances, Deposits, Other liabilities, and from certain banks in respect of Current Accounts and Fixed Deposits Accounts as referred to in Note nos. 46 and 47.
8. Inventory reporting system, billing backlog and Procurement cycle as referred to in Note no. 51.
9. Strengthening the internal audit processes as referred to in Note no. 52.

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

Other Matter

We draw attention to Note no. 31 to the Financial Statements re: Capital Work in Progress.

Our opinion is not qualified in respect this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, 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 effect of the matters described in Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. The Company being a Government Company as defined in Section 2(45) of the Companies Act, 2013, is exempted from applicability of section 164(2) of the Companies Act, 2013 vide circular no. 1/2/2014 –CL.-V dated 5th June, 2015 issued by Ministry of Corporate Affairs.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigation on its financial position in its financial statement – Refer to Note No. 23(b), 23(d), 23(e), 23(f), 24, 25 and 26 of other notes to the financial statements.
 - ii. The company does not have any long-term contracts including derivatives contracts and hence there are no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M. A. Parikh & Co
Chartered Accountants
Firm Registration No: 107556W

Mukul Patel
Membership No. : 32489

Place: Mumbai
Date: 30 December, 2015

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors 'Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that :

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. Since the extent to which these balances are subject to reconciliation is not ascertainable, the resultant impact if any, of the same on the accounts will be dealt with in the year in which finality is reached.
- (b) The Company proposes to conduct physical verification of it's Fixed Assets in a phased manner i.e. once in two years. However, since the Fixed Assets have not been physically verified by the Management during the year, and in the absence of proper records of Fixed Assets referred to in (a) above, the extent of the discrepancies if any, cannot be ascertained and hence, the resultant impact of the same on the accounts will be dealt with in the year in which finality is reached. (Refer Note No. 32).
2. (a) As explained to us, inventories have been physically verified 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 reasonable and adequate in relation to the size of the Company and the nature of its business.
- (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.
3. The Company has not granted any loans to any party, covered in the register maintained under section 189 of the Companies Act, 2013 and hence clause 3(iii) of the Order is 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 of fixed assets and sale of goods and services. Management needs to take corrective action on continuing failure to improve the weaknesses in the internal controls system.(Refer note No 52)
5. The Company has not accepted any deposits and hence, the directions of the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provision of the Companies Act 2013 and its rules, are not applicable. Hence clause 3(v) of the Order is not applicable.
6. 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 sub-section (1) of section 148 of the Act in respect of the Company's products.
7. (a) According to the records of the Company, undisputed relevant statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Luxury Tax, Value Added Tax, 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 31st march, 2015 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)
Employees Provident Fund (Refer Note no. 49(b))	1,196,895
Employees State Insurance Act, 1948 (Refer Note no. 49(b))	333,557
Value Added Tax of Respective States	14,844,317
Luxury Tax Act of Respective States	11,482,509
Central Excise and Service Tax Act	8,937,087
The Income Tax Act, 1961	46,123

(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
Sales Tax	Tax	18.93	2000 – 01	Joint Commissioner of Sales Tax Appeal
	Interest	0.29		
	Penalty	0.02		
	Less Paid	10.00		
	Total	09.24		
Sales Tax	Tax	264.57	2001 – 02	Joint Commissioner of Sales Tax Appeal
	Interest	169.41		
	Penalty	15.82		
	Less: Paid	25.00		
	Total	424.80		
Sales Tax	Tax	216.63	2002 – 03	Joint Commissioner of Sales Tax Appeal
	Interest	167.89		
	Penalty	1.00		
	Less paid	20.00		
	Total	365.51		
VAT	Tax	65.52	2005 – 06	Joint Commissioner of Sales Tax Appeal
	Interest	69.61		
	Penalty	65.52		
	Less Paid	35.00		
	Total	165.65		
VAT	Tax	69.50	2006-07	Commissioner (Appeals)
	Interest	70.37		
	Less Paid	06.00		
	Total	133.87		



Name of the Statute	Nature of Dues	Amount in dispute (Rs.)	Period to which the amount relates	Forum where dispute is pending
VAT	Tax	50.50	2007-08	Commissioner (Appeals)
	Less Paid	05.00		
	Total	45.50		
VAT	Tax	43.84	2008 – 09	Commissioner (Appeals)
	Interest	24.66		
	Penalty	43.84		
	Less Paid	12.00		
	Total	100.34		
VAT	Tax	157.44	2011-12	Commissioner (Appeals)
	Less Paid	05.00		
	Total	152.44		
Luxury Tax	Tax	21.75	2000 – 01	Addl. Commissioner Sales Tax
	Less Paid	08.78		
	Total	12.97		
Luxury Tax	Tax	65.05	2000 – 01	Addl. Commissioner Sales Tax
	Interest	93.32		
	Penalty	0.08		
	Less: paid	25.31		
	Total	133.14		
Luxury Tax	Tax	19.84	2002 – 03	Commissioner of Sales Tax
	Interest	20.76		
	Penalty	1.00		
	Less Paid	26.96		
	Total	14.64		
Luxury Tax	Tax	06.97	2002 – 03	Commissioner of Sales Tax
	Penalty	0.14		
	Total	07.11		
Luxury Tax	Interest	25.72	2010 – 11	Asst. Commissioner of Luxury Tax
	Penalty	2.90		
	Total	28.62		
Luxury Tax	Interest	88.26	2011-12	Asst. Commissioner of Luxury Tax
	Penalty	3.15		
	Total	91.41		
Excise Duty	Tax	197.28	2005	Commissioner of Central – Appellate Tribunal, Mumbai

- (c) According to the information and explanations given to us, the Company does not have any amount which is pending to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 and rules made thereunder.



