

BAY ISLANDS HOTELS LIMITED
REPORT OF THE DIRECTORS
For the Financial Year Ended 31st March, 2009

Your Directors submit their Report and Accounts for the financial year ended 31st March, 2009.

Performance

During the year under review, your Company earned an income of Rs. 96.75 lacs (previous year - Rs. 83.16 lacs) and a net profit of Rs. 63.85 lacs (previous year - Rs.54.14 lacs) after providing for income tax of Rs. 26.99 lacs (previous year - Rs. 23.60 lacs). Earnings per share for the year stands at Rs. 537.64 per share of Rs. 100/- (previous year - Rs. 455.96 per share of Rs.100/-). Cash Flow from Operations were Rs. 67.51 lacs during the year (previous year - Rs. 75.56 lacs).

Your Directors are pleased to recommend a dividend of Rs. 50/- (previous year - Rs. 40/-) per equity share of Rs.100/- for the year ended 31st March, 2009. Your Board further recommends a transfer to General Reserve of Rs. 6.38 lacs (previous year - Rs. 6.77 lacs).

Conservation of Energy

Considering the fact that the hotel is under an operating licence with ITC Limited, no comment is made on conservation of energy. However, your Company's hotel viz., Fortune Resort Bay Island continues to focus on energy conservation, safety and environment.

Foreign Exchange Earnings and Outflow

There has been no foreign exchange income or outflow during the year (previous year - Nil).

Directors

In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr.C.M.Jadwet and Mr. Nakul Anand will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Particulars of Employees

None of the employees fall under the purview of the provisions of Section 217(2A) of the

Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

Compliance Certificate under Companies Act, 1956

A certificate issued by M/s. P B & Associates, Company Secretaries, in terms of the provisions of Section 383A of the Companies Act, 1956 to the effect that the Company has complied with the applicable provisions of the said Act is attached to this Report.

Auditors

The Auditors of your Company M/s. S.B. Dandekar & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Responsibility Statement

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that :

a) in the preparation of annual accounts under review, the applicable accounting standards had been followed. b) appropriate accounting policies were selected and applied consistently and reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that period. c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. d) the annual accounts are prepared on a going concern basis. The required disclosures and the significant accounting policies followed are appearing in Schedules 15 and 16 respectively, to the annual accounts.

On behalf of the Board

Mohan Bhatnagar Director
Gurgaon, 1st May, 2009 M. Riaz Ahmed Director

Compliance Certificate

Company No.: U74899DL1976PLC105131
Nominal Capital: Rs 1.20 crores

**The Members of
Bay Islands Hotels Limited
25, Community Centre,
Basant Lok, Vasant Vihar,
New Delhi-110057**

We have examined the registers, records, books and papers of **Bay Islands Hotels Limited** (hereinafter referred to as 'the Company') as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder, the provisions contained in the Memorandum and Articles of Association of the Company and also the audited Annual Accounts, Auditors' Report on the said annual accounts for the financial year ended 31st March, 2009 (financial year). In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the financial year:

1. The Company has kept and maintained Registers as stated in "Annexure: A" to this Certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in "Annexure: B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made thereunder.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 4 (Four) times respectively on 25th April 2008; 29th September 2008; 23rd December 2008 and 18th March 2009 in respect of which meetings proper notices were given and the proceeding were properly recorded and signed. There was no resolution passed by circulation.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 12th June 2008 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extraordinary general meeting was held during the financial year.

