

ElH Associated Hotels Limited

A member of  *The Oberoi Group*

Annual Report 2016-2017

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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. Surin Shailesh 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 14, 15, 16 & 17

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
FOR THE YEAR										
1	1,783.30	1,604.89	1,489.96	1,763.42	1,904.54	2,129.53	2,163.79	2,315.35	2,482.94	2,716.77
2	251.04	142.77	81.92	182.86	196.56	298.10	382.30	399.61	547.07	649.34
3	146.54	98.98	52.88	120.17	133.55	205.02	235.61	247.27	389.39	427.80
4	-	-	-	-	-	-	-	-	386.09	419.74
5	60.56	34.37	34.26	56.91	68.29	35.65	106.94	110.01	146.68	165.02
6	215.33	179.69	132.45	190.71	192.50	301.82	262.71	326.84	394.74	396.65
7	1,050.01	910.03	744.37	875.16	1,133.13	1,225.19	1,088.33	1,233.40	1,236.49	873.79
AT YEAR END										
8	3,716.42	3,778.45	3,791.08	3,868.19	3,905.17	4,464.99	4,510.07	4,718.50	2,719.35	2,794.95
9	195.87	195.87	195.87	195.87	195.87	304.68	304.68	304.68	304.68	304.68
10	782.71	847.32	865.93	929.21	994.47	1,679.77	1,807.98	1,857.00	2,122.62	2,505.69
11	978.58	1,043.19	1,061.80	1,125.08	1,190.34	1,984.45	2,112.66	2,161.68	2,427.30	2,810.37
12	2,517.96	2,491.42	2,489.26	2,407.00	2,280.00	1,003.10	725.87	621.21	345.43	-
13	2,876.54	3,114.61	3,131.06	3,532.08	3,470.34	2,987.55	2,838.53	2,782.89	2,772.73	2,810.37
PER SHARE										
14	49.96	53.26	54.21	57.44	60.77	65.13**	69.34**	70.95**	79.67**	92.24**
15	7.31	5.05	2.70	6.14	6.19 *	8.01**	7.73**	8.12	12.78**	14.04**
16	2.50	1.50	1.50	2.50	3.00	1.00**	3.00**	3.00**	4.00**	4.50**
RATIO										
17	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. 8, 10, 11, 13, 14 and 17 are inclusive of Revaluation Reserve balance as at year end.
- b) Figures for previous year(s) have been regrouped / rearranged, wherever necessary.
- c) Figures pertaining to the years 2015-16 and 2016-17 are in accordance with Ind AS while figures pertaining to the years upto 2014-15 are in accordance with previous GAAP

DIRECTORS' REPORT

The Board presents the Thirty-fourth Annual Report together with the Audited Financial Statement and the Auditor's Report in respect of the Financial Year ended 31st March, 2017.

Financial Highlights

The financial highlights are set out below:

	Rupees in Million	
	2016-2017	2015-2016
Total Revenue	2716.77	2482.94
Earnings Before Interest, Depreciation, Taxes and Amortisations (EBIDTA)	810.53	756.81
Interest and Finance Charges	19.26	54.41
Depreciation and Amortisation Expenses	141.93	155.33
Profit before Tax	649.34	547.07
Tax including Deferred Tax	221.54	157.68
Profit after Tax	427.80	389.39
Other Comprehensive Income/(Loss), net of tax	(8.06)	(3.30)
Total Comprehensive Income	419.74	386.09
Balance brought forward	361.68	245.61
Dividend on Equity Shares	30.47	182.80
Dividend Distribution Tax	6.20	37.22
Transfer to General Reserve	50.00	50.00
Balance carried forward	694.75	361.68

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 2016-2017 as well as the future outlook.

Corporate Governance Report

In accordance with Regulation 34(3) read with Schedule V 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 also annexed herewith.

Dividend

The Board recommends a Dividend of ₹ 4.50 per equity share of ₹ 10 each, in respect of the Financial Year 2016-2017. The dividend, if approved at the forthcoming Annual General Meeting will be treated as the Dividend for the Financial Year 2016-2017 and will be paid on 5th August, 2017 to the Shareholders whose names appear in the register of members as at the close of business on 27th July, 2017.

Directors

Mr. S.S. Mukherji retires by rotation at the forthcoming Thirty-fourth 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. S.S.Mukherji as a Director on the Board.

Mr. Surin Shailesh Kapadia was appointed as an Independent Director on the Company’s Board with effect from 5th August, 2016, subject to approval by the Shareholders at the forthcoming General Meeting. Mr. Kapadia will be appointed as regular director at the Thirty-fourth Annual General Meeting.

As required under Section 149(7) of the Act, Mr. Anil Nehru, Mr. L. Ganesh, Mr. Sudipto Sarkar, Mr. Surin Shailesh Kapadia and Ms. Radhika Vijay Haribhakti, the Independent Directors, have given their “declaration of independence” for the Financial Year 2017-2018. The Board was also of the opinion that the Independent Directors meet the criteria of independence under sub-section (6) of Section 149 of the Act.

Corporate Social Responsibility (“CSR”)

In accordance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company had formulated a Corporate Social Responsibility Policy in 2014-2015. The CSR Policy can be accessed on the Company’s website www.eihassociatedhotels.in.

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2016-2017 is given in *Annexure I*, 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, 2016, 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. The Hotel launched a Mobile Health Unit Project on 9th August, 2016 in collaboration with HelpAge India. The project aims to cover all the rural and urban areas of Shimla district where medical support is limited.
- 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. Sudipto Sarkar	– Independent Director & Chairperson
Mr. Anil Nehru	– Independent Director
Mr. L. Ganesh	– Independent Director
Ms. Radhika Vijay Haribhakti	– Independent Director <i>[inducted as Member w.e.f. 24th January, 2017]</i>
Mr. Akshay Raheja	– Non-executive Non-Independent Director
Mr. S.S. Mukherji	– Non-executive Non-Independent Director <i>[inducted as Member w.e.f. 30th June, 2016]</i>

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

Company's Policy on Directors' Appointment and Remuneration and Senior Management 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 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.

Energy Conservation Measures

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

- replacement of reciprocating chillers with energy efficient screw chillers
- replacement of steam boilers and pumps with energy efficient machinery
- replacement of fluorescent lamps with energy efficient LED lamps

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
- replacement of energy efficient laundry machines
- energy audit and thermography to avoid extra consumption of energy

Actions planned for next year include:

- installation of heat recovery system for exhaust & fresh air and replacement of treated fresh air units
- installation of energy efficient laundry machines
- continued replacement of fluorescent lamps with LED lamps
- enhancement of sewage treatment plants
- use of recycled water for flushing

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

Foreign Exchange earnings & outgo

During the Financial Year 2016-2017, the foreign exchange earnings of the Company amounted to ₹ 873.79 Million as against ₹ 1236.49 Million in the previous year. The expenditure in foreign exchange during the Financial Year was ₹ 28.88 Million compared to ₹ 26.49 Million in the previous year.

Auditors

The Auditors, M/s Ray & Ray (FRN 301072E), Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the Thirty-fourth Annual General Meeting. They are not eligible for re-appointment as the period of 3 years available to them under the third proviso to Section 139 (2) of the Act read with Rule 6 (1) of the Companies (Audit and Auditors) Rules, 2014 (“Rules”) will be exhausted at the conclusion of the Annual General Meeting to be held this August, 2017.

The Board places on record its deep appreciation of the valuable contributions made by M/s Ray & Ray as Statutory Auditors of the Company for over three decades.

In accordance with the provisions of Section 139 (2) of the Act which provides for rotation of Auditors, the Audit Committee and the Board at their respective meetings held on 12th December, 2016, have unanimously recommended to the Shareholders, the appointment of M/s. Deloitte, Haskins & Sells LLP, Chartered Accountants, (FRN 117366 W / W 100018)

("Deloitte") as the Statutory Auditors of the Company to hold office for 5 (five) consecutive years from the conclusion of the Annual General Meeting scheduled to be held in August 2017 till the conclusion of the Annual General Meeting to be held in the year 2022. This is subject to ratification by Shareholders at every Annual General Meeting.

Deloitte has given a written consent to the Company for appointment as Auditors. Deloitte has also given a certificate that they satisfy the criteria prescribed in Section 141 of the Act and their appointment, if made, shall be in accordance with the conditions laid down under the Act and Rules.

Secretarial Auditor

In accordance with the provisions of Section 204 of the Act, the Company had appointed M/s JUS & Associates as Secretarial Auditors for the Financial Year ended 31st March, 2017. 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 which could be considered material in accordance with the Related Party Transactions 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.

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

Extract of Annual Return

The Extract of Annual Return for the Financial Year ended 31st March, 2017 in Form MGT-9 is annexed as *Annexure 4*.

Loans, Guarantees or Investments

During the Financial Year 2016-2017, the Company has not given any loan or made any investment or provided any guarantee in terms of Section 185 of the Act.

Deposits

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

Vigil Mechanism/ Whistle blower Policy

In accordance with 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 a 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. During the year ended 31st March, 2017, the Company did not receive any complaint under the scheme.

Board Meetings

The Board met six times during the Financial Year, ie. on 24th May, 2016, 5th August, 2016, 4th November, 2016, 12th December, 2016, 24th January, 2017 and 27th March, 2017.

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 2016-2017 (₹ Million)	Total Remuneration 2015-2016 (₹ Million)	Percentage Increase
1.	Chief Financial Officer	6.74	5.93	13.66%
2.	Company Secretary	3.79	2.75	37.82%

- b) the percentage increase in the median remuneration of the employees in the Financial Year is 11.34%;
- c) the number of permanent employees on the rolls of the Company at the end of the Financial Year is 746;
- d) the average percentile increase made in salaries of the employees in the Financial Year is 8.5%;

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 and 35.

Board Evaluation

In accordance with 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 for the Financial Year 2016-2017. Based on the responses received, the Board as a whole, the Committees, the Chairperson and individual Directors were separately evaluated at the 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 at a separate meeting of Independent Directors held on 27th March, 2017, 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 flow of information required for the Board to perform its duties properly.

The entire Board, 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 2017-2018 with a view to practising the highest standards of Corporate Governance.

Significant and Material orders, if any

During the Financial Year 2016-2017, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operation in future.

Sexual Harassment

Four complaints were received during the Financial Year 2016-2017.

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013, read with sub-rule(2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed and forms part of this Report.

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

Gurugram
29th May, 2017

VIKRAM OBEROI
Managing Director

P.R.S. OBEROI
Chairman

INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH SUB-RULE(2) TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017.

The top ten employees in terms of remuneration drawn during the Financial Year ended 31st March, 2017 are as follows:

Sl. No.	Name of the Employee	Age (Yrs)	Designation/ Nature of Duties	Nature of Employment	CTC	Qualification(s)	Experi- ence in Years	Date of Commence- ment of Employment	Particulars of previous employment
1	Abhishek Sharma	37	General Manager	Permanent	5,854,509	Diploma in Hotel Management (2000) OCLD (2002)	14	7-Apr-12	The Leela Palace, Udaipur
2	Abhimanyu Singh Lodha	35	General Manager	Permanent	5,918,000	Diploma in Hotel Management (2001) OCLD (2003)	13	18-Aug-03	N.A
3	Amit Saincher	40	General Manager	Permanent	6,460,924	Diploma in Hotel Management (1998) OCLD (2000)	16	12-Aug-02	N.A
4	Amit Kaul	36	General Manager	Permanent	5,117,895	Diploma in Hotel Management (2002) OCLD (2004)	12	5-Aug-04	N.A
5	Dhiraj Mehta	48	General Manager	Permanent	7,590,959	Diploma in Hotel Management (1990) OCLD (1994)	22	16-Jul-94	N.A.
6	Gaurav Issar	40	General Manager	Permanent	5,572,099	Hotel Management (1999)	17	1-Dec-04	Hyatt Regency, New Delhi
7	Indrani Ray (Ms)	46	Company Secretary	Permanent	3,790,182	B. Com (Hons.) A.C.A., A.C.S.	23	15-Mar-10	Foster Wheeler Group
8	Samidh Das	50	Chief Financial Officer	Permanent	6,739,282	B.Com(Hons), F.C.A.	28	5-Sep-97	CESC Limited
9	Vikas Sawhney	37	General Manager	Permanent	4,752,958	Hotel Management (2001)	15	1-Jul-01	N.A.
10	Vishal Pathak	41	General Manager	Permanent	4,933,063	BA (1998) OCLD (2000)	16	10-Apr-10	The Leela, Kovalam

Note: None of the above employees or their relatives hold Equity Shares in the Company nor are related to any Director/Manager of the Company.

For and on behalf of the Board

Gurugram
29th May, 2017

VIKRAM OBEROI
Managing Director

P.R.S. OBEROI
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 Board of Directors at their Meeting held on 27th March, 2017 on the recommendation of the CSR Committee, approved a CSR spend of ₹ 10.25 Million for the Financial Year 2016-2017.

The CSR Policy and the activities of the Company are available in the Company's website www.eihassociatedhotels.in

- 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**

₹ 440.46 Million

- 4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above) in 2016-2017:**

₹ 10.25 Million (including ₹ 1.44 Million unspent CSR amount relating to the Financial Year 2015-2016)

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

- Amount to be spent for the Financial Year: ₹ 10.25 Million
- Amount unspent, if any: ₹ 3.46 Million

(c) Manner in which the amount 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)	(6)		(7)	(8)
				Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Direct expenditure on projects/ programs	Overheads	Cumulative expenditure up to the reporting period
				₹ 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	5.38	5.38	Nil	5.38	Through SOS Children's Villages of India
2	'Swachh Bharat Abhiyan' Sanitation Programme	Urban	Within 500 metres around each Hotel premises situated in different cities viz. Cochin, Chennai, Udaipur, Jaipur, Agra, Shimla and Bhubaneswar	1.77	1.42	Nil	1.42	Direct
TOTAL				7.15	6.80	Nil	6.80	

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 Committee perceived substantial cost escalation in the ongoing approved CSR activities/projects, it recommended the Board to carry forward any unspent amount from the 2016-2017 CSR budget to the next Financial Year 2017-2018 to enable the Company meet its prior commitment.

Based on recommendations of the CSR Committee, the Board had approved carrying forward the unspent amount of ₹ 3.46 Million in the Financial Year 2016-2017 to be spent in the Financial Year 2017-2018 in projects to be identified by the 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; and
- 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 there under.