8. 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.
9. 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.
10. 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 x of the Order is not applicable to the company;
11. The Company has not borrowed any funds (except from its Holding Company) by way of term loans. Hence, provision of clause xi of the Order is not applicable to the Company.
12. 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 M. A. Parikh & Co
Chartered Accountants
Firm Registration No: 107556W

Mukul Patel
Membership No. : 32489

Place: Mumbai
Date: 30 December, 2015



BALANCE SHEET AS ON 31st MARCH 2015

(Amount in Rupees)

Particulars	Notes	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	506,000,000	506,000,000
Reserves and Surplus	4	(1,920,991,349)	(1,416,400,392)
		(1,414,991,349)	(910,400,392)
Non-current liabilities			
Other long-term liabilities	5	1,549,094,552	993,402,114
Long-term provisions	6	336,710,569	308,842,733
		1,885,805,121	1,302,244,847
Current liabilities			
Other short-term liabilities	5	207,947,113	74,258,545
Trade payables	7	87,269,012	82,059,060
Other current liabilities	8	458,625,219	506,046,456
Short-term provisions	6	74,151,046	51,580,387
		827,992,390	713,944,448
TOTAL		1,298,806,162	1,105,788,903
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	328,809,409	305,537,097
Capital work-in-progress	9	1,014,395	1,014,395
Long-term loans and advances	10	421,033,409	382,087,940
		750,857,213	688,639,432
Current assets			
Inventories	12	19,053,960	22,396,688
Trade receivables	11	333,395,483	164,981,736
Cash and Cash equivalents	13	56,633,993	137,501,870
Short-term loans and advances	10	138,865,513	92,269,177
		547,948,949	417,149,471
TOTAL		1,298,806,162	1,105,788,903

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

Sd/-
Mukul Patel
Partner
M.No: 32489

Place : Mumbai
Date : 30 December 2015

For and on behalf of the Board

Sd/-
Ashwani Lohani
Chairman

Sd/-
T.C. Dalal
Chief Financial Officer

Place : New Delhi
Date : 28 December 2015

Sd/-
Gargi Kaul
Director

Sd/-
Shyamala P Kunder
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015****(Amount in Rupees)**

Particulars	Notes	2014-2015	2013-2014
Continuing operations			
Income			
Revenue from operations	14	504,125,421	485,534,813
		504,125,421	485,534,813
Other income	15	24,462,189	19,494,951
TOTAL REVENUE		528,587,610	505,029,764
Expenses			
Cost of raw material consumed	16	91,093,196	92,183,824
Employee Benefits	17	543,992,234	571,420,944
Finance Cost	18	124,552,389	54,862,398
Depreciation /Amortisation Expenses	9	54,534,093	18,442,816
Other Expenses	19	206,909,173	187,346,209
TOTAL EXPENSES		1,021,081,085	924,256,191
Loss before Exceptional and Extraordinary Items		(492,493,475)	(419,226,427)
- Exceptional Items (Net)	20	8,352,994	(16,466,472)
Prior Period Adjustments (Net)	21	(16,255,512)	(3,429,520)
Loss before Extraordinary Items		(484,590,957)	(399,330,435)
- Extraordinary item	22	20,000,000	5,406,100
Loss for the year		(504,590,957)	(404,736,535)
Earnings per equity share			
Basic and Diluted Earnings per share	42	(99.72)	(87.37)

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

Sd/-
Mukul Patel
Partner
M.No: 32489

Place : Mumbai
Date : 30 December 2015

For and on behalf of the Board

Sd/-
Ashwani Lohani
Chairman

Sd/-
T.C. Dalal
Chief Financial Officer

Place : New Delhi
Date : 28 December 2015

Sd/-
Gargi Kaul
Director

Sd/-
Shyamala P Kunder
Company Secretary

**CASH FLOW STATEMENT****(Amount in Rupees)**

Particulars	As at March 31, 2015	As at March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss After Tax	(504,590,957)	(404,736,535)
<u>Adjustment for</u>		
Depreciation (Net)	54,534,093	18,442,816
Interest Charged	124,552,389	54,862,398
(Profit) on Sale of Fixed Assets	(12,000)	-
Bad Debts	118,847	5,120,970
Provision for Doubtful Debts	-	2,276,202
Interest Income	(8,448,076)	(5,219,310)
Operating loss before working capital changes	(333,845,704)	(329,253,459)
Movement in working capital:		
(Increase)/Decrease in Trade and Other Receivables	(241,107,018)	(64,518,503)
Decrease/(Increase) in Inventories	3,342,729	134,137
Increase in Trade and Other Payables	697,608,215	478,649,292
Cash generated from operations	125,998,222	85,011,467
Taxes paid	12,967,381	9,930,148
Net cash generated/(used in) from operating activities (A)	113,030,841	75,081,319
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/ Sale of Fixed Assets	(77,806,405)	(796,163)
Sale of Fixed Assets	12,000	7,815
Interest Received	8,448,076	5,219,310
Net cash used in from investing activities (B)	(69,346,329)	4,430,962
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	-	100,000,000
Interest Paid	(124,552,389)	(54,862,398)
NET CASH FROM FINANCING ACTIVITIES (C)	(124,552,389)	45,137,602
NET INCREASE/ (DECREASE) IN CASH OR CASH EQUIVALENTS (A+B+C)	(80,867,877)	124,649,884
Cash and cash balance as at beginning of the year	137,501,870	12,851,986
Cash and bank balance at the end of the year	56,633,993	137,501,870
Earmarked balances with banks	3,910,318	3,910,318
Fixed deposits with banks (Maturity more than 12 months)	7,895,965	17,202,304
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	44,827,710	116,389,248
	56,633,993	137,501,870

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
M.No: 32489

Place : Mumbai
Date : 30 December 2015

For and on behalf of the Board

Sd/-
Ashwani Lohani
Chairman

Sd/-
T.C. Dalal
Chief Financial Officer

Place : New Delhi
Date : 28 December 2015

Sd/-
Gargi Kaul
Director

Sd/-
Shyamala P Kunder
Company Secretary



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE "1" : CORPORATE INFORMATION

Hotel Corporation of India Limited was incorporated as a Government Company on July 8, 1971 under the Companies Act, 1956 with a view to enter the Hotel Industry. The Company is a subsidiary Company of Air India Limited. 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 AND AMORTISATION

A) DEPRECIATION

- a) **Until financial year 2013-14, the Accounting Policy followed by the Company was as follows:**
 - 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:
 - ii) In respect of assets acquired prior to 1st April, 1982, at rates on the estimated useful life of the Fixed Asset.
 - iii) In respect of the assets acquired from 1st April, 1982 to 2nd April, 1987 at the rates prescribed under the Income Tax Act, 1961 and rules there under.
 - iv) Assets purchased/installed during the year having cost less than Rs. 5,000/- each are being fully depreciated in the year of purchase.



- b) **With effect from financial year 2014-15, the Company has changed its policy as follows:**

Depreciation on all Tangible Assets is provided on the Straight Line Method in accordance with Schedule II to the Companies Act, 2013 from the date of its acquisition.