8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the Register maintained under Section 301(1) of the Act. However, it has made necessary entries in Register maintained under Section 301(3) of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company has:
 - (i) not made any allotment /transfer / transmission of securities during the financial year.
 - (ii) not deposited any amount in a separate Bank Account. However, the entire final dividend has been disbursed to the Members within five days from the date of declaration of such dividend.
 - (iii) paid dividends to all the members within a period of 30 days from the date of declaration and that there is no Unclaimed/Unpaid Dividend, which is required to be transferred to a Special Account.
 - (iv) not transferred any amount in Investor Education and Protection Fund as there is no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years.
 - (v) duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of the transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act. Similarly, no fines, penalties or punishment under the Act was imposed on the Company during the financial year.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

For PB & Associates
Company Secretaries

Pooja Bhatia
LLB, ACS

New Delhi, 1st May, 2009

CP: 6485

Annexure: A**Registers maintained by the Company
(As at March 31, 2009)**

Sl. No.	Particulars	Relevant Section of the Act
1.	Minutes Book of the meetings of the Board of Directors of the Company	193
2.	Minutes Book of General Body Meetings of the Members of the Company	193
3.	Copies of Annual Returns	159
4.	Register of Members	150
5.	Register of Particulars of Directors, Managing Director, Manager and Secretary	303
6.	Register of Directors' Shareholding	307
7.	Register(s) of contracts, Companies and firms in which Directors are interested	301(3)
8.	Books of Accounts	209
9.	Register of Share Transfer	

Annexure: B**A. Forms and Returns filed with the Registrar of Companies, New Delhi
(During the Year ended on March 31, 2009)**

Sl. No.	Particulars of Forms & Returns Filed	Date of Filing	Whether filed within prescribed time	Additional Fees paid
1.	Form 23AC and Form 23ACA for Annual Accounts u/s 220 for the year ended 31 st March, 2008	7 th July, 2008	Yes	No
2.	Form 66 for Compliance Certificate u/s 383A of the Act, for the financial year 31 st March, 2008	8 th July, 2008	Yes	No
3.	Form 20B for Annual Return u/s 159 of the Act, made upto 12 th June, 2008	30 th July, 2008	Yes	No
4.	DIN 3 u/s 266E For Mr. Cassim Mohamad Jadwet	14th October, 2008	Yes	No

B. Forms and Returns filed with the Regional Director, Central Government or other authorities: Nil

REPORT OF THE AUDITORS TO THE MEMBERS

1. We have audited the attached Balance Sheet of Bay Islands Hotels Limited as at 31st March, 2009 and the related Profit and Loss Account and Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
4. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and the above mentioned Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement therewith.
5. In our opinion, the Balance sheet , Profit & Loss Account and Cash flow statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956 of India (the Act).
6. On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on 31st March, 2009 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Act.
7. In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statement together with the statement of significant accounting policies and notes thereon / attached thereto give, in the prescribed manner, the information required by the Act and also give respectively, a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
 - (b) In the case of Profit and Loss Account, of the profit for the year ended on that date.
 - © In the case of Cash Flow Statement, of the cash flows for the year ended on that date.
8. As required by the Companies (Auditor's Report) Order, 2003 , amended by the Companies (Auditor's Report) (Amendment) Order,2004, issued by the Central Government of India in terms of Section 227(4A) of the Act and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we further report that :-
 - (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
 - (b) The Fixed Assets of the Company have been physically verified by the management during the year, which is considered to be reasonable and no material discrepancies between book records and physical inventory were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
 - (ii) As the Company does not hold any inventory, clause (ii) of Para 4 of the Order is considered as not applicable.
 - (iii) The Company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Act. Accordingly, clauses (iii)(b), (iii)(c) and

(iii)(d) of the Order are considered as not applicable.

(iv) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any major weaknesses in the above said internal control procedures commensurate with the size of the Company and nature of its business.

(v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained under Section 301 of the Act. Accordingly, clause (v)(b) of the Order is considered as not applicable.

(vi) The Company has not accepted any deposits within the meaning of the provisions of Sections 58A and 58AA of the Act and the rules framed thereunder.

(vii) As required under item No. (vii) of the said Order, since the Company has Paid-up Capital less than Rs.50,00,000/-, internal audit system is not necessary.

(viii) The Central Government of India has not prescribed the maintenance of cost records by the Company under Section 209(1)(d) of the Act.