5. Letter of Appointment

- 5.1 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, Manager, 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) The Company's History, Structure and the Business Model;
- c) Memorandum and Articles of Association of the Company;
- d) Past 3 (three) year's 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
Nomination and Remuneration Committee

SUDIPTO SARKAR
Chairperson

EIH Associated Hotels Limited

P.R.S. OBEROI
Chairman

Personal Specification for Directors

1. Qualifications

- Degree holder in relevant disciplines (e.g. management, accountancy, legal, sales, marketing, administration, finance, research and 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 the 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 account of 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, complexity of job 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 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
Nomination & Remuneration Committee

SUDIPTO SARKAR
Chairperson

EIH Associated Hotels Limited

P.R.S. OBEROI
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

Annexure-4

Form MGT-9

Extract of the Company's Annual Return for the year ended 31st March, 2017

[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 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 isdho@oberoigroup.com ; invcom@tridenthotels.com
Whether listed Company	Listed
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

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

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)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
	(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	-	-	-	-	-	-	-	-	
	Sub-Total A(1) :	16065605	-	16065605	52.73	16065605	-	16065605	52.73	0.00
(2)	FOREIGN									
	(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)	-	-	-	-	-	-	-	-	
	Sub-Total A(2) :	6784711	-	6784711	22.27	6784711	-	6784711	22.27	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	22850316	-	22850316	75.00	22850316	-	22850316	75.00	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
	(a) Mutual Funds /UTI	-	1600	1600	0.01	-	1600	1600	0.01	0.00
	(b) Financial Institutions /Banks	2000	100	2100	0.01	2000	100	2100	0.01	0.00
	(c) Central Government/State Government(s)	-	-	-	-	-	-	-	-	
	(d) Venture Capital Funds	-	-	-	-	-	-	-	-	
	(e) Insurance Companies	-	-	-	-	-	-	-	-	
	(f) Foreign Institutional Investors	4341961	300	4342261	14.25	4342029	300	4342329	14.25	0.00
	(g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	
	(h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	
	(i) Others (specify)	-	-	-	-	-	-	-	-	
	Sub-Total B(1) :	4343961	2000	4345961	14.26	4344029	2000	4346029	14.26	0.00
(2)	NON-INSTITUTIONS									
	(a) Bodies Corporate	184987	10502	195489	0.64	163063	10502	173565	0.57	-11.21
	(b) Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1293285	242936	1536221	5.04	984693	235082	1219775	4.00	-20.6
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1344669	-	1344669	4.41	1681013	-	1681013	5.52	25.01

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	
	(c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	
	(d) Others	-	-	-	-	-	-	-	-	
	NON RESIDENT INDIANS	178372	16449	194821	0.64	179489	15949	195438	0.64	0.31
	TRUSTS	230	-	230	-	200	-	200	-	-13.04
	FOREIGN NATIONALS	-	-	-	-	-	-	-	-	
	DIRECTORS RELATIVES	-	-	-	-	-	-	-	-	
	CLEARING MEMBERS	440	-	440	-	1811	-	1811	0.01	311.59
	Sub-Total B(2) :	3001983	269887	3271870	10.74	3010269	261533	3271802	10.74	-
	Total Public Shareholding B = B(1)+B(2) :	7345944	271887	7617831	25	7354298	263533	7617831	25	-
	Total (A+B) :	30196260	271887	30468147	100	30204614	263533	30468147	100	-
(C) SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED										
	(1) Promoter and Promoter Group	-	-	-	-	-	-	-	-	
	(2) Public	-	-	-	-	-	-	-	-	
	GRAND TOTAL (A+B+C) :	30196260	271887	30468147	100	30204614	263533	30468147	100	-

(ii) Shareholding of Promoter

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	EIH Limited	11215118	36.81	0	11215118	36.81	0	0
2	Satish B Raheja	6784711	22.27	0	6784711	22.27	0	0
3	Manali Investment & Finance Private Limited	2276617	7.47	0	2276617	7.47	0	0
4	Coronet Investments Private Limited	2088899	6.86	0	2088899	6.86	0	0
5	Oberoi Holdings Private Limited	271874	0.89	0	271874	0.89	0	0
6	Oberoi Hotels Private Limited	111733	0.37	0	111733	0.37	0	0
7	P R S Oberoi	50820	0.17	0	50820	0.17	0	0
8	Rajan B Raheja	46666	0.15	0	46666	0.15	0	0
9	Oberoi Plaza Private Ltd	2260	0.01	0	2260	0.01	0	0
10	Bombay Plaza Private Limited	1618	0.01	0	1618	0.01	0	0

(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	0.3	90444	0.3
7	Pooja Kabra	No Change	51100	0.17	51100	0.17
8	Radhakishan S Damani		127068	0.42		
		15/04/2016			127851	0.42
		06/05/2016			851	0
	At the End of the year				851	0
9	Kanchan Vijay Patel		49114	0.16		
		30/09/2016			49014	0.16
		07/10/2016			47978	0.16
		14/10/2016			46817	0.15
		21/10/2016			46602	0.15
		28/10/2016			42613	0.14
		04/11/2016			40813	0.13
	At the End of the year				40813	0.13

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
10	Radhakishan Damani		125000	0.41		
		06/05/2016			252000	0.83
	At the End of the year				252000	0.83
11	Kamal Shyamsunder Kabra		0	0		
		11/11/2016			2905	0.01
		18/11/2016			2713	0.01
		25/11/2016			3000	0.01
		02/12/2016			2945	0.01
		06/01/2017			4947	0.02
		13/01/2017			5000	0.02
		20/01/2017			13500	0.04
		27/01/2017			5132	0.02
		03/02/2017			2981	0.01
		10/02/2017			2500	0.01
		24/02/2017			2364	0.01
		10/03/2017			1000	0
		17/03/2017			1500	0
	At the End of the year				51100	0.17
12	Jayakumar Ganapathy		47500	0.16		
	At the End of the year				47500	0.16

(v) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each 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

(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
Indebtedness as on 01/04/2016				
i. Principal amount	345.43	-	-	345.43
ii. Interest due but not paid	0.03	-	-	0.03
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	345.46	-	-	345.46
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	(345.46)	-	-	(345.46)
Net Change	(345.46)	-	-	(345.46)
Indebtedness as on 31/03/2017				
i. Principal amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

(VI) Remuneration of Directors and Key Managerial Personnel
A. Remuneration to Managing Director, Whole-time 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	
1	Independent Directors				
	Mr. Anil Nehru	0.60	-	-	0.60
	Mr. L.Ganesh	0.40	-	-	0.40
	Mr. Sudipto Sarkar	0.76	-	-	0.76
	Mr. Surin Shailesh Kapadia	0.24	-	-	0.24
	Ms. Radhika Vijay Haribhakti	0.28	-	-	0.28
	Total (1)	2.28	-	-	2.28
2	Non-Executive Directors				
	Mr. P.R.S.Oberoi	0.24	-	-	0.24
	Mr. S.S.Mukherji	0.76	-	-	0.76
	Mr. Akshay Raheja	0.16	-	-	0.16
	Total (2)	1.16	-	-	1.16
3	Executive Director				
	Mr. Vikram Oberoi*	0.48	-	-	0.48
	Total (3)	0.48	-	-	0.48
	Total B (1+2+3)	3.92	-	-	3.92
	Total Managerial Remuneration	3.92	-	-	3.92

*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	-	3.63	6.23	9.86
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.16	0.51	0.67
	(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	-	-	-	-
	Total	-	3.79	6.74	10.53

(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)
A. COMPANY					
Penalty	None				
Punishment	-do-				
Compounding	-do-				
B. DIRECTORS					
Penalty	None				
Punishment	-do-				
Compounding	-do-				
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment	-do-				
Compounding	-do-				

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure, Developments and Outlook

The Global Economy – Performance & Prospects

Global GDP declined in 2016 to 3.1% however, growth projections are more encouraging in 2017 and 2018. Led by improved trade and manufacturing, as well as the strength of emerging and developing nation's economies, Global GDP is projected to increase to 3.5% in 2017 and 3.6% in 2018. The increase in Global GDP will be positive for the travel and tourism sectors.

The United States (US), a major contributor to Global Travel and Tourism saw its economy grow at a modest 1.6% in 2016. The US economy is forecast to grow at 2.2% in 2017 and 2.1% in 2018. This is of significance as the United States is the second largest source market for hotels of the Company after India.

The India Economy

At the close of 2015-16, the Economic Survey of India estimated GDP growth of 7.6% for the country. The overall macroeconomic stability was the result of a reduction in the fiscal deficit, the current account deficit and inflation.

The Economist Intelligence Unit forecasts a GDP growth of 7.2% in 2017, and an average of 7.5% annually over the next five years.

The year 2016-17 also witnessed a major policy initiative that will positively impact the economy - the Constitutional Amendment leading to the implementation of the Goods & Services Tax (GST) from 1st July, 2017.

The goal of the GST is to create a common Indian marketplace, improve tax compliance governance and increase investments and growth.

The taxes applicable to the various stakeholders in travel and tourism have been announced. While it is commendable that GST rates applicable to travel, tours & transportation have been lowered, it is disappointing that a tax rate of up to 28% has been applied to hotels who charge in excess of ₹ 5000 per night. The application of the highest rate of 28% to a significant part of the Hospitality Industry will make the destination more expensive and will adversely affect its capability to generate revenue and employment. We hope that the tax rate of 25% will be reviewed and revised in the interest of the hospitality industry and the nation.

Travel and Tourism

Global Scenario

Notwithstanding a decline in Global GDP, the Travel and Tourism industry continued to show resilience in 2016. According to the World Travel and Tourism Council (WTTC), Travel and Tourism, despite escalating political instability and unpredictable terrorist attacks, contributed 10.2% of global GDP and 292 million jobs in 2016 – this equates to 1 in 10 jobs in the global economy.

Travel and Tourism GDP growth is anticipated to accelerate to 3.8% in 2017, up from 3.1% in 2016. The industry is expected to continue to drive employment in the global economy, grow by 3.9% per annum over the next decade and represent 11.4% of GDP in 2027.

India

The Indian Travel and Tourism Industry has been a strong contributor to the nation's economic growth, emerging as a significant source of foreign exchange and a large generator of employment.

As per the WTTC's Economic Impact 2017 - India Report, Travel and Tourism contributed 9.6% to the nation's GDP equating to ₹ 14 trillion (US\$ 209 billion). The contribution of this sector is forecast to double, reaching over ₹ 28 trillion (US\$ 424 billion) and representing 10% of the nation's GDP by 2027.

Travel and Tourism accounts for one third of India's foreign exchange earnings, and has the highest employment when compared to other sectors. In 2016, the sector employed approximately 40 million people, contributing 9.3% to total employment in the country. This is expected to rise to 50 million jobs by 2027. The travel and tourism sector's ability to create employment is significant especially given the demographics of India's population and the need of the India Economy and its people. It plays an important role in integrating society, driving development and employment in rural areas and creating employment for women.

Domestic tourism, driven by India's expanding middle class and increasing disposable incomes, has emerged as a key driver for the growth of travel and tourism. As per the Ministry of Tourism, Domestic Tourist Visits (DTV) to the States/Union Territories (UTs) grew by 15.5% annually to 1.65 billion during 2016.

Further, Foreign Tourist Arrivals (FTAs) in 2016 grew by 10.7% over the previous year to reach nearly 9 million. The foreign tourist arrivals on e-visas more than doubled to 1 million, as the e-visa facility was extended to 161 countries from 113 previously.

India is anticipated to rank among the top five business travel markets globally over the next ten years. Business travel spending in the country is expected to grow by 5.5% in 2017 to over ₹ 700 billion, and double to over ₹ 1.4 trillion by 2027.

Tourism & Hospitality - Trends and Opportunities for Growth

Branded supply grew at a CAGR of 11.1% over the past five years while demand outpaced supply growth at 13.0% for the same period. As a consequence, hotel occupancies in India crossed 60% in 2016-17. However, in a number of primary and secondary cities, hotel room inventories increased substantially with new hotel openings. This was not offset with a corresponding increase in demand, putting pressure on both occupancy levels and room rates in these cities. With GDP forecast to grow annually at 7.5% over the next five years and limited hotels under construction, the industry will benefit with improved occupancy levels and higher room rates.

Financial and Operating Performance

During the Financial Year 2016-17, in spite of adverse market conditions, weak demand compounded by 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 2016-17, the Company's Total Revenue was ₹ 2716.77 Million as compared to ₹ 2482.94 Million in the previous year, representing an increase of approximately 9.42%.

Earnings before Interest, Depreciation, Taxes and Exceptional Items and Amortization (EBIDTA) was ₹ 810.53 Million as compared to ₹ 756.81 Million in the previous year. This represents an increase of approximately 7.10% .

Profit before Tax was ₹ 649.34 Million as compared to ₹ 547.07 Million in the previous year which is an increase of approximately 18.69%.

Profit after Tax for the year was ₹ 427.80 Million as compared to ₹ 389.39 Million in the previous year which is an increase of approximately 9.86%.

The Total Comprehensive Income for the year was ₹ 419.74 Million as compared to ₹ 386.09 Million in the previous year which is an increase of approximately 8.72%.

Subject to the approval of the Shareholders, the Board has recommended a dividend of ₹ 4.50 per share of face value of ₹ 10.

The Company business activity is limited to hotels.

Internal Control Mechanism and Adequacy

The Company is committed to ensuring effective internal controls, operational efficiencies, prevention and detection of frauds and errors, security of organisational assets and timely preparation of accurate financial information.

Internal control mechanisms have been designed in a way to reflect the 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 Financial Controls (IFC)

The Directors have devised a framework for Internal Financial Controls to be followed by the Company that conforms to the requirements of Section 134(5)(e) of the Companies Act, 2013, and incorporates measures that ensure adequate and continuing operating effectiveness of internal financial controls.

Furthermore, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (3) of the Companies Act, 2013, the Independent Directors have satisfied themselves on the integrity of financial information and have ensured that Financial Controls and systems of Risk Management are robust and secure.

In order to enable the Directors meet these responsibilities, the Board has devised the necessary systems, framework and mechanisms within the Company. The Board has empowered the Audit Committee to periodically review and confirm that the mechanism remains effective and fulfill the objectives for which they have been created.

In keeping 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.

With increasing instances of information security breaches being reported from across the globe, the Company has initiated measures during the year to review its information technology security infrastructure. The Company's practices have been benchmarked with the best in class and steps are being taken to scale up infrastructure wherever required. Furthermore, a multidisciplinary audit team is responsible for devising adequate monitoring mechanisms and procedures to ensure prevention and detection of potential lack of controls. This team reports its observations and plans for mitigation with timelines to the Audit Committee of the Board of Directors 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 specialised skills in the areas of Information Security, Financial, Business, Legal, Statutory, Projects and Process Audits.

The Department utilises 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 approved by the Audit Committee. All reported observations of audits are maintained in online databases ensuring comprehensiveness, ease of accessibility and structured follow up.

Senior Executives meet periodically along with 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. Risks are prioritized and presented based on their probability of occurrence, the pendency of issues in various units and status thereof.

The Audit Committee takes cognizance of the presentation and provides its directions and guidance for further action. The Chief Internal Auditor has also been entrusted with the responsibility to report to the Audit Committee on the adequacy of 'Internal Financial Controls' (IFC) in accordance with Section 177 (4) (vii) of the Companies Act, 2013.

During the Financial Year 2016-2017, separate presentations on internal audit findings and internal financial controls were shared with the Audit Committee in its meetings on four 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

During the year, the Risk Management Committee comprising of the Managing Director and Senior Executives of the Company presented to the Board of Directors, the Risk Reports in November 2016 and in March 2017. The Risk Management Committee identified potential risks associated with the Company's business and assigned responsibility to various Risk Owners who are responsible for monitoring and addressing the risks with commensurate mitigating plans. Based on data received from Risk Owners, the organizational criteria of Critical, Watch and Good are applied to each Risk.

The Board was apprised of the performance of the Company against each risk parameter and the measures taken to mitigate these risks. On the whole, the Board was satisfied with the Company's performance against each identified risk parameter.