B) 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.

e) **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 Assets are put to use.

f) **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.

g) **VALUATION OF INVENTORIES**

Stock is valued at cost, except in case of Soft furnishing (linen) and Stores & Supplies (cutlery & crockery) which are being valued at cost irrespective of the period of use and written off to the Statement of Profit and Loss as and when discarded.

h) **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.
- iii) Post Retirement Medical Benefit Scheme is accounted as and when claim arises.

**l) 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.

j) 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.

k) 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.

l) 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.

m) 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 are 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."

n) 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.

o) **IMPAIRMENT OF FIXED ASSETS**

At the end of the year, the Company determines whether 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 (Accounts) Rules, 2014. If the recoverable amount of any fixed asset 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, 2015		As at March 31, 2014	
	Nos	Amount	Nos	Amount
Authorised Share Capital 100,00,000 (P.Y. - 51,00,000) Equity Shares of Rs 100/- each				
		1,000,000,000		510,000,000
		1,000,000,000		510,000,000
Issued, subscribed and fully paid-up shares 50,60,000 (P.Y. - 50,60,000) Equity Shares of Rs 100/- each				
		506,000,000		506,000,000
TOTAL		506,000,000		506,000,000

3.a. Reconciliation of the shares outstanding at the beginning and at the end of the year**(Amount in Rupees)**

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	Nos	Amount	Nos	Amount
At the beginning of the Year			4,060,000	406,000,000
Issued during the Year	5,060,000	506,000,000	1,000,000	100,000,000
As at the end of the Year	5,060,000	506,000,000	5,060,000	506,000,000

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 Company and President of India

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	Nos	Amount	Nos	Amount
President of India		1,000,000		1,000,000
Air India Limited (Holding Company) and its nominees		4,060,000		4,060,000

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	Nos	%	Nos	%
President of India	1,000,000	19.76	1,000,000	19.76
Air India Limited (Holding Company) and its nominees	4,060,000	80.24	4,060,000	80.24
	5,060,000	100%	5,060,000	100%

**NOTE "4" : RESERVES AND SURPLUS****(Amount in Rupees)**

Particulars	As at March 31, 2015		As at March 31, 2014	
Surplus/(Deficit) in the Statement of Profit and Loss				
Balance as per last financial statements		(1,416,400,392)		(1,011,663,857)
Profit/(Loss) for the year		(504,590,957)		(404,736,535)
Balance as at the end of the year		(1,920,991,349)		(1,416,400,392)

NOTE "5" : OTHER LIABILITIES**(Amount in Rupees)**

Particulars	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	Amount due to Holding Company *	1,498,023,998	943,642,576	-
Advance Against Share Capital (Refer Note No 35 (b))	-	-	120,000,000	16,500,000
Deposit	2,400,000	2,400,000	32,113,404	33,567,291
Retention Money	-	-	200,231	200,231
Due to J & K Government (Refer Note no. 27)	44,820,554	44,729,538	-	-
Others (Refer Note no. 37 B)	3,850,000	2,630,000	55,633,478	23,991,023
TOTAL	1,549,094,552	993,402,114	207,947,113	74,258,545

* Represents amount due on Current Account. However, since the Company is unable to pay it within 12 months, it is reflected as Non-Current Liability.

NOTE "6" : PROVISIONS**(Amount in Rupees)**

Particulars	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	Gratuity	246,792,841	231,412,270	51,688,597
Leave Encashment	89,917,728	77,430,463	22,462,449	16,645,620
TOTAL	336,710,569	308,842,733	74,151,046	51,580,387

NOTE "7" : TRADE PAYABLES**(Amount in Rupees)**

Particulars	Current	
	As at March 31, 2015	As at March 31, 2014
	Trade payables	87,269,012
TOTAL	87,269,012	82,059,060



NOTE "8" : OTHER CURRENT LIABILITIES

(Amount in Rupees)

Particulars	Current	
	As at March 31, 2015	As at March 31, 2014
Other Liabilities		
Statutory dues (Refer Note no. 48 and 49)	107,589,887	133,809,201
Lease Rental & Turnover levy Payable (Refer Note no. 28)	211,950,622	190,932,893
Outstanding Liabilities	32,856,254	41,852,785
Advance from customers	50,135,197	51,496,547
Dues to employees	56,093,259	87,955,030
TOTAL	458,625,219	506,046,456

NOTE "9" : TANGIBLE ASSETS

(Amount in Rupees)

Particulars	Land (Leasehold)	Buildings (On leasehold land)	Plant & Machinery	Furniture & Fixtures	Vehicles	Object d' Art	Total	Previous Year
Cost								
At 1 April 2014	2,708,800	334,963,420	269,192,926	174,069,067	27,495,291	774,250	809,203,754	808,415,406
Additions	-	37,873,676	39,760,626	172,103	-	-	77,806,405	796,163
Disposal	-	-	-	-	-	-	-	(7,815)
At 31 March 2015	2,708,800	372,837,096	308,953,552	174,241,170	27,495,291	774,250	887,010,159	809,203,754
Depreciation / Amortisation								
At 1 April 2014	978,452	113,890,017	220,704,117	146,588,128	20,731,703	774,240	503,666,657	485,781,878
Charge for the year	27,500	8,350,375	32,020,625	9,967,578	4,168,015	-	54,534,093	18,442,816
Disposal / Adjustments	-	-	-	-	-	-	-	(558,037)
At 31 March 2015	1,005,952	122,240,392	252,724,742	156,555,706	24,899,718	774,240	558,200,750	503,666,657
Net Block								
At 31 March 2014	1,730,348	221,073,403	48,488,809	27,480,939	6,763,588	10	305,537,097	-
At 31 March 2015	1,702,848	250,596,704	56,228,810	17,685,464	2,595,573	10	328,809,409	305,537,097
Capital work-in-progress (Refer Note no. 31)								
At 31 March 2014							1,014,395	1,014,395
At 31 March 2015							1,014,395	1,014,395

Notes:

- A) Buildings (on leasehold land) includes cost of residential flats :-
- i) 4 flats in Sher-e-Punjab Society, Andheri, Mumbai : conveyance deeds in respect there of are pending execution . Share Certificates have not been received by the Company
 - ii) 2 flats in Everest Apartments Cooperative Housing Society, Andheri, Mumbai : The Company has received 10 equity shares (Previous year - 10 equity shares) at a cost of Rs 500 (Previous year - Rs 500).
- B) Mutation in respect of the property of housing colony at Srinagar is not required since records of rights have 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 Mar 31, 2015	As at Mar 31, 2014	As at Mar 31, 2015	As at Mar 31, 2014
Capital Advance	123,898,825	101,000,000	-	-
Loans to Staff	-	-	551,476	946,583
Advance payment of Income Tax and TDS	134,894,621	121,927,240	-	-
Balances with Statutory/ Government Authorities	6,749,316	6,718,817	5,800,000	-
Receivable on account of sale of properties (Refer note no.23 b (i& ii) , Notes 24 & 25)	18,895,920	23,167,503	-	-
Deposits	8,303,733	8,316,633	-	-
Due from Holding Company	-	-	73,458,179	47,789,991
Prepaid Expenses	-	-	1,134,069	2,461,385
Other advance receivable	-	-	14,713,657	12,350,586
Receivable from J & K Government (Refer Note no. 27)	128,290,994	120,957,747	-	-
Other Loans and advances	-	-	43,208,132	31,424,053
	421,033,409	382,087,940	138,865,513	94,972,598
Less: Provision for doubtful advances	-	-	-	(2,703,421)
	421,033,409	382,087,940	138,865,513	92,269,177
The above amount is sub classified as:				
Unsecured, considered good	421,033,409	382,087,940	138,865,513	94,972,598
Doubtful	-	-	-	(2,703,421)
TOTAL	421,033,409	382,087,940	138,865,513	92,269,177

NOTE "11" : TRADE RECEIVABLES

(Amount in Rupees)

Particulars	Current	
	As at March 31, 2015	As at March 31, 2014
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	169,342,742	69,225,479
Considered doubtful	16,096,890	16,096,890
Other Debts		
Considered good	164,052,741	95,756,257
	349,492,373	181,078,626
Less: Provision for doubtful debts	(16,096,890)	(16,096,890)
TOTAL	333,395,483	164,981,736

Note: The Company has presented Trade receivables based on "billing dates" as opposed to "due date for payment" and hence, to the extent the requirement of Revised Schedule VI has not been complied with.

NOTE "12" : INVENTORIES

(Amount in Rupees)

Particulars	As at March 31, 2015	As at March 31, 2014
Raw Material	3,724,488	3,190,552
Stores	10,378,960	8,090,065
Operating Supplies	4,950,512	11,116,071
TOTAL	19,053,960	22,396,688

**NOTE "13" : CASH AND BANK BALANCES****(Amount in Rupees)**

Particulars	As at March 31, 2015	As at March 31, 2014
Cash & Cash Equivalent		
Balances with Banks:		
in Current Accounts (Refer Note no. 46 (b))	15,615,002	53,311,010
in Fixed Deposits (Refer Note no. 46 (b))	28,968,271	62,822,872
Cash on Hand	244,437	255,366
Other Balance		
Fixed Deposits with Bank (pledged with Govt Bodies)	3,910,318	3,910,318
Fixed Deposits with Banks (Maturity more than 12 months)	7,895,965	17,202,304
TOTAL	56,633,993	137,501,870

NOTE "14" : REVENUE FROM OPERATIONS**(Amount in Rupees)**

Particulars	2014-15	2013-14
Revenue from Hotels and Flight Kitchen		
Rooms - Guest Accommodation	182,760,936	180,743,644
Food, Cigars and Cigarettes	220,239,727	224,857,560
Other Services	79,650,905	58,385,382
Licence fees for Shops and Offices	20,335,609	20,006,788
Beverages (Wine and Liquor)	1,021,461	1,386,355
Telex and Telephone	116,783	155,084
TOTAL	504,125,421	485,534,813

NOTE "15" : OTHER INCOME**(Amount in Rupees)**

Particulars	2014-15	2013-14
Interest Income	8,448,076	5,219,310
Insurance claim received (Refer Note no.45)	5,000,000	
Profit on sale of asset	12,000	-
Excess provision written back	5,992,942	9,454,344
Sundry balances written back (Net)	4,112,682	2,125,167
Others	896,489	2,696,130
TOTAL	24,462,189	19,494,951

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

(Amount in Rupees)

Particulars	2014-15	2013-14
Food Consumed (Including Cigars and Cigarettes)		
Opening stock	3,074,830	1,818,888
Add: Purchases	84,535,106	88,643,750
Less: Closing stock	3,283,814	3,074,830
	84,326,122	87,387,808
Beverages (Wine and Liquor)		
Opening Stock	115,722	350,775
Add: Purchases	346,533	262,265
Less: Closing stock	440,673	115,722
	21,582	497,318
Consumption of Stores and Supplies		
Opening Stock	8,090,065	9,736,282
Add: Purchases	9,034,387	2,652,481
Less: Closing Stock	10,378,960	8,090,065
	6,745,492	4,298,698
Cost of Raw material consumed	TOTAL 91,093,196	92,183,824

NOTE "17" : EMPLOYEE BENEFITS

(Amount in Rupees)

Particulars	2014-15	2013-14
Salaries, Wages and other benefits	390,944,711	410,738,061
Gratuity	62,771,095	66,002,998
Leave Encashment	32,129,788	29,813,224
Contribution to Provident Fund and Other Fund	39,736,293	44,254,587
Staff Welfare Expenses	17,590,115	19,962,593
Bonus	820,232	649,481
TOTAL	543,992,234	571,420,944

NOTE "18" : FINANCE COST

(Amount in Rupees)

Particulars	2014-15	2013-14
- Interest Expenses	124,552,389	54,862,398
TOTAL	124,552,389	54,862,398

**NOTE "19" : OTHER EXPENSES**

(Amount in Rupees)

Particulars	2014-15	2013-14
Power & Fuel	105,371,462	97,950,718
Lease Rent	21,125,408	20,866,589
Security Charges	8,661,896	11,858,913
Repairs & Maintenances:		
Building	4,359,687	3,762,169
Plant and Machinery	3,218,253	4,073,842
Others	20,184,000	4,174,272
Miscellaneous Expense	13,471,395	13,118,427
Travelling & Conveyance:		
Travelling	332,355	342,737
Conveyance	877,178	1,256,441
Vehicle Expense	5,777,831	6,279,495
Soft Furnishing	2,474,510	2,352,606
Rates and Taxes	10,364,846	6,596,012
Printing and Stationery	1,739,180	1,890,392
Legal and Professional Charges	5,076,272	1,755,038
Communication costs	1,575,394	1,640,484
Insurance	1,103,810	1,370,627
Advertisement and Publicity	670,716	181,943
Commission	126,989	148,027
Payment to Auditor (Refer note below)	279,144	330,305
Provision for Doubtful debts	-	2,276,202
Bad Debts	118,847	5,120,970
TOTAL	206,909,173	187,346,209
Note : Payment to Auditor		
For Audit Fees	176,000	173,265
For Reimbursement of expenses	103,144	157,040
TOTAL	279,144	330,305

