

**EIH** Associated Hotels Limited

A member of  *The Oberoi Group*

Annual Report 2015-2016

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## THE BOARD OF DIRECTORS

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

Mr. S.S. Mukherji  
*Vice Chairman*

Mr. Vikram Oberoi  
*Managing Director*

Mr. L. Ganesh

Mr. Akshay Raheja

Mr. Anil Nehru

Mr. Sudipto Sarkar

Mr. Rajesh Kapadia

Ms. Radhika Vijay Haribhakti

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Indrani Ray

### SHARE TRANSFER AGENT

EIH Limited  
7, Sham Nath Marg  
Delhi 110 054

### AUDITORS

Ray & Ray  
*Chartered Accountants*  
Webel Bhavan, Ground Floor, Block EP & GP  
Sector V, Bidhan Nagar, Salt Lake  
Kolkata-700 091

### REGISTERED OFFICE

1/24, G.S.T. Road  
Meenambakkam  
Chennai 600 027

# The Oberoi Dharma

We, as members of The Oberoi Group are committed to display through our behaviour and actions the following conduct, which applies to all aspects of our business :

- Conduct which is of the highest ethical standards - intellectual, financial and moral and reflects the highest levels of courtesy and consideration to others.
- Conduct which builds and maintains team work, with mutual trust as the basis of all working relationships.
- Conduct which puts the customer first, the Company second and the self last.
- Conduct which exemplifies care for the customer through anticipation of need, attention to detail, excellence, aesthetics and style and respect for privacy along with warmth and concern.
- Conduct which demonstrates two-way communication, accepting constructive debate and dissent whilst acting fearlessly with conviction.
- Conduct which demonstrates that people are our key asset, through respect for every employee, and leading from the front regarding performance achievement as well as individual development.
- Conduct which at all times safeguards the safety, security, health and environment of guests, employees and the assets of the company.
- Conduct which eschews the short-term quick-fix for the long-term establishment of healthy precedent.

# The Oberoi Group Mission

## **Our Guests**

We are committed to meeting and exceeding the expectations of our guests through our unremitting dedication to every aspect of service.

## **Our People**

We are committed to the growth, development and welfare of our people upon whom we rely to make this happen.

## **Our Distinctiveness**

Together, we shall continue the Oberoi tradition of pioneering in the hospitality industry, striving for unsurpassed excellence in high-potential locations all the way from the Middle East to the Asia-Pacific.

## **Our Shareholders**

As a result, we will create extraordinary value for our shareholders.

## HIGHLIGHTS

		Rupees in million except item nos 13, 14, 15 & 16										
<b>FOR THE YEAR</b>		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	
1	GROSS REVENUE	1,610.39	1,783.30	1,604.89	1,489.96	1,763.42	1,904.54	2,129.53	2,163.79	2,315.35	2,494.06	
2	PROFIT BEFORE TAX	217.59	251.04	142.77	81.92	182.86	196.56	298.10	382.30	399.61	539.53	
3	PROFIT AFTER TAX	137.10	146.54	98.98	52.88	120.17	133.55	205.02	235.61	247.27	383.65	
4	DIVIDEND (INCLUDING TAX)	19.11	60.56	34.37	34.26	56.91	68.29	35.65	106.94	110.01	146.68	
5	RETAINED EARNINGS	242.18	215.33	179.69	132.45	190.71	192.50	301.82	262.71	326.84	394.72	
6	FOREIGN EXCHANGE EARNINGS	936.63	1,050.01	910.03	744.37	875.16	1,133.13	1,225.19	1,088.33	1,233.40	1,236.49	
<b>AT YEAR END</b>												
7	GROSS FIXED ASSETS	3,580.95	3,716.42	3,778.45	3,791.08	3,868.19	3,905.17	4,464.99	4,510.07	4,718.50	4,813.93	
8	SHARE CAPITAL	295.87	195.87	195.87	195.87	195.87	195.87	304.68	304.68	304.68	304.68	
9	RESERVES AND SURPLUS	696.74	782.71	847.32	865.93	929.21	994.47	1,679.77	1,807.98	1,857.00	2,093.97	
10	NET WORTH	988.56	978.58	1,043.19	1,061.80	1,125.08	1,190.34	1,984.45	2,112.66	2,161.68	2,398.65	
11	BORROWINGS	2,515.68	2,517.96	2,491.42	2,489.26	2,407.00	2,280.00	1,003.10	725.87	621.21	345.43	
12	CAPITAL EMPLOYED	2,664.31	2,876.54	3,114.61	3,131.06	3,532.08	3,470.34	2,987.55	2,838.53	2,782.89	2,744.08	
<b>PER SHARE</b>												
13	NET WORTH PER EQUITY SHARE	50.47	49.96	53.26	54.21	57.44	60.77	65.13**	69.34**	70.95**	78.73**	
14	EARNINGS PER EQUITY SHARE	6.96	7.31	5.05	2.70	6.14	6.19*	8.01**	7.73**	8.12**	12.59**	
15	DIVIDEND PER EQUITY SHARE	0.80	2.50	1.50	1.50	2.50	3.00	1.00**	3.00**	3.00**	4.00**	
<b>RATIO</b>												
16	DEBT: EQUITY RATIO	2.55:1	2.57:1	2.39:1	2.34:1	2.14:1	1.92:1	0.51:1	0.34:1	0.29:1	0.14:1	

\*EPS reinstated pursuant to Rights Issue of Equity Shares on 21st October, 2012.

\*\*Consequent upon the Rights Issue of 10,881,481 Equity Shares on 21st October, 2012, Net Worth per Equity Share, Earnings per Equity Share and Dividend per Equity Share are not comparable with that of previous year(s).

### Notes :

- a) Serial nos. 7, 9, 10, 12, 13 and 16 are inclusive of Revaluation Reserve balance as at year end.
- b) Figures for previous year(s) have been regrouped / rearranged, wherever necessary.

## DIRECTORS' REPORT

The Board presents the Thirty-third Annual Report together with the Audited Statement of Accounts and the Auditor's Report in respect of the Financial Year ended 31st March, 2016.

### Financial Highlights

The financial highlights are set out below:

	Rupees in Million	
	2015-2016	2014-2015
Total Revenue	<b>2494.06</b>	2315.35
Earnings Before Interest, Depreciation, Taxes and Amortisations (EBIDTA)	<b>751.61</b>	677.75
Interest and Finance Charges	<b>54.33</b>	88.56
Depreciation	<b>157.75</b>	189.58
Profit before Tax	<b>539.53</b>	399.61
Tax including Deferred Tax	<b>155.88</b>	152.34
Profit after Tax	<b>383.65</b>	247.27
Balance brought forward	<b>140.03</b>	116.01
Carrying amount of Fixed Assets where remaining useful life as on 01.04.2014 is Nil	<b>Nil</b>	88.24
Dividend on Equity Shares	<b>121.87</b>	91.40
Dividend Distribution Tax	<b>24.81</b>	18.61
Transfer to General Reserve	<b>50.00</b>	25.00
Balance carried forward	<b>327.00</b>	140.03

### Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 ("the Act") and based upon representations from the Management, the Board states that:

- a) in preparing the annual accounts, applicable accounting standards have been followed and there are no material departures;
- b) the Directors have selected accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- c) the Directors have taken proper and sufficient care in maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts of the Company on a "going concern" basis;

- e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**Performance**

The annexed Management Discussion and Analysis forms part of this report and covers *inter alia* the performance of the Company during the Financial Year 2015-2016 as well as the future outlook.

**Corporate Governance Report**

In accordance with Regulation 34(3) read with Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Report on Corporate Governance along with the auditor’s certificate is attached to this report.

**Dividend**

The Board at its Meeting held on 11th March, 2016, declared an Interim Dividend of ₹ 3.00 per equity share of ₹ 10.00 each in respect of the Financial Year 2015-2016. The Dividend was paid on 23rd March, 2016 to those equity shareholders whose names appeared on the Register of Members as on 19th March, 2016 (“the Record Date”). As per the Income Tax Act, 1961, the tax on dividend was borne by the Company.

The Board recommends a further Dividend of ₹ 1.00 per equity share of ₹ 10 each, in respect of the Financial Year 2015-2016. The dividend, if approved at the forthcoming Annual General Meeting will be treated as the Final Dividend for the Financial Year 2015-2016 and will be paid on 6th August, 2016 to shareholders whose names appear in the Register of Members as at the close of business on 26th July, 2016.

**Directors**

Mr. P.R.S. Oberoi retires by rotation at the forthcoming Thirty-third Annual General Meeting. He is eligible for reappointment. In accordance with Regulation 36(3) of the Listing Regulations, the particulars of the Director are given in the annexure to the Notice convening the Annual General Meeting. The Directors recommend re-appointment of Mr. P.R.S. Oberoi as a Director on the Board.

Mr. Akshay Raheja was appointed as a Director on the Company’s Board with effect from 28th May, 2015 to fill the causal vacancy caused due to resignation of Mr. Rajan Raheja. Mr. Rajan Raheja would have retired by rotation at the forthcoming Annual General Meeting, if he had not vacated his office. The Directors recommend the appointment of Mr. Akshay Raheja as a regular Director at the Thirty-third Annual General Meeting.

As required under Section 149(7) of the Act, Mr. Anil Nehru, Mr. L. Ganesh, Mr. Sudipto Sarkar, Mr. Rajesh Kapadia and Ms. Radhika Haribhakti, the Independent Directors, have given their “declaration of independence” for the year 2016-2017.



### **Corporate Social Responsibility (“CSR”)**

In accordance with Section 135 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company had formulated a Corporate Social Responsibility Policy in 2014-2015. During the year, the Company has amended the Policy to include “caring for the elderly and addressing their health issues” in accordance with clause (iii) of Schedule VII to the Act. The revised CSR Policy can be accessed on the Company’s website [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in).

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2015-2016 is given in *Annexure 1*, which forms a part of this Report. The Annexure also gives the composition of the CSR Committee.

In addition to the mandatory CSR spend in accordance with the Act, the Company’s Hotels have also taken the following CSR initiatives:

- a. **The Oberoi Rajvilās, Jaipur** extends assistance to “With care” programmes for the under privileged sections of the society. The hotel also supports SOS Children’s Village at Jaipur and Mother Teresa Foundation. Staff from the hotel visited schools in nearby villages to spread awareness of environmental conservation, hygiene and wellness.
- b. **The Oberoi Cecil, Shimla** extends its support to Sarvodaya Bal Ashram for orphaned children in Shimla. On 15th August, 2015, the hotel organized an annual blood donation camp for the local blood bank. The World Environment Day was commemorated by observing an Environment Week to create awareness on global warming, pollution and ecological balance.
- c. **Trident Hotels at Agra and Udaipur** extend assistance to local chapters of Mother Teresa’s Missionaries of Charity.
- d. **Trident Jaipur** supports Bhavani Child Development Centre, a school for dyslexic children. The school is involved in providing intensive early intervention for children showing signs of developmental delay and exposed to the risk of learning disability.

### **Audit Committee**

The composition of the Audit Committee is as under:

- Mr. Anil Nehru – Independent Director & Chairperson
- Mr. L. Ganesh – Independent Director & Member
- Mr. Sudipto Sarkar – Independent Director & Member
- Mr. Akshay Raheja – Non-executive Non-Independent Director & Member  
*[inducted as member w.e.f. 7th August, 2015]*
- Mr. Rajesh Kapadia – Independent Director & Member  
*[resigned from membership w.e.f. 7th January, 2016]*

For other details relating to Audit Committee, please refer page nos. 39 & 40.

### **Company’s Policy on Directors’ Appointment and Remuneration and Senior Management Personnel Appointment and Remuneration**

In accordance with Section 178 of the Act read with Regulation 19 of the Listing Regulations, the Company’s Nomination and Remuneration Committee had formulated policies on Directors’ Appointment & Remuneration and on Senior Management Personnel

Appointment & Remuneration. The updated policies are enclosed as *Annexures 2 and 3* and form part of this report. The policies can also be accessed on the Company's website [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in)

### **Energy Conservation Measures**

Energy conservation measures continue to be a focus area for the Company. Measures taken during the year include:

- installation of solar power generation system
- renovation of solar water heating system and replacement of fluorescent lamps with energy efficient LED lamps
- installation of occupancy sensors at the backside of the house areas
- replacement of steam boilers and pumps with energy efficient machinery
- replacement of reciprocating chillers with energy efficient screw chillers

Besides, various operational measures were taken to reduce energy consumption such as operation control on timing of lighting & other equipments especially in off-season and timely preventive maintenance of equipments to enhance their efficiency.

Actions planned for next year include:

- installation of heat recovery system for exhaust & fresh air and replacement of treated fresh air units
- installation of occupancy sensors at back of the house areas
- continued replacement of fluorescent lamps with LED lamps
- use of recycled water for flushing

Operational measures at hotels driven by focused energy conservation committees continue to closely monitor and control energy consumption.

### **Foreign Exchange Earnings and Outgo**

During the Financial Year 2015-2016, the foreign exchange earnings of the Company amounted to ₹ 1236.49 Million as against ₹ 1233.40 Million in the previous year. The expenditure in foreign exchange during the Financial Year was ₹ 26.49 Million compared to ₹ 24.36 Million in the previous year.

### **Auditors**

The Auditors of the Company, M/s. Ray & Ray (FRN 301072E), Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. Confirmation has been received from the Auditors that, if reappointed, the appointment will be within the prescribed limits. The Directors recommend the re-appointment of M/s. Ray & Ray as Auditors of the Company for the Financial Year 2016-2017.

### **Secretarial Auditor**

In accordance with provisions of Section 204 of the Companies Act, 2013, the Company had appointed M/s. JUS & Associates as Secretarial Auditors for the Financial Year ended 31st March, 2016. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks. The Secretarial Auditor's Report forms part of the Annual Report.

### **Related Party Transactions**

The Contracts or arrangements or transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and are on an arm's length basis. During the year, the Company has not entered into any contract

or arrangement or transaction with Related Parties that could be considered material in accordance with the Related Party Transaction policy of the Company. The policy on Related Party Transactions, as approved by the Board, can be accessed on the Company's website [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in).

The details of Related Party Transactions are set out in Note no. 40 to the Financial Statement.

#### **Extract of Annual Return**

The Extract of Annual Return for the Financial Year ended 31st March, 2016 in Form MGT-9 is annexed as *Annexure 4*.

#### **Loan, Guarantees or Investments**

During the year 2015-2016, the Company made an investment of ₹ 47,000 by purchasing 100 equity shares in TCP Limited, a public limited company having its registered office at TCP Sapthagiri Bhavan, No. 4 (old No. 10) Karpagambal Nagar, Mylapore, Chennai-600 004. The investment was made for supply of thermal power to Trident Chennai in order to compensate for the drop in wind energy based power utilised at the hotel.

The Company has not given any loan or provided any guarantee in terms of Section 185 of the Companies Act, 2013.

#### **Deposits**

During the year, the Company has not accepted any deposit from the public.

#### **Vigil Mechanism/ Whistle blower Policy**

In accordance with the Section 177(9) of the Act and rules framed thereunder read with Regulation 4(2)(d) and 22 of the Listing Regulations, the Company has a Whistleblower Policy in place for its Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct, "*The Oberoi Dharma*". The policy provides for protected disclosures that can be made by a whistle blower through e-mail or letter to the Whistle Officer or to the Chairperson of the Audit Committee. The Whistleblower Policy is accessible on the Company's website [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in).

During the year ended on 31st March, 2016, the Company did not receive any complaint under the scheme.

#### **Board Meetings**

The Board met six times during the Financial Year, *ie.* on 28th May, 2015, 7th August, 2015, 6th November, 2015, 29th January, 2016, 11th March, 2016 and 30th March, 2016.

#### **Subsidiaries, Associates and Joint Ventures**

The Company has no subsidiaries, associates or Joint Ventures.

#### **Directors/Key Managerial Personnel ("KMP") Remuneration**

All the Directors of the Company are Non-executive Directors, except Mr. Vikram Oberoi, who is the Managing Director. Mr. Vikram Oberoi does not draw any remuneration from the Company.

- a) The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any, in the Financial Year:

Sl No	Name	Total Remuneration 2015-2016 (₹ million)	Total Remuneration 2014-2015 (₹ million)	Percentage Increase
1.	Chief Financial Officer	5.40	1.51*	-
2.	Company Secretary	2.64	2.29	15.28

\* The Chief Financial Officer was appointed w.e.f. 1st December, 2014. Therefore, percentage increase cannot be calculated

- b) the number of permanent employees on the rolls of the Company as at the end of the Financial Year 2015-2016 is 759;
- c) the average increase in remuneration of the employees in the Financial Year 2015-2016 over 2014-2015 is 11.2%;
- d) The remuneration of KMPs are considered as per the common remuneration policy followed for other senior executives. Increase in remuneration is sanctioned by the Management based on the Company performance and the individual's performance. Performance of the Company is given on the first page of the Directors' Report as well as in Management Discussion and Analysis.
- e) The percentage increase in the median remuneration of the employees in the Financial Year 2015-2016 is 23.63%.
- f) The market capitalisation of the Company as at the end of the Financial Year 2015-2016 increased by ₹ 2,071.83 Million. The PE ratio as at the close of the Financial Year 2015-2016 was 23.03 as against 27.34 in the previous Financial Year 2014-2015.

The Company's current market capitalisation stands at ₹ 9,140.44 Million, based on the opening share price at the BSE as on date.

It is hereby affirmed that all remuneration of Directors and KMPs are as per the Remuneration Policy of the Company.

#### **Internal Financial Control Systems and Risk Management Systems**

Compliance of the above is given in the Management Discussion & Analysis on page nos. 34 & 35.

#### **Board Evaluation**

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, a Board Evaluation Policy has been put in place. A structured questionnaire covering various aspects of the Board's functioning, Board culture, performance of specific duties by Directors and contribution to the Board proceedings was circulated to the members of the Board. Based on the responses received, the Board as a whole, the Committees, the Chairperson and individual Directors were separately evaluated in the separate meeting of the Independent Directors and at the Meeting of the Board of Directors.

The process of review of Non-Independent Directors and the Board as a whole and also its Committees were undertaken in a separate meeting of Independent Directors without the attendance of Non-Independent Directors and members of the Management.

At the meeting, the performance of the Chairman of the Company was reviewed taking into account the views of the Executive Director and Non-Executive Directors and Independent Directors. The meeting also assessed the quality, quantity and timeliness of the flow of information required for the Board to perform its duties properly. The entire Board of Directors, excluding the Director being evaluated, evaluated the performance of each Independent Director.

The Directors have expressed their satisfaction with the evaluation process.

Based on the findings from the evaluation process, the Board will continue to review its procedures and effectiveness in the Financial Year ahead with a view to practising the highest standards of Corporate Governance.

**Significant and Material orders, if any**

During the Financial Year 2015-2016, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

**Sexual Harassment**

No complaints were received during the Financial Year 2015-2016.

**Particulars of Employees**

There are no employees in the Company requiring reporting under Section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration) Rules, 2014.

**Cautionary Statement**

Risks, uncertainties or future actions could differ materially from those expressed in the Directors' Report and the Management Discussion and Analysis. These statements are relevant on the date of this report. We have no obligation to update or revise these statements, whether as a result of new information, future developments or otherwise. Therefore undue reliance should not be placed on these statements.