(ix) According to the information and explanations given to us and the books and records as produced and examined by us in accordance with generally accepted auditing practices in India:

a) The Company is regular in depositing the undisputed amount of statutory dues to the Government Accounts.

b) There is no amount of statutory dues not deposited by the Company on account of any dispute.

x) The Company has neither accumulated losses as at 31st March, 2009 nor has it incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year.

xi) Based on our audit procedures and information and explanations given by the management, the Company has no dues to any financial institution or bank during the financial year under audit.

xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion, considering the nature of the activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to it.

xiv) In our opinion and according to the information and explanations given to us, the Company has not dealt or traded in shares, securities, debentures or other investments during the year.

xv) The Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.

xvi) Term loans were not availed by the Company and hence no such liability stood at the end of the year under audit

xvii) Based on the information and explanations given to us and on overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised during the year on a short term basis which have been used for long-term investment and vice versa.

xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the year.

xix) As the Company has not issued any debentures and no debentures are outstanding at the year-end, hence clause (xix) of the Order is considered as not applicable.

xx) The Company has not raised any money by public issue during the year under audit.

xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
S.B.DANDEKAR & COMPANY

KEDARASHISH BAPAT
Chartered Accountant
Membership No:057903

Place: Port Blair
Date: 1st May, 2009

BAY ISLANDS HOTELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

Schedule	As at 31st March, 2009		As at 31st March, 2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
I. SOURCES OF FUNDS				
Shareholders' Funds				
[a] Capital	1	1,187,500	1,187,500	
[b] Reserves & Surplus	2	90,076,027	85,212,242	86,399,742
		<u>91,263,527</u>		<u>86,399,742</u>
II. APPLICATION OF FUNDS				
1. Fixed Assets				
[a] Gross Block	3	103,442,743	103,442,743	
[b] Less : Depreciation		<u>28,470,156</u>	<u>27,368,173</u>	
[c] Net Block		74,972,587	76,074,570	
2. Current Assets, Loans & Advances				
[a] Sundry Debtors	4	4,506,047	2,022,506	
[b] Cash and Bank Balances	5	10,077,214	6,825,914	
[c] Other Current Assets	6	316,094	355,521	
[d] Loans and Advances	7	<u>351,122</u>	<u>365,380</u>	
		15,250,477	9,569,321	
Less:				
Current Liabilities and Provisions				
[a] Liabilities	8	11,030	16,292	
[b] Provisions	9	<u>694,658</u>	<u>785,290</u>	
		705,688	801,582	
Net Current Assets		14,544,789	8,767,739	
3. Deferred Tax Asset (Net)	10	1,746,151	1,557,433	
Total		<u>91,263,527</u>	<u>86,399,742</u>	
Notes to the Accounts	15			
Significant Accounting Policies	16			

The Schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our Report of even date.

For and on behalf of
S.B.DANDEKAR & COMPANY

On behalf of the Board

KEDARASHISH BAPAT
Chartered Accountant

MOHAN BHATNAGAR
Director

M.RIAZ AHMED
Director

Place : Port Blair
Date : 1st May, 2009

Place : Gurgaon
Date : 30th April, 2009

BAY ISLANDS HOTELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Schedule	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
I. INCOME				
Operating Licence Fee		9,337,230	7,960,112	
Other Income	11	<u>338,079</u>	<u>355,521</u>	
		9,675,309	8,315,633	
II. EXPENDITURE				
Operating and Administrative Expenses	12	316,010	258,118	
Depreciation		<u>275,923</u>	<u>282,622</u>	
		591,933	540,740	
III. PROFIT/(LOSS)				
Profit Before Taxation		9,083,376	7,774,893	
Taxation for the year	13	<u>2,698,873</u>	<u>2,360,394</u>	
Profit After Taxation		6,384,503	5,414,499	
Profit Brought Forward from Previous Year Available for Appropriation		<u>13,327,265</u>	<u>9,145,305</u>	
		19,711,768	14,559,804	
IV. APPROPRIATIONS				
General Reserve		638,450	676,813	
Proposed Dividend		593,750	475,000	
Tax on Proposed Dividend		100,908	80,726	
Profit Carried Forward		<u>18,378,660</u>	<u>13,327,265</u>	
		19,711,768	14,559,804	
Basic and Diluted Earnings Per Share (Rs.)	14	537.64	455.96	
Notes to the Accounts	15			
Significant Accounting Policies	16			