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.

Other major recognition received by The Oberoi Group during the Financial Year 2016-17 have been:

Oberoi Hotels & Resorts voted the World's Best Hotel Brand for the second consecutive year in the *Travel + Leisure*, World's Best Awards Readers' Survey, 2016 and the World's Leading Luxury Hotel Brand for the fifth consecutive year by World Travel Awards, 2016.

The Oberoi Group was voted the Best Hotel Group (India) in the *Travel + Leisure*, India and South Asia, India's Best Awards, 2016.

HOTEL	AWARD	AWARDED BY
The Oberoi Rajvilās, Jaipur, Rajasthan, India	India's Leading Resort	World Travel Awards 2016
	Top 5 Resort Hotels in India (Ranked 3rd)	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2016
	Top 10 Resort Hotels in Asia (Ranked 7th)	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2016

Development in Human Resources and Industrial Relations

The Oberoi Group continuously reviews and re-aligns its people practices and policies with an aim to provide its employees with the best working environment. Employees demonstrate *The Oberoi Dharma* by placing guests first, the Company second and themselves last.

The Company has been recognized as one of the Best Employers in the 'Aon Best Employers India – 2017' Survey.

In another independent study conducted by the Great Place to Work® Institute, India, in partnership with The Economic Times, the Company was featured amongst the Top 10 organisations to work for in India, 2016. The Great Places to Work® Institute also rated the Company amongst the Best Employers in Asia 2017.

Belief in "people being our biggest asset" has guided the Company to continuously strive to create people practices that are best in class. This has strengthened the Company's position as an employer of choice. Some of these initiatives are listed below:

1. In addition to the Employee Engagement Survey, the Company has introduced an app-based quarterly survey for its employees. The survey helps the Company to receive and respond promptly to employee feedback and resolve points of dissatisfaction without delay.

2. The existing Performance Appraisal system assesses employee performance against mutually agreed performance parameters. The Company has introduced a Competency Framework that assesses an individual on personality attributes and skills that are key to the Organisation's success and unique to its distinctiveness. In 2017-18 this will be integrated with the Executive Appraisal Process and will also lay the foundation for informed decision making while developing individual career paths, assessment of potential and succession plans.
3. Implementation of the SAP Human Resource Module has substantially improved data sanctity, reporting and consolidation and brought better control over payroll.

Learning and Development

1. The Oberoi Centre of Learning and Development (OCLD) remained focused on its core programmes, the two-year Post Graduate Management Programme and the three-year Undergraduate STEP (Systematic Training and Education) Programme. Several training modules, which form a part of the academic curricula of the Management Programmes, were redesigned to align them with the needs of the Company and the expectations from graduating Assistant Managers.
2. Implementation of SAP Learning System (LSO) was completed to support the execution of the Company's business goals. LSO will help structure, deliver and track knowledge transfer. This will enable better focus of training resources towards the desired goals.
3. As part of the Corporate Learning and Development initiatives, several programmes were organised in the Financial Year 2016-17 for executives across all levels. These Management Development Programmes were based on individual needs identified during the Appraisal process. Each training programme – whether run by The Oberoi Centre of Learning and Development or in partnership with top Business Universities in India and overseas were individually curated to ensure that both content and delivery was tailored to the needs of the executive and the Organisation.

Industrial relations remained stable through the year.

As on 31st March, 2017, the number of people employed by the Group was 9,464.

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

For and on behalf of the Board

Gurugram
29th May, 2017

VIKRAM OBEROI
Managing Director

P.R.S. OBEROI
Chairman

REPORT ON CORPORATE GOVERNANCE

1. 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 pages 4 and 5 of this Annual Report.

2. Board of Directors

As on 31st March, 2017, 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, *i.e.* on 24th May, 2016, 5th August, 2016, 4th November, 2016, 12th December, 2016, 24th January, 2017 and 27th March, 2017.

Details of attendance of Directors at Board Meetings during the Financial Year and at the Company's Thirty-third 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	4	No	5	1
Mr. S.S. Mukherji	Vice Chairman	Non-executive Non-Independent	6	Yes	2	2
Mr. Vikram Oberoi	Managing Director	Executive	6	Yes	4	2
Mr. Akshay Raheja	Director	Non-executive Non-Independent	2(1)	No	2	1
Mr. Anil Nehru	Director	Non-executive Independent	6(1)	Yes	3	3**
Mr. L. Ganesh	Director	Non-executive Independent	5(1)	Yes	6	6
Mr. Sudipto Sarkar	Director	Non-executive Independent	5	Yes	4	3
Mr. Surin Shailesh Kapadia	Director	Non-executive Independent	5(1)	No	0	0
Ms. Radhika Vijay Haribhakti	Director	Non-executive Independent	6(2)	No	5	5

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

** Chairperson of two committees

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

@ Only chairmanship and membership of the Audit Committee and Stakeholders Relationship Committee have 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. S.S. Mukherji retires by rotation at the forthcoming Thirty-fourth Annual General Meeting. He is eligible for re-appointment. The particulars of Mr. Mukherji are enclosed as Annexure to the Notice convening the Annual General Meeting.

Mr. Rajesh Kapadia, Independent Director resigned from the Board with effect from 5th August, 2016.

The Board appointed Mr. Surin Shailesh Kapadia as an Additional Director with effect from 5th August 2016. Mr. Kapadia will be appointed as a regular Independent Director by the Shareholders at the forthcoming Annual General Meeting.

All Directors and members of senior management have, as on 31st March, 2017, 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, 2017, the Audit Committee consisted of six Board members, *viz.* Mr. Sudipto Sarkar, Mr. S.S. Mukherji, Mr. Anil Nehru, Mr. L. Ganesh, Mr. Akshay Raheja and Ms. Radhika Vijay Haribhakti.

Mr. S.S. Mukherji joined as Member of the Committee with effect from 30th June, 2016. Ms. Radhika Vijay Haribhakti was inducted as a Member effective 24th January, 2017.

All members of the Committee are Non-executive Directors. Four 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. Sudipto Sarkar is the Chairperson of the Committee. Mr. Sarkar has vast industry experience. The other members of the Committee are erudite persons possessing years of experience and financial expertise within the meaning of Explanation (1) & (2) under Regulation 18(1)(c) of the Listing Regulations.

The Committee met on five occasions during the Financial Year, i.e. on 24th May, 2016, 5th August, 2016, 4th November, 2016, 12th December, 2016 and 24th January, 2017. The attendance of members at the Committee Meetings held during the Financial Year 2016-2017 is given below:

Name	No. of Meetings attended
Mr. Sudipto Sarkar	5
Mr. S.S. Mukherji	4
Mr. Anil Nehru	5
Mr. L. Ganesh	4
Mr. Akshay Raheja	2
Ms. Radhika Vijay Haribhakti	<i>Does not arise</i>

The Statutory Auditors, Chief Internal Auditor and the Chief Financial Officer remain present at the meetings of the Audit Committee. Mr. Vikram Oberoi, Managing Director is an invitee 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 those specified in 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 Directors. 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 24th May, 2016, 5th August, 2016, 26th September, 2016 and 20th December, 2016. The attendance of members at the Committee Meetings held during the Financial Year 2016-2017 is given below:

Name	No. of Meetings attended
Mr. P.R.S. Oberoi	0
Mr. S.S. Mukherji	4
Mr. Vikram Oberoi	2
Mr. Sudipto Sarkar	4

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 certificate *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, 2017, there were no pending requests for dematerialization or for physical transfer of shares. During the year 2016-2017, no complaints were received from the Shareholders of the Company and as on 31st March, 2017, 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. Sudipto Sarkar, Mr. S.S. Mukherji 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 thrice during the Financial Year, *i.e.* on 24th May, 2016, 5th August, 2016 and 27th March, 2017. The attendance of members at the Committee Meetings held during the Financial Year 2016-2017 is given below:

Name	No. of Meetings attended
Mr. Sudipto Sarkar	3
Mr. S.S. Mukherji	3
Mr. Anil Nehru	3

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 policies have been annexed with the Directors’ Report and are also available on the Company’s website www.eihassociatedhotels.in

6. Corporate Social Responsibility Committee**Composition, Meetings and Attendance**

The Corporate Social Responsibility Committee (“CSR Committee”) comprises of three Directors, *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 Meeting is two members. The Company Secretary acts as the Secretary to the Committee.

The Committee met twice during the Financial Year, *i.e.* on 16th November, 2016 and 27th March, 2017. The attendance of members at the Committee Meetings held during the year 2016-2017 is given below:

Name	No. of Meetings attended
Mr. S.S. Mukherji	2
Mr. Vikram Oberoi	2
Mr. Sudipto Sarkar	1

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 of 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, 2014	Trident Chennai	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
31st March, 2016		Friday, 5th August, 2016	3.30 P.M.	None

(ii) Special Resolution, if any, passed through postal ballot

No Special Resolution was passed by postal ballot during the Financial Year 2016-2017.

(iii) 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. Independent Directors are paid sitting fee for attending Independent Directors' Meeting required to be statutorily held at least once during the financial year.

During the Financial Year 2016-2017, the total amount paid to the Directors for attending meetings of the Board, Committees and that of the Independent Directors amounted to ₹ 3,920,000.

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, 2017;
- (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 Indian Accounting Standard (Ind AS) – 24, forms part of this Annual Report;
- (v) the number of shares held by Non-Executive Directors in the Company are as follows:

Name	Number of Shares
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, 2017, no accounting treatment was different from that prescribed in the Indian 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. 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 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;
- (xii) the familiarization program for the Independent Directors is provided as part of the Director’s Appointment and Remuneration Policy. The Policy and details of the familiarization program is given on the Company’s website www.eihassociatedhotels.in ;
- (xiii) the Independent Directors met on 27th March, 2017 to review the performance of the Non-Independent Directors and the Board as a whole, review of performance of the Chairman 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 steps to mitigate such risks. The Company is not required to constitute a Board Committee on Risk Management. The Company has framed a Risk Management Policy which can be accessed on its website www.eihassociatedhotels.in
- (xvii) The Company has framed a Policy on Determination and Disclosure of Material Events and also a Policy on Preservation and Archival of Documents. Both Policy documents can be accessed on the Company's website at www.eihassociatedhotels.in; and
- (xviii) no fresh issue of shares took place during the Financial Year ended 31st March, 2017.

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 statements of the Company in respect of the financial year along with the Directors' Report and Auditor's Report including its annexures, 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 2016-17)	Newspapers	06.08.2016	05.08.2016
2	Half-yearly unaudited financial statement (second quarter 2016-17)	Newspapers	05.11.2016	04.11.2016
3	Quarterly unaudited financial statement (third quarter 2016-17)	Newspapers	25.01.2017	24.01.2017
4	Annual audited financial statements 2016-17	Newspapers	On or before 31.05.2017	29.05.2017

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/ (NSE) and www.listing.bseindia.com (BSE) and can be viewed on website of Stock Exchanges *i.e.* www.nseindia.com and

www.bseindia.com of the respective stock exchange(s). The information is also available on the Company's website at www.eihassociatedhotels.in.

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

11. General Shareholder Information

a. **The Thirty-fourth Annual General Meeting will be held at 3.30 P.M. on Friday, 4th August, 2017**

b. **The tentative financial calendar is as follows:**

Audited Annual Accounts for 2016-2017	Monday, 29th May, 2017
Mailing of Annual Report for 2016-2017	On /before Monday, 10th July, 2017
Unaudited First Quarter Financial Result 2017-2018	Friday, 4th August, 2017
Thirty-fourth Annual General Meeting	Friday, 4th August, 2017
Unaudited Second Quarter Financial Results 2017-2018	Tuesday, 31st October, 2017

c. **Register of Shareholders**

The Register of Shareholders will remain closed from Friday, 28th July, 2017 to Sunday, 30th July, 2017, both days inclusive.

d. **Payment of Dividend**

The Board at its meeting held on 29th May, 2017 recommended a Dividend of ₹ 4.50 per equity share for declaration by the shareholders as the Dividend for Financial Year 2016-2017 at the forthcoming Thirty-fourth Annual General Meeting.

Warrants relating to the Dividend in respect of the Financial Year 2016-2017, if declared by the Company at the forthcoming AGM will be despatched on 5th August, 2017 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 Thursday, 27th July, 2017. For those shareholders holding shares in dematerialized mode, dividend will be credited in their account by means of Electronic Clearing System (ECS).

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

As on 31st March, 2017, the shares of the Company were listed on Stock Exchanges with their respective stock codes as follows:

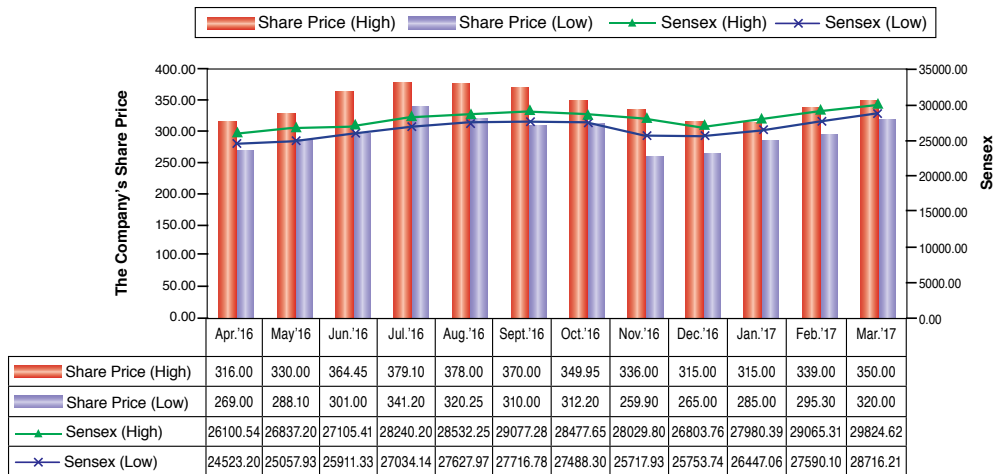
Name of the Stock Exchange	Stock Code
BSE Limited	523127
The National Stock Exchange of India Limited	EIHAHOTELS

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

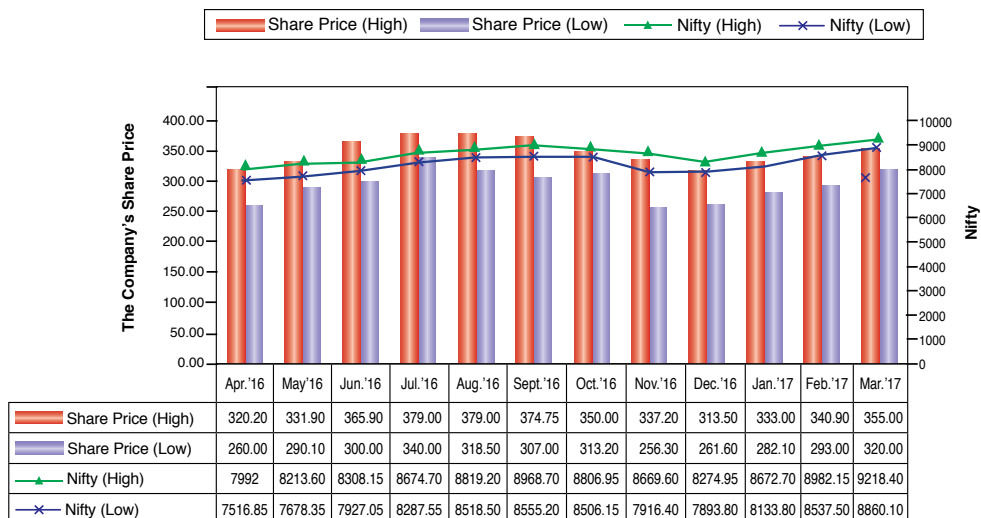
f. Market Price of the Company's share versus Sensex and Nifty (in Rupees)

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 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 available on the Company's website at 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 2016-2017, the Company will follow the same procedure.