NOTE "20" : EXCEPTIONAL ITEMS (NET)

(Amount in Rupees)

Particulars	2014-15	2013-14
Provident Fund (short provision against wage revision)	4,081,411	-
Irrecoverable debt (Refer Note no. 23 (b)(i))	4,271,583	-
VRS Excess provision written back	-	(16,466,472)
TOTAL	8,352,994	(16,466,472)

**NOTE "21" : PRIOR PERIOD ADJUSTMENTS (NET)****(Amount in Rupees)**

Particulars	2014-15	2013-14
Employee Benefits	3,639,786	
Legal & Professional Charges	626,596	-
Repairs and maintenance	205,800	205,912
Interest on delayed PF payments	11,891,117	-
Depreciation	-	(405,325)
(A)	16,363,299	(199,413)
Interest on Fixed Deposits	1,731,802	-
Revenue from Flight Kitchen	30,887,009	3,230,107
(B)	32,618,811	3,230,107
TOTAL (A-B)	(16,255,512)	(3,429,520)

NOTE "22" : EXTRAORDINARY ITEM**(Amount in Rupees)**

Particulars	2014-15	2013-14
Arbitration Award (Refer Note no. 23 (b)(i))	20,000,000	5,406,100
TOTAL	20,000,000	5,406,100



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
23	Contingent Liabilities in respect of :		
a)	Claims against the Company not acknowledged as debts	50,621,000	56,974,429
b)	Claims under Arbitration :		
i)	Counter Claim made by M/s Tulip Hospitality Services 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 V. Hotels Ltd. (Previously known as M/s Tulip Hospitality Services Ltd.). Series of meetings were held between the Company and 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 approved by the Competent Authority on 4th September 2015 . Based on the said approval, Company has provided Rs 2 crores as Extraordinary item in Statement of Profit & Loss for the year. Further, the Company has written off Rs 0.43 crores as irrecoverable debts shown as Exceptional item in Statement of Profit & Loss for the year.	-	20,000,000
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 years, 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 . The Company has recorded an amount of Rs 1.88 crores in the books of Accounts. The buyers preferred an appeal in the Hon'ble High Court of Bombay against the award. The Hon'ble High Court has set aside the Arbitration Award which has been challenged by the Company before the Divisional Bench of the Hon'ble High Court of Bombay.(Refer Note no. 25).	23,567,000	23,567,000
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	3,410,000,000	3,410,000,000



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
	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 as per the 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 challenged the termination of the Agreement and claimed Rs 341 crores plus 18% interest from the Company, The Arbitration Award has since been received on 14th August 2015 directing HCI to hand over the property to the party along with legal cost of Rs 54 lakhs. This has been challenged by the Company in the Hon'ble High Court of Bombay.		
iv)	The Company had entered into an Agreement with M/s. N S Associates for renovation of guest rooms together with connected shafts and corridors at Centaur Hotel, Delhi Airport. Certain disputes and differences arose with the said Party and the final bill was not settled. Accordingly, the party invoked arbitration clause claiming an amount of Rs 7.88 crores.	78,779,081	78,779,081
v)	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)	Disputed Sales Tax/Value Added Tax 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 paid Rs 118 lakhs - previous year Rs 59.92 lakhs under protest.	158,916,736	138,122,241
iii)	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 paid Rs.52.27 lakhs - previous year Rs. 6.07 lakhs under protest.	32,008,000	30,245,000



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
	iv) Claim of excise duty, for which the Company has preferred an appeal	19,728,246	19,728,246
e)	Claims made by Provident Fund Authorities:		
	The Employees' Provident Fund Organization has raised demands for interest/ damages for belated payments made by Centaur Delhi during the period April, 2008 to December, 2012 and by Chefair Delhi for the period April, 2009 to March, 2014 respectively aggregating to Rs. 118.91 lakhs as interest and Rs.240.26 lakhs as damages. During the year, the Company has made a provision for the interest of Rs 118.91 lakhs and shown as Prior Period Expenses. The Company has filed an appeal with Provident Fund Tribunal for waiver of damages for Centaur Delhi. Since the Company is hopeful of positive outcome, no provision for the said damages has been made in the books of accounts.	24,025,960	27,982,258
	The bank account of Delhi was frozen by Provident Fund authorities in March, 2015 from which they have recovered Rs. 50 Lacs. The bank account of Chefair Mumbai is frozen by Provident Fund authorities in April 2015 and further sum of Rs. 67 lacs is recovered by them.		
	The above bank accounts have been defrozen by the Provident Fund authorities vide their order dated 6th October, 2015.		
f)	Claims made by employees	Amount Indeterminate	Amount Indeterminate
g)	The Company has not received any claim in respect of Property Tax relating to its flats in Shere-e-Punjab Society. (Refer Note no. 9 (A) (I)).		
24.	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 V. Hotels and from the Company 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 V. Hotels to make payment of the said premium which has been challenged by them in the Bombay High Court.		
25.	During 2002-03, the Company accounted for Rs 2.98 crores as receivable from M/s Sahara Hospitality Ltd on account of Net Current Assets transferred to the respective buyers of Centaur Hotel Mumbai Airport. The buyers M/s Sahara Hospitality Ltd. disputed the same. Based on the Arbitration award the amount receivable from M/s Sahara Hospitality Ltd. 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 earlier year. Against the said Award, the buyers preferred an appeal in the High Court of Bombay. In July 2015 the		