**Acknowledgement**

The Board takes this opportunity to thank all employees for their commitment, dedication and co-operation.

For and on behalf of the Board

Gurgaon  
24th May, 2016

VIKRAM OBEROI  
*Managing Director*

S.S. MUKHERJI  
*Vice Chairman*

**ANNEXURES TO THE DIRECTORS' REPORT**

*Annexure -1*

**Annual Report on CSR Activities**

- 1. A brief outline of the Company's CSR Policy, including overview of projects or programs to be undertaken and a reference to the web-link to the CSR Policy and projects and programs**

The Board of Directors, on the recommendation of the CSR Committee, had formulated a Corporate Social Responsibility Policy ("CSR"). As per the Policy Statement, the Company's CSR Policy will focus on addressing the critical social, economic and educational needs of the marginalized under-privileged children of the society and "caring for the elderly and addressing their health issues". The Policy will also focus on cleanliness drive under the Swachh Bharat Abhiyan within 500 metres of each hotel of the Company.

The CSR Policy and the activities of the Company are available in the Company's website [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in)

The Board of Directors at their Meeting held on 6th November, 2015 on the recommendation of the CSR Committee, approved a CSR spend of ₹ 7.21 Million for the Financial Year 2015-2016.

- 2. The Composition of the CSR Committee**

The Composition of CSR Committee is as under:

Mr. S.S.Mukherji	-	Chairperson
Mr. Vikram Oberoi	-	Member
Mr. Sudipto Sarkar	-	Independent Director & Member

- 3. Average Net Profit of the Company for the last three Financial Years**

₹ 360.33 Million

- 4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above) in 2015-2016:**

₹ 7.21 Million

- 5. Details of CSR spent during the Financial Year**

- (a) Total amount to be spent for the Financial Year: ₹ 7.21 Million
- (b) Amount unspent, if any: ₹ 1.45 Million

(c) Manner in which the amount was spent during the Financial Year is detailed below:

(1) Sr. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs 1) Local area or other 2) Specify the State and district where project or Programs was undertaken	(5) Amount outlay (budget) project or program wise	(6) Amount spent on the projects or programs		(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct or through implementing agency
					Direct expenditure on projects/ programs	Overheads		
				(₹ Million)	(₹ Million)	(₹ Million)	(₹ Million)	
1	Promoting social, economic and educational needs of the marginalised under-privileged children of the society	Urban/Rural	Chennai, Jaipur, Cochin and Bhubaneswar	4.42	4.42	Nil	4.42	Through SOS Children's Villages of India
2	'Swachh Bharat Abhiyan' Sanitation Programme	Urban	Around 500 metres around each Hotel premises situated in different cities viz. Cochin, Chennai, Udaipur, Jaipur, Agra, Shimla and Bhubaneswar	2.00	1.34	Nil	1.34	Direct
<b>TOTAL</b>				<b>6.42</b>	<b>5.76</b>	<b>Nil</b>	<b>5.76</b>	

**6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report:**

As the CSR Policy was amended/ altered by the Company on 29th January, 2016 to include "caring for the elderly and addressing their health issues", a suitable project could not be identified and implemented in the remaining two months. Therefore, on the recommendation of the CSR Committee, the Board had approved carrying forward the unspent amount of ₹ 1.45 Million pertaining to the Financial Year 2015-2016 to be spent in the Financial Year 2016-2017 in projects identified by the CSR Committee.

**7. The CSR Committee states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.**

**For EIH Associated Hotels Limited**

VIKRAM OBEROI  
Managing Director

For and on behalf of the  
**CSR Committee of  
EIH Associated Hotels Limited**

S.S. MUKHERJI  
Chairperson, CSR Committee

## ANNEXURES TO THE DIRECTORS' REPORT

### *Annexure 2*

#### **Director Appointment and Remuneration Policy**

This Director Appointment and Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board") of EIH Associated Hotels Limited (the "Company").

#### **1. Purpose**

The objective of this Policy is to provide a framework and set standards for the appointment of high quality directors who have the capacity and ability to lead the Company towards achieving sustainable development. The Company aims to achieve a balance of experience and skill amongst its directors. It also defines the role of the Nomination and Remuneration Committee.

#### **2. Accountability**

- 2.1 The Board is ultimately responsible for the appointment of Directors.
- 2.2 In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Nomination and Remuneration Committee ("NRC") assesses and selects candidates for Directors and recommends to the Board their appointment.

#### **3. Role of the Nomination and Remuneration Committee**

The NRC is responsible for:

- 3.1 Reviewing the structure, size and composition (including the skill, knowledge and experience) of the Board and making recommendations on any proposed changes to the Board with due regard to Board Diversity;
- 3.2 Identifying individuals suitably qualified to become Board members, Key Managerial Personnel and Senior Management Personnel;
- 3.3 Making recommendations to the Board on the appointment, re-appointment or removal of Directors, Key Managerial and Senior Management Personnel.
- 3.4 Making recommendations for succession planning for Directors, Key Managerial Personnel and other Senior Management Personnel, including the Managing Director (s), Whole-time Director(s) and CEO;
- 3.5 Formulating criteria for evaluation of performance of every Director including Independent Directors and the Board;
- 3.6 Recommending remuneration payable to Senior and Key Managerial Personnel, Executive and Non-Executive Directors including Board sitting fees.



#### 4. Appointment of Directors

4.1 Matching the needs of the Company and enhancing the competencies of the Board are the basis for the NRC to select a candidate for appointment to the Board. When recommending a candidate for appointment, the NRC will have regard to:

- assessing the individual against a range of criteria including but not limited to industry experience, background, and other qualities required to operate successfully in the position, with due regard to the benefits of diversity of the Board;
- the extent to which the individual is likely to contribute to the overall effectiveness of the Board and work constructively with the existing Directors;
- the skills and experience the individual brings to the role and how these will enhance the skill sets and experience of the Board as a whole;
- the nature of positions held by the individual including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- the time commitment required from a Director to actively discharge his duties to the Company.

4.2 The recommended Director would:

- Possess a degree in a relevant discipline;
- Have experience of management in a diverse organization;
- Have excellent interpersonal, communication and representational skills;
- Have leadership skills;
- Possess high standards of ethics, personal integrity and probity;
- Continuously refresh his professional knowledge and skills.

For details of the personal specifications of a Director, please refer to **Attachment-1**.

4.3 Every Director should ensure that he can give sufficient time and attention to the Company's affairs and regularly attend Board meetings and other Committee meetings in which he is a member.

4.4 The Policy aims to engage Directors (including Non-Executive and Independent Non-Executive Directors) who are highly skilled, competent and experienced persons within one or more fields of business, finance, accounting, law, management, sales, marketing, administration, corporate governance, technical operations or other disciplines related to the business of the Company and who shall be able to positively carry out their supervisory role over the policies of the management of the Company and the general affairs of the Company.

4.5 The Company is required to appoint at least one Independent Non-Executive Director who must have appropriate professional qualifications on accounting or related financial management expertise in accordance with Regulation 18 of the Listing Regulations.

4.6 In addition to those requirements specified in the clauses 4.2 and 4.3, the Independent Non-Executive Directors shall also fulfill the requirements pursuant to Section 149 (6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

4.7 In assessing the independence of a Non-Executive Director, the following factors shall be taken into account:

Independent Director shall mean a Non-Executive Director, other than a Nominee Director of the Company:

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience.
- b.
  - (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;
  - (ii) who is not related to promoters or Directors in the Company, its holding, subsidiary or associate company;
- c. apart from receiving Director's remuneration has or had no pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- e. Who, neither himself nor any of his relatives –
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of :
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover or such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or

- (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;
- (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. who is not less than 21 years of age.

**Explanation**

For the purposes of the sub-clause (1):

- i. "Associate" shall mean a company which is an "associate" as defined in Accounting Standard (AS)23, "Accounting for Investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India;
- ii. "Key Managerial Personnel" shall mean "Key Managerial Personnel" as defined in section 2(51) of the Companies Act, 2013;
- iii. "Relative" shall mean "relative" as defined in section 2(77) of the Companies Act, 2013 and rules prescribed thereunder.

**5. Letter of Appointment**

Each Director will be issued a Letter of Appointment signed by the Chairperson of the Board.

**6. Appointment Procedure**

- 6.1 The NRC shall ensure that the appointment of Directors will be in terms of the Policy and recommendations made to the Board for appointment.
- 6.2 If required, an external data base can be used and advice taken to access a wide base of potential directors as prescribed under the Companies Act, 2013.

**7. Appointment and Remuneration of Managerial Personnel**

- 7.1 The NRC shall ensure that the appointment and remuneration payable to the Managing Director(s), CEO, Whole-time Directors, Manger, if any are in accordance with the provisions of Chapter XIII (Sections 196 to 203) read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 7.2 The NRC may recommend a suitable sitting fee, reimbursement of incidentals, travel and other expenses to Non-Executive Directors as may be prescribed under the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**8. Familiarization Programme**

The Management will familiarize the Independent Directors on the following:

- a) The Oberoi Dharma;
- b) Company's History, Structure and the Business Model;
- c) Memorandum & Articles of Association of the Company;
- d) Past 3 (three) years accounts and any important factors in the accounts of the Company;
- e) Interaction with other Directors on the Board and with the Senior Executives of the Company.

**EIH Associated Hotels Limited**

SUDIPTO SARKAR  
[DIN 00048279]  
*Chairperson*  
Nomination & Remuneration Committee

**EIH Associated Hotels Limited**

P.R.S. OBEROI  
[DIN 00051894]  
*Chairman*

**Personal Specification for Directors**

**1. Qualifications**

- Degree holder in relevant disciplines (e.g. management, accountancy, legal, sales, marketing, administration, finance, research, Corporate Governance and hospitality industry related disciplines); or
- Recognised specialist.

**2. Experience**

- Experience of management in a diverse organization;
- Experience in accounting and finance, administration, corporate, legal and strategic planning;
- Ability to work effectively with other members of the Board.

**3. Skills**

- Excellent interpersonal, communication and representational skills;
- Leadership skills;
- Extensive team building and management skills;
- Strong influencing and negotiating skills;
- Continuous professional development to refresh knowledge and skills;

**4. Abilities and Attributes**

- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to observe “The Oberoi Dharma” and the fundamental Code of Conduct.

## ANNEXURES TO THE DIRECTORS' REPORT

### *Annexure 3*

#### **Senior Management & Key Managerial Personnel (excluding Executive Directors) Appointment & Remuneration Policy**

##### **1. Statement of Purpose**

This Appointment & Remuneration Policy (Policy) of EIH Limited (Company) and its associated entities has been prepared to ensure the following:

- 1.1 This Policy is in compliance with Section 178 (1) of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- 1.2 Appointment & Remuneration of the Key Managerial Personnel and Senior Management is aligned to the interests of the Company and its shareholders within an appropriate governance framework.
- 1.3 The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Key Managerial Personnel and Senior Management of the quality required to run the Company successfully.

##### **2. Scope of Policy**

Applies to all Key Managerial Personnel and Senior Management Personnel.

- 2.1. The expression "Key Managerial Personnel" means:
  - a. Company Secretary;
  - b. Chief Financial Officer; and
  - c. such other executive as may be prescribed
- 2.2. The expression "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including functional heads.

##### **3. Remuneration Philosophy for employees and new Hires:**

The Company believes in paying its executives competitive remuneration. The remuneration philosophy aims at the following outcomes:

- 3.1 Remuneration is structured to align with the Company's interests, taking into account the Company's strategies and risks.
- 3.2 Drive Performance – Executive compensation is linked to individual and Company performance, which, in turn, impacts the quantum of payout.
- 3.3 External Equity – Executive compensation is designed to be competitively benchmarked with the hospitality industry compensation or general industry compensation for applicable roles.

- 3.4 Internal Equity-Executives performing similar role or complexity of jobs are paid at similar compensation levels.
- 3.5 The Company complies with applicable legal requirements and appropriate standards of governance.

**4. Remuneration guidelines**

- 4.1 The remuneration paid by the Company is classified under the following major heads:
  - 4.1.1 Total Fixed Cost: This includes base salary, other cash allowances, perquisites and retirement benefits.
  - 4.1.2 Variable Cost: This includes variable pay linked to Company and individual performance. Variable pay for senior executives constitutes a significant portion of total remuneration.
  - 4.1.3 The sum total of the Total Fixed Cost and Variable Cost is called the Cost to Company in the relevant executive's remuneration package.
- 4.2 The Cost to Company being offered to a new hire for a replacement position or new position with reference to scope of this policy is governed by the remuneration philosophy as mentioned in clause no. 3. The endeavour is to ensure internal equity in compensation is maintained, however, at the same time compensation is competitive to attract a new hire.
- 4.3 Remuneration is annually reviewed for all the executives who are eligible for compensation review in accordance with the remuneration philosophy.

**EIH Associated Hotels Limited**

SUDIPTO SARKAR  
[DIN 00048279]  
*Chairperson*  
Nomination & Remuneration Committee

**EIH Associated Hotels Limited**

P.R.S. OBEROI  
[DIN 00051894]  
*Chairman*

**ANNEXURES TO THE DIRECTORS' REPORT**

*Annexure-4*

**Form MGT-9**

**Extract of the Company's Annual Return for the year ended 31st March, 2016**

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

**I. Registration & other details**

CIN	L92490TN1983PLC009903
Registration date	21st March, 1983
Name of the Company	EIH Associated Hotels Limited
Category/Sub-category of the Company	Public Limited
Address of the Registered office and contact details	1/24 G.S.T. Road, Meenambakkam, Chennai- 600027 Telephone No. 91-44-2234 4747; Fax No. 91-44-2234 6699 91-44-2234 4985; E-mail: <a href="mailto:isdho@oberoigroup.com">isdho@oberoigroup.com</a> ; <a href="mailto:invcom@tridenthotels.com">invcom@tridenthotels.com</a>
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	EIH Limited Investors Services Division 7, Sham Nath Marg Delhi- 110 054

**II. Principal Business Activities of the Company**

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

Sl. No.	Name and description of main products/services	NIC code of the product/ service	% to total turnover of the Company
1	Hotel	9963/99631110	100

**III. Particulars of holding, subsidiary and associate companies – Not Applicable**



<b>IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>										
<b>i) Category-wise Share Holding</b>										
Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	<b>PROMOTER AND PROMOTER GROUP</b>									
(1)	<b>INDIAN</b>									
(a)	Individual/HUF	97486	-	97486	0.32	97486	-	97486	0.32	0.00
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	
(c)	Bodies Corporate	15968119	-	15968119	52.41	15968119	-	15968119	52.41	0.00
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	
(e)	Others	-	-	-	-	-	-	-	-	
	<b>Sub-Total A(1) :</b>	16065605	-	16065605	52.73	16065605	-	16065605	52.73	0.00
(2)	<b>FOREIGN</b>									
(a)	Individuals (NRIs/ Foreign Individuals)	6784711	-	6784711	22.27	6784711	-	6784711	22.27	0.00
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	
(c)	Institutions	-	-	-	-	-	-	-	-	
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
(e)	Others (specify)	-	-	-	-	-	-	-	-	
	<b>Sub-Total A(2) :</b>	6784711	-	6784711	22.27	6784711	-	6784711	22.27	0.00
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2)</b>	<b>22850316</b>	<b>-</b>	<b>22850316</b>	<b>75.00</b>	<b>22850316</b>	<b>-</b>	<b>22850316</b>	<b>75.00</b>	<b>0.00</b>
(B)	<b>PUBLIC SHAREHOLDING</b>									
(1)	<b>INSTITUTIONS</b>									
(a)	Mutual Funds / UTI	13000	1600	14600	0.05	-	1600	1600	0.01	-89.04
(b)	Financial Institutions /Banks	12250	100	12350	0.04	2000	100	2100	0.01	-82.99
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	
(e)	Insurance Companies	-	-	-	-	-	-	-	-	
(f)	Foreign Institutional Investors	4341961	300	4342261	14.25	4341961	300	4342261	14.25	0.00
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
(i)	Others (specify)	-	-	-	-	-	-	-	-	
	<b>Sub-Total B(1) :</b>	4367211	2000	4369211	14.34	4343961	2000	4345961	14.26	-0.53
(2)	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	278119	10502	288621	0.95	184987	10502	195489	0.64	-32.26
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1270695	247888	1518583	4.98	1293285	242936	1536221	5.04	1.16
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1313107	-	1313107	4.31	1344669	-	1344669	4.41	2.40
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Others									
	NON RESIDENT INDIANS	108692	18182	126874	0.42	178372	16449	194821	0.64	53.55
	TRUSTS	200	-	200	0.00	230	-	230	-	15.00
	FOREIGN NATIONALS	-	-	-	-	-	-	-	-	
	DIRECTORS RELATIVES	-	-	-	-	-	-	-	-	
	CLEARING MEMBERS	1235	-	1235	0.00	440	-	440	-	-64.37
	<b>Sub-Total B(2) :</b>	<b>2972048</b>	<b>276572</b>	<b>3248620</b>	<b>10.66</b>	<b>3001983</b>	<b>269887</b>	<b>3271870</b>	<b>10.74</b>	<b>0.71</b>
	<b>Total Public Shareholding B = B(1)+B(2) :</b>	<b>7339259</b>	<b>278572</b>	<b>7617831</b>	<b>25.00</b>	<b>7345944</b>	<b>271887</b>	<b>7617831</b>	<b>25.00</b>	<b>0.00</b>
	<b>Total (A+B) :</b>	<b>30189575</b>	<b>278572</b>	<b>30468147</b>	<b>100.00</b>	<b>30196260</b>	<b>271887</b>	<b>30468147</b>	<b>100.00</b>	<b>0.00</b>
(C)	<b>SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	
(2)	Public	-	-	-	-	-	-	-	-	
	<b>GRAND TOTAL (A+B+C) :</b>	<b>30189575</b>	<b>278572</b>	<b>30468147</b>	<b>100.00</b>	<b>30196260</b>	<b>271887</b>	<b>30468147</b>	<b>100.00</b>	<b>0.00</b>

ii) Shareholding of Promoters								
SN	Shareholder's 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	ElH Limited	11215118	36.81	-	11215118	36.81	-	0.00
2	Satish B Raheja	6784711	22.27	-	6784711	22.27	-	0.00
3	Manali Investment & Finance Private Limited	2276617	7.47	-	2276617	7.47	-	0.00
4	Coronet Investments Private Limited	2088899	6.86	-	2088899	6.86	-	0.00
5	Oberoi Holdings Private Limited	271874	0.89	-	271874	0.89	-	0.00
6	Oberoi Hotels Private Limited	111733	0.37	-	111733	0.37	-	0.00
7	P.R.S. Oberoi	50820	0.17	-	50820	0.17	-	0.00
8	Rajan B Raheja	46666	0.15	-	46666	0.15	-	0.00
9	Oberoi Plaza Private Ltd	2260	0.01	-	2260	0.01	-	0.00
10	Bombay Plaza Private Limited	1618	0.01	-	1618	0.01	-	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change)						
SN	Particulars	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	EIH Limited	No Change	11215118	36.81	11215118	36.81
2	Satish B Raheja	No Change	6784711	22.27	6784711	22.27
3	Manali Investment & Finance Private Limited	No Change	2276617	7.47	2276617	7.47
4	Coronet Investments Private Limited	No Change	2088899	6.86	2088899	6.86
5	Oberoi Holdings Private Limited	No Change	271874	0.89	271874	0.89
6	Oberoi Hotels Private Limited	No Change	111733	0.37	111733	0.37
7	P.R.S. Oberoi	No Change	50820	0.17	50820	0.17
8	Rajan B Raheja	No Change	46666	0.15	46666	0.15
9	Oberoi Plaza Private Ltd	No Change	2260	0.01	2260	0.01
10	Bombay Plaza Private Limited	No Change	1618	0.01	1618	0.01