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

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

For and on behalf of
S.B.DANDEKAR & COMPANY

On Behalf of the Board

KEDARASHISH BAPAT
Chartered Accountant

MOHAN BHATNAGAR
Director

M.RIAZ AHMED
Director

Place : Port Blair
Date : 1st May, 2009

Place : Gurgaon
Date : 30th April, 2009

BAY ISLANDS HOTELS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Figures for the previous year have been rearranged to conform with the revised presentation)

	For the year ended 31st March, 2009 (Rs.)	For the year ended 31st March, 2008 (Rs.)
A. NET PROFIT BEFORE TAX	9,083,376	7,774,893
ADJUSTMENTS FOR :		
Depreciation	275,923	282,622
Interest accrued	(316,094)	(355,521)
	<u>(40,171)</u>	<u>(72,899)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,043,205	7,701,994
ADJUSTMENTS FOR :		
Trade and Other Receivables	(2,286,726)	(376,592)
Trade Payables	(5,262)	230,906
CASH GENERATED FROM OPERATIONS	6,751,217	7,556,308
Income Tax Paid	(3,299,712)	(2,736,298)
NET CASH FROM OPERATING ACTIVITIES	3,451,505	4,820,010
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Interest Received	-	355,521
NET CASH USED IN INVESTING ACTIVITIES	355,521	-
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Dividends Paid	(475,000)	(356,250)
Income Tax on Dividend Paid	(80,726)	(60,545)
NET CASH FLOW USED IN FINANCING ACTIVITIES	(555,726)	(416,795)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,251,300	4,403,215
OPENING CASH AND CASH EQUIVALENTS	6,825,914	2,422,699
CLOSING CASH AND CASH EQUIVALENTS	10,077,214	6,825,914
CASH AND CASH EQUIVALENTS COMPRISE :		
Cash and Bank Balances	-	10,077,214
	10,077,214	6,825,914

Per our Report attached to the Balance Sheet

For and on behalf of
S.B.DANDEKAR & COMPANY

KEDARASHISH BAPAT
Chartered Accountant

Place : Port Blair
Date : 1st May, 2009

On Behalf of the Board

MOHAN BHATNAGAR
Director

M.RIAZ AHMED
Director

Place : Gurgaon
Date : 30th April, 2009

BAY ISLANDS HOTELS LIMITED
SCHEDULES TO THE ACCOUNTS

(Figures for the previous year have been rearranged to conform with the revised presentation)

	As at	As at	As at		As at
	31st March, 2009	31st March, 2008	31st March, 2009	31st March, 2008	31st March, 2008
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1. CAPITAL					
Authorised					
90,000 Equity Shares of Rs. 100/- each	9,000,000	9,000,000			
30,000 13.5% Redeemable Cumulative Preference Shares of Rs 100/- each	3,000,000	3,000,000			
	<u>12,000,000</u>	<u>12,000,000</u>			
Issued, Subscribed & Paid - up:					
- 11,875 Equity Shares of Rs. 100/- each fully paid up	11,87,500	11,87,500			
The above shares are held by Holding Company, ITC Ltd.			<u>9,00,76,027</u>	<u>8,52,12,242</u>	

2. RESERVES AND SURPLUS

	As at	As at	As at	As at
	31st March, 2009	31st March, 2008	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Revaluation Reserves				
At the commencement of the year	66,036,946	66,863,006		
Less : Depreciation	8,26,060	8,26,060		
	<u>6,52,10,886</u>	<u>6,52,10,886</u>		
Subsidy Reserve	43,38,099	43,38,099		
General Reserve				
At the commencement of the year	15,09,932	8,33,119		
Add: Transferred from Profit & Loss Account	6,38,450	21,48,382	6,76,813	15,09,932
Profit and Loss Account	<u>1,83,78,660</u>	<u>13,327,265</u>		
	<u>9,00,76,027</u>	<u>8,52,12,242</u>		