12 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
invcom@tridenthotels.com

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

As on 31st March, 2017, 30.20 million shares of the Company, representing 99.13% of the total shares issued, were held in the dematerialised form and 0.27 million shares representing 0.87% of the total issued shares were held in physical form. A total of 4,674 (80.17%) Shareholders have up to 31st March, 2017, dematerialised their shareholdings, while the balance 1,156 (19.83%) Shareholders continue to hold shares in the physical form.

13 Distribution of Shareholding as on 31st March, 2017

Shareholding Range	No. of Shareholders	% of Shareholders	No. of shares (in million)	% of Shareholding
1-1000	5569	95.52	0.73	2.41
1001-5000	201	3.45	0.45	1.47
5001-10000	25	0.43	0.18	0.6
10001-50000	19	0.32	0.48	1.56
50001-100000	4	0.07	0.25	0.8
100001 and above	12	0.21	28.38	93.16
Total	5830	100.00	30.47	100.00

14 Pattern of Shareholding as on 31st March, 2017

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)
(A)	PROMOTER AND PROMOTER GROUP			
(1)	INDIAN			
(a)	Individual/HUF	2	97486	0.32
(b)	Central Government/State Government(s)	0	0	0.00
(c)	Bodies Corporate	7	15968119	52.41
(d)	Financial Institutions / Banks	0	0	0.00
(e)	Others	0	0	0.00
	Sub-Total A(1) :	9	16065605	52.73
(2)	FOREIGN			
(a)	Individuals (NRIs/Foreign Individuals)	1	6784711	22.27
(b)	Bodies Corporate	0	0	0.00
(c)	Institutions	0	0	0.00
(d)	Qualified Foreign Investor	0	0	0.00
(e)	Others (specify)	0	0	0.00
	Sub-Total A(2) :	1	6784711	22.27
	Total Shareholding of Promoter and Promoter Group A=A(1)+A(2)	10	22850316	75.00
(B)	PUBLIC SHAREHOLDING			
(1)	INSTITUTIONS			
(a)	Mutual Funds /UTI	5	1600	0.00
(b)	Financial Institutions /Banks	2	2100	0.00
(c)	Central Government/State Government(s)	0	0	0.00
(d)	Venture Capital Funds	0	0	0.00
(e)	Insurance Companies	0	0	0.00
(f)	Foreign Institutional Investors	4	4342329	14.25
(g)	Foreign Venture Capital Investors	0	0	0.00
(h)	Qualified Foreign Investor	0	0	0.00
(i)	Others (specify)	0	0	0.00
	Sub-Total B(1) :	11	4346029	14.26
(2)	NON-INSTITUTIONS			
(a)	Bodies Corporate	189	173565	0.57
(b)	Individuals			
	(i) Individuals holding nominal share capital upto Rs. 2 lakhs	5485	1313966	4.31
	(ii) Individuals holding nominal share capital in excess of Rs. 2 lakhs	12	1586822	5.21
(c)	Qualified Foreign Investor	0	0	0.00
(d)	Others			
	NON RESIDENT INDIANS	98	195438	0.64
	TRUSTS	1	200	0.00
	FOREIGN NATIONALS	0	0	0.00
	DIRECTORS RELATIVES	0	0	0.00
	CLEARING MEMBERS	24	1811	0.00
	Sub-Total B(2) :	5809	3271802	10.74
	Total Public Shareholding B=B(1)+B(2) :	5820	7617831	25.00
	GRAND TOTAL (A+B) :	5830	30468147	100.00

15 Unclaimed Dividends

All unclaimed dividend up to and including the Financial Year ended on 31st March, 2009, have been transferred to the Investor Education and Protection Fund (“IEPF”) as mandated under law.

Pursuant to the provisions of Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company has submitted the Form IEPF 2 with the Ministry of Corporate Affairs. The details of unclaimed dividends as on date of the last Annual General Meeting is also updated on the website of the Company, www.eihassociatedhotels.in. The year-wise unclaimed dividend position as on 31st March, 2017 are furnished below:

Year	Unclaimed Dividend (₹ Million)
2010	0.11
2011	0.22
2012	0.27
2013	0.09
2014	0.29
2015	0.34
2016	0.34 (Interim)
2016	0.13 (Final)

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. Shareholders who have not encashed their dividend warrants relating to the Financial Year ended 31st March, 2010 and subsequent years are requested to contact the Share Transfer Agent.

16 Transfer of Shares to Investor Education and Protection Fund

In accordance with the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) as amended, the Company is required to statutorily transfer the shares to IEPF whose Dividend has remained unclaimed for a consecutive period of 7 years or more. The Company has sent the Notice by Registered post to the shareholders who have not claimed the dividend for the past seven years or more. Notice was also published in newspaper on 19th November, 2016 and 13th April, 2017 requesting the shareholders to claim their dividend. As per IEPF Rules, the Company is required to transfer the shares relating to the shareholders who have not claimed their dividend to the IEPF on or before 30th June, 2017. The list of shareholders who have not claimed their dividend for 7 years of more is available on the website of the Company www.eihassociatedhotels.in

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 No. : 91-11-2389 0505
Facsimile : 91-11-2389 0605
E-mail : isdho@oberoigroup.com
E-mail for : 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-fourth 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 to Schedule V of the Listing Regulations. The Certificate is annexed.

For and on behalf of the Board

Gurugram
29th May, 2017

VIKRAM OBEROI
Managing Director

P.R.S. OBEROI
Chairman

Declaration by Managing Director under Regulation 34(3) read with Part D of Schedule V of 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, 2017.

Gurugram
29th May, 2017

VIKRAM OBEROI
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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, 2017, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C,D and E of Schedule V of the Listing Regulations, as applicable.

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

Restrictions on use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **RAY & RAY**
Chartered Accountants
Firm's Registration no. 301072E

Place: Gurugram
Date: 29th May, 2017

A.K. SHARMA
Partner
Membership no. 080085

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2017

*[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, 2017, 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, 2017, 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 there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- iv) Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made there under, to the extent applicable to 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 SEBI (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 Company has not raised any money from the public.

- (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014. However, the Regulations are not applicable to the Company during the audit period since the Company does not have any such scheme in operation.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) 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.
 - (f) 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 since the Company has not got it securities delisted.
 - (g) 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.
- vi) Other significant laws specifically applicable to the Company, including:
- (a) Tourism Policy of Government of India and Classification of Hotels.
 - (b) Food Safety and Standards Act, 2006 and Rules made there under.
 - (c) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made there under.
 - (d) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made there under.
 - (e) Hazardous Material (Management, Handling and Trans-boundary Movement) Rules, 2008
 - (f) Phonographic and Performance License.
 - (g) Indian Explosives Act, 1884 and Rules made there under.
 - (h) The Static and Mobile Pressure Vessels (Unfired) Rules, 1981
 - (i) The Apprentices Act, 1961 and Rules made there under.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with The National Stock Exchange of India and BSE Ltd, during the audit period.
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions are carried out 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 Board approved temporary closure of Trident Hotel at Jaipur for the purpose of renovation. The Hotel will remain closed for one year from 1st April, 2018 and is expected to re-open by 31st March, 2019.

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 and 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 pertaining to the operations of the Company, including those relating to Environment, Apprentices, Food Safety & Standards and Performance License. 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

Jyoti Upmanyu
FCS- 7985
CP No.- 8987

Place: New Delhi
Date: 29th May, 2017

INDEPENDENT AUDITOR'S REPORT

To
The Members
EIH Associated Hotels Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of EIH Associated Hotels Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements") 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 of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

1. 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 ₹ 227.59 million as at 31st March, 2017 and total revenue of ₹ 116.14 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.
2. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by us and on which we expressed unmodified opinions in our reports for the years ended March 31, 2015 and March 31, 2016 dated May 26, 2015 and May 23, 2016 respectively, as adjusted for the differences in accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the 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 purpose of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- e) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B” and
- h) 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 read with the Companies (Audit and Auditors) Amendment Rules, 2017, 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 Ind AS financial statements in respect of claims and demands on the Company which are being contested as mentioned in Note No. 41(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.
 - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No 46 to the Ind AS financial statements.

For RAY & RAY
Chartered Accountants
Firm’s Registration No. 301072E

A.K. SHARMA
Partner
Membership No. 80085

Place: Gurugram
Date: May 29, 2017

“ANNEXURE A” TO INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report at even date we report that:

- (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 3(iii) (a), (b) and (c) of the aforesaid Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not violated the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (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. Accordingly, paragraph 3(vi) of the Order is not applicable to 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, service tax, custom duty, excise duty, value added tax, 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, income tax, sales tax, service Tax, custom duty, excise duty, value added tax, and cess were outstanding, as at 31st March, 2017 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 and Luxury Tax which have not been deposited as at 31st March, 2017 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	Joint Commissioner, Chennai
The Himachal Pradesh Tax on Luxuries (in hotels & lodging houses) Act, 1979	Luxury Tax	5.72	2008-09 to 2011-12 and 2013-14 to 2015-16	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
TOTAL		24.90		
Value Added Tax of various States	Value Added Tax	0.12	2007-08	Allahabad High Court
	Value Added Tax	0.07	1999-2000	Odisha Sales Tax Tribunal
	Value Added Tax	1.88	2006-07 to 2011-12	Assistant Commissioner, Dy. Commissioner and Appellate Tribunal, 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	2.18	2011-12, 2012-13 & 2013-14	Rajasthan Tax Board, Ajmer
TOTAL		8.90		
Service Tax	Service Tax	1.23	2005-08	Commissioner, Service Tax, Chennai
	Service Tax	1.55	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	2.61	April, 2012 to June, 2012	Commissioner (Appeals), Service Tax, Jaipur
	Service Tax	0.93	April, 2010 to March, 2015	Commissioner of Central Excise (Appeals), Jaipur
	Service Tax	0.55	April 2014 to September, 2015	Commissioner of Central Excise (Appeals), Jaipur
	Service Tax	0.02	July 2012 to September, 2012	Commissioner of Central Excise (Appeals), Jaipur
TOTAL		66.75		
Income-tax Act, 1961	Income-tax	2.19	Assessment Year 2007-08	Commissioner of Income-tax (Appeals), Chennai
TOTAL		2.19		

- (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 or 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 account 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 Ind AS 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 no. 301072E

Place: Gurugram
Date : May 29, 2017

A.K. SHARMA
Partner
Membership no. 80085

“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, 2017 in conjunction with our audit of the Ind AS 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.

Auditors’ 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 Ind AS 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 Ind AS 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 2017, 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 no. 301072E

A.K. SHARMA
Partner
Membership no. 80085

Place: Gurugram
Date: May 29, 2017

Balance Sheet

As at March 31, 2017

	Note	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 01, 2015
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	4	2,468.98	2,545.86	2,556.83
Capital Work-in-Progress		27.68	10.05	4.85
Intangible Assets	5	7.93	9.50	0.64
Intangible Assets -Under Development		-	-	7.62
Financial Assets				
i) Investments	6	13.65	12.35	10.56
ii) Trade Receivables	7	-	-	-
iii) Other Financial Assets	8 (i)	25.43	23.99	22.74
Income tax assets (Net)	9	35.51	79.66	83.56
Other Non-Current Assets	10	105.32	107.00	113.70
Total non-current assets		2,684.50	2,788.41	2,800.50
CURRENT ASSETS				
Inventories	11	108.53	106.17	96.36
Financial Assets				
i) Investments	12	180.96	-	-
ii) Trade Receivables	13	232.03	251.18	258.93
iii) Cash and Cash Equivalents	14	99.16	31.45	72.06
iv) Other Bank Balances	15	3.39	3.78	2.78
v) Other Financial Assets	8 (ii)	4.12	2.86	8.03
Other Current Assets	16	140.64	97.52	81.44
Total Current Assets		768.83	492.96	519.60
TOTAL ASSETS		3,453.33	3,281.37	3,320.10
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	17	304.68	304.68	304.68
Other Equity	18	2,505.69	2,122.62	1,956.55
Total Equity		2,810.37	2,427.30	2,261.23
LIABILITY				
NON-CURRENT LIABILITIES				
Financial Liabilities				
i) Borrowings	19	6.60	3.58	203.58
ii) Others Financial Liabilities	20	6.18	6.95	5.96
Employee Benefit Obligations	21	17.31	12.71	10.81
Deferred Tax Liabilities (Net)	22	200.17	126.59	85.33
Other Non-Current Liabilities	23	0.32	0.49	0.44
Total Non-Current Liabilities		230.58	150.32	306.12
CURRENT LIABILITIES				
Financial Liabilities				
i) Borrowings	24	-	245.43	321.21
ii) Trade Payables	25	277.24	240.20	245.70
iii) Others Financial Liabilities	26	11.97	107.86	108.59
Other Current Liabilities	27	114.13	105.19	75.43
Employee Benefit Obligations	21	9.04	5.07	1.78
Provisions	28	-	-	0.04
Total Current Liabilities		412.38	703.75	752.75
TOTAL EQUITY AND LIABILITIES		3,453.33	3,281.37	3,320.10

The accompanying notes form an integral part of the Financial Statements.

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

For Ray & Ray
Chartered Accountants
Firm's Registration No 301072E
A.K Sharma
Partner
Membership Number 80085
Gurugram, 29th May, 2017

P.R.S OBEROI
Chairman

SAMIDH DAS
Chief Financial Officer

VIKRAM OBEROI
Managing Director

INDRANI RAY
Company Secretary

SUDIPTO SARKAR
Director

Statement of Profit and Loss for the year ended March 31, 2017

	Note	Year ended March 31, 2017	Rupees Million Year ended March 31, 2016
INCOME			
Revenue from operations	29	2,635.61	2,453.50
Other Income	30	81.16	29.44
Total Income		2,716.77	2,482.94
EXPENSES :			
Consumption of Provisions, Wines & Others	31	210.81	186.46
Employee Benefits Expense	32	529.96	463.64
Finance Costs	33	19.26	54.41
Depreciation and Amortization Expense	34	141.93	155.33
Excise Duty		2.19	1.29
Other Expenses	35	1,163.28	1,074.74
Total Expenses		2,067.43	1,935.87
Profit Before Tax		649.34	547.07
Tax Expense			
Current tax	36	219.28	124.08
Deferred tax		2.26	33.60
Total Tax Expense		221.54	157.68
Profit for the year		427.80	389.39
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(12.32)	(5.04)
- Income tax relating to these items		4.26	1.74
Total Other Comprehensive Income/(loss) for the year, net of tax		(8.06)	(3.30)
Total Comprehensive Income for the year		419.74	386.09
Earnings per Equity Share - Basic and Diluted (in ₹)	45	14.04	12.78

The accompanying notes form an integral part of the Financial Statements.