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)						
SN	For Each of the Top 10 Shareholders	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	National Westminster Bank Plc As Trustee	No Change	3041111	9.98	3041111	9.98
2	Jupiter South Asia Investment Company Limited	No Change	1300850	4.27	1300850	4.27
3	Hemendra Mathradas Kothari	No Change	359501	1.18	359501	1.18
4	Usha Kamal Kabra	No Change	351000	1.15	351000	1.15
5	Kamal Kabra	No Change	331000	1.09	331000	1.09
6	Aayush Kabra	No Change	90444	0.30	90444	0.30
7	Pooja Kabra	No Change	51100	0.17	51100	0.17
8	Kamal Shyamsunder Kabra		51100	0.17		
		04/12/2015			31100	0.10
		11/12/2015			25800	0.08
		18/12/2015			25000	0.08
		31/12/2015			19691	0.06
		08/01/2016			11654	0.04
		15/01/2016			11000	0.04
		22/01/2016			9254	0.03
		29/01/2016			5000	0.02
		12/02/2016			1000	0.00
	At The End of The Year				0	0.00
9	Radhakishan S Damani		63786	0.21		
		15/05/2015			70499	0.23
		22/05/2015			73163	0.24
		29/05/2015			73747	0.24
		05/06/2015			73786	0.24
		17/07/2015			74984	0.25
		07/08/2015			984	0.00
		22/01/2016			11841	0.04
		29/01/2016			21280	0.07

SN	For Each of the Top 10 Shareholders	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Radhakishan S Damani	05/02/2016			28365	0.09
		12/02/2016			66816	0.22
		19/02/2016			122143	0.40
		26/02/2016			127068	0.42
	At The End of The Year				127068	0.42
10	Kanchan Vijay Patel		54620	0.18		
		28/08/2015			52569	0.17
		11/09/2015			52114	0.17
		09/10/2015			49114	0.16
	At The End of The Year				49114	0.16
11	Radhakishan Damani		51000	0.17		
		07/08/2015			125000	0.41
	At The End of The Year				125000	0.41

v) Shareholding of Directors and Key Managerial Personnel						
SN	Shareholding of each Director and Key Managerial Personnel	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	RAJAN B RAHEJA*	No Change	46666	0.15	46666	0.15
2	P.R.S. OBEROI	No Change	50820	0.17	50820	0.17
3	SHIB SANKER MUKHERJI	No Change	10000	0.03	10000	0.03

\*Resigned from directorship w.e.f. 28th April, 2015.

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

₹ Million

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness as on 01/04/2015*</b>				
i. Principal amount	621.21	-	-	621.21
ii. Interest due but not paid	0.08	-	-	0.08
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	621.29	-	-	621.29
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	275.83	-	-	275.83
<b>Net Change</b>	(275.83)	-	-	(275.83)
<b>Indebtedness as on 31/03/2016*</b>				
i. Principal amount	345.43	-	-	345.43
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.03	-	-	0.03
<b>Total (i+ii+iii)</b>	345.46	-	-	345.46

\* Outstanding on account of finance lease obligations, not being loans/deposits, are not included

**VI. Remuneration of Directors and Key Managerial Personnel**
**A. Remuneration to Managing Director, Whole-time Director and/or Manager**

*Not applicable*

**B. Remuneration to other Directors**

₹ Million

Sl No	Names of Directors	Particulars of Remuneration			Total
		Fee for attending Board & Committee Meetings	Commission	Others, please specify	
<b>1</b>	<b>Independent Directors</b>				
	Mr. Anil Nehru	0.48	-	-	0.48
	Mr. L.Ganesh	0.36	-	-	0.36
	Mr. Sudipto Sarkar	0.56	-	-	0.56
	Mr. Rajesh Kapadia	0.08	-	-	0.08
	Ms. Radhika Vijay Haribhakti	0.20	-	-	0.20
	Total (1)	<b>1.68</b>	-	-	<b>1.68</b>
<b>2</b>	<b>Non-Executive Directors</b>				
	Mr. P.R.S.Oberoi	0.32	-	-	0.32
	Mr. S.S.Mukherji	0.60	-	-	0.60
	Mr. Akshay Raheja	0.28	-	-	0.28
	Total (2)	<b>1.20</b>	-	-	<b>1.20</b>
<b>3</b>	<b>Executive Director</b>				
	Mr. Vikram Oberoi*	0.52	-	-	0.52
	Total (3)	<b>0.52</b>	-	-	<b>0.52</b>
	Total B (1+2+3)	<b>3.40</b>	-	-	<b>3.40</b>
	<b>Total Managerial Remuneration</b>	<b>3.40</b>	-	-	<b>3.40</b>

\*Mr. Vikram Oberoi, the Managing Director, does not draw any remuneration from the Company except sitting fee for attending Board and Committee Meetings.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

₹ Million

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	2.35	4.90	7.25
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.29	0.50	0.79
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- As % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>2.64</b>	<b>5.40</b>	<b>8.04</b>

**VII. Penalties/Punishment/Compounding of offences**

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding of fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	None				
Punishment	-do-				
Compounding	-do-				
<b>B. DIRECTORS</b>					
Penalty	None				
Punishment	-do-				
Compounding	-do-				
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	None				
Punishment	-do-				
Compounding	-do-				

For and on behalf of the Board

Gurgaon  
24th May, 2016

VIKRAM OBEROI  
*Managing Director*

S.S. MUKHERJI  
*Vice Chairman*

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure, Developments and Outlook

#### The Global Economy – Performance & Prospects

World GDP is estimated to have grown at 2.4% in 2015 as compared to 3.3% in the previous year and further strengthen over the next two years to 2.9% in 2016 and 3.2% in 2017.

The United States economy also witnessed a slowdown, growing at 2.0% in 2015 from 2.4% in 2014. However, the Country is expected to recuperate, given lower energy costs, rising household wealth and an accommodative monetary policy.

The growth rate of the Chinese economy is expected to reduce from 7.4% in 2014 to 6.8% in 2015 as the country shifts to a service orientated nation from an export driven economy.

The appreciation of the US dollar against most world currencies has realigned global demand towards Europe, Japan and a few emerging markets. GDP growth rates for both the Euro region (0.9% in 2014 to 1.4% in 2015) and Japan (-0.1% in 2014 to 0.7% in 2015) display a marginal increase and are projected to continue on the road to recovery.

#### The India Story

Emerging as one of the best performing economies globally, India's economy expanded by 7.2% in 2014-15 and is estimated to grow by 7.6% in 2015-16, as per the Economic Survey 2015-16.

The Union Budget for 2016-17 laid emphasis on nine areas integral to the Country's progress: a simpler taxation model, investment in infrastructure, fiscal discipline, ease of doing business, job creation, agriculture, social sector, education and rural sector.

Going forward, the Economist Intelligence Unit forecasts the GDP growth to average 7.3% from 2016-17 to 2020-21, driven by growth in employment, an expanding middle class, a gradual shift towards services from the low-yielding agricultural sector and the notably high saving and investment rates.

### Travel & Tourism

#### Global scenario

Surpassing the growth of the global economy (2.4%), the Travel & Tourism sector grew at 2.8% in 2015. The industry's total contribution to GDP is 9.8% (US\$7.2 trillion) of the world's GDP and its total contribution to employment of 9.5% (284 million) of the total jobs in the global economy. Business and Leisure Spending crossed US\$4,700 billion within the year.

While the United States of America and China remain the largest Travel and Tourism markets, the World Travel & Tourism Council estimates the South Asian region has the highest growth rate at 6.9%.

The Travel & Tourism sector has remained resilient in 2015 and the sector is projected to continue thriving in the coming year. The strength of the US dollar will affect the price sensitive travelers' decisions. Nevertheless, the current oil prices, at their lowest in the past decade, have reduced travel costs and led to an increase in demand.



## **India**

The Indian Travel & Tourism Industry is a significant source of foreign exchange, a major employment generator, and an integral part of the India growth story. The sector has registered prominent growth in recent years due to an expanding Indian middle class, increase in foreign tourist arrivals, a growing airline sector, and momentum from Government-led initiatives.

In 2015, the total contribution of Travel & Tourism to GDP was ₹ 8,309 billion (6.3% of GDP) and is forecasted to reach ₹ 18,362 billion (7.2% of GDP) by 2026, as per the WTTC's Economic Impact 2016 Report.

The Government has continually displayed a commitment towards augmenting the Indian tourism sector. The 2016-17 Union Budget allocated ₹ 15.9 billion to infrastructural development and promotion which is a 70% hike over the previous year. The "Clean India" campaign and development of inland waterways for transport and tourism are projects that have gained momentum over the previous year. Additionally, programmes such as "Make in India" and the "Smart Cities" initiative have highlighted the Government's support to skill development and investments in Hospitality and Tourism.

### **Tourism & Hospitality - Trends and Opportunities for Growth**

In addition to the initiatives stated above, the Prime Minister has proactively sought foreign investment from countries such as China, the United States and Japan, leading to an increase of business related travel to the Country.

With a compounded annual growth rate (CAGR) of 6.2% between 2010 and 2015, the International Visitor Arrivals grew by 9.1% for the period of January-March, 2016 over that of the same period last year. The e-Tourist Visa now is available for 150 nations as of February, 2016 expediting travel to India from all destinations.

Domestic travel spending has also witnessed impetus, attributing 82.5% to the direct Travel & Tourism GDP. Although a large portion of domestic travel has historically been for business purposes, an increasing number of Indians are now travelling for leisure. The appreciation of the US dollar has made international travel unattractive to many who are now seeking to travel within the Country for holidays. Domestic tourism, therefore, is likely to gain traction, given the rising disposable income and abundance of low cost flights.

With reference to the Hospitality Industry, the supply of branded rooms has grown at a CAGR of 15.5% over the past five (2011-12 to 2014-15) years, with the demand for these rooms growing at a similar pace of 15.3% for the same period. The nationwide occupancies surpassed the 60% mark but were accompanied by a correction in average rates. The Food and Beverage department continued to be a major revenue generator for the Indian Hotel Industry.

The positive outlook for the Indian economy, coupled with the favourable external environment and emphasis on Travel & Tourism as well as related industries by the Government, points towards a steady upswing in the hospitality sector. As future supply dwindles concurrent with the increase in demand for quality branded accommodation, the Company is optimistic about the opportunities ahead.

### **Internal Controls Mechanism and Adequacy**

The organization is committed to ensuring an effective internal control environment that provides, *inter alia*, an assurance on the orderly and efficient conduct of operations, security of assets, prevention and detection of frauds and errors, accurate and timely completion of accounting records and timely preparation of reliable financial information. Internal control systems have accordingly been designed to reflect its necessary concomitance to the principle of governance where the freedom of operations and their management is exercised within a framework of appropriate checks and balances.

**Internal Controls on Financial Reporting (ICFR)** – In accordance with Section 134(5)(e) of the Companies Act, 2013 the Directors have been entrusted with the overall responsibility of ensuring that the Company has implemented a robust framework of internal financial controls. In order to enable the Directors meet these responsibilities, the Board has devised the necessary systems, framework and mechanisms within the Company and has empowered the Audit Committee to periodically review and confirm that the mechanisms remain effective and fit for purpose.

In line with global best practices applicable to organizations of a similar size, nature and complexity, the Company's internal control framework has been designed through structured control risk assessments by way of Standard Operating Procedures (SOPs), Risk and Control Matrices (RACM), Information Technology (IT) Policies, ERP-based Information Systems including MIS and automated system controls inbuilt within the ERP and other IT Systems.

The Company's Internal Audit Department with its multidisciplinary skillsets has been entrusted with the responsibility of devising adequate monitoring mechanisms and procedures to ensure prevention and detection of failures and faults in the system and report their observations along with mitigating actions within defined target dates to the Audit Committee of the Board of Directors in every quarter.

### **Internal Audit Mechanism and Review Systems**

The Internal Audit Department is headed by the Chief Internal Auditor and comprises of a strong internal workforce of ERP-trained Chartered Accountants with specialized skillsets in areas of Information Security, Financial, Business, Legal, Statutory, Projects and Process Audits.

The Department works on matured Computer Assisted Audit Techniques (CAATs) and deploys online monitoring mechanisms across the IT systems of all functions and units of the Company. Focus areas for specific audits are determined based on structured assessment of risk and the yearly Internal Audit plan as approved by the Audit Committee.

All reported observations of audits are maintained in online databases for comprehensiveness, ease of accessibility and structured follow up. The Company has a structured follow-up team of Senior Executives who meet periodically under the aegis of the Managing Director to address and resolve pending audit issues.

The Chief Internal Auditor is responsible to and presents the findings to the Audit Committee every quarter, in the order of the impact of risks involved and probabilities of their occurrence, and the pendency of issues in various units together with the periodicity and status thereof. The Audit Committee takes cognizance of the presentation and provides its directions and guidance for further action. Besides, the Chief Internal Auditor has also

been entrusted with the responsibility to report to the Audit Committee on the adequacy of 'Internal Controls over Financial Reporting' (ICFR) in accordance with Section 177(4) (vii) of the Companies Act, 2013.

During the Financial Year 2015-16, Internal Audit findings were shared in Audit Committee meetings on four occasions and presentations on ICFR on two occasions. The Audit Committee was satisfied with the adequacy of the internal control systems and procedures of the Company and the performance of the Internal Audit Department in respect of monitoring of such systems.

### **Risk Management Systems**

The Company has a Risk Management Committee comprising of Managing Director and Senior Executives of the Company. The Risk Management Committee identifies potential risks associated with the Company's business and assigns responsibility to various Risk Owners who are responsible for monitoring and addressing the risks with commensurate mitigating plans.

The Company's performance is measured against each risk parameter on a periodic basis. Based on performance data received from Risk Owners, the organizational criteria of Critical, Watch and Good is applied for each Risk.

The Risk Management Committee presents a summary of the status of performance of the Company against each risk parameter to the Board of Directors and the measures taken to mitigate these risks.

During the Financial Year 2015-16, the Risk Management Committee shared presentations on risk management twice with the Board. The Board was satisfied with the Company's performance against each of the identified risks.

### **Financial and Operating Performance**

During the Financial Year 2015-16, in spite of the adverse market conditions and weak demand compounded by the excess supply of rooms, the Company has not only increased its Revenue, but has also increased the EBIDTA and the Net Profit.

During the Financial Year 2015-16, the Company's Total Revenue was ₹ 2494.06 Million as compared to ₹ 2315.35 Million in the previous year representing an increase of approximately 7.72 %.

Earnings Before Interest, Depreciation, Taxation, Exceptional items and Amortization (EBIDTA) was ₹ 751.61 Million as compared to ₹ 677.75 Million in the previous year. This represents an increase of approximately 10.90% .

Profit Before Tax was ₹ 539.53 Million as compared to ₹ 399.61 Million in the previous year which is an increase of approximately 35.01 %

The Net Profit for the year was ₹ 383.65 Million as compared to ₹ 247.27 Million in the previous year which is an increase of approximately 55.16%.

The Company's business activity is limited to hotels.

**Awards**

Mr. P.R.S. Oberoi, Executive Chairman, The Oberoi Group was conferred with the ET Bengal Visionary Award by The Economic Times Bengal Corporate Awards, 2016.

In 2015, Mr. Oberoi was voted amongst CNBC TV18’s Top 15 Indian Business Icons.

Some of the other major recognitions received by Oberoi Hotels & Resorts during the Financial Year 2015-16 have been:

Oberoi Hotels & Resorts voted World’s Best Hotel Brand in the *Travel + Leisure*, World’s Best Awards Readers’ Survey, 2015 and World’s Leading Luxury Hotel Brand for the fourth consecutive year by World Travel Awards, 2015.

<b>HOTEL</b>	<b>AWARD</b>	<b>AWARDED BY</b>
The Oberoi Rajvilās, Jaipur, Rajasthan, India	India’s Leading Resort	World Travel Awards 2015
	Top 15 Resorts in Asia (Ranked 2nd)	<i>Travel + Leisure</i> , World’s Best Awards, Readers’ Survey 2015
	Top 100 Hotels Overall (Ranked 5th)	<i>Travel + Leisure</i> , World’s Best Awards, Readers’ Survey 2015

**Development in Human Resources and Industrial Relations**

The success of the Company has been its people who have always gone the extra mile to create unforgettable memories for guests. It is their natural warmth and genuine care of guests that gives the Company and its hotels a competitive advantage.

It is imperative that we create and foster a culture that supports our team members, helps in their development and enables them to perform at their very best. In doing so, the Company will continue to be the preferred employer for people wishing to make a career in the Hospitality Industry.

With this in mind, the Company continuously reviews and re-aligns its people practices and policies thus ensuring that it puts into action the people focused values enshrined in *The Oberoi Dharma*.

The Company was recognized as one of the Best Employers in the ‘Aon Best Employers India -2016’ Survey. The Aon Best Employers study’s research methodology covered 113 companies across 12 industries to adjudge India’s Best Employers of 2016.

In another independent study conducted by the Great Place to Work® Institute, India, in partnership with The Economic Times, The Oberoi Group has been selected in the Top 30 companies to work for in India.

**Learning and Development:**

The distinctive competitive advantage of the Company lies in the unrelenting focus of each team member in ensuring that every guest leaves as an ambassador of our hotels.

To achieve this, we need to ensure that we continuously nurture this service ethics in the organisation while equipping our team members with the technical skills and behavioural competencies required to achieve this result.

The efforts of The Oberoi Centre of Learning and Development are focused on:

- Creating structured programmes for the training and development of team members who join the Company in our core programmes - the two-year Post Graduate Management Programme and the three-year Undergraduate STEP (Systematic Training and Education Programme).
- Conducting development programmes for high performing team members and supervisors that provide them with the skillsets necessary to take on additional responsibilities through the Supervisory and Executive Development Programmes.

In addition, The Oberoi Centre for Learning and Development created and conducted training programmes for team members and executives at all levels in order to fulfill the organisation's commitment to continually add to the individual's skill sets and competencies thereby helping each individual to grow as a person and a professional.

Industrial relations remained stable throughout the year.

As on 31st March, 2016, the number of people employed by the Group was 9894.

For and on behalf of the Board

Gurgaon  
24th May, 2016

VIKRAM OBEROI  
*Managing Director*

S. S. MUKHERJI  
*Vice Chairman*

## REPORT ON CORPORATE GOVERNANCE

### The Company's philosophy on Code of Governance

- The Company's philosophy on governance is documented in "The Oberoi Dharma", which is the fundamental code of conduct for the Company and in its "Mission Statement".