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
	<p>Company has received order from High Court which is in favour of the buyer, which has been challenged by the Company before the Division Bench of the Hon'ble High Court of Bombay. In the opinion of the Management, the amount receivable from M/s Sahara Hospitality 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 High Court of Bombay.</p>		
26	<p>Other Advances receivable Rs. 147.14 lakhs includes :</p> <p>a) Rs. 50.43 lakhs due from M/s Caribjet. The Company has taken legal steps for recovery of said sums.</p> <p>b) Rs. 37.17 lakhs due from AAI for the period from 1986-87 to 2005-06 and Rs. 12.72 lakhs due from MIAL for the period from 2006-07 to 2009-10 .</p> <p>The Company is of the view that the above sums are good for recovery and hence no provision is required in respect thereof.</p>		
27	<p>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.</p> <p>a) Cost Sharing Arrangement</p> <p>Amount receivable from J & K government in respect of cost sharing arrangements with SKICC is Rs 865.16 lakhs.</p> <p>b) The amount payable to J & K government on account of joint construction is Rs 396.76 lakhs, lease premium Rs. 27.09 lakhs and lease rent Rs. 24.36 lakhs aggregating to Rs. 448.21 lakhs and amount receivable on account of joint construction is Rs. 417.75 lakhs.</p> <p>These balances are subject to reconciliation and confirmation. Adjustment , if any will be accounted in the year in which finality is reached.</p>		
28	<p>Lease rentals and Turnover levy :</p> <p>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 payable to :</p>		
	<p>i) Mumbai International Airport Ltd (MIAL) for Chefair Flight Catering Mumbai</p>	5,792,367	5,792,367
	<p>ii) Delhi International Airport Ltd (DIAL) for Centaur Hotel Delhi Airport & Chefair Flight Catering Delhi.</p>	14,983,206	14,983,206



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
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	202,766,494	202,766,494
ii)	Lease rental differential payable to Mumbai International Airport Ltd (MIAL) for Chefair Flight Catering Mumbai, effective 3 May 2006	9,482,637	8,385,174
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	45,383,052	45,139,523
c)	No provision has been made for Interest upto 31st March 2015 on amount due to :		
i)	AAI	142,185,178	130,339,602
ii)	MIAL	42,849,616	34,412,458
iii)	DIAL	123,586,117	117,276,878

29 Catering and Handling Revenue accounted on provisional basis:

i) Chefair - Delhi

During the current year, the Company has booked the actual revenue aggregating to Rs 640.77 lakhs relating to the period June 2009 to December 2009, February 2010 to March 2011 and January 2014 to March, 2014 against which revenue was accounted on provisional basis amounting to Rs 418.75 lakhs, resulting in incremental revenue of Rs 222.03 lakhs which has been disclosed as Prior Period Adjustment in the Statement of Profit & Loss.

ii) T3 Lounge

a) During the current year, the Company has booked the actual revenue aggregating to Rs 266.32 lakhs relating to the period October 2013 to March, 2014 against which revenue was accounted on provisional basis amounting to Rs 207.93 lakhs, resulting in incremental revenue of Rs 58.39 lakhs which has been disclosed as Prior Period Adjustment in the Statement of Profit & Loss.

b) During the year, the revenue is accounted on provisional basis for the period September 2014 to March 2015 aggregating to Rs 403.02 lakhs.

The difference between the value of provisional billing and final billing will be adjusted in the year in which final bills are raised.

30 The wage agreements with workmen expired on 31.12.2006. The Unions have since submitted their Charters of Demands for the 5 year period ended 31.12.2011. Besides, the wage revision for the 5 year period



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
	<p>1.1.2012 onwards is also pending. Similarly, the wage revision relating to the Officers Cadre which was due on 01.01.2007 for a period of 10 years is still pending.</p> <p>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.</p>		
31	<p>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 21st March, 2009 for customisation to meet local requirements. This process has been inordinately delayed and hence it continues to reflect as Capital Work –in –Progress as on 31st March, 2015.</p>		
32	<p>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 assets once in two years i.e. for the block period 2014-15 and 2015-16. The resultant impact of discrepancy, if any, will be dealt with in the year in which finality is reached.</p>		
33	<p>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.</p>		
34	<p>Depreciation:</p> <p>The opening balance of Fixed Assets as on 1st April, 2014 is subject to ascertainment of discrepancies in relation to:</p> <ul style="list-style-type: none">a) Physical verification of Fixed Assets to be conducted (Refer note No.32)b) Impairment of Fixed Assets (Refer Note No.33)c) In the absence of actual installation date of Fixed Assets prior to 1st April, 2014 the Company has assumed 1st April of each financial year as the date of installation for all Fixed Assets during the relevant financial years. <p>The opening balance of Fixed Assets will be accordingly adjusted to the extent of discrepancies if any arising on account of the above.</p> <ul style="list-style-type: none">d) Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 1st April, 2014, the Company has adopted the opening balance of fixed assets as on 1st April, 2014 as per the books (which is subject to the adjustments stated above as per notes a, b and c) to compute the depreciation with reference to useful life		



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
	<p>of fixed assets prescribed by PART 'C' of Schedule II to the Act. Where the remaining useful life of asset is nil, the carrying amount of the assets after retaining the residual value, as on 1st April, 2014 amounting to Rs. 250.05 lakhs has been expensed out as depreciation for the year in the Statement of Profit and Loss. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognized in the Statement of Profit and Loss.</p> <p>The Company will ascertain the impact on the charge for depreciation for the year based on the revised opening balance of Fixed Assets as per notes (a), (b) and (c) and consequently, the provision for depreciation will be revised suitably to comply with Schedule II, Part C of the Companies Act, 2013 .</p>		
35	Renovation of Hotels :		
a)	<p>During the previous year, the Company had entered into an MOU with Airports Authority of India (AAI) for renovation of Centaur Delhi, Chefair Delhi and Centaur Srinagar for which the Company had paid an advance of Rs 10 crores in June 2013. During the current year fixed assets aggregating to Rs. 771.01 lakhs have been capitalized on the basis of xerox copies of invoices received from AAI. In the absence of installation reports, the company has relied on the declaration made by AAI in this regard. The Company has computed depreciation for the year based on the dates referred to in the AAI statements. The balance amount of Rs. 228.99 lacs with AAI reflects as capital advance which will be used for further renovation of Centaur Delhi.</p>		
b)	<p>Further, during the current year, the Company has received a sum of Rs 12 crores from the Government of India for renovation of Centaur Delhi, Chefair Delhi and Centaur Srinagar. Out of the above, the Company has advanced a sum of Rs. 10 crores to AAI against another MOU entered into for renovation of Centaur Delhi and Srinagar. The balance Rs. 2 crores is to be utilized for procurement of equipments for Chefair Delhi.</p>		
36	<p>The Company has been advised by its Holding Company that the interest Rs. 12.36 crores due to it on Rs.149.80 crores advanced to the Company 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.</p>		