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

For Ray & Ray
Chartered Accountants
Firm's Registration No 301072E

A.K Sharma
Partner
Membership Number 80085

Gurugram, 29th May, 2017

P.R.S OBEROI
Chairman

SAMIDH DAS
Chief Financial Officer

VIKRAM OBEROI
Managing Director

INDRANI RAY
Company Secretary

SUDIPTO SARKAR
Director

Statement of Cash Flow

for the year ended March 31, 2017

	Rupees Million	
	Year Ended March 31, 2017	Year Ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	649.34	547.07
Adjustments for:		
Depreciation and Amortization Expense	141.93	155.33
Loss on Sale / Discard of Assets including capital stores	5.85	8.56
Provisions & Liabilities no longer required, written back	(0.38)	(14.88)
Fair value changes on equity investments measured at fair value through profit and loss	(1.30)	(1.74)
Dividend income classified as investing cash flows	(0.97)	(0.13)
Interest income classified as investing cash flows	(17.50)	(2.16)
Finance costs	19.26	54.41
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Trade Receivables	19.15	7.75
(Increase)/Decrease in Inventories	(2.36)	(9.81)
Increase/(Decrease) in Trade Payables	37.43	9.38
(Increase)/ Decrease in Other Financial Assets	(2.68)	3.92
(Increase)/Decrease in Other Non-Current Assets	1.73	3.86
(Increase)/Decrease in Other Current Assets	(43.11)	(16.08)
Increase/(Decrease) in Provisions	-	(0.05)
Increase/(Decrease) in Employee Benefit Obligations	(3.75)	0.14
Increase/(Decrease) in Other Financial Liabilities	4.79	(1.71)
Increase/(Decrease) in Other Non-Current Liabilities	(0.16)	0.05
Increase in Other Current Liabilities	8.94	29.76
Cash generated from Operations	816.21	773.67
Income taxes paid (Net of Refund)	(99.56)	(110.77)
Interest on Income tax refund	13.37	-
Net cash inflow from Operating Activities	730.02	662.90
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipment	(89.00)	(159.73)
Proceeds from sale of Property, Plant and Equipment	4.04	4.35
Investment in Equity Shares	-	(0.05)
Investment in Mutual Fund	(180.00)	-
Changes in Other Bank Balances	0.39	(0.99)
Dividends received	-	0.13
Interest received	4.09	2.16
Net cash outflow from Investing Activities	(260.48)	(154.13)

Statement of Cash Flow – *Contd.*

	Rupees Million	
	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Term Loan	(100.00)	(200.00)
Repayment of Other Borrowings	(245.43)	(75.78)
Interest paid	(19.28)	(54.46)
Dividends paid to Company's Shareholders	(30.92)	(181.92)
Dividend Tax paid	(6.20)	(37.22)
Net cash outflow from Financing Activities	(401.83)	(549.38)
Net increase/(decrease) in Cash and Cash Equivalents	67.71	(40.61)
Cash and Cash Equivalents at the beginning of the year	31.45	72.06
Cash and Cash Equivalents at the end of the year	99.16	31.45

The accompanying notes form an integral part of the Financial Statements.

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

For Ray & Ray
Chartered Accountants
Firm's Registration No 301072E

A.K Sharma
Partner
Membership Number 80085

Gurugram, 29th May, 2017

P.R.S OBEROI
Chairman

SAMIDH DAS
Chief Financial Officer

VIKRAM OBEROI
Managing Director

INDRANI RAY
Company Secretary

SUDIPTO SARKAR
Director

Statement of changes in Equity for the year ended March 31, 2017

Rupees Million
A. Equity Share Capital

	Amount
Balance as at April 01, 2015	304.68
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2016	304.68
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2017	304.68

B. Other Equity

	Reserves and surplus					Total Other Equity
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings (Surplus)	
Balance as at April 01, 2015	8.48	1,077.00	100.00	525.46	245.61	1,956.55
Profit for the year	-	-	-	-	389.39	389.39
Other Comprehensive Income/(Loss) for the year, net of tax	-	-	-	-	(3.30)	(3.30)
Total Comprehensive Income for the year	-	-	-	-	386.09	386.09
Allocations and/or Appropriations:						
Interim Dividend	-	-	-	-	(91.40)	(91.40)
Final Dividend (FY 2014-15)	-	-	-	-	(91.40)	(91.40)
Tax on Dividend	-	-	-	-	(37.22)	(37.22)
Transfer (to)/from General Reserve	-	-	-	50.00	(50.00)	-
Balance as at March 31, 2016	8.48	1,077.00	100.00	575.46	361.68	2,122.62
Balance as at April 01, 2016	8.48	1,077.00	100.00	575.46	361.68	2,122.62
Profit for the year	-	-	-	-	427.80	427.80
Other Comprehensive Income/(Loss) for the year, net of tax	-	-	-	-	(8.06)	(8.06)
Total comprehensive income for the year	-	-	-	-	419.74	419.74
Allocations and/or Appropriations:						
Final Dividend (FY 2015-16)	-	-	-	-	(30.47)	(30.47)
Tax on Dividend	-	-	-	-	(6.20)	(6.20)
Transfer (to)/from General Reserve	-	-	-	50.00	(50.00)	-
Balance as at March 31, 2017	8.48	1,077.00	100.00	625.46	694.75	2,505.69

The accompanying notes form an integral part of the Financial Statements.

This is the Statement of changes in Equity referred to in our report of even date.

For Ray & Ray
Chartered Accountants
Firm's Registration No 301072E

A.K Sharma
Partner
Membership Number 80085
Gurugram, 29th May, 2017

P.R.S OBEROI
Chairman

SAMIDH DAS
Chief Financial Officer

VIKRAM OBEROI
Managing Director

INDRANI RAY
Company Secretary

SUDIPTO SARKAR
Director

Notes to Financial Statements

GENERAL INFORMATION

EIH Associated Hotels Limited is a Company limited by shares, incorporated and domiciled in India having its Registered Office at 1/24 GST Road, Chennai – 600 027. The Company is primarily engaged in owning premium luxury hotels under the luxury ‘Oberoi’ and five-star ‘Trident’ brands.

Note 1: Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these separate Financial Statements of EIH Associated Hotels Limited. These policies have been consistently applied to all the period presented, unless otherwise stated.

a) *Basis of preparation*

- (i) Compliance with Ind AS
The Financial Statement have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as a going concern on an accrual basis.

The Financial Statements up to year ended 31 March 2016 were prepared earlier in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements are the first Financial Statements of the Company under Ind AS and the transition was carried out in accordance with Ind AS 101, “First time adoption of Indian Accounting Standards”. Refer note 48 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

- (ii) Historical cost convention
The Financial Statements have been prepared on a historical cost basis, except for the following:
- Equity Investments in entities are measured at fair value;
 - Defined Benefit Plans – plan assets measured at fair value
 - Customer Loyalty Programs

- iii) 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 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 recognized in the period the same is determined.

b) *Revenue recognition*

- (i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.
- (ii) Revenue from interest is recognized on accrual basis and determined by contractual rate of interest.
- (iii) Dividend income is stated at gross and is recognized when right to receive payment is established.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company’s activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Notes to Financial Statements – *Contd.*

Timing of revenue recognition from major business activities

- Hospitality Services: Revenue from hospitality services is recognized when the services are rendered and the same becomes chargeable.
- Others: Revenue from Shop License Fee, included under “Other Services” is recognized on accrual basis as per terms of the contract.
- Revenue in respect of customer loyalty are recognized when loyalty points are redeemed by the customers.

c) Foreign currency translation

(i) Presentation Currency:

The Financial Statement is presented in INR which is the Functional Currency of the Company.

(ii) Transactions and balances

Sales made in any currency other than the functional currency of the Company are converted at the prevailing applicable exchange rate. Gain/Loss arising out of fluctuations in exchange rate is accounted for on realisation or translation at the year end.

Payments made in foreign currency including for acquiring investments are converted at the applicable rate prevailing on the date of remittance. Liability on account of foreign currency is converted at the exchange rate prevailing at the end of the year. Monetary items denominated in foreign currency are converted at the exchange rate prevailing at the end of the year.

d) Income tax

Current Income tax is recognized based on the amount expected to be paid to the tax authorities, using tax rates and tax laws that have been enacted or substantially enacted on the date of balance sheet.

e) Deferred Tax

Deferred Income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate Financial Statements.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other Comprehensive Income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credit against which future income tax liability is adjusted and is recognized as deferred tax asset in the balance sheet.

f) Leases

As a lessee:

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Assets under finance lease are capitalized at the inception, at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are

Notes to Financial Statements – *Contd.*

charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

g) *Impairment of assets*

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

h) *Cash and cash equivalents*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, cash at bank and other deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i) *Trade receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j) *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 or Loss.

k) *Investments and other financial assets*

(i) *Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Notes to Financial Statements – Contd.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Statement of Profit and Loss.

(iii) **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) **Derecognition of financial assets**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) **Income recognition**

Interest income: Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income: Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Notes to Financial Statements – *Contd.*

l) *Property, Plant and Equipment*

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than land, the hotel buildings, certain buildings on leasehold land and leased vehicles and machinery is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013. Leased vehicles and building installed on leasehold land (other than perpetual lease) are depreciated over the lives of the respective asset or over the remaining lease period from the date of installation whichever is shorter.

Long term leasehold land (other than perpetual lease) is 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 years and 60 years with effect from 31st March 2015 and are higher than those specified by Schedule II to the Companies Act, 2013. The management believes that the balance useful lives so assessed best represent the periods over which the hotel buildings are expected to be in use. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

m) *Intangible Assets*

Intangible Assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset 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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible assets recognised as at April 01, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

n) *Trade and Other Payables*

These amounts represent liabilities for goods and services provided to the Company prior to

Notes to Financial Statements – *Contd.*

the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of respective assets during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or statutory obligation or constructive obligation as a result of past events and 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 recognized 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 where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the Financial Statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

q) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

Gratuity obligations –

Maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Notes to Financial Statements – *Contd.*

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Leave encashment on termination of service –

The liabilities for earned leave are expected to be settled after the retirement of employee. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Provident Fund –

The Company pays provident fund contributions to a fund administered by Government Provident Fund Authority. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

r) Dividends

Liability is created for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity.

s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit for the year attributable to equity shareholders of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the number of equity shares used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of equity shares including additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares happened.

t) Government Grants/ Incentives

Government grants / incentives that the Company is entitled to on fulfillment of certain conditions, but are available to the Company only on completion of some other conditions, are recognized as income at fair value on completion of such other conditions.

Grants/incentives that the Company is entitled to unconditionally on fulfillment of certain conditions, such grants are recognized at fair value as income when there is reasonable assurance that the grant will be received.

u) Rounding of amounts

All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

Notes to Financial Statements – *Contd.*

2

NEW STANDARDS/AMENDMENTS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED:

As set out below, amendments to standards are effective for annual periods beginning on or after April 01, 2017, and have not been applied in preparing these Financial Statements. None of these is expected to have a significant effect on the financial statements of the Company:

Amendments to Ind AS 102, Share-based Payment

The amendment to Ind AS 102 clarifies the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled.

Since the Company does not have any share based payments outstanding at the reporting date, the abovementioned amendment will not have any impact on the Financial Statements of the Company. The amendment is effective for accounting periods beginning on or after April 01, 2017 and early adoption of the same is not permitted.

Amendments to Ind AS 7, Cash Flow Statements

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of Financial Statements to evaluate changes in liabilities arising from financing activities. The said amendment will not have any impact on the Company's cash flow.

The amendment is effective for accounting periods beginning on or after April 01, 2017 and early adoption of the same is not permitted.

Notes to Financial Statements – *Contd.*

3

SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

a) Estimated fair value of unlisted securities

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 37.

b) Recognition of Revenue (Customer Loyalty Programs)

The Company is running certain Customer Loyalty Programs for which revenue is being deferred on the basis of total loyalty points / complimentary nights outstanding. As required by Ind AS 18, while calculating fair value of the loyalty points / complimentary nights, expected lapses are also considered by the Company (Reward points / complimentary nights, which will not be redeemed by the customers). On the basis of past trend, a significant portion of the complimentary nights / loyalty points has been estimated to be lapsed. Estimated lapse ratio is periodically evaluated by the Company and in case there is any change in the trend, the deferred revenue is adjusted accordingly. The fair value of complimentary nights / loyalty points is calculated on the basis of relative benefit passed on to the customers.

c) Useful life of the Hotel Buildings

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 building 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, the balance useful life of the hotel buildings ranges between 50 to 60 years with effect from 31st March, 2015 and are higher than those specified by Schedule II to the Companies Act, 2013. The carrying amount of the hotel building is being depreciated over its residual life.

Notes to Financial Statements – Contd.

		Rupees Million								
		Deemed cost as at April 01, 2015	Gross carrying amount Additions during the year	Sales/disposal/ adjustments during the year	Balance as at March 31, 2016	As at April 01, 2015	Accumulated Depreciation For the Year	Sales/ Adjustments	As at March 31, 2016	Carrying Value as at March 31, 2016
a)	Land: Freehold Land	31.38	-	-	31.38	-	-	-	-	31.38
	Leasehold land (Refer note 1 below)	15.92	-	-	15.92	-	0.22	0.22	0.22	15.70
b)	Buildings: Buildings	1,883.11	53.31	7.83	1,928.59	-	48.63	0.10	48.53	1,880.06
	Leasehold Buildings	0.20	-	-	0.20	-	0.01	-	0.01	0.19
c)	Plant & Machinery	503.18	57.69	3.51	557.36	-	74.08	0.34	73.74	483.62
d)	Furniture & Fittings	48.13	22.74	0.33	70.54	-	8.71	0.03	8.68	61.86
e)	Vehicles: Vehicles - Others	37.74	4.16	0.66	41.24	-	7.53	0.23	7.30	33.94
	Vehicles taken on finance lease	6.00	3.60	1.23	8.37	-	3.60	0.63	2.97	5.40
f)	Office Equipment (Refer note 2 below)	0.63	0.18	0.01	0.80	-	0.24	-	0.24	0.56
g)	Others: Jetty	0.17	-	-	0.17	-	0.03	-	0.03	0.14
	Boats	1.56	1.17	0.26	2.47	-	0.11	0.01	0.10	2.37
	Computer	28.81	13.59	0.48	41.92	-	11.33	0.05	11.28	30.64
	Total	2,556.83	156.44	14.31	2,698.96	-	154.49	1.39	153.10	2,545.86
		As at April 01, 2016	Gross carrying amount Additions during the year	Sales/disposal/ adjustments during the year	Balance as at March 31, 2017	As at April 01, 2016	Accumulated Depreciation For the Year	Sales/ Adjustments	As at March 31, 2017	Carrying Value as at March 31, 2017
a)	Land: Freehold Land	31.38	-	-	31.38	-	-	-	-	31.38
	Leasehold land (Refer note 1 below)	15.92	-	-	15.92	0.22	0.21	-	0.43	15.49
b)	Buildings: Buildings	1,928.59	17.07	2.29	1,943.37	48.53	48.73	0.07	97.19	1,846.18
	Leasehold Buildings	0.20	-	-	0.20	0.01	0.01	-	0.02	0.18
c)	Plant & Machinery	557.36	42.64	8.18	591.82	73.74	61.58	2.45	132.87	458.95
d)	Furniture & Fittings	70.54	4.02	0.55	74.01	8.68	8.35	0.09	16.94	57.07
e)	Vehicles: Vehicles - Others	41.24	-	2.28	38.96	7.30	5.75	1.42	11.63	27.33
	Vehicles taken on finance lease	8.37	7.62	1.48	14.51	2.97	3.79	1.48	5.28	9.23
f)	Office Equipment (Refer note 2 below)	0.80	0.22	0.03	0.99	0.24	0.16	-	0.40	0.59
g)	Others: Jetty	0.17	-	-	0.17	0.03	0.03	-	0.06	0.11
	Boats	2.47	-	-	2.47	0.10	0.12	-	0.22	2.25
	Computer	41.92	1.20	0.59	42.53	11.28	11.03	-	22.31	20.22
	Total	2,698.96	72.77	15.40	2,756.33	153.10	139.76	5.51	287.35	2,468.98

1. Leasehold Land
The Company has taken land on leases for which period varies from 30 years to 99 years. On most of the land taken on lease, hotel units of the Company are in operation. Therefore as required by Ind AS 101 and Ind AS 17, land lease has been classified into operating lease and finance lease on the basis of terms and conditions of the respective lease agreement.