The texts of "The Oberoi Dharma" and the "Mission Statement" appear on page nos. 4 & 5 of this Annual Report.

### 2. Board of Directors

As on 31st March, 2016, the Company had nine Directors on its Board. Mr. Vikram Oberoi is the Managing Director of the Company. Of the eight Non-Executive Directors, five are Independent.

The Board met six times during the Financial Year, *ie.* on 28th May, 2015, 7th August, 2015, 6th November, 2015, 29th January, 2016, 11th March, 2016 and 30th March, 2016

Details of attendance of Directors at Board Meetings during the Financial Year and at the Company's Thirty-second Annual General Meeting together with the number of other directorships and committee memberships held by them are as follows:

Name	Designation	Category	Attendance		* No. of other directorships held in Indian public limited companies	@No. of Board Committees (other than EIH Associated Hotels Limited)
			Board Meeting	Last AGM		
Mr. P.R.S. Oberoi	Chairman	Non-executive Non-Independent	5	No	5	1**
Mr. S.S. Mukherji	Vice Chairman	Non-executive Non-Independent	6(1)	Yes	2	1
Mr. Vikram Oberoi	Managing Director	Executive	6	Yes	3	2
Mr. Akshay Raheja	Director	Non-executive Non-Independent	5(3)	Yes	2	1
Mr. Anil Nehru	Director	Non-executive Independent	6	Yes	4	5**
Mr. L. Ganesh	Director	Non-executive Independent	5	Yes	7	6**
Mr. Sudipto Sarkar	Director	Non-executive Independent	4	Yes	4	2
Mr. Rajesh Kapadia	Director	Non-executive Independent	1	Yes	5	3***
Ms. Radhika Vijay Haribhakti	Director	Non-executive Independent	5(1)	Yes	5	6

\* Excludes directorship, if any, in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013

\*\* Chairperson of one committee

\*\*\* Chairperson of two committees

( ) Numbers within brackets represent participation in meetings through video-conferencing

@ Only Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Note: Mr. P.R.S. Oberoi and Mr. Vikram Oberoi are related to each other being father and son. No other Directors are related *inter se*.

Mr. P.R.S. Oberoi retires by rotation at the forthcoming Annual General Meeting. He is eligible for re-appointment. The particulars of Mr. Oberoi are enclosed as Annexure to the Notice convening the Annual General Meeting.

The Board appointed Mr. Akshay Raheja as a Director with effect from 28th May, 2015 in the causal vacancy caused due to the resignation of Mr. Rajan Raheja. Mr. Rajan Raheja would have retired by rotation at the forthcoming Annual General Meeting, if he had not vacated his office. Mr. Akshay Raheja will be appointed as a regular Director by the Shareholders at the Thirty-third Annual General Meeting.

All Directors and members of senior management have, as on 31st March, 2016, affirmed compliance with:

- *The Oberoi Dharma*, the fundamental code of conduct for all members of The Oberoi Group;
- the Company's code of conduct for prevention of insider trading in its shares;
- disclosures relating to all material, financial and commercial transactions

### 3. **Audit Committee**

#### **Composition, Meetings and Attendance**

As on 31st March, 2016, the Audit Committee consisted of four Board members, *viz.* Mr. Anil Nehru, Mr. L. Ganesh, Mr. Akshay Raheja and Mr. Sudipto Sarkar. Mr. Rajesh Kapadia ceased to be a member of the Audit Committee with effect from 7th January, 2016.

All members of the Committee are Non-executive Directors. Three of the members are Independent Directors. The quorum for an audit committee meeting is either two members or one third of the members of the committee, whichever is greater, with at least two independent directors.

Mr. Anil Nehru is the Chairperson of the Committee. Mr. Nehru has vast industry experience. The other members of the Committee are financially literate within the meaning of the Explanation under Regulation 18(1)(c) of the Listing Regulations.

The Committee met on four occasions during the Financial Year, *ie.* on 28th May, 2015, 7th August, 2015, 6th November, 2015 and 29th January, 2016. The attendance of members at the Committee Meetings held during the Financial Year 2015-2016 is given below:

<b>Name</b>	<b>No. of Meetings attended</b>
Mr. Anil Nehru	4
Mr. L.Ganesh	4
Mr. Sudipto Sarkar	3
Mr. Akshay Raheja	2
Mr. Rajesh Kapadia	1

The Statutory Auditors, Chief Internal Auditor and the Chief Financial Officer remain present at the meetings of the Audit Committee. Mr. S.S. Mukherji, Vice Chairman and Mr. Vikram Oberoi, Managing Director are invitees to the Committee Meetings.

The Company Secretary acts as the Secretary to the Committee.

**Terms of Reference**

The terms of reference of the Audit Committee are in accordance with Regulation 18 read with Part C of Schedule II to the Listing Regulations and Section 177 of the Companies Act, 2013.

**4. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee (“SRC”) comprises of four Board members, *viz.* Mr. P.R.S. Oberoi, Mr. S.S. Mukherji, Mr. Vikram Oberoi and Mr. Sudipto Sarkar. The Company Secretary, who is also the Compliance Officer of the Company, acts as Secretary to the Committee.

The quorum for a meeting of SRC is two members. Mr. P.R.S. Oberoi, Chairman of the Board or a Non-executive Director, chairs these meetings.

The Committee met on four occasions during the Financial Year, *ie.* on 28th May, 2015, 7th August, 2015, 6th November, 2015 and 29th January, 2016. The attendance of members at the Committee Meetings held during the Financial Year 2015-2016 is given below:

Name	No. of Meetings attended
Mr. P.R.S.Oberoi	3
Mr. S.S.Mukherji	4
Mr. Vikram Oberoi	4
Mr. Sudipto Sarkar	3

**Terms of Reference**

The terms of reference of the Committee are in accordance with Regulation 20 and Part D of Schedule II to the Listing Regulations and Section 178 of the Companies Act, 2013. The Committee monitors the Company’s response to investor complaints. It has also been authorised to approve the issue of duplicate share certificates *in lieu* of those lost or destroyed.

Pursuant to Regulation 40(2) of the Listing Regulations, the power to approve transfers, transmissions, etc. of shares in the physical form has been delegated to the Share Transfer Agent (“STA”).

As on 31st March, 2016, there was no pending demat and physical transfer request. During the year 2015-2016, no complaints were received from the shareholders of the Company and as on 31st March, 2016 and no complaints were pending.

**5. Nomination and Remuneration Committee**
**Composition, Meetings and Attendance**

The Nomination and Remuneration Committee (“NRC”) comprises of three Non-Executive Directors, *viz.* Mr. S.S. Mukherji, Mr. Sudipto Sarkar and Mr. Anil Nehru. Mr. Sudipto Sarkar and Mr. Anil Nehru are Independent Directors. Mr. Sudipto Sarkar is the Chairperson of the Committee.

The quorum for a meeting of NRC is two members. The Company Secretary acts as the Secretary to the Committee.



The Committee met twice during the Financial Year, *ie.* on 28th May, 2015 and 7th August, 2015. The attendance of the members at the Committee Meetings held during the Financial Year 2015-2016 is given below:

<b>Name</b>	<b>No. of Meetings attended</b>
Mr. S.S. Mukherji	2
Mr. Sudipto Sarkar	2
Mr. Anil Nehru	2

**Terms of Reference**

The terms of reference of the NRC and its role are in accordance with Regulation 19 and Part D of Schedule II to the Listing Regulations and sub-sections (2), (3) and (4) of Section 178 of the Companies Act, 2013.

The Committee has formulated and adopted the following policies in accordance with the aforesaid provisions:

- Directors’ Appointment and Remuneration Policy and
- Senior Management Personnel (excluding Executive Directors) Appointment and Remuneration Policy

The aforesaid policies have been annexed with the Directors’ Report and are also available on the Company’s website [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in)

**6. Corporate Social Responsibility Committee**

**Composition, Meetings and Attendance**

The Corporate Social Responsibility Committee (“CSR Committee”) comprises of three Board members, *viz.* Mr. S.S.Mukherji, Mr. Vikram Oberoi and Mr. Sudipto Sarkar.

Mr. S.S.Mukherji is the Chairperson of the Committee.

The quorum for the CSR Committee is two members. The Company Secretary acts as the Secretary to the Committee.

The Committee met thrice during the Financial Year, *ie.* on 22nd September, 2015, 29th January, 2016 and 29th March, 2016. The attendance of members at the Committee Meetings held during the year 2015-2016 is given below:

<b>Name</b>	<b>No. of Meetings attended</b>
Mr. S.S. Mukherji	3
Mr. Vikram Oberoi	3
Mr. Sudipto Sarkar	2

**Terms of Reference**

The terms of reference of the CSR Committee is to formulate CSR Policy and to take CSR initiatives in accordance with Section 135 read with Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**7. General Body meetings**
**(i) Particulars of previous three Annual General Meetings**

Financial Year ended	Location	Date	Time	Special Resolutions passed
31st March, 2013	Trident Chennai	Thursday, 8th August, 2013	3.30 P.M.	None
31st March, 2014		Friday, 8th August, 2014	3.30 P.M.	Enhancement of the Company's overall borrowing limit and power to create mortgage(s) and / or charge(s) on the undertakings of the Company
31st March, 2015		Friday, 7th August, 2015	3.30 P.M.	None

**(ii) Special Resolutions passed through postal ballot**

On 22nd May, 2015, two Special Resolutions were passed by postal ballot with requisite majority (99.999% votes in favour of the Resolutions) approving the adoption of a new set of Memorandum and Articles of Association of the Company. The combined result of physical voting and e-voting are as follows:

Sl.No.	Resolutions	Total number of valid votes cast	Total number of votes cast in favour of the Resolution	% of total valid votes in favour	Total number of votes cast against the Resolution	% of total valid votes against
1.	<b>Special Resolution</b> for alteration/substitution of Memorandum of Association of the Company	20447009	20446909	99.999	100	0.001
2.	<b>Special Resolution</b> for alteration/substitution of Articles of Association of the Company	20447009	20446909	99.999	100	0.001

**(iii) Person who conducted the postal ballot exercise**

Dr. Asim Kumar Chattopadhyay, practicing Company Secretary, appointed as the Scrutinizer, had conducted the postal ballot voting process.

**(iv) Procedure for postal ballot**

The postal ballot was conducted as per the procedure set out in Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014 and Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 of the Securities and Exchange Board of India (SEBI).

**(v) Proposal to pass any special resolution through postal ballot**

None

**8. Remuneration of Directors**

Apart from sitting fee, no remuneration is paid to the Directors. Directors who attend Board or Committee meetings are paid a sitting fee of ₹ 40,000 per meeting. During the Financial Year 2015-2016, the total amount paid to the Directors for attending Board and Committee meetings amounted to ₹ 34,00,000. No stock option was given to any Director of the Company.

**9. General Disclosures**

- (i) A summary of transactions with related parties, in the ordinary course of business and at arm's length is placed before the Audit Committee;
- (ii) there were no material individual transactions with related parties that were not in the ordinary course of business and not at arm's length during the Financial Year ended 31st March, 2016;
- (iii) there were no materially significant transactions during the Financial Year with related parties such as promoters, directors, key managerial personnel or their relatives that could have potential conflict of interest with the Company;
- (iv) the mandatory disclosure of transactions with related parties in compliance with Accounting Standard (AS-18), forms part of this Annual Report;
- (v) the number of shares held by Non-Executive Directors in the Company are as follows:

<b>Name</b>	<b>Number of Shares</b>
Mr. P.R.S. Oberoi	50820
Mr. S.S. Mukherji	10000

- (vi) in preparing the Annual Accounts in respect of the Financial Year ended 31st March, 2016, no accounting treatment was different from that prescribed in the Accounting Standards;
- (vii) there was no instance of non-compliance on any matter relating to capital markets during the past three years;
- (viii) the Company has adopted the Code of Conduct for Prevention of Insider Trading in the shares of the Company for Directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (ix) the Company has a Whistle Blower Policy in place which can be accessed on its website at [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in). It is affirmed that no personnel has been denied access to the Chairperson of the Audit Committee in terms of the Policy. During the year, the Company did not receive any complaint;
- (x) the Company does not have any "material subsidiary";
- (xi) the Company has a policy on Related Party Transactions. The Policy can be accessed on the Company's website at [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in);
- (xii) the familiarization program for the Independent Directors is provided as part of the Directors' Appointment and Remuneration Policy. The Policy and details of the familiarization program is given on the Company's website [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in);
- (xiii) The Independent Directors met on 30th March, 2016 to review the performance of the Non-Independent Directors and the Board as a whole, review of performance of the Chairperson and assess the quality, quantity and timeliness of flow of information between the Company Management and the Board;

- (xiv) the Company has put in place a Board Evaluation process. A note of the same is provided in the Directors' Report;
- (xv) the Company has put in place adequate internal control systems and procedures including adequate financial controls with reference to the Financial Statement;
- (xvi) the Company has put in place a Risk Management Committee comprising of the Executive Director and senior executives of the Company, which identifies potential risks associated with the Company's business and takes step to mitigate such risks. The Company is not required to constitute a Board Committee on Risk Management; and
- (xvii) no fresh issue of shares took place during the Financial Year ended 31st March, 2016.

#### 10. Means of Communication

The Annual Report in respect of each financial year is mailed to all shareholders in the month of July of each calendar year. Each report contains the annual financial statement of the Company in respect of the financial year along with the Directors' Report and Auditor's Report including its annexures. Also included in each Annual Report is the Corporate Governance Report and the Notice convening the Annual General Meeting. The financial results or the extract of the financial results, as the case may be, of the Company were officially released or will be released in accordance with the following schedule:

Sl No	Nature of Communication	Media used for Publication	Dates of Publication	Forwarded/to be forwarded to Stock Exchanges on
1	Quarterly unaudited financial statement (first quarter 2015-16)	Newspapers	08.08.2015	07.08.2015
2	Half-yearly unaudited financial statement (second quarter 2015-16)	Newspapers	07.11.2015	06.11.2015
3	Quarterly unaudited financial statement (third quarter 2015-16)	Newspapers	30.01.2016	29.01.2016
4	Annual audited financial statement 2015-2016	Newspapers	On or before 26.05.2016	24.05.2016

The financial results are published in The Indian Express, The Financial Express, Business Standard and *Makkal Kural* (Tamil).

All corporate information filed by the Company with the Stock Exchanges are uploaded on [www.connect2nse.com/LISTING/](http://www.connect2nse.com/LISTING/) (NSE) and [www.listing.bseindia.com](http://www.listing.bseindia.com) (BSE) and can be viewed on website of the respective Stock Exchanges *ie.* [www.nseindia.com](http://www.nseindia.com). and [www.bseindia.com](http://www.bseindia.com). The information is also available on the Company's website at [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in).

The Management Discussion and Analysis in respect of the Financial Year under review forms part of the Directors' Report.

**12. General Shareholder Information**

- a. **The Thirty-third Annual General Meeting will be held at 3.30 p.m. on Friday, 5th August, 2016 at Trident Chennai.**
- b. **The tentative financial calendar is as follows:**

Audited Annual Accounts for 2015-2016	Tuesday, 24th May, 2016
Mailing of Annual Report for 2015-2016	On /before Saturday, 9th July, 2016
Unaudited First Quarter Financial Results 2016-2017	Friday, 5th August, 2016
Thirty-third Annual General Meeting	Friday, 5th August, 2016
Unaudited Second Quarter Financial Results 2016-17	Friday, 4th November, 2016

c. **Register of Shareholders**

The Register of Shareholders will remain closed from Wednesday, 27th July, 2016 to Friday, 29th July, 2016, both days inclusive.

d. **Payment of Dividend**

The Board of Directors had declared an Interim Dividend of ₹ 3.00 per equity share at the Board meeting held on 11th March, 2016. Despatch of dividend warrants in respect of interim dividend for the Financial Year 2015-2016, was completed on 1st April, 2016. For shareholders holding shares in dematerialized form or who have given ECS/mandate, dividend was credited to their account by means of electronic clearing system (ECS) on 23rd March, 2016. The record date for determining the eligibility to receive dividend was 19th March, 2016.

The Board at its meeting held on 24th May, 2016 recommended a further dividend of ₹ 1.00 per equity share for declaration by the shareholders as the Final Dividend for the Financial Year 2015-2016 at the forthcoming Thirty-third Annual General Meeting.

Warrants relating to Final Dividend in respect of the financial year 2015-2016, if declared by the Company at the forthcoming AGM will be despatched on 6th August, 2016, to those shareholders of the Company whose names will appear in the Register of Members of the Company as at the close of business on Tuesday, 26th July, 2016. For those shareholders holding shares in dematerialized mode, dividend will be credited to their account by means of Electronic Clearing System (ECS).

e. **Listing of Shares on Stock Exchanges**

As on 31st March, 2016, the shares of the Company were listed on Stock Exchanges with their respective stock codes as follows:

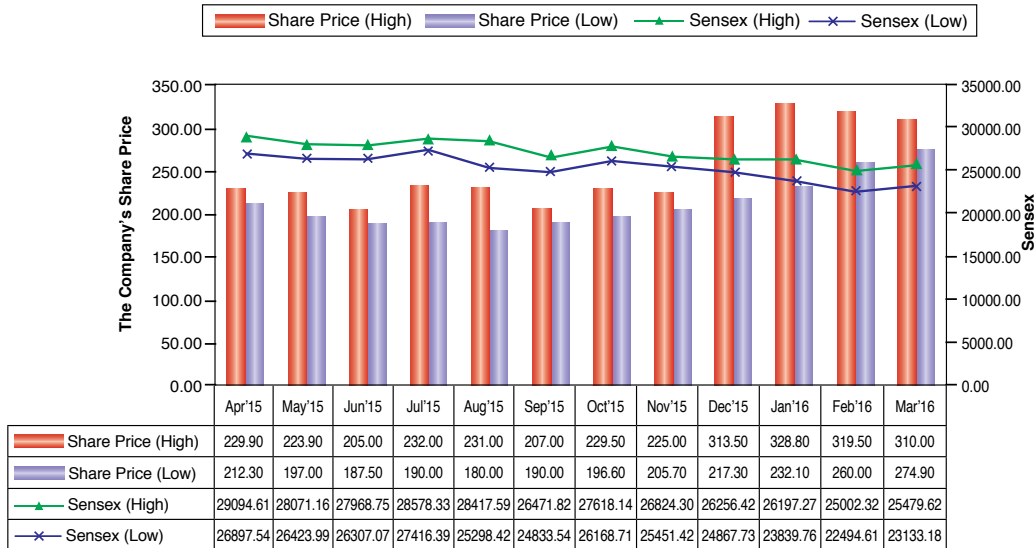
Name of the Stock Exchange	Stock Code
BSE Limited	523127
The National Stock Exchange of India Limited	EIHAHOTELS

The ISIN Number of the Company's shares in the dematerialised mode is INE76C01014. There are no arrears of listing fees and custodial fees.