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
37	Employee Benefits		
	A Defined Benefit Plan- Gratuity (unfunded)		
	a) Liability recognised in the Balance Sheet -Change in Benefit Obligation:		
	Present value of benefit obligation as at the beginning of the current period	266,347,037	310,910,712
	Interest cost	24,743,640	24,872,857
	Current service cost	9,135,487	10,042,355
	Benefit paid	(30,636,694)	(109,896,903)
	Actuarial (gain)/ loss on obligations	28,891,969	30,418,016
	Liability as at the end of the year	298,481,439	266,347,037
	b) Expenses Recognized in the Statement of Profit and Loss		
	Current service cost	9,135,487	10,042,355
	Net Interest cost	24,743,640	24,872,857
	Actuarial (Gain)/ Loss	28,891,969	30,418,016
	Expenses Recognized in the Statement of Profit and Loss	62,771,096	65,333,228
	c) Balance Sheet Reconciliation:		
	Opening net liability	266,347,037	310,910,712
	Expense as above	62,771,096	65,333,228
	Benefit paid	(30,636,694)	(109,896,903)
	Net Liability Recognized in the Balance Sheet	298,481,439	266,347,037
	d) Assumptions:		
	Discount rate	7.99%	9.29%
	Salary escalation rate	5.00%	5.00%
	Attrition rate	2.00%	2.00%
	B The Company has introduced New Medical Benefit Scheme (Retired Employee Reimbursement Scheme) for those employees who superannuate as on 1st 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 contribution of Rs. 32.50 lakhs (previous year Rs 26.30 lakhs) from 136 (previous year 112) retired employees upto 31st March, 2015 which is accounted as a Current Liability.		
	The company has not obtained an actuarial valuation of the liability under the scheme in order to comply with provisions of Accounting Standard 15 (AS-15) "Employees Benefits" and hence to that extent it has not complied with the provisions of AS-15.		
38	Segment information is provided in Annexure "I" as per AS 17 "Segment Reporting" under Rule 7 of the Companies (Accounting) Rules, 2014.		



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
39	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) Related Party Relationships		
	i) Holding Company Air India Limited		
	ii) Key Managerial Personnel & Relatives T.C.Dalal - Chief Finance Officer - wef 11.2.2015 Shyamala Kunder - Company secretary		
	b) Related Party Transactions		
	i) Remuneration paid to Key Managerial Personnel T.C.Dalal - Chief Finance Officer - wef 11.2.2015	131,273	-
	ii) Sales during the year: Holding Company - Air India Limited	415,157,448	364,481,091
	iii) Closing Balance: <u>Holding Company - Air India Limited</u>		
	Trade Receivable	314,661,702	145,889,979
	Due to Air India	1,498,023,998	943,642,576
	Other Receivable	73,458,179	47,789,991
	Advance received	49,000,000	49,000,000
	Note: Related Parties have been identified by the Company and relied upon by the auditors		
40	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	5,561,950	5,652,966
41	In accordance with Accounting Standard 22 on "Accounting for Tax on Income" (AS - 22) as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, Deferred Tax Assets consist of substantial amounts of carry forward losses and unabsorbed depreciation under the Income Tax Act, 1961. However, since the availability of sufficient future taxable income against which the said benefits can be set off is not possible to be ascertained with virtual certainty, the Deferred Tax Assets have not been recognized as a measure of abundant caution.		



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
42	Earnings per share:		
a)	Loss for the year	(504,590,957)	(404,736,535)
b)	Weighted Average No. of Equity Shares	5,060,000	4,632,603
c)	Nominal value per equity share (Rs.)	100	100
d)	Basic and Diluted EPS (Rs.) per share	(99.72)	(87.37)
43	During the financial year 2012-13, the Luxury Tax authority froze seven bank accounts on 15th February 2013 due to non payment of Luxury Tax in relation to Centaur Delhi and these accounts continued to be frozen as on 31st March 2015. The authorities continued to appropriate all the deposits aggregating to Rs.318.31 lakhs upto 31st March, 2015 (Including Rs.90.54 lakhs for the year) in these bank accounts towards dues on account of Luxury Tax. According to the books, the liability of Centaur Delhi after appropriation, as stated above, as on 31st March 2015 is Rs.304.40 lakhs .		
44	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.		
45	During the year, torrential rains and floods from the Dal Lake inundated the Company's property at Srinagar. The Company is in the process of ascertaining the loss to the property and assets (including impairment loss if any) on account of the floods and the same shall be recorded as and when finality is reached. In the meanwhile, the Company has lodged an insurance claim of Rs 4.85 crores with the Insurance Company against which the Company has received Rs. 50 lakhs as adhoc payment which has been accounted under the head "Other Income" in the Statement of Profit and Loss and the balance,if any, shall be recorded as and when received.		
46	Confirmation of balances:		
a)	The Company has not sought confirmation of balances in respect of Trade Receivables, Trade Payables, Loans and Advances, Deposits and Other Liabilities as on 31st March, 2015. Accordingly, such accounts reflect the balances as per their respective ledger accounts and are subject to confirmation, and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained.		
b)	During the year Company has sought confirmation of balances in respect of balances in current accounts and Fixed Deposits accounts. The Company has not received confirmation of balances in respect of 4 inoperative bank accounts and Fixed Deposits aggregating to Rs 39.10 lakhs. As regards the confirmation received, the position is as follows:		



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
	i. The balances in current accounts have been reconciled with the balances as per the bank confirmations and the same are found in order.		
	ii. The balance as per bank confirmation in respect of certain fixed deposits is higher than book balance which aggregate to Rs. 17.32 lakhs . The said balance of Rs. 17.32 lakhs has been recognized as interest on fixed deposits for the year/prior period as the case may be.		
47.	Sundry Debtors includes dues from Related party [Holding Company - Air India Limited] Rs. 31.47 crores (previous year Rs. 14.59 crores) which is subject to reconciliation and confirmation. The difference , if any, will be adjusted in the year in which finality is reached.	314,661,702	145,889,979
48.	The Company has not filed statutory returns relating to Luxury Tax, Value Added Tax, Service Tax and Works Contract Tax in respect of Centaur Delhi and Chefair Delhi. 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
49	Unpaid Statutory Dues with respect to:		
	a) Luxury Tax, VAT and Service Tax aggregating to Rs.883.48 lakhs (Previous year - Rs. 793.58 lakhs). Interest /penalty/ damages payable, if any, on these overdues will be accounted for in the year in which the liability is ascertained.		
	b) Provident Fund and ESI aggregating to Rs184.23 lakhs (Previous year - Rs 540.97 lakhs), of which dues relating to Chefair Delhi and T3 Lounge aggregating to Rs 119.79 lakhs are subject to reconciliation and hence the differences, if any, arising therefrom will be adjusted in the year in which finality is reached.		
50.	In the opinion of the Company, the Current Assets and Loans and Advances 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.		
51.	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.		
	b) Clearing the billing backlog referred to in Note no.29		
	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.		