2. Leased Vehicles
The lease term in respect of vehicles acquired under finance leases generally expire within three to five years. Under the terms of the leases, at the expiry of the lease term, vehicle is transferred to the name of Company without any consideration by the lessor.

Notes to Financial Statements – *Contd.*

5 INTANGIBLE ASSETS

		Rupees Million										
		Gross carrying amount				Balance as at March 31, 2016			Accumulated Amortization			Carrying Value as at March 31, 2016
	Deemed cost as at April 01, 2015	Additions during the year	Sales/disposal/ adjustments during the year		Balance as at March 31, 2016	As at April 01, 2015	For the Year	Sales/ Adjustments	As at March 31, 2016			
	0.64	9.70	-		10.34	-	0.84		0.84		9.50	
Computer Software	0.64	9.70	-		10.34	-	0.84		0.84		9.50	
Total	0.64	9.70	-		10.34	-	0.84		0.84		9.50	
		Gross carrying amount				Balance as at March 31, 2016			Accumulated Amortization			Carrying Value as at March 31, 2017
	As at April 01, 2016	Additions during the year	Sales/disposal/ adjustments during the year		Balance as at March 31, 2016	As at April 1, 2016	For the Year	Sales/ Adjustments	As at March 31, 2017			
	10.34	0.60	-		10.94	0.84	2.17		3.01		7.93	
Computer Software	10.34	0.60	-		10.94	0.84	2.17		3.01		7.93	
Total	10.34	0.60	-		10.94	0.84	2.17		3.01		7.93	

Notes to Financial Statements – *Contd.*

	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
Rupees Million			
6			
INVESTMENTS			
A. Investments in Equity Instruments (Fully paid, carried at Fair Value through Profit & Loss)			
Quoted			
100 (2016 - 100, 2015 - Nil) Equity Shares of TCP Limited	0.05	0.05	-
Unquoted			
217,175 (2016 and 2015 - 217,175) Equity Shares of Mercury Travels Limited	13.24	11.94	10.20
33,600 (2016 and 2015 - 33,600) Equity Shares of Green Infra Wind Generation Limited	0.34	0.34	0.34
Total Investment in equity instruments	<u>13.63</u>	<u>12.33</u>	<u>10.54</u>
B. Investment in Government Securities (Unquoted)			
6 year National Savings Certificate (lodged with Government Authorities as Security Deposit)	0.02	0.02	0.02
Total investment in government securities	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>
	<u>13.65</u>	<u>12.35</u>	<u>10.56</u>
Aggregate amount of quoted investments and market value thereof	0.05	0.05	-
Aggregate amount of unquoted investments	13.60	12.30	10.56
7			
TRADE RECEIVABLES			
Unsecured, Considered Doubtful			
Receivables other than Related Parties	3.18	0.88	2.97
Less: Provision for doubtful debts	3.18	0.88	2.97
	<u>-</u>	<u>-</u>	<u>-</u>

Notes to Financial Statements – *Contd.*

	Rupees Million		
	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
8			
OTHER FINANCIAL ASSETS			
i) Non-Current Financial Assets			
Fixed deposit with banks deposited with sales tax department	0.13	0.12	0.11
Long Term Bank Deposits	1.26	-	-
Margin Money	-	-	0.37
Security Deposits	24.04	23.87	22.26
	<u>25.43</u>	<u>23.99</u>	<u>22.74</u>
ii) Current Financial Assets			
Interest accrued	0.03	-	-
Insurance claim	-	-	0.29
Other receivables / recoverable	1.57	1.65	6.65
Security deposits	2.52	1.21	1.09
	<u>4.12</u>	<u>2.86</u>	<u>8.03</u>
9			
INCOME TAX ASSETS (NET)			
Opening balance	79.66	83.56	83.56
Add: Taxes paid	139.76	110.77	-
Add: MAT Credit Utilised	83.93	7.90	-
Less: Current tax payable for the year	220.28	122.54	-
Less: Refund / adjustment for earlier years	47.56	0.03	-
	<u>35.51</u>	<u>79.66</u>	<u>83.56</u>
10			
OTHER NON-CURRENT ASSETS			
(i) Capital Advances	7.21	7.16	10.00
(ii) Other Deposit	0.73	0.73	0.73
(iii) Prepaid Expenses	91.47	93.92	97.34
(iv) Other Advances:			
Considered good	5.91	5.19	5.63
Considered doubtful	0.13	0.13	0.19
	6.04	5.32	5.82
Less: Provision for doubtful advances	0.13	0.13	0.19
	<u>5.91</u>	<u>5.19</u>	<u>5.63</u>
	<u>105.32</u>	<u>107.00</u>	<u>113.70</u>

Notes to Financial Statements – *Contd.*

	Rupees Million		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
11			
INVENTORIES			
Provisions, Wines & Others	29.75	31.80	29.53
Stores and Operational Supplies	78.78	74.37	66.83
	<u>108.53</u>	<u>106.17</u>	<u>96.36</u>
12			
INVESTMENTS			
Investment in Mutual Funds (Quoted)			
(Carried at fair value through Statement of Profit and Loss)			
1,556,624.172 (2016 and 2015 - Nil) units of Birla Sun Life Cash Plus Daily Dividend Direct Reinvestment Plan	155.96	-	-
249,259.202 (2016 and 2015 - Nil) units of Birla Sun Life Savings Fund Daily Dividend Direct Reinvestment Plan	25.00	-	-
	<u>180.96</u>	<u>-</u>	<u>-</u>
Aggregate amount of quoted investments and market value thereof	180.96	-	-
13			
TRADE RECEIVABLES			
Unsecured, considered good			
Receivables other than Related Parties	207.17	245.06	256.43
Receivables from Related Parties	24.86	6.12	2.50
	<u>232.03</u>	<u>251.18</u>	<u>258.93</u>
<i>Less:</i> Allowance for doubtful debts	-	-	-
	<u>232.03</u>	<u>251.18</u>	<u>258.93</u>

Notes to Financial Statements – *Contd.*

	Rupees Million		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
14			
CASH AND CASH EQUIVALENTS			
Balances with banks			
- Current Accounts	86.76	21.90	50.79
Fixed deposits with original maturity of less than three months	3.40	2.47	13.86
Cash in hand	4.72	6.27	6.12
Cheques in hand	4.28	0.81	1.29
	<u>99.16</u>	<u>31.45</u>	<u>72.06</u>
15			
OTHER BANK BALANCES			
Margin Deposits	1.57	1.51	1.40
Unpaid Dividend Accounts	1.82	2.27	1.38
	<u>3.39</u>	<u>3.78</u>	<u>2.78</u>
16			
OTHER CURRENT ASSETS			
Prepaid Expenses	34.78	33.52	27.79
Services Export Incentive	36.02	-	-
Other Advances	69.84	64.00	53.65
	<u>140.64</u>	<u>97.52</u>	<u>81.44</u>

Notes to Financial Statements – Contd.

	Rupees Million		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
17			
EQUITY SHARE CAPITAL			
Authorised			
75,000,000 Equity Shares of ₹ 10 each (2016 - 75,000,000 Equity Shares of ₹ 10 each) (2015 - 75,000,000 Equity Shares of ₹ 10 each)	750.00	750.00	750.00
1,000,000 Redeemable Preference Shares of ₹ 100 each (2016 - 1,000,000 Redeemable Preference Shares of ₹ 100 each) (2015 - 1,000,000 Redeemable Preference Shares of ₹ 100 each)	100.00	100.00	100.00
	850.00	850.00	850.00
Issued, Subscribed, Called & Fully Paid Up			
30,468,147 Equity Shares of ₹ 10 each, fully paid up (2016 - 30,468,147 Equity Shares of ₹ 10 each, fully paid up) (2015 - 30,468,147 Equity Shares of ₹ 10 each, fully paid up)	304.68	304.68	304.68
	304.68	304.68	304.68

(i) Reconciliation of Equity Share Capital

As at April 01, 2015
As at March 31, 2016
As at March 31, 2017

Number of shares	Equity share capital (par value) (Rupees Million)
30,468,147	304.68
30,468,147	304.68
30,468,147	304.68

(ii) Rights and preferences attached to equity shares:

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

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

Equity Shares:

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of Shares	Holding %	Number of Shares	Holding %	Number of Shares	Holding %
EIH Limited	11,215,118	36.81	11,215,118	36.81	11,215,118	36.81
Satish B Raheja	6,784,711	22.27	6,784,711	22.27	6,784,711	22.27
National Westminster Bank PLC. as Trustee of the Jupiter India Fund	3,041,111	9.98	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	2,276,617	7.47
Coronet Investments Pvt Ltd	2,088,899	6.86	2,088,899	6.86	2,088,899	6.86

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

Of the above 30,468,147 (2015 and 2016 -30,468,147) Equity shares, 9,086,666 (2015 and 2016 -9,086,666) Equity shares of Rs. 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 Financial Statements – *Contd.*

	Rupees Million		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
18			
OTHER EQUITY			
RESERVES AND SURPLUS			
Capital Reserve	8.48	8.48	8.48
Capital Redemption Reserve	100.00	100.00	100.00
Securities Premium Reserve	1,077.00	1,077.00	1,077.00
General Reserve	625.46	575.46	525.46
Retained Earnings	694.75	361.68	245.61
	<u>2,505.69</u>	<u>2,122.62</u>	<u>1,956.55</u>
	As at March 31, 2017		As at March 31, 2016
Capital Reserve			
Opening balance	8.48		8.48
Closing balance	8.48		8.48
Capital Redemption Reserve			
Opening balance	100.00		100.00
Closing balance	100.00		100.00
Securities Premium Reserve			
Opening balance	1,077.00		1,077.00
Closing balance	1,077.00		1,077.00
General Reserve			
Opening balance	575.46		525.46
Add: Transfer from Surplus	50.00		50.00
Closing balance	625.46		575.46
Retained Earnings			
Opening balance	361.68		245.61
Add: Profit during the year as per Statement of Profit and Loss	427.80		389.39
Less: Appropriations			
General Reserve	50.00		50.00
Interim Dividend	-		91.40
Final Dividend	30.47		91.40
Tax on Dividend	6.20		37.22
Other Comprehensive Income recognised directly in Retained Earnings			
-Remeasurements of post-employment benefit obligation, net of tax	8.06		3.30
Closing balance	<u>694.75</u>		<u>361.68</u>

Nature and purpose of Reserves

- (i) Capital Reserve
Investment Subsidy received from government was credited to Capital Reserve in accordance with previous GAAP.
- (ii) Capital Redemption Reserve
Capital Redemption Reserve represents the statutory reserve created by the Company on the redemption of its Preference Share Capital. The same can be utilised by the Company for issuing fully paid bonus shares.

Notes to Financial Statements – *Contd.*

19
NON-CURRENT BORROWINGS

	Maturity Date	Terms of repayments	Coupon/ Interest rate	Rupees Million		
				As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Term Loans From Banks:						
Secured						
HDFC Bank Limited	March 25, 2017	Quarterly installments	Base rate+25bps	-	-	200.00
Long-Term Maturities of Finance Lease Obligations						
Secured						
Long Term maturity of Finance Lease Obligations - Vehicles	2020-2021	Monthly installments	12.5% - 13.5%	6.42	3.40	3.39
Unsecured						
Long Term maturity of Finance Lease Obligations - Leasehold Building	March 31, 2035	Yearly installments	11%	0.18	0.18	0.19
				6.60	3.58	203.58

Secured borrowings

- (i) The loan together with interest 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 pari passu pertaining to Trident, Chennai and by way of an Equitable Mortgage of the said properties.
- (ii) Finance Lease Obligations are secured by hypothecation of vehicles underlying the leases.

20
OTHER NON-CURRENT FINANCIAL LIABILITIES

	Rupees Million		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Security Deposits	0.50	1.35	0.44
Lease Equalisation Liability	5.68	5.60	5.52
	6.18	6.95	5.96

Notes to Financial Statements – *Contd.*

21
EMPLOYEE BENEFIT OBLIGATION

	Rupees Million								
	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Current	Non- current	Total	Current	Non- current	Total	Current	Non- current	Total
Leave Encashment - Unfunded									
Present Value of Obligation	0.77	17.31	18.08	0.74	12.71	13.45	0.65	10.81	11.46
Gratuity- Funded									
Present Value of Obligation	31.00	-	31.00	23.59	-	23.59	19.30	-	19.30
Fair Value on Plan Assets	<u>(22.73)</u>	<u>-</u>	<u>(22.73)</u>	<u>(19.26)</u>	<u>-</u>	<u>(19.26)</u>	<u>(18.17)</u>	<u>-</u>	<u>(18.17)</u>
Net Liability	8.27	-	8.27	4.33	-	4.33	1.13	-	1.13
Total Employee Benefit Obligations	<u>9.04</u>	<u>17.31</u>	<u>26.35</u>	<u>5.07</u>	<u>12.71</u>	<u>17.78</u>	<u>1.78</u>	<u>10.81</u>	<u>12.59</u>

(i) Defined Benefit Plans
a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation of India funds.

b) Leave Obligation

As per the policy of the Company, leave obligations on account of accumulated leave on employee is settled only on termination/retirement of the employee. Such liability is recognised on the basis of actuarial valuation following Projected Unit Credit Method. It is an unfunded plan.

The amount of the provision of ₹ 0.77 Million (2016 - ₹ 0.74 Million, 2015 - ₹ 0.65 Million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

Notes to Financial Statements – Contd.