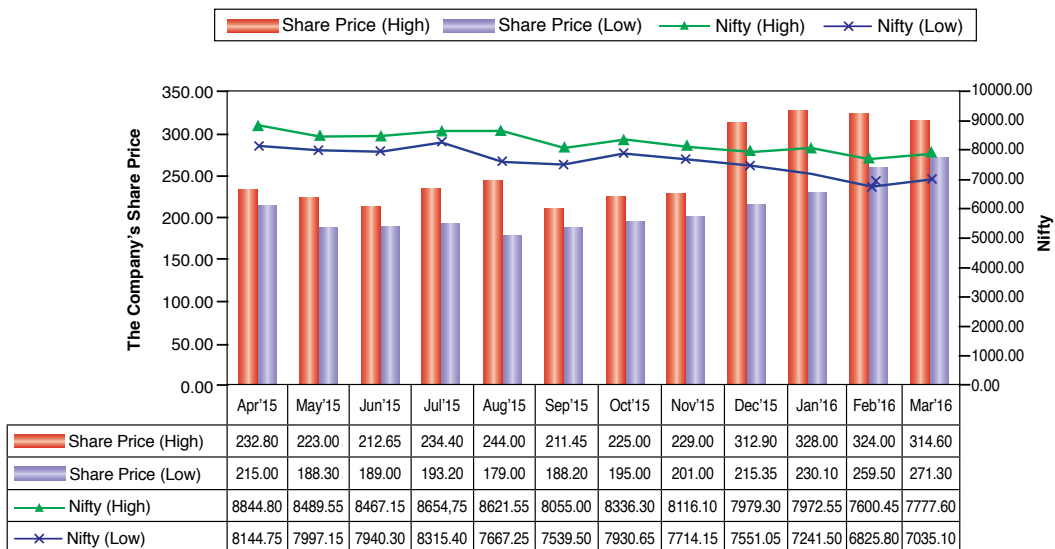
**f. Market Price of the Company's share versus Sensex and Nifty (in Rupees)**

The Company's monthly share price pattern during the Financial Year *vis-a-vis* the Sensex and the Nifty has been as follows:

**A. The Company's share price vs. Sensex**



**B. The Company's share price vs. Nifty**



- g. In accordance with Section 20, 101 and 136 of the Companies Act, 2013 and rules made there under, the Annual Report, Notice of the Annual General Meeting, postal ballot notice, circulars etc, are being sent by electronic means to those shareholders whose e-mail addresses are made available to the Company by the shareholders and the depository. Documents e-mailed to shareholders are also available on the Company's website [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in) to enable shareholders read and download a copy, if required. Physical copies of the documents are sent to those shareholders who have made a specific request in writing for the same. For the Financial Year 2015-2016, the Company will follow the same procedure.

### 13. Share Transfer System

EIH Limited is registered with SEBI as a Category II-Share Transfer Agent ("STA"). The SEBI Registration No. allotted to the STA is Category II – INR000003779. Requests for dematerialization and rematerialisation of shares should be sent to the STA at the following address:

EIH Limited  
 Investors Services Division  
 7, Sham Nath Marg  
 Delhi-110 054  
 Telephone: 91-11-2389 0505  
 Facsimile: 91-11-2389 0605  
 E-mail: [isdho@oberoigroup.com](mailto:isdho@oberoigroup.com)  
[invcom@tridenthotels.com](mailto:invcom@tridenthotels.com)

The Company's shares are traded on the Stock Exchanges in the compulsory dematerialized form. Shareholders are requested to ensure that their Depository Participants ("DPs") promptly send physical documents, *ie.* Dematerialization Request Form ("DRF"), share certificates, etc. to the STA by providing the Dematerialization Request Number ("DRN"). Documents of transfer in physical form, *ie.* the transfer deeds, share certificates, etc. should similarly be sent to the STA.

As on 31st March, 2016, 30.20 million shares of the Company, representing 99.11% of the total shares issued, were held in the dematerialised form and 0.27 million shares representing 0.89% of the total issued shares were held in physical form. A total of 4585 (79.26%) shareholders have up to 31st March, 2016, dematerialised their shareholdings, while the balance 1200 (20.74%) shareholders continue to hold shares in the physical form.

### 14. Distribution of Shareholding as on 31st March, 2016

Shareholding Range	No. of Shareholders	% of Shareholders	No. of shares (in million)	% of Shareholding
1-1000	5526	95.52	0.74	2.42
1001-5000	192	3.32	0.43	1.40
5001-10000	29	0.50	0.21	0.68
10001-50000	22	0.38	0.52	1.71
50001-100000	3	0.05	0.19	0.63
100001 and above	13	0.23	28.38	93.16
<b>Total</b>	<b>5785</b>	<b>100.00</b>	<b>30.47</b>	<b>100.00</b>

**15. Pattern of Shareholding as on 31st March, 2016**

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Total shareholding as a percentage of total number of shares
				As a percentage of (A+B)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>			
<b>(1)</b>	<b>INDIAN</b>			
(a)	Individual/HUF	2	97486	0.32
(b)	Central Government/State Government(s)	-	-	-
(c)	Bodies Corporate	7	15968119	52.41
(d)	Financial Institutions / Banks	-	-	-
(e)	Others	-	-	-
	<b>Sub-Total A(1) :</b>	<b>9</b>	<b>16065605</b>	<b>52.73</b>
<b>(2)</b>	<b>FOREIGN</b>			
(a)	Individuals (NRIs/Foreign Individuals)	1	6784711	22.27
(b)	Bodies Corporate	-	-	-
(c)	Institutions	-	-	-
(d)	Qualified Foreign Investor	-	-	-
(e)	Others (specify)	-	-	-
	<b>Sub-Total A(2) :</b>	<b>1</b>	<b>6784711</b>	<b>22.27</b>
	<b>Total Shareholding of Promoter and Promoter Group A=A(1)+A(2)</b>	<b>10</b>	<b>22850316</b>	<b>75</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>			
<b>(1)</b>	<b>INSTITUTIONS</b>			
(a)	Mutual Funds / UTI	5	1600	0.01
(b)	Financial Institutions /Banks	2	2100	0.01
(c)	Central Government/State Government(s)	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	-	-	-
(f)	Foreign Institutional Investors	3	4342261	14.25
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Qualified Foreign Investor	-	-	-
(i)	Others (specify)	-	-	-
	<b>Sub-Total B(1) :</b>	<b>10</b>	<b>4345961</b>	<b>14.26</b>
<b>(2)</b>	<b>NON-INSTITUTIONS</b>			
(a)	Bodies Corporate	179	195489	0.64
(b)	Individuals			
	(i) Individuals holding nominal share capital upto Rs. 2 lakh	5480	1587321	5.21
	(ii) Individuals holding nominal share capital in excess of Rs. 2 lakh	5	1293569	4.25
(c)	Qualified Foreign Investor	-	-	-
(d)	Others			
	NON RESIDENT INDIANS	89	194821	0.64
	TRUSTS	2	230	-
	FOREIGN NATIONALS	-	-	-
	DIRECTORS RELATIVES	-	-	-
	CLEARING MEMBERS	10	440	-
	<b>Sub-Total B(2) :</b>	<b>5765</b>	<b>3271870</b>	<b>10.74</b>
	<b>Total Public Shareholding B=B(1)+B(2) :</b>	<b>5775</b>	<b>7617831</b>	<b>25</b>
	<b>GRAND TOTAL (A+B) :</b>	<b>5785</b>	<b>30468147</b>	<b>100</b>



**16. Unclaimed Dividends**

All unclaimed dividend up to and including the Financial Year ended 31st March, 2008, have been transferred to the Investor Education and Protection Fund (“IEPF”) as mandated under law.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Company) Rules, 2012 (“IEPF Rules”), the Company has filed Form 5INV with the Ministry of Corporate Affairs. The details of the unclaimed dividends as on the date of the last Annual General Meeting is also uploaded on the Company’s website at [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in). The year-wise unclaimed dividend position as on 31st March, 2016 are as under:

<b>Year</b>	<b>No. of Shareholders</b>	<b>Unclaimed Dividend ₹</b>
2009	458	109119
2010	497	120853
2011	526	228512
2012	495	280767
2013	548	103741
2014	517	309423
2015	542	355347

The information has also been uploaded on the Company’s website at [www.eihassociatedhotels.in](http://www.eihassociatedhotels.in).

Shareholders who have not encashed their Dividend Warrants relating to the subsequent financial years are reminded by the Share Transfer Agent from time to time to claim their dividends before transfer to the IEPF. Under the extant provisions of the Companies Act, 1956, no claims shall lie against the IEPF or the Company in respect of individual dividend amount which remains unclaimed for a period of 7 (seven) years from the date of disbursement. Therefore, Shareholders who have not encashed their dividend warrants relating to the Financial Year ended 31st March, 2009 and subsequent years, are requested to contact the Share Transfer Agent.

**17. Location of Hotels**

- (i) The Oberoi Cecil, Shimla
- (ii) The Oberoi Rajvilās, Jaipur
- (iii) Trident, Agra
- (iv) Trident, Bhubaneshwar
- (v) Trident, Chennai
- (vi) Trident, Jaipur
- (vii) Trident, Udaipur
- (viii) Trident, Cochin

**18. Address for Correspondence**

The Company's Registered Office is located at 1/24 G.S.T. Road, Meenambakkam, Chennai-600 027.

Correspondence from Shareholders on all matters should be addressed to:

EIH Limited  
Investors Services Division  
7, Sham Nath Marg  
Delhi-110 054

Telephone : 91-11-2389 0505  
Facsimile : 91-11-2389 0605  
E -mail : [isdho@oberoigroup.com](mailto:isdho@oberoigroup.com)  
E-mail for : [invcom@tridenthotels.com](mailto:invcom@tridenthotels.com)  
Investors Grievances

**19. Information pursuant to Regulation 36(3) of the Listing Regulations**

Information pursuant to Regulation 36(3) of Listing Regulations pertaining to particulars of Directors to be appointed or re-appointed at the forthcoming Annual General Meeting is enclosed as an annexure to the Notice convening the Thirty-third Annual General Meeting.

**20. Compliance Certificate of the Auditors**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of the conditions of Corporate Governance as stipulated in Regulation 34(3) read with Part E of Schedule V to the Listing Regulations. The Certificate is annexed.

For and on behalf of the Board

Gurgaon  
24th May, 2016

VIKRAM OBEROI  
*Managing Director*

S.S. MUKHERJI  
*Vice Chairman*

**Declaration by Managing Director under Regulation 34(3) read with Part D of Schedule V to the Listing Regulations regarding adherence to the Code of Conduct**

In accordance with Regulation 34(3) read with Part D of Schedule V to the Listing Regulations, I hereby confirm that the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with *The Oberoi Dharma*, the fundamental Code of Conduct, as applicable to them for the Financial Year ended 31st March, 2016.

Gurgaon  
24th May, 2016

VIKRAM OBEROI  
*Managing Director*

## AUDITOR'S CERTIFICATE

To  
The Members of  
**EIH Associated Hotels Limited**

We have examined the compliance of conditions of Corporate Governance by **EIH Associated Hotels Limited** ("the Company") for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the said Company with Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **RAY & RAY**  
*Chartered Accountants*  
Firm's Registration Number 301072E

A.K. SHARMA  
*Partner*  
Membership Number: 80085

Place: Gurgaon  
Date: 24th May, 2016

**SECRETARIAL AUDIT REPORT**

For the financial year ended 31st March, 2016

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members  
**EIH Associated Hotels Limited**  
1/24 GST Road, Meenambakkam  
Chennai- 600 027  
Tamil Nadu

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**EIH Associated Hotels Limited**” (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2016, 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.

We 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, 2016, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made there under read with notifications, exemptions and clarifications thereto;
- ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made thereunder, to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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, as amended from time to time.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time. However, the regulations are not applicable to the Company during the audit period since the Company has not raised any money from the public and hence, these regulations have not been considered for the purpose of this report.
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time. However, the regulations are not applicable to the Company during the audit period since the Company does not have any such scheme in operation and hence, these regulations have not been considered for the purpose of this report.
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time. However, the regulations are not applicable to the Company during the audit period since the Company has not raised any money through debt securities from the public and hence, these regulations have not been considered for the purpose of this report.
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time, regarding the Companies Act and dealing with client. However, the regulations are not applicable to the Company during the audit period since it does not act as a Registrar to Issue or Share Transfer Agent and hence, these regulations have not been considered for the purpose of this report.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time. However, the regulations are not applicable to the Company during the audit period.
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended from time to time. However, the regulations are not applicable to the Company during the audit period since the Company has not bought back any of its securities and hence, these regulations have not been considered for the purpose of this report.
- vi) Other significant laws specifically applicable to the Company, including:
- (a) Food Safety and Standards Act, 2006 and Rules made thereunder;
  - (b) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
  - (c) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;
  - (d) Indian Explosives Act, 1884 and Rules made thereunder;
  - (e) The Static and Mobile Pressure Vessels (Unfired) Rules, 1981;
  - (f) The Apprentices Act, 1961 and Rules made thereunder.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India. These standards were applicable with effect from July 1, 2015 and have been taken into consideration for all meetings of the Company held thereafter.
- (ii) Listing Agreements entered into by the Company with the The National Stock Exchange of India and BSE Limited during the audit period.
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which became applicable with effect from December 1, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director in terms of Companies Act 2013 and Clause 49 of Listing Agreement and Regulation 17 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.
2. Adequate notice has been given to all Directors to schedule the Board Meetings during the Financial Year under review: agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions are carried unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the Financial Year under review.
4. The Company has obtained approval of shareholders through postal ballot in respect of one ordinary resolution and two special resolutions during the year under review, after due compliance with the relevant provisions of the Companies Act, 2013 and Rules made thereunder.
5. The Company has obtained approval of shareholders under Sections 13 and 14 of Companies Act, 2013 for alteration of Memorandum and Articles of Association and under Sections 149 & 152 of the Act, for appointment of Ms. Radhika Vijay Haribhakti as an Independent Director.

We 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.

For the purpose of examining adequacy of compliances with other applicable laws including industry / sector specific laws, under both Central and State legislations, reliance has been placed on the Compliance Certificate issued by the Company Secretary at each

Board meeting, based on the reports received by the Company from its hotels, as part of the Company's Compliance Management and Reporting System. Based on the aforesaid internal compliance certificates, we are of the opinion that the Company has generally complied with the following:

- i) Deposit of Provident Fund, Employee State Insurance, Employee Deposit Linked Insurance and other employee related statutory dues.
- ii) Applicable stipulations pertaining to the Payment of Wages Act, Minimum Wages Act, Contract Labour (Regulation and Abolition) Act and other related legislations.
- iii) Deposit of taxes relating to Income Tax, Value Added Tax, Central Sales Tax, Luxury Tax, Expenditure Tax, Professional Tax and other applicable taxes including tax deducted at source. However, cases of disputed tax liabilities of substantial amount are brought up at each Board meeting, appropriate action is taken and recorded in the minutes of meetings. Such cases form part of the Contingent Liabilities in the 'Notes to Accounts' forming an integral part of the Financial Statement for the year under review, and brief of the same has also been disclosed in the Independent Auditors' Report.
- iv) Applicable state and central laws, including those related to the Environment, Food Safety & Standards and Standards of Weights and Measures, pertaining to the operations of the Company. However, notices received from the statutory authorities, if any, are reported as part of Board process for compliance reporting and appropriate action is taken from time to time.

**For JUS & Associates**  
*Company Secretaries*

New Delhi  
May 24, 2016

Jyoti Upamanyu  
FCS – 7985  
CP No.– 8987



## INDEPENDENT AUDITOR'S REPORT

To  
**The Members of  
EIH Associated Hotels Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of EIH Associated Hotels Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at Cochin.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made

by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

### **Other Matters**

We did not audit the financial statements of Cochin branch included in the financial statements of the Company whose financial statements reflect total assets of ₹ 225.27 million as at 31<sup>st</sup> March, 2016 and total revenue of ₹ 103.34 million for the year ended on that date, as considered in the financial statements. The financial statements of this branch have been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 ('the Act'), we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
  - (c) the report on account of branch office of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - (d) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us.

- (e) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) with respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements in respect of claims and demands on the Company which are being contested as mentioned in Note No 29(a).
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. there has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For RAY & RAY  
*Chartered Accountants*  
Firm's Registration Number 301072E

A.K. SHARMA  
*Partner*  
Membership Number 80085

Place: Gurgaon  
Date: 24th May, 2016

**ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 1 under the heading 'Report or other Legal and Regulatory Requirements' of our report at even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed Assets of the Company have been physically verified by the management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, any material discrepancy noticed on such verification between book records and the physical records has been properly dealt with in the books of account.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Inventories have been physically verified by the Management during the year at reasonable intervals. The discrepancies noticed on verification between the physical records and book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a), (b) and (c) of the aforesaid Order are not applicable.
- (iv) The Company has not given loans, investment, guarantees and security in accordance with Sections 185 and 186 of the Companies Act, 2013. Accordingly paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company.
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, value added tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, sales tax, value added tax, custom duty, excise duty, income tax, service tax and Cess were outstanding, as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues of Income Tax, Sales-tax/Value Added Tax, Service Tax, Luxury Tax and Excise Duty which have not been deposited as at 31st March, 2016 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount (Rupees Million)	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu Tax on Luxuries Act, 1981	Luxury Tax	14.55	2007-08 to 2011-12	Assistant Commissioner, Chennai
The Himachal Pradesh Tax on Luxuries (in Hotels & Lodging Houses) Act, 1979	Luxury Tax	2.50	2008-09 to 2011-12	Himachal Pradesh High Court
Rajasthan Tax on Luxuries (In Hotels and Lodging House) Act, 1990	Luxury Tax	4.63	2010-11 to 2013-14	Rajasthan Tax Board, Ajmer
<b>TOTAL</b>		<b>21.68</b>		
Central Excise Act, 1944	Excise Duty	0.08	2006-07 to 2007-08	CESTAT Delhi
<b>TOTAL</b>		<b>0.08</b>		
Value Added Tax of various States	Value Added Tax	0.12	2007-08	Allahabad High Court
	Value Added Tax	0.65	1996-97, 1997-98, 1999-00, 2008-09, 2010-11, 2011-12, 2012-13	VAT Commissioner, Agra, Additional Commissioner (Appeals), Agra
	Value Added Tax	0.56	1996-97, 1997-1998, 1999-2000	Orissa High Court and VAT Tribunal, Orissa
	Value Added Tax	5.35	2006-2007 to 2011-2012	Assistant Commissioner and Dy. Commissioner Chennai
	Value Added Tax (VAT) on Service Tax	1.83	2011-12, 2012-13, 2013-14	Rajasthan Tax Board, Ajmer
	Value Added Tax (VAT) on Service Tax	2.82	2011-12, 2012-13, 2013-14	Rajasthan Tax Board, Ajmer
	Value Added Tax (VAT) on Service Tax	2.19	2011-12, 2012-13, 2013-14	Rajasthan Tax Board, Ajmer
<b>TOTAL</b>		<b>13.52</b>		