3. FIXED ASSETS

Particulars	Original Cost/ Professional Valuation as at	Additions during the	Withdrawals during the	Original Cost/ Professional Valuation as at	Depreciation for the year	Depreciation on	Depreciation upto	Net Book as at
	1.4.2008 (Rs.)	year (Rs.)	year (Rs.)	31.3.2009 (Rs.)	(Rs.)	Withdrawals (Rs.)	31.03.2009 (Rs.)	31.3.2009 (Rs.)
Land	5,70,00,000	-	-	5,70,00,000	-	-	-	5,70,00,000
Building	3,89,89,750	-	-	3,89,89,750	10,81,283	-	2,10,72,744	1,79,17,006
Plant & Machinery	70,45,674	-	-	70,45,674	20,700	-	69,90,093	55,581
Furniture and Fixtures	4,07,319	-	-	4,07,319	-	-	4,07,319	-
Total	<u>10,34,42,743</u>	<u>-</u>	<u>-</u>	<u>10,34,42,743</u>	<u>11,01,983</u>	<u>-</u>	<u>2,84,70,156</u>	<u>7,49,72,587</u>
Previous Year	10,34,42,743	-	-	10,34,42,743	11,08,682	-	2,73,68,173	7,60,74,570

	As at	As at	As at	As at
	31st March, 2009	31st March, 2008	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
4. SUNDRY DEBTORS				
Over 6 months old				
Good and Unsecured				
Doubtful & Unsecured				
Other Debts				
Good and Unsecured				
Doubtful & Unsecured	450,604	202,250		
Less: Provision for doubtful debts	<u>450,604</u>	<u>202,250</u>		
Less: Deposits from normal Trade Debtors - Contra	<u>450,604</u>	<u>202,250</u>		

10 DEFERRED TAX ASSETS (NET)

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
Deferred Tax Assets	-	-
Less:		
Deferred Tax Liability		
Depreciation - Timing Difference	(1,746,151)	(1,557,433)
	<u>(1,746,151)</u>	<u>(1,557,433)</u>
Net Deferred Tax Asset	1,746,151	1,557,433

11 Other Income

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
Interest on Fixed Deposit	316,094	355,521
Interest on Income Tax Refund A/Y 2006-07	21,985	-
	<u>338,079</u>	<u>355,521</u>

5 CASH AND BANK BALANCES

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
With Scheduled Banks on Current Accounts	20,894	19,676
Deposit with Schedule Banks	1,00,56,320	68,06,238
	<u>1,00,77,214</u>	<u>68,25,914</u>

6 OTHER CURRENT ASSETS

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
Interest accrued on investment	316,094	355,521

7 Loans & Advances

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
Income Tax - Refund due for the year 2005-06	-	1,96,815
Income Tax - Refund due for the year 2006-07	1,68,565	1,68,565
Income Tax - Refund due for the year 2007-08	1,82,557	-
	<u>3,51,122</u>	<u>3,65,380</u>

8 LIABILITIES

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
Sundry Creditors		
Total outstanding dues to small scale industrial undertakings	-	-
Total outstanding dues of creditors other than small scale industrial undertakings***	11,030	16,292
Income Tax Due 08-09	-	-
	<u>11,030</u>	<u>16,292</u>

*** Includes payable to Holding Company Rs Nil (Previous year Rs Nil)

9 Provisions

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
Provision for Tax (net of advance tax)	-	229,564
Provision for Proposed Dividend	593,750	475,000
Tax on Proposed Dividend	100,908	80,726
	<u>694,658</u>	<u>785,290</u>