(ii) Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

(iii) Movement of Defined Benefit Obligation and fair value on plan assets

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Gratuity (Funded) Fair value of plan assets	Net amount	Rupees Million Earned Leave Present Value obligation for Leave Encashment
Liability as on April 01, 2015	19.30	(18.17)	1.13	11.46
Current service cost	2.18	-	2.18	3.69
Interest expense/(income)	1.33	(1.37)	(0.04)	0.77
Total amount recognised in Profit and Loss	3.51	(1.37)	2.14	4.46
Remeasurements				
(Gain)/loss from change in demographic experience	5.23	-	5.23	0.69
(Gain)/loss from change in financial assumptions	-	(0.88)	(0.88)	-
Total amount recognised in Other Comprehensive Income	5.23	(0.88)	4.35	0.69
Employer contributions	-	(3.29)	(3.29)	-
Benefit payments	(4.45)	4.45	-	3.16
Liability as on March 31, 2016	23.59	(19.26)	4.33	13.45
Liability as on April 01, 2016	23.59	(19.26)	4.33	13.45
Current service cost	2.53	-	2.53	3.84
Curtailement cost	-	-	-	-
Interest expense/(income)	1.70	(1.58)	0.12	0.83
Total amount recognised in Profit and Loss	4.23	(1.58)	2.65	4.67
Remeasurements				
(Gain)/loss from change in demographic experience	1.85	-	1.85	2.08
(Gain)/loss from change in financial assumptions	4.84	0.12	4.96	3.43
Total amount recognised in Other Comprehensive Income	6.69	0.12	6.81	5.51
Employer contributions	-	(5.52)	(5.52)	-
Benefit payments	(3.51)	3.51	-	5.55
Liability as on March 31, 2017	31.00	(22.73)	8.27	18.08

Notes to Financial Statements – Contd.

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2017	March 31, 2016	Rupees Million April 01, 2015
Present value of funded obligations	31.00	23.59	19.30
Fair value of plan assets	(22.73)	(19.26)	(18.17)
Deficit of funded plan	8.27	4.33	1.13
Unfunded plans	18.08	13.45	11.46
Deficit of Employee Benefit Plans	26.35	17.78	12.59

(iv) Post-Employment benefits

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate	7.00%	7.80%	7.80%
Salary growth rate	4.00%	3.00%	3.00%
Expected Return on Assets	8.50%	8.50%	8.50%
Mortality	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate
Withdrawal Rate	2.00%	2.00%	2.00%

(v) Sensitivity analysis

The sensitivity of the Defined Benefit Obligation to changes in the weighted principal assumptions is:

	Rupees Million								
	Change in assumption			Impact on defined benefit obligation					
	March 31, 2017	March 31, 2016	April 01, 2015	Increase in assumption			Decrease in assumption		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Gratuity									
Discount rate	1%	1%	1%	(2.79)	(1.93)	(1.58)	3.27	2.24	1.83
Salary growth rate	1%	1%	1%	3.34	2.33	1.91	(2.89)	(2.03)	(1.66)
Leave obligation									
Discount rate	1%	1%	1%	(2.00)	(1.40)	(1.19)	2.40	1.68	1.43
Salary growth rate	1%	1%	1%	2.46	1.74	1.49	(2.07)	(1.47)	(1.26)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method is used for calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes to Financial Statements – *Contd.*

(vi) The major categories of plans assets are as follows:

Company pays contribution to LIC which in turns invests the amount in various investments. As investment is done by the LIC of India in totality basis along with contributions from other participants, hence the Company wise investment in planned assets-category / classwise is not available. The Company's share in plan assets as intimated by the LIC of India is ₹ 22.73 Million (2016: ₹ 19.26 Million, 2015: ₹ 18.17 Million).

(vii) Risk exposure

The Defined Benefit Obligations have the under-mentioned risk exposures:

Interest rate risk : The Defined Benefit Obligation is calculated using discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(viii) Defined benefit liability and employer contributions

Expected contributions to post employment benefit plan for the year ending 31 March 2018 is 8.27 Million

The weighted average duration of Defined Benefit Obligation in case of Gratuity is 9 years (2016 - 9 years) and in case of Leave Obligation 11 years (2016 - 9 years)

The expected maturity analysis of undiscounted Gratuity and Leave Encashment is as follows:

	Rupees Million						
	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Beyond 5 years	Total
March 31, 2017							
Gratuity	0.97	2.11	2.02	2.39	4.57	21.25	33.31
Leave Encashment	0.80	1.05	1.22	1.87	2.83	14.03	21.80
	<u>1.77</u>	<u>3.16</u>	<u>3.24</u>	<u>4.26</u>	<u>7.40</u>	<u>35.28</u>	<u>55.11</u>
March 31, 2016							
Gratuity	1.47	1.09	2.06	1.97	2.87	19.59	29.05
Leave Encashment	0.77	0.90	1.09	1.19	1.60	10.47	16.02
	<u>2.24</u>	<u>1.99</u>	<u>3.15</u>	<u>3.16</u>	<u>4.47</u>	<u>30.06</u>	<u>45.07</u>
April 1, 2015							
Gratuity	1.25	1.42	1.05	2.00	1.92	18.17	25.81
Leave Encashment	0.68	0.75	0.87	1.06	1.16	9.77	14.29
	<u>1.93</u>	<u>2.17</u>	<u>1.92</u>	<u>3.06</u>	<u>3.08</u>	<u>27.94</u>	<u>40.10</u>

Notes to Financial Statements – *Contd.*

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 01, 2015
22			
DEFERRED TAX LIABILITIES (NET)			
A. Deferred Tax Liabilities on account of:			
(i) Depreciation	465.95	463.56	461.60
(ii) Fair valuation of Security Deposits Liability	0.01	0.01	0.01
(iii) Deferred Revenue for Customer Loyalty Programme	-	0.20	0.08
Total Deferred Tax Liabilities (A)	<u>465.96</u>	<u>463.77</u>	<u>461.69</u>
B. Deferred Tax Assets on account of:			
(i) Brought forward Business Loss	-	-	29.60
(ii) Accrued Expenses Deductible on payment	6.54	6.54	7.56
(iii) Provision for Leave Encashment	4.59	2.98	2.30
(iv) Provision for Debts and Advances	1.19	0.35	1.09
(v) Amalgamation Expenses	-	0.69	1.38
(vi) Fair Valuation of Security Deposits assets	1.43	1.38	1.32
(vii) Lease Equalisation liability	1.96	1.94	1.91
(viii) MAT Credit Entitlement	250.08	323.30	331.20
Total Deferred Tax Assets (B)	<u>265.79</u>	<u>337.18</u>	<u>376.36</u>
Deferred Tax Liabilities (Net) (A-B)	200.17	126.59	85.33

	Rupees Million			
Movement in Deferred Tax Liabilities	Depreciation	Security Deposits Liability	Deferred Revenue for Customer Loyalty Programme	Total
As at April 01, 2015	461.60	0.01	0.08	461.69
(Charged)/Credited:				
- to profit and loss	1.96	-	0.12	2.08
As at March 31, 2016	463.56	0.01	0.20	463.77
(Charged)/Credited:				
- to profit and loss	2.39	-	(0.20)	2.19
As at March 31, 2017	<u>465.95</u>	<u>0.01</u>	<u>-</u>	<u>465.96</u>

Notes to Financial Statements – *Contd.*

Movement in Deferred Tax Assets	Rupees Million								
	Brought forward business loss	Accrued expenses deductible on payment	Provision for Leave obligation	Provision for Debts and Advances	Amalgamation expenses	Fair Valuation of Security Deposits Assets	Lease Equalisation Liability	MAT Credit Entitlement	Total
As at April 01, 2015	29.60	7.56	2.30	1.09	1.38	1.32	1.91	331.20	376.36
(Charged)/Credited:									
- to Profit and Loss	(29.60)	(1.02)	0.92	(0.74)	(0.69)	0.06	0.03	(7.90)	(38.94)
- to Other Comprehensive Income	-	-	(0.24)	-	-	-	-	-	(0.24)
As at March 31, 2016	-	6.54	2.98	0.35	0.69	1.38	1.94	323.30	337.18
(Charged)/Credited:									
- to Profit and Loss	-	-	3.51	0.83	(0.69)	0.05	0.03	(73.21)	(69.48)
- to Other Comprehensive Income	-	-	(1.91)	-	-	-	-	-	(1.91)
As at March 31, 2017	-	6.54	4.58	1.18	-	1.43	1.97	250.09	265.79

Rupees Million		
As at March 31, 2017	As at March 31, 2016	As at April 01, 2015

23 OTHER NON-CURRENT LIABILITIES

Advance Rent Income	0.32	0.49	0.44
	<u>0.32</u>	<u>0.49</u>	<u>0.44</u>

Notes to Financial Statements – *Contd.*

	Coupon/ Interest rate	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 01, 2015
24				
CURRENT BORROWINGS (SECURED)				
Cash credit facilities*				
HDFC Bank Limited	Base rate+ 25 bps	-	125.52	-
United Bank of India	Base rate+ 250 bps	-	-	0.38
Working Capital Loans repayable on demand from Banks*:				
The Federal Bank Ltd	Base rate	-	119.91	320.83
		-	245.43	321.21

* Cash Credit Facilities and Working Capital Demand Loan are repayable on demand.

Secured borrowings

- (i) Cash Credit Facility with United Bank of India is secured by way of hypothecation of all inventories and Book-debts both present and future, ranking pari passu pertaining to all hotels except Trident, Cochin. The facility is also secured on second charge over the property, plant & equipment pertaining to Trident, Agra, Trident, Jaipur and Trident, Udaipur.
- (ii) Cash Credit Facility with HDFC Bank Limited is secured by way of hypothecation of all inventories and Book-debts both present and future, ranking pari passu pertaining to all hotels. The facility is also secured on second charge over the entire moveable plant & machinery and other moveable property, plant & equipment pertaining to Trident, Chennai.
- (iii) Short Term Borrowing from the Federal Bank Limited is secured by way of mortgage by deposit of title deeds in respect of the Company's immovable properties pertaining to Trident, Udaipur.

Notes to Financial Statements – *Contd.*

	Rupees Million		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
25			
TRADE PAYABLES			
Trade Payables	162.89	142.68	158.31
Trade Payables to related parties	114.35	97.52	87.39
	<u>277.24</u>	<u>240.20</u>	<u>245.70</u>
Classification as required by Micro ,Small and Medium Enterprises Development Act, 2006.			
Total outstanding dues of Micro Enterprises and Small Enterprises *	0.14	0.16	0.07
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	277.10	240.04	245.63
	<u>277.24</u>	<u>240.20</u>	<u>245.70</u>

* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act) 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.

26			
OTHER CURRENT FINANCIAL LIABILITIES			
Current Maturities of Long-term debt	-	100.00	100.00
Current Maturities of Finance Lease Obligations	3.52	2.58	3.44
Interest Accrued but not due on borrowings	-	0.03	0.08
Interest Accrued but not due on Finance Lease Obligation	0.02	0.04	0.02
Unclaimed Dividend	1.82	2.27	1.38
Security Deposits	2.62	0.99	2.31
Liability for Capital Expenditure	3.99	1.95	0.82
Other Deposits	-	-	0.54
	<u>11.97</u>	<u>107.86</u>	<u>108.59</u>

27			
OTHER CURRENT LIABILITIES			
Advance from Customers	56.85	55.16	35.72
Advance from Related Party	13.25	-	-
Statutory Liabilities	43.94	49.58	39.55
Deferred Revenue	0.02	0.28	0.11
Deferred Rent Income	0.07	0.17	0.05
	<u>114.13</u>	<u>105.19</u>	<u>75.43</u>

28			
PROVISIONS			
Liability for wealth tax			
Opening balance	-	0.04	0.04
Less: Taxes paid	-	0.02	-
Less: adjustment for earlier years	-	0.02	-
	<u>-</u>	<u>-</u>	<u>0.04</u>

Notes to Financial Statements – *Contd.*

	Rupees Million	
	Year Ended March 31, 2017	Year Ended March 31, 2016
29		
REVENUE FROM OPERATIONS		
Rooms	1,689.82	1,554.00
Food and Beverage	797.46	752.53
Other Services	148.33	146.97
	<u>2,635.61</u>	<u>2,453.50</u>
30		
OTHER INCOME		
Dividend income from investments measured at fair value through profit or loss	0.97	0.13
Interest income from financial assets at amortised cost	4.13	2.16
Interest on Income tax refund	13.37	-
Income on account of Services Exports Incentive	50.53	-
Other gains:		
Net foreign exchange gain	-	0.84
Fair value changes on equity investments measured at fair value through profit or loss	1.30	1.74
Provisions & Liabilities no longer required, written back	0.38	14.88
Miscellaneous Income	10.48	9.69
	<u>81.16</u>	<u>29.44</u>
31		
CONSUMPTION OF PROVISIONS, WINES & OTHERS		
Opening Stock	31.80	29.53
<i>Add:</i> Purchases	208.76	188.73
	<u>240.56</u>	<u>218.26</u>
<i>Less:</i> Closing Stock	29.75	31.80
	<u>210.81</u>	<u>186.46</u>
32		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Bonus	429.58	372.91
Contribution to Provident Fund and Other Funds	18.74	19.90
Staff Welfare Expenses	81.64	70.83
	<u>529.96</u>	<u>463.64</u>

Notes to Financial Statements – *Contd.*

	Rupees Million	
	Year Ended March 31, 2017	Year Ended March 31, 2016
33		
FINANCE COSTS		
Interest and finance charges on financial liabilities not at fair value through profit or loss		
- Interest on Borrowings	16.60	52.76
- Interest on Finance Lease	2.32	1.60
- Others	0.34	0.05
	<u>19.26</u>	<u>54.41</u>
34		
DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of Property, Plant and Equipment	139.76	154.49
Amortization of Intangible Assets	2.17	0.84
	<u>141.93</u>	<u>155.33</u>
35		
OTHER EXPENSES		
Linen, Uniform Washing and Laundry Expenses	9.12	7.95
Expenses on Apartment and Board	44.14	40.80
Power and Fuel	234.48	226.61
Renewals and Replacement	35.52	35.71
Repairs:		
Buildings	63.20	57.47
Plant & Machinery	80.25	71.52
Others	10.49	10.23
	<u>153.94</u>	<u>139.22</u>
Expenses for contractual services	77.30	65.51
Lease Rent	14.52	11.85
Royalty	26.59	24.79
Technical Services Fees	109.54	101.70
Advertisement, Publicity & Other Promotional Expenses	109.59	102.89
Commission to Travel Agents & others	130.55	116.32
Rates and Taxes	52.17	47.68
Insurance	7.97	5.84
Passage & Travelling	44.28	41.90
Postage, Telephone	14.62	14.77
Printing & Stationery	13.39	13.78
Musical, Banquet & Kitchen Expenses	12.35	12.35
Directors' Fees	3.92	3.40
Provisions for doubtful debts and advances	2.42	0.07
Bad debts written off	0.12	1.75
Loss on Sale / Discard of Assets including capital stores	5.85	8.56
Net foreign exchange loss	0.02	-
Auditors' Remuneration (Refer Note 35(a))	3.80	3.80
CSR Expenses (Refer Note 35(b))	6.80	5.76
Miscellaneous Expenses	50.28	41.73
	<u>1,163.28</u>	<u>1,074.74</u>