Name of the statute	Nature of the dues	Amount (Rupees Million)	Period to which the amount relates	Forum where dispute is pending
<b>Service Tax</b>	Service Tax	1.23	2005-2008	Commissioner, Service Tax, Chennai
	Service Tax	8.48	2009-10, 2010-11	Commissioner, Service Tax, Chennai
	Service Tax	28.03	2011-12	CESTAT, Delhi
	Service Tax	14.19	April, 2008 to September, 2011	CESTAT, Delhi
	Service Tax	17.64	May, 2011 to March, 2012	CESTAT, Delhi
	Service Tax	2.32	April, 2012 to June, 2012	Joint Commissioner, Service Tax, Jaipur
	Service Tax	0.29	July, 2012 to March, 2013	Joint Commissioner, Service Tax, Jaipur
<b>TOTAL</b>		<b>72.18</b>		
Income-tax Act, 1961	Income-tax	17.15	2007-08, 2009-10, 2010-11, 2011-12	Commissioner of Income Tax (Appeals)
<b>TOTAL</b>		<b>17.15</b>		

- (viii) In our opinion the Company has not defaulted in the repayment of loans or borrowing to banks or financial institutions. There are no debenture holders and borrowings from Government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration as per the provisions of Section 197 of the Companies Act, 2013 during the year. Accordingly paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Accordingly paragraph 3 (xii) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non- cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For RAY & RAY  
*Chartered Accountants*  
Firm's Registration Number 301072E

A.K. SHARMA  
*Partner*  
Membership Number 80085

Place: Gurgaon  
Date: 24th May, 2016

## **ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT**

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

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

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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

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



### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

For RAY & RAY  
*Chartered Accountants*  
Firm's Registration Number 301072E

A.K. SHARMA  
*Partner*  
Membership Number 80085

Place: Gurgaon  
Date: 24th May, 2016

# Balance Sheet

## As at 31st March, 2016

			As at 31st March	
	Note	Rupees Million	2016 Rupees Million	2015 Rupees Million
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	2	304.68		304.68
Reserves and Surplus	3	2,093.97		1,857.00
			2,398.65	2,161.68
<b>NON-CURRENT LIABILITIES</b>				
Long Term Borrowings	4	3.39		203.39
Deferred Tax Liabilities (Net)	5	452.99		419.68
Other Long Term Liabilities	6	2.07		1.11
Long Term Provisions	7	12.71		10.81
			471.16	634.99
<b>CURRENT LIABILITIES</b>				
Short Term Borrowings	8	245.43		321.21
Trade Payables	9	245.44		247.01
Other Current Liabilities	10	212.52		183.84
Short Term Provisions	11	465.68		424.31
			1,169.07	1,176.37
<b>TOTAL</b>			<b>4,038.88</b>	<b>3,973.04</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed Assets	12			
Tangible Assets		2,616.97		2,630.34
Intangible Assets		9.51		0.65
Capital Work-In-Progress		10.05		4.85
Intangible Assets- Computer Software (Under Development and Implementation)		-		7.62
		2,636.53		2,643.46
Non-Current Investments	13	9.09		9.04
Long Term Loans and Advances	14	71.00		74.06
Other Non-Current Assets	15	-		-
			2,716.62	2,726.56
<b>CURRENT ASSETS</b>				
Inventories	16	106.17		96.36
Trade Receivables	17	251.18		258.94
Cash and Bank Balances	18	35.35		75.33
Short Term Loans and Advances	19	927.91		809.20
Other Current Assets	20	1.65		6.65
			1,322.26	1,246.48
<b>TOTAL</b>			<b>4,038.88</b>	<b>3,973.04</b>

Notes to the Accounts form an integral part of the Balance Sheet.

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

For RAY & RAY  
Chartered Accountants

A.K. SHARMA  
Partner  
Membership Number 80085

S.S. MUKHERJI  
Vice-Chairman

VIKRAM OBEROI  
Managing Director

ANIL NEHRU  
Director

Gurgaon, 24th May, 2016

SAMIDH DAS  
Chief Financial Officer

INDRANI RAY  
Company Secretary

## Statement of Profit and Loss for the year ended 31st March, 2016

	Note	Year ended 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>Income</b>			
Revenue from Operations	21	2,464.70	2,289.21
Other Income	22	29.36	26.14
<b>Total Revenue</b>		<b>2,494.06</b>	<b>2,315.35</b>
<b>Expenses</b>			
Cost of Provisions, Wines & Others	23	186.46	174.61
Employee Benefit Expenses	24	468.68	424.17
Finance Costs	25	54.33	88.56
Depreciation and Amortization Expense	26	157.75	189.58
Other Expenses	27	1,087.31	1,038.82
<b>Total Expenses</b>		<b>1,954.53</b>	<b>1,915.74</b>
<b>Profit Before Taxation</b>		<b>539.53</b>	<b>399.61</b>
<b>Tax</b>			
Current Tax	28	122.57	8.00
Deferred Tax		33.31	144.34
<b>Profit for the year</b>		<b>383.65</b>	<b>247.27</b>
Earnings Per Equity Share :	37		
(In Rupees) Face Value of ₹ 10			
Basic & Diluted		12.59	8.12

Notes to the Accounts form an integral part of the Statement of Profit & Loss.

This is the Statement of Profit and Loss referred to in our report of even date

For RAY & RAY  
Chartered Accountants

A.K. SHARMA  
Partner  
Membership Number 80085

S.S. MUKHERJI  
Vice-Chairman

VIKRAM OBEROI  
Managing Director

ANIL NEHRU  
Director

Gurgaon, 24th May, 2016

SAMIDH DAS  
Chief Financial Officer

INDRANI RAY  
Company Secretary

# Cash Flow Statement

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	539.53	399.61
Adjustments for :		
Depreciation and Amortisation Expenses	157.75	189.58
Finance Costs	54.33	88.56
Wealth Tax	-	0.05
Loss on sale of Fixed Assets (net)	8.56	12.03
Interest Income	(2.13)	(7.71)
Dividend Income	(0.13)	-
Provisions & liabilities no longer required, written back	(14.88)	(6.17)
Operating Profit before Working Capital Changes	743.03	675.95
Adjustments for :		
Inventories	(9.81)	(7.75)
Trade and Other Receivables	(2.86)	(81.30)
Trade Payables	42.95	45.72
Cash Generated from Operations	773.31	632.62
(Payment)/Refund of Direct Taxes	(148.02)	(104.52)
Interest received on Income Tax refund	-	4.00
<b>Cash Generated from Operating Activities</b>	<b>625.29</b>	<b>532.10</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and Capital Advances	(159.73)	(251.29)
Sale of Fixed Assets	4.33	3.34
Investments in Equity Shares	(0.05)	-
Interest Received	2.13	3.71
Dividend Received	0.13	-
<b>Cash used in Investing Activities</b>	<b>(153.19)</b>	<b>(244.24)</b>

## Cash Flow Statement – *Contd.*

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(54.39)	(88.61)
Proceeds from Borrowings		
Term loan	-	375.00
Repayment of		
Term loan	(100.00)	(100.00)
Working Capital Demand Loan	(75.78)	(4.66)
Prepayment of Term Loan	(100.00)	(375.00)
(Increase) / Decrease in Other Bank balances	(0.64)	(0.72)
Dividend paid	(181.91)	(91.23)
<b>Cash used in Financing Activities</b>	<u>(512.72)</u>	<u>(285.22)</u>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)</b>	(40.62)	2.64
Cash and Cash Equivalents at the beginning of the year	72.07	69.43
Cash and Cash Equivalents at the end of the year	31.45	72.07

**Notes:**

The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 - Cash Flow Statement..

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

For RAY & RAY  
*Chartered Accountants*

A.K. SHARMA  
*Partner*  
Membership Number 80085

Gurgaon, 24th May, 2016

S.S. MUKHERJI  
*Vice-Chairman*

SAMIDH DAS  
*Chief Financial Officer*

VIKRAM OBEROI  
*Managing Director*

INDRANI RAY  
*Company Secretary*

ANIL NEHRU  
*Director*

# Notes to the Accounts

## 1. SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These Financial Statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('The Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified).

The Financial Statements of the Company are prepared as a going concern on accrual basis under historical cost convention except for certain Fixed Assets which are carried at revalued amounts.

### USE OF ESTIMATES

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

### PRIOR PERIOD ADJUSTMENTS, EXTRAORDINARY ITEMS AND CHANGES IN ACCOUNTING POLICIES

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

### REVENUE RECOGNITION

Revenue from hotel operations is recognised when the services are rendered and the same becomes chargeable. Revenue from Shop License Fee included under "Other Services" is recognised on accrual basis as per terms of contract.

Revenue from interest is determined by contractual rate of interest and recognized on accrual basis.

Dividend income is stated at gross and is recognised when right to receive payment is established.

### FIXED ASSETS

**Tangible Fixed Assets** - Fixed Assets are stated at cost of acquisition or construction and in case of revaluation of assets at revalued amounts net of impairment loss, if any, less depreciation/ amortisation. Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

Assets acquired on lease are capitalized at the Present Value of minimum lease payments and are stated at the capitalized value net of accumulated depreciation/ amortisation.

Capital Work-in-Progress comprises of cost of fixed assets that are not yet ready for their intended use on the reporting date.

**Intangible Assets** - Intangible Assets are stated at cost less accumulated amortizations and net of impairments, if any. Intangible assets are recognised if it is probable that the expected future economic benefits attributable to the assets will flow to the Company and its cost can be measured reliably. Intangible assets are amortised on straight line basis over their estimated useful lives.

### DEPRECIATION/AMORTISATION

Depreciation on Fixed Assets other than land, the hotel buildings, certain buildings on leasehold land and leased vehicles is provided on "Straight Line Method" based on useful life of the assets as prescribed under Schedule II of the Companies Act, 2013. Leased vehicles and building installed on leasehold land (other than lease of perpetual nature) are depreciated over the lives of the respective leases or over remaining lease period from the date of installation whichever is shorter. Long term leasehold land (other than lease of perpetual nature) are depreciated over the balance period of the lease, commencing from the date the land is put to use for commercial purposes.

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which ranges between 50 to 60 years. The management believes that the balance useful life so assessed best represent the periods over which the hotel buildings are expected to be in use.

In case of certain land and building which were revalued in the past, the additional depreciation on the increased value of the assets due to revaluation is debited to the Statement of Profit and Loss and an equivalent amount is transferred from Revaluation Reserve to General Reserve.

### IMPAIRMENT OF ASSETS

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

### LEASES

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

Operating Lease payments are recognized as expenditure in the Statement of Profit and Loss on straight line basis, over the lease period.

## Notes to the Accounts – *Contd.*

### INVESTMENTS

Investments held by the Company which are long term in nature are stated at cost unless there is any permanent diminution in value. Current investments are valued at cost or market price/fair value, whichever is lower. Earnings on investments are accounted for on accrual basis or when rights to receive payment are established.

### INVENTORIES

Inventories are valued at cost which is based on Cumulative Weighted Average Method or net realisable value, whichever is lower. Unserviceable/damaged/ discarded stocks and shortages are charged to the Statement of Profit and Loss.

### TRANSACTIONS IN FOREIGN CURRENCY

- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Gain/loss arising out of fluctuations in exchange rate is accounted for on realization.
- b) Monetary items outstanding on the Balance Sheet date are translated at the exchange rate prevailing at the Balance Sheet date and the difference is recognised as income or expenses.

### EMPLOYEE BENEFITS

Short Term Employee Benefit is recognised as an expense in the Statement of Profit and Loss of the year in which related service is rendered. Post employment and other Long Term Employee Benefits are provided in the Accounts in the following manner:

- (i) **Gratuity:** Maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India, as per the Company's Scheme. Provision/write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following Projected Unit Credit Method and is treated as liability under Trade Payable.
- (ii) **Leave Encashment:** As per independent actuarial valuation as at the Balance Sheet date following Projected Unit Credit Method.
- (iii) **Provident Fund:** Liability on account of Provident Fund for most of the employees is a Defined Contribution Scheme where the contribution is made to a fund administered by the Government Provident Fund Authority.

For a few employees, Provident Fund administered by a Recognised Trust, is a Defined Benefit Plan (DBP) wherein the employee and the Company make monthly contributions. Pending the issuance of Guidance Note from the Actuarial Society of India, actuarial valuation is not carried out and the Company provides for required liability at year end, in respect of the shortfall, if any, upon confirmation from the Trustees of such Fund.

### BORROWING COST

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

### TAXES ON INCOME

Income-tax is accounted for after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961 and in accordance with Accounting Standard (AS-22) – 'Accounting for Taxes on Income'.

Minimum Alternate Tax (MAT) is accounted for in accordance with tax laws which gives rise to future economic benefits in the form of tax credit against which future income tax liability is adjusted and is recognised as an asset in the Balance Sheet.

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

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

### PROPOSED DIVIDEND

Dividend, when recommended by the Board of Directors, is provided for in the Accounts pending Shareholders' approval.

### PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in terms of Accounting Standard (AS-29) – 'Provisions, Contingent Liabilities and Contingent Assets' notified pursuant to the Companies (Accounting Standards) Rules, 2006, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

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

Contingent Assets are not recognized in the Financial Statements.

## Notes to the Accounts – Contd.

	As at 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>2</b>		
<b>SHARE CAPITAL</b>		
Authorised		
75,000,000 (2015-75,000,000) Equity Shares of ₹ 10 each	750.00	750.00
1,000,000 (2015-1,000,000) Redeemable Preference Shares of ₹ 100 each	100.00	100.00
	<b>850.00</b>	<b>850.00</b>
Issued, Subscribed, Called & Fully Paid		
30,468,147 (2015-30,468,147) Equity Shares of ₹ 10 each, fully paid	304.68	304.68
	<b>304.68</b>	<b>304.68</b>

(a) Reconciliation of Share Capital:

Equity Shares:	As at 31st March		As at 31st March	
	2016		2015	
	Number of Shares	Rupees Million	Number of Shares	Rupees Million
Balance at the beginning of the year	30,468,147	304.68	30,468,147	304.68
Closing Balance	30,468,147	304.68	30,468,147	304.68

(b) Rights, preferences and restrictions attached to shares:

The Company has one class of equity shares having a par value of ₹ 10 per share. These shares rank *pari passu* in all respects including voting rights and entitlement to dividend.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Equity Shares:	As at 31st March		As at 31st March	
	2016		2015	
	Number of Shares	Holding %	Number of Shares	Holding %
EIH Limited	11,215,118	36.81	11,215,118	36.81
Satish B Raheja	6,784,711	22.27	6,784,711	22.27
National Westminster Bank PLC. (Formerly Royal Bank of Scotland PLC) as Trustee of the Jupiter India Fund	3,041,111	9.98	3,041,111	9.98
Manali Investments & Finance Pvt Ltd	2,276,617	7.47	2,276,617	7.47
Coronet Investments Pvt Ltd	2,088,899	6.86	2,088,899	6.86

(d) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash :

Of the above 30,468,147 (2015-30,468,147) Equity shares, 9,086,666 (2015-9,086,666) Equity shares of ₹ 10 each have been allotted as fully paid up in 2006-2007 pursuant to Scheme of Amalgamation of Indus Hotels Corporation Limited with the Company without payments being received in cash.



## Notes to the Accounts – Contd.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>3</b>			
<b>RESERVES AND SURPLUS</b>			
Capital Reserve			
As per last Account		8.48	8.48
Revaluation Reserve			
As per last Account	6.02		6.48
Less: Transfer to General Reserve	<u>0.46</u>		<u>0.46</u>
		5.56	6.02
Capital Redemption Reserve			
As per last Account		100.00	100.00
Securities Premium Account			
As per last Account		1,077.01	1,077.01
General Reserve			
As per last Account	525.46		500.00
Add: Transfer from Revaluation Reserve	<u>0.46</u>		<u>0.46</u>
	525.92		500.46
Add: Transfer from Surplus	<u>50.00</u>		<u>25.00</u>
		575.92	525.46
Surplus			
Opening balance	140.03		116.01
Add: Profit during the year as per Statement of Profit and Loss	<u>383.65</u>		<u>247.27</u>
	523.68		363.28
Less: Carrying amount of fixed assets where remaining useful life is nil as on 1st April, 2014 (Sch-II of Companies Act, 2013) net of Deferred Tax	-		88.24
	<u>523.68</u>		<u>275.04</u>
Less: Appropriations			
General Reserve	50.00		25.00
Interim Dividend	<u>91.40</u>		<u>-</u>
Final Dividend (proposed)	<u>30.47</u>		<u>91.40</u>
Total Dividend	<u>121.87</u>		<u>91.40</u>
Tax on Dividend	<u>24.81</u>		<u>18.61</u>
	<u>196.68</u>		<u>135.01</u>
		<u>327.00</u>	<u>140.03</u>
		<u>2,093.97</u>	<u>1,857.00</u>

Interim Dividend of ₹ 3 per share (2015- ₹ Nil) amounting to ₹ 91,404,441 (2015- ₹ Nil) was approved by the Board of Directors.

Dividend of ₹ 1.00 per share (2015- ₹ 3.00 per share) amounting to ₹ 30.47 Million (2015- ₹ 91.40 Million) has been recommended by the Board of Directors. This dividend will be paid to the shareholders if approved at the forthcoming Annual General Meeting.

## Notes to the Accounts – *Contd.*

		<b>As at 31st March</b>	
		<b>2016</b>	<b>2015</b>
		<b>Rupees</b>	<b>Rupees</b>
		<b>Million</b>	<b>Million</b>
<b>4</b>	<b>LONG TERM BORROWINGS</b>		
	Secured		
	Term Loans From Banks:		
	HDFC Bank Limited	-	200.00
		-	200.00
	Long Term Maturities of Finance Lease Obligations (Note 41a)	<b>3.39</b>	3.39
		<b>3.39</b>	<b>203.39</b>

**Particulars of Securities and Terms of Repayment of Term Loans from Banks:**

Name of the Lender	Nature of Security	Terms of Repayment / Rate of Interest
Term Loan from HDFC Bank Limited	The loan together with interest, etc., are secured by way of hypothecation of entire movable Plant & Machinery including all spare parts and other movable fixed assets both present and future ranking <i>pari passu</i> pertaining to Trident, Chennai and by way of an Equitable Mortgage of the said properties.	In 15 equal quarterly installments starting from 25.09.2014.  Rate of Interest : Bank's Base Rate +25 bps
Finance Lease Obligations	Finance Lease Obligations are secured by hypothecation of vehicles taken on leases.	Monthly equated lease rentals over the respective period of lease over 36 to 60 months

## Notes to the Accounts – *Contd.*

		<b>As at 31st March</b>	
	<b>Rupees Million</b>	<b>2016 Rupees Million</b>	<b>2015 Rupees Million</b>
<b>5</b>			
<b>DEFERRED TAX LIABILITIES (NET)</b>			
Deferred Tax Liabilities on account of:			
Depreciation		<b>463.56</b>	461.60
Deferred Tax Assets on account of:			
Unabsorbed Depreciation	-		29.60
Accrued expenses deductible on payment	<b>6.55</b>		7.55
Provision for Leave Encashment	<b>2.98</b>		2.30
Provision for Debts and Advances	<b>0.35</b>		1.09
Amalgamation expenses	<b>0.69</b>		1.38
		<b>10.57</b>	41.92
Deferred Tax Liabilities (Net)		<b>452.99</b>	419.68
<b>6</b>			
<b>OTHER LONG TERM LIABILITIES</b>			
Other Payables			
Security Deposits		<b>2.07</b>	0.94
Liability of Capital Expenditure		-	0.17
		<b>2.07</b>	1.11
<b>7</b>			
<b>LONG TERM PROVISIONS</b>			
Leave Encashment		<b>12.71</b>	10.81
		<b>12.71</b>	10.81

## Notes to the Accounts – Contd.

		As at 31st March	
		2016	2015
		Rupees	Rupees
		Million	Million
<b>8</b>			
<b>SHORT TERM BORROWINGS</b>			
Secured			
Working Capital Loans repayable on demand from Banks:			
United Bank of India		-	0.38
HDFC Bank Limited		125.52	-
Other Short-Term Borrowings from Banks:			
The Federal Bank Limited		119.91	320.83
		<u>245.43</u>	<u>321.21</u>

Particulars of Securities and Terms of Repayment of Short Term Loans from Banks:		
Name of the Lender	Nature of Security	Terms of Repayment / Rate of Interest
<b>Working Capital Loans repayable on demand from Banks:</b>		
United Bank of India	Cash credit facility with United Bank of India is secured by way of hypothecation of all inventories, Book-debts, etc. both present and future, ranking <i>pari passu</i> pertaining to all hotels except Trident, Cochin. The facility is also secured on second charge over the fixed assets pertaining to Trident, Aga, Trident, Jaipur and Trident, Udaipur.	Repayable on demand. Rate of Interest: Bank's Base Rate+2.50% p.a.
HDFC Bank Limited	Cash credit facility with HDFC Bank Limited is secured by way of hypothecation of all inventories, Book-debts, etc. both present and future, ranking <i>pari passu</i> pertaining to all hotels. The facility is also secured on second charge over the entire moveable plant & machinery and other moveable fixed assets pertaining to Trident, Chennai.	Repayable on demand. Rate of Interest : Bank's Base Rate+25 bps.
<b>Other Short Term Borrowings from Banks:</b>		
The Federal Bank Ltd	The loan is secured by way of mortgage by deposit of title deeds in respect of the Company's immovable properties pertaining to Trident, Udaipur.	Repayable on demand. Rate of Interest : At Bank's Base Rate.