(Amount in Rupees)

S.No	Particulars	2014-15	2013-14
52	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.		
	c) Laying down Standard Operating Procedures with regard to timely accounting of all transactions to ensure that proper books of accounts are maintained.		
53	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 financial year 2013-14 and received further infusion of Rs 12 crores for which equity shares will be issued in financial year 2015-16. These funds are 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. . This would result in substantial savings .		
54	Earnings in foreign currency :		
	Earnings in foreign currency	277,785	341,805
55	Previous year figures have been regrouped wherever necessary in order to conform to those of the current year.		

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

Sd/-
Mukul Patel
Partner
M.No: 32489

Place : Mumbai
Date : 30 December 2015

For and on behalf of the Board

Sd/-
Ashwani Lohani
Chairman

Sd/-
T.C. Dalal
Chief Financial Officer

Place : New Delhi
Date : 28 December 2015

Sd/-
Gargi Kaul
Director

Sd/-
Shyamala P Kunder
Company Secretary



Segmentwise Reporting for the year 2014-15

A. PRIMARY BUSINESS SEGMENT :

Particulars	Hotels	Flight Kitchens	Others	Total
1. SEGMENT REVENUE	269,465,985	250,248,601	8,873,024	528,587,610
	(264,614,628)	(235,509,234)	(4,905,902)	(505,029,764)
2. SEGMENT RESULT LOSS				
Loss before Interest, Exceptional and Extraordinary Items	222,573,781	153,303,260	(7,935,955)	367,941,086
	(197,920,082)	(171,419,797)	4,975,850	(364,364,029)
Finance Cost	63,543,746	61,008,643	-	124,552,389
	(26,609,234)	(28,253,164)	-	(54,862,398)
Exceptional Items (Net)	-	4,081,411	4,271,583	8,352,994
	(-10,624,488)	(-505,830)	(-5,336,154)	(-16,466,472)
Prior Period Adjustment (Net)	6,615,295	(21,933,740)	(937,067)	(16,255,512)
	(27,362)	(-3,456,882)	-	(-3,429,520)
Extraordinary items	-	-	20,000,000	20,000,000
	-	-	(5,406,100)	(5,406,100)
LOSS FOR THE YEAR	292,732,822	196,459,574	15,398,561	504,590,957
	(213,932,190)	(195,710,249)	4,905,904	(404,736,535)
3. SEGMENT ASSETS	565,487,146	401,000,956	332,318,060	1,298,806,162
	(505,423,153)	(209,727,695)	(390,638,055)	(1,105,788,903)
4. SEGMENT LIABILITIES	621,556,258	450,262,323	1,641,978,930	2,713,797,511
	(622,106,970)	(422,220,515)	(971,861,810)	(2,016,189,295)
5. TOTAL CAPITAL EXPENDITURE	73,480,610	4,231,636	94,159	77,806,405
	(449,312)	(346,851)	-	(796,163)
Figures in brackets relate to previous year.				

B. GEOGRAPHICAL SEGMENT :

The Company provides services within India and hence, does not have any operations in economic environments with different risks and returns. Hence, it is considered that the Company is operating in a single geographical segment.



TEN YEAR HIGHLIGHTS

(Rupees in lakhs)

PARTICULARS	2014-15	2013-14	2012-13	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
OPERATING RESULTS AT A GLANCE										
TOTAL REVENUE	5,285.88	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
TOTAL OPERATING COST	8,419.95	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
GROSS OPERATING PROFIT	(3,134.07)	(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
DEPRECIATION	545.34	184.43	176.18	196.63	196.63	232.09	220.49	162.37	146.50	142.82
INTEREST	1,245.52	548.62	2.03	43.54	42.74	30.77	-	-	0.10	184.77
ADJUSTMENT OF PRIOR YEARS					-	-	-	-		13.48
PRIOR PERIOD & OTHER ADJUST	120.97	(144.90)	83.42	(25.98)	(91.54)	86.20	39.25	905.02	27.44	(14.95)
ADJUSTMENT OF INCOME TAX / FBT					-	-	12.31	13.18	23.32	-
PROFIT /(LOSS) BEFORE TAX	(5,045.91)	(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)
PROFIT /(LOSS) AFTER TAX	(5,045.91)	(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)
SHARE CAPITAL	5,060.00	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
RESERVES & SURPLUS	(19,209.91)	(14,164.00)	(10,116.64)	(6,555.10)	(4,426.07)	-	1,156.07	3,017.47	5,514.13	6,784.51
NET WORTH	(14,149.91)	(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
BORROWINGS				-	-	520.26				-
GROSS BLOCK	8,870.10	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
DEPRECIATION	5,582.01	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
NET BLOCK	3,288.09	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
CAPITAL WORK IN PROGRESS	10.14	10.14	10.14	10.14	20.69	20.71	109.10	150.29	1.19	1.19
CURRENT ASSETS	9,689.82	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
CURRENT LIABILITIES	27,137.98	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
NET CURRENT ASSETS	(17,448.15)	(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
CAPITAL EMPLOYED	(14,160.06)	(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
OPERATIONAL STATISTICS										
AVERAGE OCCUPANCY:										
CENTAUR HOTEL - DELHI %	76	40	53	66	57	33	46	73	76	67
CENTAUR LAKE VIEW HOTEL-SRINAGAR %	51	43	51	48	45	48	47	46	48	27
TOTAL NO OF GUESTS										
CENTAUR HOTEL - DELHI	39,398	35,365	53356	54399	48,522	29,344	39,053	62,201	65,778	56,158
CENTAUR LAKE VIEW HOTEL-SRINAGAR	42,361	42,157	54438	37561	34,525	36,957	35,632	32,525	31,176	33,727
EARNINGS IN FOREIGN EXCHANGE (RS IN LAKHS)	2.78	3.42	29.46	64.02	89.06	91.71	114.05	172.72	217.08	250.06
NO.OF EMPLOYEES (YEAR END)	1,008	1,065	1273	1279	1325	1381	1439	1486	1664	1695
EMPLOYEES' REMMUNERATION BENEFITS (RS IN LAKHS)	5,439.92	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