12 OPERATING AND ADMINISTRATIVE EXPENSES

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
Salaries, Wages and Bonus	6,238,891	4,780,953
Less: Recovered from ITC LTD	(6,100,151)	(4,678,970)
Salaries, Wages and Bonus	138,740	101,983
Consumption of Stores and Spare Parts	30,000	30,000
Travelling and Conveyance	85,000	63,000
Bank Charges	-	550
Rates & Taxes	0	-
Miscellaneous Expenses	62,270	62,585
	<u>316,010</u>	<u>258,118</u>
Miscellaneous Expenses includes		
Audit Fees	11,030	21,350

13 PROVISION FOR TAXATION

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
Income Tax on:		
Tax on Current Year's Profits *	288,759	273,628
Add: Deferred Tax Expense / (Credit)	(1,88,718)	(375,904)
	<u>269,887</u>	<u>236,034</u>

* including Fringe Benefit Tax Rs 5778 (Previous Year - 4241)

14 EARNINGS PER SHARE

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
Profit/ (loss) after Taxation	6,384,503	5,414,499
Weighted average number of equity shares outstanding	11,875	11,875

	As at	As at
	31st March, 2009	31st March, 2008
	(Rs.)	(Rs.)
Basic and diluted earnings per share in rupees (face value - Rs.100/- per share)	537.64	455.96

SCHEDULE TO THE ACCOUNTS (Contd.)

15. NOTES TO THE ACCOUNTS (Contd.)

1 The Hotel Operations are under an Operating License Agreement with ITC Limited.

2 The Land & Building were revalued as on 31st March, 1999 at Rs 5,70,00,000/- and Rs.3,89,89,750/- respectively, by an approved valuer & accordingly the gross block reflects the revised values in respect of these assets, in the books of accounts.

3 In view of the company's current financial performance and the future profit projections, the company expects to fully recover the deferred tax assets.

4 Related Party disclosures under Accounting Standard 18

(i) Holding Company : ITC Limited

(ii) Key Management Personnel :

Board of Directors

Nakul Anand
S.C.Sekhar
Mohan Bhatnagar
M.Riaz Ahmed
C.M.Jadwet
G.H.C.Jadwet

(iii) Summary of transaction during the year (Rupees):

Transaction with Holding Company	
1 Operating License Fee Received	9,337,230
2 Expenses Reimbursed	539,315
3 Reimbursement of Contractual Remuneration	6,100,151
4 Dividend Payment	475,000
5 Balance as on 31st March, 09	
(i) Debtors/Receivables	4,506,047

5 Previous year figure has been regrouped/rearranged wherever necessary.

16 SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

To prepare Financial Statements in accordance with the historical cost convention, generally accepted accounting principles in India and relevant presentational requirements of the Companies Act, 1956

2 Fixed Assets

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties & taxes & incidental expenses related to acquisition.

3 DEPRECIATION

To calculate depreciation on Fixed Assets in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or lives based on the rates specified in Schedule XIV to Companies Act, 1956, whichever is lower, by equal annual instalments.

4 REVALUATION OF ASSETS

To review the original book value of Fixed Assets, from time to time, & revalue such of those Fixed Assets as have appreciated in value significantly, in order to relate them more closely to current replacement values, to adjust the provision for depreciation on such revalued Fixed Assets, where applicable, in order to make allowance for consequent additional diminution in value on considerations of age, condition & unexpired useful life of such Fixed Assets; to transfer to Revaluation Reserve, the difference between the written up value of the Fixed Assets revalued and depreciation adjustment and to charge Revaluation Reserve Account with depreciation on that portion of the value which is written up.

5 REVENUE RECOGNITION

Income from operating license fees is booked on accrual basis in accordance with the provisions of operating license agreement/arrangements with the licensee viz., ITC Limited.

6 PROPOSED DIVIDEND

To provide for Dividend as proposed by the Directors in the books of account, pending approval at the Annual General Meeting.

7 TAXES ON INCOME

To provide and determine current tax as the amount of tax payable in respect of taxable income for the period.

To provide and recognise deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

On behalf of the board

Mohan Bhatnagar Director

Gurgaon, 30th April, 2009. M. Riaz Ahmed Director