## Notes to the Accounts – Contd.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>9</b>			
<b>TRADE PAYABLES</b>			
Total outstanding dues of Micro Enterprises and Small Enterprises #		0.16	0.06
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises .		245.28	246.95
		<u>245.44</u>	<u>247.01</u>

# Details of dues to Micro Enterprises and Small Enterprises as defined in the Micro, Small & Medium Enterprises Development Act, 2006 are based on information made available to the Company. Neither there was any delay in payment nor any interest is due and remaining unpaid on the above.

<b>10</b>			
<b>OTHER CURRENT LIABILITIES</b>			
Current maturities of Long-term debt			
HDFC Bank Limited		100.00	100.00
Current Maturities of Finance Lease Obligations		2.58	3.43
Interest accrued but not due on borrowings		0.03	0.08
Other Payables			
Security Deposits	0.96		2.86
Unclaimed Dividend	2.27		1.38
Liability for Capital Expenditure	1.95		0.82
Statutory Liabilities	49.58		39.55
Advance from Customers	55.15		35.72
		<u>109.91</u>	<u>80.33</u>
		<u>212.52</u>	<u>183.84</u>

<b>11</b>			
<b>SHORT TERM PROVISIONS</b>			
Leave Encashment		0.74	0.66
Other Provisions :			
Provision for Income Tax	428.27		313.60
Provision for Wealth Tax (net of advance)	-		0.04
Provision for Proposed Dividend on Equity Shares	30.47		91.40
Provision for Dividend Distribution Tax	6.20		18.61
		<u>464.94</u>	<u>423.65</u>
		<u>465.68</u>	<u>424.31</u>

# Notes to the Accounts – Contd.

12

## FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost/ Revaluation as at 31st March, 2015	Additions during the year	Sales/ Adjustments	Original Cost/ Revaluation as at 31st March, 2016	Adjustment against Retained Earnings	For the year	Sales/ Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>(i) Tangible Assets</b>										
Freehold Land	31.38	-	-	31.38	-	-	-	-	31.38	31.38
Leasehold land	154.81	-	-	154.81	-	2.64	-	67.80	87.01	89.65
Buildings	2,457.52	53.31	11.69	2,499.14	-	48.63	3.96	619.08	1,880.06	1,883.11
Leasehold Buildings	5.62	-	-	5.62	-	-	-	5.62	-	-
Plant & Machinery	1,555.47	57.69	30.74	1,582.42	-	74.08	27.58	1,098.79	483.63	503.18
Office Equipment	4.91	0.18	0.19	4.90	-	0.25	0.18	4.36	0.54	0.62
Jetty	0.76	-	-	0.76	-	0.02	-	0.62	0.14	0.16
Boats	2.70	1.16	0.30	3.56	-	0.11	0.05	1.19	2.37	1.57
Computer	111.42	13.59	9.45	115.56	-	11.33	9.02	84.93	30.63	28.80
Furniture & Fittings	293.98	22.74	4.93	311.79	-	8.72	4.63	249.94	61.85	48.13
Vehicles	67.25	4.16	4.57	66.84	-	7.53	4.15	32.89	33.95	37.74
Leased Vehicles	18.47	3.60	6.41	15.66	-	3.60	5.82	10.25	5.41	6.00
<b>Total</b>	<b>4,704.29</b>	<b>156.43</b>	<b>68.28</b>	<b>4,792.44</b>	<b>-</b>	<b>156.91</b>	<b>55.39</b>	<b>2,175.47</b>	<b>2,616.97</b>	<b>2,630.34</b>
Previous Year	4,498.69	258.24	52.64	4,704.29	133.66	189.51	37.27	2,073.95	2,630.34	
<b>(ii) Intangible Assets</b>										
Computer Software	1.74	9.70	-	11.44	-	0.84	-	1.93	9.51	0.65
Previous Year	1.08	0.66	-	1.74	0.02	0.07	-	1.09	0.65	

## Notes to the Accounts – Contd.

		As at 31st March	
		2016	2015
		Rupees Million	Rupees Million
<b>13</b>			
<b>NON-CURRENT INVESTMENTS</b>			
<b>Trade Investments (valued at cost)</b>			
Investment in Equity Instruments:			
Trade Investment			
Quoted			
100 (2015- Nil) Equity Shares of ₹ 10 each of TCP Limited, fully paid.		0.05	-
Unquoted			
Investment in Other Bodies Corporate:			
217,175 (2015-217,175) Equity Shares of ₹ 10 each of Mercury Travels Limited, fully paid.		8.69	8.69
33,600 (2015-33,600) Equity Shares of ₹ 10 each of Green Infra Wind Generation Limited, fully paid.		0.34	0.34
		<u>9.03</u>	<u>9.03</u>
		9.08	9.03
Investment in Government or Trust Securities (Unquoted ) non trade			
6 year National Savings Certificate			
(lodged with Government Authorities as Security Deposit)			
		0.01	0.01
		<u>9.09</u>	<u>9.04</u>
		Book Value	Market Value
		Rupees	Rupees
		Million	Million
Quoted		0.05	0.05
		(Nil)	(Nil)
Unquoted		9.03	(9.03)
		(9.03)	
(Figure in bracket represent figures for 2015)			
<b>14</b>			
<b>LONG TERM LOANS AND ADVANCES</b>			
Unsecured, considered good (unless otherwise stated)			
Capital Advances		7.16	10.00
Security Deposits		38.16	36.43
Prepaid Expenses		0.87	1.01
Other loans and advances			
Considered good		24.81	26.62
Considered doubtful		0.13	0.19
		<u>24.94</u>	<u>26.81</u>
Less: Provision for doubtful advances		0.13	0.19
		<u>24.81</u>	<u>26.62</u>
		<u>71.00</u>	<u>74.06</u>
<b>15</b>			
<b>OTHER NON-CURRENT ASSETS</b>			
Trade Receivables - Considered doubtful		0.88	2.90
Less: Provision for doubtful debts		0.88	2.90
		<u>-</u>	<u>-</u>

## Notes to the Accounts – Contd.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>16</b>			
<b>INVENTORIES (Note 30)</b>			
(At lower of cost or net realisable value)			
Provisions, Wines & others		31.80	29.53
Stores & Operational supplies		74.37	66.83
		<u>106.17</u>	<u>96.36</u>
<b>17</b>			
<b>TRADE RECEIVABLES (Unsecured)</b>			
Outstanding for a period exceeding six months from the due date- considered good		10.15	6.57
Other Debts - Considered good	241.03		252.37
Other Debts - Considered doubtful	-		0.07
	<u>241.03</u>		252.44
Less: Provision for Doubtful Debts	-		0.07
		<u>241.03</u>	<u>252.37</u>
		<u>251.18</u>	<u>258.94</u>
<b>18</b>			
<b>CASH AND BANK BALANCES</b>			
Cash and Cash Equivalents			
Cash in hand		6.27	6.12
Cheques in hand		0.81	1.30
Bank Balances			
Current Accounts	21.90		50.79
Fixed Deposits - with maturity within 3 months	2.47		13.86
		<u>24.37</u>	<u>64.65</u>
		31.45	72.07
Other Bank Balances			
Margin Money	1.51		1.77
Unpaid Dividend Account	2.27		1.38
Fixed Deposits - maturity beyond 12 months	0.12		0.11
		<u>3.90</u>	<u>3.26</u>
		<u>35.35</u>	<u>75.33</u>



## Notes to the Accounts – *Contd.*

		<b>As at 31st March</b>	
		<b>2016</b>	<b>2015</b>
		<b>Rupees</b>	<b>Rupees</b>
		<b>Million</b>	<b>Million</b>
<b>19</b>			
	<b>SHORT TERM LOANS AND ADVANCES</b>		
	Unsecured, considered good		
	Advances recoverable in cash or in kind or value to be received	65.37	55.24
	Security Deposits	1.07	1.11
	Prepaid Expenses	30.24	24.49
	Advance payment of Income- Tax	507.93	397.16
	MAT Credit Entitlement	<u>323.30</u>	<u>331.20</u>
		<u>831.23</u>	<u>728.36</u>
		<u>927.91</u>	<u>809.20</u>
<b>20</b>			
	<b>OTHER CURRENT ASSETS</b>		
	Unsecured, considered good		
	Other Receivables / recoverable	<u>1.65</u>	<u>6.65</u>
		<u>1.65</u>	<u>6.65</u>

## Notes to the Accounts – Contd.

	<b>Year ended 31st March</b>	
	<b>2016</b>	<b>2015</b>
	<b>Rupees</b>	<b>Rupees</b>
	<b>Million</b>	<b>Million</b>
<b>21</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Income from Guest Accommodation, Restaurants, Bars &amp; Banquets, etc.</b>		
Rooms	1,566.97	1,454.40
Food and Beverage	752.53	697.40
Other Services	145.20	137.41
	<u>2,464.70</u>	<u>2,289.21</u>
<b>22</b>		
<b>OTHER INCOME</b>		
Gain on Exchange (Net)	0.84	0.01
Interest (Gross)	2.13	3.71
Interest on Income Tax Refund	-	4.00
Provisions & Liabilities no longer required, written back	14.88	6.17
Dividend from Long Term Investments (Trade)	0.13	-
Miscellaneous Income	11.38	12.25
	<u>29.36</u>	<u>26.14</u>
<b>23</b>		
<b>CONSUMPTION OF PROVISIONS, WINES &amp; OTHERS</b>		
Opening Stock	29.53	22.53
Add : Purchases	188.73	181.61
	<u>218.26</u>	<u>204.14</u>
Less : Closing Stock	31.80	29.53
Consumption	<u>186.46</u>	<u>174.61</u>
<b>24</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages & Bonus	373.60	337.21
Company's Contribution to Provident Fund and Other Funds	24.25	19.82
Staff Welfare Expenses	70.83	67.14
	<u>468.68</u>	<u>424.17</u>

## Notes to the Accounts – *Contd.*

24. (a) Long Term Defined Benefit Plans in respect of Gratuity and Compensated Absences on 31st March, 2016 as per Actuarial Valuations using Projected Unit Credit Method and recognized in the Financial Statements in respect of Employee Benefit Schemes:

Rupees Million

		Year ended 31st March			
		2016		2015	
		Gratuity	Leave	Gratuity	Leave
		(Funded)	Encashment (Unfunded)	(Funded)	Encashment (Unfunded)
<b>I</b>	<b>Components of Employer Expense</b>				
1	Current Service Cost	2.18	3.69	1.98	3.32
2	Interest Cost	1.33	0.77	1.45	0.64
3	Expected return on Plan Assets	(1.50)	-	(1.46)	-
4	Curtailment Cost/(Credit)	-	-	-	-
5	Settlement Cost/(Credit)	-	-	-	-
6	Past Service Cost	-	-	-	-
7	Actuarial Losses/(Gains)	4.48	0.69	0.88	1.51
8	<b>Total expense recognised in the Statement of Profit &amp; Loss</b>	<b>6.49</b>	<b>5.15</b>	<b>2.85</b>	<b>5.47</b>
	The Gratuity Expenses have been recognised in “Contribution to Provident Fund & Other Funds” and Leave Encashment in “Salaries, Wages & Bonus” under Note 24.				
<b>II</b>	<b>Net Asset / (Liability) recognised in Balance Sheet</b>				
1	Present Value of Defined Benefit Obligations	23.59	13.46	19.30	11.47
2	Fair Value on Plan Assets	19.26	-	18.17	-
3	Status [Surplus/(Deficit)]	(4.33)	(13.46)	(1.13)	(11.47)
4	Unrecognised Past Service Cost	-	-	-	-
5	<b>Net Asset/(Liability) recognized In Balance Sheet</b>	<b>(4.33)</b>	<b>(13.46)</b>	<b>(1.13)</b>	<b>(11.47)</b>
<b>III</b>	<b>Change in Defined Benefit Obligations (DBO) during the year ended</b>				
1	Present Value of DBO at the Beginning of Year	19.30	11.47	17.95	9.15
2	Current Service Cost	2.18	3.69	1.98	3.32
3	Interest Cost	1.33	0.77	1.45	0.64
4	Curtailment Cost/(Credit)	-	-	-	-
5	Settlement Cost/(Credit)	-	-	-	-
6	Plan Amendments	-	-	-	-
7	Acquisitions	-	-	-	-
8	Actuarial (Gains)/Losses	5.23	0.69	(0.35)	1.51
9	Benefits Paid	(4.45)	(3.16)	(1.73)	(3.15)
10	Present Value of DBO at the End of Year	<b>23.59</b>	<b>13.46</b>	<b>19.30</b>	<b>11.47</b>

## Notes to the Accounts – Contd.

		Rupees Million			
		Year ended 31st March			
		2016		2015	
		Gratuity	Leave	Gratuity	Leave
		(Funded)	Encashment (Unfunded)	(Funded)	Encashment (Unfunded)
<b>IV</b>	<b>Change in Fair Value of Assets during the year ended</b>				
1	Plan Assets at the Beginning of Year	18.17	-	16.48	-
2	Acquisition Adjustment	-	-	-	-
3	Expected Return on Plan Assets	1.50	-	1.46	-
4	Actuarial Gains/(Losses)	0.75	-	(1.24)	-
5	Actual Company Contribution	3.29	-	3.20	-
6	Benefits Paid	(4.45)	-	(1.73)	-
7	Plan Assets at the End of Year	<b>19.26</b>	-	<b>18.17</b>	-
<b>V</b>	<b>Investments Details</b>				
	Invested with LIC in Group Gratuity Scheme		-		-
<b>VI</b>	<b>Actuarial Assumptions</b>				
1	Discount Rate (%)	7.8%	7.8%	8.5%	8.5%
2	Expected rate of return	8.5%	-	8.5%	8.5%
3	Salary Escalation (%)	3%	3%	3%	3%
4	Mortality	Indian assured lives mortality (2006-2008) (modified) Ultimate		Indian assured lives mortality (2006-08) (modified) Ultimate	

		Year ended 31st March, 2016		Year ended 31st March, 2015		Year ended 31st March, 2014		Year ended 31st March, 2013		Year ended 31st March, 2012	
		Gratuity (Funded)	Leave Encash- ment (Un- funded)	Gratuity (Funded)	Leave Encash- ment (Un- funded)	Gratuity (Funded)	Leave Encash- ment (Un- funded)	Gratuity (Funded)	Leave Encash- ment (Un- funded)	Gratuity (Funded)	Leave Encash- ment (Un- funded)
<b>VII</b>	<b>Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)</b>										
1	Present Value of Defined Benefit Obligations	23.59	13.46	19.30	11.47	17.95	9.15	15.00	8.03	12.64	8.04
2	Fair Value of Plan Assets	19.26	-	18.17	-	16.47	-	14.55	-	11.59	-
3	Status [Surplus / (Deficit)]	(4.33)	(13.46)	(1.13)	(11.47)	(1.48)	(9.15)	(0.45)	(8.03)	(1.05)	(8.04)
4	Experience Adjustments of Plan Liabilities	(5.23)	(0.69)	(1.52)	(0.63)	(2.17)	(3.02)	-	(2.22)	-	(0.84)
5	Experience Gain / (Loss) adjustments on Plan Assets	0.75	-	(1.24)	-	0.06	-	-	-	-	-
6	Actuarial Gain/(Loss) due to change on assumptions	-	-	(1.16)	(0.88)	0.83	0.43	-	-	-	-

## Notes to the Accounts – Contd.

	Rupees Million	Year ended 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>25</b>			
<b>FINANCE COSTS</b>			
Interest Expense			
Interest on Borrowings	52.75		85.58
On Finance Lease	<u>1.58</u>		<u>2.00</u>
		54.33	87.58
Other Borrowing Costs		<u>-</u>	<u>0.98</u>
		<u>54.33</u>	<u>88.56</u>
<b>26</b>			
<b>DEPRECIATION</b>			
Tangible Assets		156.91	189.51
Intangible Assets		<u>0.84</u>	<u>0.07</u>
		<u>157.75</u>	<u>189.58</u>
<b>27</b>			
<b>OTHER EXPENSES</b>			
Linen, Uniform Washing & Laundry Expenses		7.95	7.45
Expenses on Apartment & Board		40.80	36.87
Power & Fuel		226.61	235.44
Renewals & Replacement		35.71	31.17
Repairs:			
Buildings	57.47		57.75
Plant & Machinery	65.46		65.10
Others	<u>16.29</u>		<u>14.19</u>
		139.22	137.04
Expenses for contractual services		65.51	58.17
Lease Rent (Note 41b)		9.80	9.90
Royalty		24.79	23.04
Technical Services Fees		101.69	93.03
Advertisement, Publicity & Other Promotional Expenses		116.22	105.33
Commission to Travel Agents & others		116.32	96.52
Rates & Taxes		48.98	50.45
Insurance		5.84	5.12
Passage & Travelling		42.19	42.33
Postage & Telephone		14.77	13.70
Printing & Stationery		13.78	13.62
Musical, Banquet & Kitchen Expenses		12.34	15.63
Directors' Fees		3.40	2.50
Loss on Sale / Discard of Assets including capital stores		8.56	12.03
Bad debts written off		1.75	-
CSR Expenses (Note 38)		5.76	5.80
Auditors' Remuneration			
As Auditor	3.56		3.06
For Branch Auditor	0.10		0.10
Taxation Matters	0.07		0.07
Other Services	<u>0.08</u>		<u>0.07</u>
		3.81	3.30
Other Expenses		<u>41.51</u>	<u>40.38</u>
		<u>1,087.31</u>	<u>1,038.82</u>

## Notes to the Accounts – Contd.

	Rupees Million	Year ended 31st March	
		2016 Rupees Million	2015 Rupees Million
28			
<b>CURRENT TAX</b>			
Income Tax	122.54		83.80
Less: MAT Credit Entitlement	-		83.80
		122.54	-
Add: Tax adjustment relating to earlier years		0.03	8.00
		<b>122.57</b>	<b>8.00</b>

### 29. Contingent Liabilities and Commitments (to the extent not provided for)

- a) Claims against the Company not acknowledged as debts pending appellate / judicial decisions :

	As at 31st March	
	2016 Rupees Million	2015 Rupees Million
1 Land & Building, Property Tax and Water Tax	15.42	14.46
2 Value Added Tax	13.52	26.12
3 Excise Duty	0.08	0.08
4 Service Tax	72.18	72.36
5 Luxury Tax	21.68	29.59
6 Income Tax	17.16	17.16
7 Other Claims	1.33	1.33

The Management believes that the outcome of the above will not have any material adverse effect on the financial position of the Company.

- b) Guarantees :

Counter guarantees issued to banks and remaining outstanding ₹ 3.84 Million (2015 - ₹ 3.97 Million).

- c) Capital Commitments :

The estimated amount of contracts remaining to be executed on Capital Account and not provided for net of advances ₹ 16.09 Million (2015 - ₹ 51.70 Million).

30. The method of determining cost for valuation of inventories has been changed from 'First-in-First-out' to 'Cumulative Weighted Average' during the current year. As a result of this change, the profit of the Company for the year ended 31st March, 2016 is higher by ₹ 0.50 Million. Unserviceable/damaged/discarded stocks and shortages are charged to the Statement of Profit and Loss as per past practice.
31. The Company has adopted useful life of fixed assets as stipulated by Schedule II to the Companies Act, 2013 except for the hotel buildings for computing depreciation. In the case of the hotel buildings of the Company, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificates of the technical expert as on 31.03.2015, the balance useful life of the hotel buildings of the Company ranges between 50 to 60 years. The carrying amount of each of the hotel buildings is being depreciated over its residual life. Leased vehicles are amortised over their respective lease period or five years, whichever is earlier. Long Term Leasehold lands are amortised over respective lease period(s).

## Notes to the Accounts – *Contd.*

**32. CIF Value of Imports:**

- a. Value of Imports calculated on C.I.F. basis in respect of:

	Year ended 31st March	
	2016	2015
	Rupees Million	Rupees Million
i. Provisions, Wines & Smokes	-	0.42
ii. Components & Spares	4.49	13.47
iii. Capital Goods	33.38	66.97

- b. Total value of Consumption of Indigenous and Imported materials:

	Year ended 31st March			
	2016		2015	
	Rupees Million	Percentage	Rupees Million	Percentage
i. Imported	36.72	19.69%	29.02	16.62%
ii. Indigenous	149.74	80.31%	145.59	83.38%
Total	186.46	100.00%	174.61	100.00%

**33. Traded Goods:**

- a. Inventory of Stores & Operating Supplies includes Boutique Stock at year end ₹ 2.89 Million (2015 - ₹ 2.05 Million). Corresponding opening stock ₹ 2.05 Million (2015 - ₹ 1.41 Million)
- b. Other Services includes revenue from sale of Boutique Stock at year end ₹ 18.27 Million (2015 - ₹ 19.72 Million)
- c. Purchases include purchase of Boutique Stock during the year ₹ 12.54 Million (2015 - ₹ 13.88 Million).

**34. Expenditure in Foreign Currencies:**

	Year ended 31st March	
	2016	2015
	Rupees Million	Rupees Million
Subscription, Travelling & others	26.49	24.36

**35. Earnings in Foreign Currencies on Sales:**

	Year ended 31st March	
	2016	2015
	Rupees Million	Rupees Million
As per return submitted to DGFT	1,236.49	1,233.40

## Notes to the Accounts – Contd.

### 36. Unhedged Foreign Currency:

	As at 31st March	
	2016 Rupees Million	2015 Rupees Million
Unhedged foreign currency exposure outstanding		
Receivables	8.55	3.31
Payables	(14.66)	(3.22)
Net Receivable / (Payable)	( 6.11)	0.09

### 37. Earnings per Equity Share:

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
Net Profit as per Statement of Profit and Loss and available for Equity Shareholders	383.65	247.27
Weighted average number of Equity Shares outstanding	30,468,147	30,468,147
Basic and Diluted Earnings per Equity Share in Rupees of face value – ₹ 10.	12.59	8.12

### 38. CSR Expenses

- a) Company is required to spend of ₹ 7.21 Million (2015 - ₹ 5.80 Million ) on account of CSR activities during the year ended 31st March, 2016 under section 135 of the Companies Act, 2013.
- b) Details of amounts spent on account of CSR activities during the year ended 31st March, 2016 are given below:

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
SOS Children’s Villages of India	4.42	4.20
Prime Minister’s National Relief Fund	-	1.04
Expenses for Swachh Bharat Abhiyan	1.34	0.56
	<u>5.76</u>	<u>5.80</u>

### 39. Segment Reporting:

As the Company’s activity is limited to hotels, there is no separate reportable segment as per the Accounting Standard (AS-17) on “Segment Reporting”.



## Notes to the Accounts – *Contd.*

### 40. Related Party Disclosures:

The details of transactions entered into with Related Parties during the year are as follows:

#### (A) NAMES OF THE RELATED PARTIES

##### I. Key Management Personnel & their relatives

Mr. Vikram Oberoi - Managing Director

Mr. P.R.S. Oberoi - Relative of Mr Vikram Oberoi

Mr. Samidh Das - Chief Financial Officer

Ms. Indrani Ray - Company Secretary

##### II. Enterprise in which Key Management Personnel or his relatives have significant influence

##### Country of Incorporation

• EIH Limited	India
• Oberoi Hotels Private Limited	India
• Oberoi Plaza Private Limited	India
• Oberoi Properties Private Limited	India
• Bombay Plaza Private Limited	India
• Oberoi Holdings Private Limited	India
• Oberoi Buildings & Investments Private Limited	India
• Oberoi Leasing and Finance Company Private Limited	India
• Oberoi Investments Private Limited	India
• Aravali Polymers LLP	India
• Mumtaz Hotels Limited	India
• Mashobra Resort Limited	India
• B I Publications Private Limited	India
• Vikramaditya Exports Private Limited	India
• Oberoi Kerala Hotels & Resorts Limited	India
• Mercury Car Rentals Private Limited	India
• EIH Holdings Limited	British Virgin Islands
• EIH International Limited	British Virgin Islands
• Island Resorts Limited	Mauritius
• Oberoi Holdings Hongkong Limited	Hong Kong
• Oberoi Investment (BVI) Limited	British Virgin Islands
• Oberoi Mauritius Limited	British Virgin Islands
• Oberoi Services International Limited	British Virgin Islands
• Oberoi Services Pte. Limited	Singapore
• Saudi Oberoi Co. Limited	Saudi Arabia
• EIH Investments N.V	Netherlands Antilles
• EIH Management Services B.V.	The Netherlands
• PT Widja Putra Karya	Indonesia
• PT Waka Oberoi Indonesia	Indonesia
• PT Astina Graha Ubud	Indonesia
• EIH Flight Services Limited	Mauritius
• EIH Corporation Limited	Hong Kong
• J&W Hongkong Limited	Hong Kong
• Oberoi International LLP	India
• Mercury Travels Limited	India
• Mercury Himalayan Exploration Limited	India
• Golden Jubilee Hotels Private Limited	India

## Notes to the Accounts – Contd.

**(B) Transactions with Related Parties for the year ended 31st March, 2016 and Outstanding Balances as on 31st March, 2016**

NATURE OF TRANSACTIONS	Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2016 ₹ Million	2015 ₹ Million	2016 ₹ Million	2015 ₹ Million
<b>PURCHASES</b>				
<b>Purchase of Goods &amp; Services</b>				
Mashobra Resort Limited	0.40	0.25	-	-
Mumtaz Hotels Limited	0.42	2.40	-	-
EIH Limited	303.36	297.14	-	-
Oberoi Hotels Private Limited	0.01	-	-	-
Mercury Travels Limited	2.21	2.77	-	-
Mercury Car Rentals Private Limited	12.54	13.45	-	-
Golden Jubilee Hotels Private Limited	0.01	0.06	-	-
<b>Total</b>	<b>318.95</b>	<b>316.07</b>	<b>-</b>	<b>-</b>
<b>Purchase of Fixed Assets</b>				
Mumtaz Hotels Limited	0.01	0.04	-	-
EIH Limited	-	0.23	-	-
<b>Total</b>	<b>0.01</b>	<b>0.27</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>				
<b>Rent</b>				
Mumtaz Hotels Limited	1.58	1.38	-	-
EIH Limited	0.24	0.24	-	-
<b>Total</b>	<b>1.82</b>	<b>1.62</b>	<b>-</b>	<b>-</b>
<b>Management Contract</b>				
EIH Limited	172.07	156.36	-	-
<b>Total</b>	<b>172.07</b>	<b>156.36</b>	<b>-</b>	<b>-</b>
<b>Royalty</b>				
Oberoi Hotels Private Limited	28.34	25.89	-	-
<b>Total</b>	<b>28.34</b>	<b>25.89</b>	<b>-</b>	<b>-</b>
<b>Remuneration</b>				
Mr P.R.S. Oberoi	-	-	0.32	0.22
Mr Vikram Oberoi	-	-	0.52	0.35
Mr Samidh Das	-	-	5.40	1.51
Ms Indrani Ray	-	-	2.64	2.29
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8.88</b>	<b>4.37</b>
<b>SALES</b>				
<b>Sale of Goods and Services</b>				
Mashobra Resort Limited	0.84	0.19	-	-
Mumtaz Hotels Limited	0.10	0.12	-	-
EIH Limited	15.79	11.01	-	-
Oberoi Hotels Private Limited	0.86	0.84	-	-
Mercury Travels Limited	8.04	7.31	-	-
Mercury Car Rentals Private Limited	7.87	3.52	-	-
Golden Jubilee Hotels Private Limited	0.16	0.19	-	-
<b>Total</b>	<b>33.66</b>	<b>23.18</b>	<b>-</b>	<b>-</b>
<b>Sale of Fixed Assets</b>				
EIH Limited	0.29	0.57	-	-
Oberoi Hotels Private Limited	0.05	-	-	-
<b>Total</b>	<b>0.34</b>	<b>0.57</b>	<b>-</b>	<b>-</b>
<b>INCOME</b>				
<b>License Agreement</b>				
EIH Limited	1.41	1.21	-	-
Mercury Car Rentals Private Limited	1.52	1.05	-	-
<b>Total</b>	<b>2.93</b>	<b>2.26</b>	<b>-</b>	<b>-</b>
<b>FINANCE</b>				
<b>PAYMENTS</b>				
<b>Dividend on Equity Shares</b>				
EIH Limited	67.29	33.65	-	-
Oberoi Hotels Private Limited	0.67	0.34	-	-
Oberoi Holdings Private Limited	1.63	0.81	-	-
Oberoi Plaza Private Limited	0.01	0.01	-	-
Bombay Plaza Private Limited	0.01	-	-	-
Mr P.R.S. Oberoi	-	-	0.30	0.15
<b>Total</b>	<b>69.61</b>	<b>34.81</b>	<b>0.30</b>	<b>0.15</b>

## Notes to the Accounts – Contd.

NATURE OF TRANSACTIONS	Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2016 ₹ Million	2015 ₹ Million	2016 ₹ Million	2015 ₹ Million
<b>Refund of Collections to Related Party</b>				
Mashobra Resort Limited	1.56	0.83	-	-
Mumtaz Hotels Limited	1.03	0.65	-	-
EIH Limited	27.37	-	-	-
Oberoi Hotels Private Limited	-	0.06	-	-
Golden Jubilee Hotels Private Limited	-	0.05	-	-
<b>Total</b>	<b>29.96</b>	<b>1.59</b>	<b>-</b>	<b>-</b>
<b>Expense reimbursed to Related Party</b>				
Mashobra Resort Limited	0.48	0.08	-	-
Mumtaz Hotels Limited	0.37	0.90	-	-
EIH Limited	14.03	13.86	-	-
Oberoi Hotels Private Limited	0.13	-	-	-
Mercury Car Rentals Private Limited	0.09	-	-	-
Golden Jubilee Hotels Private Limited	0.04	0.06	-	-
<b>Total</b>	<b>15.14</b>	<b>14.90</b>	<b>-</b>	<b>-</b>
<b>RECEIPTS</b>				
<b>Recovery of Collections by Related Party</b>				
Mashobra Resort Limited	0.14	5.90	-	-
Mumtaz Hotels Limited	1.58	-	-	-
EIH Limited	158.72	123.13	-	-
Oberoi Hotels Private Limited	0.23	-	-	-
Golden Jubilee Hotels Private Limited	-	0.01	-	-
<b>Total</b>	<b>160.67</b>	<b>129.04</b>	<b>-</b>	<b>-</b>
<b>Expense reimbursed by Related Party</b>				
Mashobra Resort Limited	0.03	0.11	-	-
Mumtaz Hotels Limited	0.11	0.32	-	-
EIH Limited	15.17	11.71	-	-
Oberoi Hotels Private Limited	0.10	0.02	-	-
Mercury Car Rentals Private Limited	0.09	0.27	-	-
Golden Jubilee Hotels Private Limited	0.01	0.03	-	-
<b>Total</b>	<b>15.51</b>	<b>12.46</b>	<b>-</b>	<b>-</b>
<b>OUTSTANDING BALANCES</b>				
<b>PAYABLES</b>				
<b>For Goods &amp; Services</b>				
Mashobra Resort Limited	0.09	0.03	-	-
Mumtaz Hotels Limited	0.20	0.47	-	-
EIH Limited	12.10	24.45	-	-
Mercury Travels Limited	0.21	0.03	-	-
Mercury Car Rentals Private Limited	3.00	4.91	-	-
Golden Jubilee Hotels Private Limited	-	0.06	-	-
<b>Total</b>	<b>15.60</b>	<b>29.95</b>	<b>-</b>	<b>-</b>
<b>Management Contract</b>				
EIH Limited	73.52	50.28	-	-
<b>Total</b>	<b>73.52</b>	<b>50.28</b>	<b>-</b>	<b>-</b>
<b>Royalty</b>				
Oberoi Hotels Private Limited	8.61	7.26	-	-
<b>Total</b>	<b>8.61</b>	<b>7.26</b>	<b>-</b>	<b>-</b>
<b>RECEIVABLES</b>				
<b>For Goods &amp; Services</b>				
Mashobra Resort Limited	0.02	-	-	-
Mumtaz Hotels Limited	0.10	0.12	-	-
EIH Limited	4.96	2.10	-	-
Mercury Travels Limited	0.64	0.30	-	-
Mercury Car Rentals Private Limited	1.04	0.29	-	-
Golden Jubilee Hotels Private Limited	0.14	0.04	-	-
<b>Total</b>	<b>6.90</b>	<b>2.85</b>	<b>-</b>	<b>-</b>

## Notes to the Accounts – Contd.

### 41. Leases:

- a. Fixed Assets as on 31.03.2016 includes assets acquired under finance lease amounting to ₹ 15.65 Million (2015 - ₹ 18.47 Million ). This includes an amount of ₹ 3.60 Million (2015 - ₹ 0.65 Million ) being assets acquired during the year under finance lease and capitalised in line with the requirement of Accounting Standard (AS-19) on “Accounting for Leases”. Depreciation for the year includes an amount of ₹ 3.60 Million (2015 - ₹ 4.48 Million) being depreciation charged on these assets.

The year wise break-up of the outstanding lease obligations as on 31st March, 2016 in respect of these assets are as under:

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>Assets taken on lease</b>		
Total Minimum Lease Payments at the year end	7.88	8.78
Present value of Minimum Lease Payments	5.97	6.82
<b>Not later than one year</b>		
Minimum Lease Payments	3.54	4.52
Present value	3.21	4.06
<b>Later than one year but not later than five years</b>		
Minimum Lease Payments	4.34	4.26
Present value	2.76	2.76
<b>Later than five years</b>		
Minimum Lease Payments	Nil	Nil
Present value	Nil	Nil
(a) Contingent rents recognized as an expense in the Statement of Profit and Loss for the year.	Nil	Nil
(b) The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance Sheet date.	Nil	Nil

- b. Disclosures in respect of Company’s operating lease arrangements entered on or after 1st April, 2001 under Accounting Standard (AS-19) on “Leases”:

General description of the Company’s operating lease arrangements:

- i) The Company has entered into operating lease arrangements for:
- residential premises for its employees and
  - shops, office space and residential premises given on operating lease to third parties.
- Some of the significant terms and conditions of the arrangements are:
- Lease agreements are not non-cancellable in nature and may generally be terminated by either party by serving a notice;
  - The lease agreements are generally renewable by mutual consent on mutually agreeable terms.
- ii) Rent in respect of the above is charged/ credited to the Statement of Profit and Loss.

42. The previous year’s figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year Financial Statements and are to be read in relation to the amounts and other disclosures relating to the current year.



## The Oberoi Group

### OBEROI HOTELS & RESORTS

#### INDIA

Agra	The Oberoi Amarvilās
Bangalore	The Oberoi
Gurgaon	The Oberoi
Jaipur	The Oberoi Rajvilās
Kolkata	The Oberoi Grand
Shimla in the Himalayas	Wildflower Hall
Mumbai	The Oberoi
New Delhi	The Oberoi
Ranthambhore	The Oberoi Vanyavilās
Shimla	The Oberoi Cecil
Udaipur	The Oberoi Udaivilās
Cochin	Motor Vessel Vrinda (A luxury backwater cruiser)

#### TRIDENT HOTELS

Agra	Trident
Bhubaneswar	Trident
Chennai	Trident
Cochin	Trident
Gurgaon	Trident
Hyderabad	Trident
Jaipur	Trident
Mumbai	Trident, Nariman Point Trident, Bandra Kurla
Udaipur	Trident

#### EGYPT

Sahl Hasheesh	The Oberoi
	The Oberoi Zahra <i>Luxury Nile Cruiser</i>
	The Oberoi Philae <i>Luxury Nile Cruiser</i>

#### INDONESIA

Bali	The Oberoi
Lombok	The Oberoi

#### MAURITIUS

Mauritius	The Oberoi
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#### SAUDI ARABIA

Madina	Madina Oberoi
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#### UAE

Dubai	The Oberoi
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#### OTHER BUSINESS UNITS

Delhi	Maidens Hotel
Manesar, Gurgaon	Printing Press
Mumbai, Delhi, Kolkata and Chennai	Oberoi Flight Services
Mumbai	Oberoi Airport Services
	Luxury Car Hire and Car Leasing
	Business Aircraft Charters