Notes to Financial Statements – *Contd.*

	Rupees Million	
	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
35 (a)		
DETAILS OF AUDITOR’S REMUNERATION		
As auditor:		
Audit fee	3.25	3.25
Tax audit fee	0.40	0.40
Taxation Matters	0.07	0.07
Other services such as certification	0.08	0.08
	<u>3.80</u>	<u>3.80</u>
35 (b)		
DETAILS OF CSR EXPENDITURE		
a) The Company was required to spend an amount of Rs. 8.81 Million on account of CSR activities during the year ended 31st March, 2017 (2016 - Rs. 7.21 Million).		
b) Details of amounts spent on account of CSR activities		
SOS Children’s Villages of India	5.38	4.42
Expenses for Swachh Bharat Abhiyan	1.42	1.34
	<u>6.80</u>	<u>5.76</u>
36		
TAX EXPENSE		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	222.64	124.08
Adjustments for current tax of prior periods	(3.36)	
Total Current Tax Expense	<u>219.28</u>	<u>124.08</u>
(b) Deferred tax		
Decrease/(increase) in deferred tax assets	71.38	39.18
(Decrease)/increase in deferred tax liabilities	2.19	2.08
	<u>73.57</u>	<u>41.26</u>
<i>Add:</i> Deferred Tax recognised in OCI	1.91	0.24
<i>Add:</i> Adjustment in MAT Credit for earlier years	10.71	-
<i>Less:</i> MAT Credit Utilised	83.93	7.90
Total Deferred Tax Expense	<u>2.26</u>	<u>33.60</u>
	<u>221.54</u>	<u>157.68</u>

Notes to Financial Statements – *Contd.*

	Rupees Million	
	Year Ended March 31, 2017	Year Ended March 31, 2016
(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax expense	649.34	547.07
Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%)	224.72	189.33
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	0.49	0.46
Expenses related to exempt income	0.11	0.01
Other items	0.04	0.24
Adjustments related to Property, Plant & Equipment:		
Depreciation adjustment on account of difference in WDV as per Companies Act and Income Tax Act	(0.51)	(0.83)
Adjustment on account of leased assets	(1.20)	(1.75)
Loss on sale of Fixed assets	2.03	2.96
Tax effect of amounts which are not taxable in calculating taxable income:		
Dividend	(0.33)	(0.04)
Fair Value gains on investment in Equity Securities	(0.45)	(0.60)
Deferred Tax short recognised earlier on brought forward business losses	-	(32.11)
Adjustments for current tax of prior periods	(3.36)	-
Others	-	0.01
Income tax expense	221.54	157.68

Notes to Financial Statements – *Contd.*

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FAIR VALUE MEASUREMENTS
Financial instruments by category

	As at March 31, 2017		As at March 31, 2016		Rupees Million As at April 01, 2015	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial Assets						
Investments						
- Equity Instruments	13.63	-	12.33	-	10.54	-
- Mutual Funds	180.96	-	-	-	-	-
- Government Securities	-	0.02	-	0.02	-	0.02
Trade Receivables	-	232.03	-	251.18	-	258.93
Cash and Cash Equivalents	-	99.16	-	31.45	-	72.06
Other Bank Balances	-	3.39	-	3.78	-	2.78
Security Deposits	-	26.56	-	25.08	-	23.72
Other Receivables	-	2.99	-	1.77	-	7.05
Total Financial Assets	<u>194.59</u>	<u>364.15</u>	<u>12.33</u>	<u>313.28</u>	<u>10.54</u>	<u>364.56</u>
Financial Liabilities						
Borrowings	-	-	-	345.43	-	621.21
Security Deposits	-	3.12	-	2.34	-	2.75
Finance Lease Obligations	-	10.12	-	6.16	-	7.02
Trade Payables	-	277.24	-	240.20	-	245.70
Capital Creditors	-	3.99	-	1.95	-	0.82
Lease Equalisation Liability	-	5.68	-	5.60	-	5.52
Others	-	1.84	-	2.34	-	2.02
Total Financial Liabilities	<u>-</u>	<u>301.99</u>	<u>-</u>	<u>604.02</u>	<u>-</u>	<u>885.04</u>

(i) Financial Assets and Liabilities measured at fair value - recurring fair value measurements

	Note	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial assets							
Financial Investments at FVPL							
Investment in Equity Shares of TCP Limited	6	0.05	-	0.05	-	-	-
Investment in Equity Shares- Mercury Travels Limited	6	-	13.24	-	11.94	-	10.20
Investment in Equity Shares- Green Infra Wind Generation Limited	6	-	0.34	-	0.34	-	0.34
Investment in Mutual Funds	12	180.96	-	-	-	-	-
Total financial assets		<u>181.01</u>	<u>13.58</u>	<u>0.05</u>	<u>12.28</u>	<u>-</u>	<u>10.54</u>

Notes to Financial Statements – *Contd.*

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the Financial Instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes Financial Instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. Fair value of mutual funds is determined based on the closing NAV.

Level 2: The fair value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in level 3.

(iii) Assets and liabilities which are measured at amortised cost for which fair values are disclosed

All the Financial Assets and Financial Liabilities are measured at amortised cost, carrying value is an approximation of their respective fair value.

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value Financial Instruments include:

- Investment in Green Infra Wind Generation Limited has been made pursuant to the contract for procuring electricity supply at the hotel unit. Investment in said Company is not usually traded in market. Considering the terms of the electricity supply contract and best information available in the market, cost of investment is considered as fair value of the investments.
- Fair valuation of Mercury Travels Limited (MTL) has been computed using discounted cash flow valuation method (“DCF Method”).

(v) Reconciliation of the financial assets measured at fair value using significant unobservable inputs (level 3)

	Rupees Million
Unquoted Securities	
As at April 01, 2015	10.54
Acquisitions	-
Gains/losses recognised in profit and loss	1.74
As at March 31, 2016	12.28
As at April 01, 2016	12.28
Acquisitions	-
Gains/losses recognised in profit and loss	1.30
As at March 31, 2017	13.58

Notes to Financial Statements – *Contd.*

(vi) Valuation inputs and relationships to fair value

Particulars	Fair Value as at (Rupees Million)			Significant unobserv- able inputs*	Probability-weighted range		
	March 31, 2017	March 31, 2016	April 01, 2015		March 31, 2017	March 31, 2016	April 01, 2015
Unquoted equity shares	13.58	12.28	10.54	Terminal (perpetuity) value CARG	5.50%	5.50%	5.50%
				Cost of Equity	15%	15%	15%

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(vii) Valuation processes

The fair value of unlisted equity securities has been determined on the basis of valuation done by independent valuer. The main level 3 inputs for unlisted equity securities used by the Company are derived and evaluated as follows:

As per the independent valuer, the discounted cash flow valuation method (“DCF Method”) provides the most appropriate basis for valuing the equity shares of MTL. However, to reduce the bias of this single valuation methodology, value of equity shares of MTL has been also determined under the Net Asset Value method (“Net Asset Value”) and, thereafter, final value of the equity shares of MTL has been determined giving appropriate weightage to the value per equity share under the foregoing DCF Method and Net Asset Value Method respectively.

The discount rates are determined using the capital asset pricing model to calculate pre-tax rate that reflects current market assessment of time value of money and the risk specific to the asset.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Notes to Financial Statements – *Contd.*

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Financial Risk Management

The Company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investment of excess liquidity.

The Company's risk management is carried out by senior management team. The risk management includes identification, evaluation and identifying the best possible option to reduce such risk.

(A) Market risk

(i) Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognized assets or liabilities denominated in a currency that is not the Company's functional currency (INR).

The exposure of the Company to foreign currency risk is not significant. However, this is closely monitored by the Management to decide on the requirement of hedging. The position of foreign currency exposure to the Company as at the end of the year expressed in INR are as follows :

Currency	Rupees Million		
	Asset (Receivable)	Liability (Payable)	Net Receivable/ (Payable)
March 31, 2017			
EURO	-	0.37	(0.37)
US Dollar (USD)	6.49	4.41	2.08
Great Britain Pound (GBP)	-	0.69	(0.69)
Exposure to foreign currency risk	<u>6.49</u>	<u>5.47</u>	<u>1.02</u>
March 31, 2016			
EURO	-	2.56	(2.56)
US Dollar (USD)	8.55	10.82	(2.27)
Great Britain Pound (GBP)	-	1.28	(1.28)
Exposure to foreign currency risk	<u>8.55</u>	<u>14.66</u>	<u>(6.11)</u>
April 01, 2015			
EURO	-	0.03	(0.03)
US Dollar (USD)	3.31	2.39	0.92
Great Britain Pound (GBP)	-	0.79	(0.79)
UAE Dirham (AED)	-	0.01	(0.01)
Exposure to foreign currency risk	<u>3.31</u>	<u>3.22</u>	<u>0.09</u>

Notes to Financial Statements – Contd.

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

	Rupees Million	
	Impact on profit Increase/(Decrease)	
	March 31, 2017	March 31, 2016
EURO sensitivity		
INR/EURO Increases by 5% (31 March 2016 - 5%)	(0.02)	(0.13)
INR/EURO Decreases by 5% (31 March 2016 - 5%)	0.02	0.13
USD sensitivity		
INR/USD Increases by 5% (31 March 2016 - 5%)	0.10	(0.11)
INR/USD Decreases by 5% (31 March 2016 - 5%)	(0.10)	0.11
GBP sensitivity		
INR/GBP Increases by 5% (31 March 2016 - 5%)	(0.03)	(0.06)
INR/GBP Decreases by 5% (31 March 2016 - 5%)	0.03	0.06
Holding all other variables constant		

(ii) Interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period depends on the mixed of fixed rate and floating rate of the borrowings and the expected movement of market interest rate. The status of borrowings in terms of fixed rate and floating rate are as follows:

	Rupees Million		
	March 31, 2017	March 31, 2016	April 01, 2015
Variable rate borrowings	-	345.43	621.21
Total borrowings	-	345.43	621.21

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

	Weighted average interest rate	Balance (Rupees Mil- lion)	% of total loans
March 31, 2017			
Cash Credit Facility	-	-	-
March 31, 2016			
Cash Credit Facility	9.61	345.43	100%
April 01, 2015			
Cash Credit Facility	10.23	621.21	100%

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Rupees Million	
	Impact on profit	
	March 31, 2017	March 31, 2016
Interest rates – increase by 25 basis points (50 bps)	-	(3.11)
Interest rates – decrease by 25 basis points (50 bps)	-	3.11

Notes to Financial Statements – *Contd.*

(iii) Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company in listed securities and classified in the balance sheet as at fair value through profit or loss. However, at the reporting date Company does not hold material value of quoted securities. Accordingly, Company is not exposed to significant market price risk.

(B) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Company.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the Company does not allow any credit period and therefore, is not exposed to any credit risk.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

Reconciliation of loss allowance provision – Trade receivables

	Rupees Million
Loss allowance on April 01, 2015	2.97
Changes in loss allowance	(2.09)
Loss allowance on March 31, 2016	0.88
Changes in loss allowance	2.30
Loss allowance on March 31, 2017	3.18

(C) liquidity risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

(i) Financing arrangements: The position of undrawn Borrowing Facilities at the end of reporting period are as follows:

	Rupees Million		
	March 31, 2017	March 31, 2016	April 01, 2015
Expiring beyond one year (bank loans)			
Floating rate			
HSBC (WCDL Facility)	280.00	280.00	280.00
UBI (Cash Credit Facility)	200.00	200.00	199.62
HDFC Bank Limited (Cash Credit Facility)	200.00	74.47	-
The Federal Bank Limited (Over Draft Facility)	500.00	880.09	679.17
	<u>1,180.00</u>	<u>1,434.56</u>	<u>1,158.79</u>

The bank Cash Credit Facilities and WCDL Facility may be drawn at any time and may be terminated by the bank without notice.

Notes to Financial Statements – *Contd.*

(ii) Maturities of Financial Liabilities

The tables below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative Financial Liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of Financial Liabilities:

	Rupees Million			
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
March 31, 2017				
Non-derivatives				
Borrowings	-	-	-	-
Obligations under Finance Lease	4.96	8.48	0.31	13.75
Trade Payables	277.24	-	-	277.24
Security Deposits	2.62	0.50	-	3.12
Liability for Capital Expenditure	3.99	-	-	3.99
Lease Equalisation Reserve	-	-	5.68	5.68
Other Financial Liabilities	1.84	-	-	1.84
	290.65	8.98	5.99	305.62
March 31, 2016				
Non-derivatives				
Borrowings	350.72	-	-	350.72
Obligations under Finance Lease	3.56	4.44	0.34	8.34
Trade Payables	240.20	-	-	240.20
Security Deposits	0.99	1.35	-	2.34
Liability for Capital Expenditure	1.95	-	-	1.95
Lease Equalisation Reserve	-	-	5.60	5.60
Other Financial Liabilities	2.34	-	-	2.34
	599.76	5.79	5.94	611.49
April 01, 2015				
Non-derivatives				
Borrowings	546.34	105.29	0.36	651.99
Obligations under Finance Lease	4.55	4.35	-	8.90
Trade Payables	245.70	-	-	245.70
Security Deposits	2.31	0.44	-	2.75
Liability for Capital Expenditure	0.82	-	-	0.82
Lease Equalisation Reserve	-	-	5.52	5.52
Other Financial Liabilities	2.02	-	-	2.02
	801.74	110.08	5.88	917.70

Notes to Financial Statements – *Contd.*

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Capital management

(a) Risk Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages the share capital issued and subscribed alongwith shareholder's fund appearing in the financial statement as capital of the Company. Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants. The Company has complied with these covenants throughout the reporting period.

(b) Dividends

	Rupees Million	
	March 31, 2017	March 31, 2016
(i) Equity shares		
Final dividend for the year ended March 31, 2016 of Rs 1.00 (March 31, 2015 – Rs 3.00) per fully paid share	30.47	91.40
Dividend distribution tax	6.20	18.61
Interim dividend for the year ended March 31, 2017 of Rs Nil (31 March 2016 – Rs 3.00) per fully paid share	-	91.40
Dividend distribution tax	-	18.61
(ii) Dividends not recognised at the end of the reporting period*		
Liability for proposed dividend	137.11	30.47
Dividend Distribution Tax on proposed dividend	27.91	6.20

*The Directors have recommended the payment of a final dividend at the year end which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Notes to Financial Statements – *Contd.*

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Related Party Transactions

List of Related Parties

Key Management Personnel of the Company and close member of family

Mr. P. R.S. Oberoi - Chairman
Mr. S.S.Mukherji - Vice Chairman
Mr. Vikram Oberoi- Managing Director
Mr L Ganesh- Director
Mr Akshay Raheja- Director
Mr Anil Kumar Nehru- Director
Mr Sudipto Sarkar - Director
Mr Surin Shailesh Kapadia - Director
Ms. Radhika Vijay Haribhakti- Director
Mr Samidh Das - Chief Financial Officer
Ms. Indrani Ray - Company Secretary
Ms. Goodie Oberoi - Mother of Mr. Vikram Oberoi

Entities with Joint Control or significant influence

EIH Limited
Oberoi Hotels Private Limited
Oberoi Properties Private Limited
Oberoi Holdings Private Limited
Oberoi Investments Private Limited
Oberoi Buildings and Investments Private Limited
Oberoi Plaza Private Limited
Oberoi Leasing and Finance Company Private Limited
Bombay Plaza Private Limited
Oberoi Internaional LLP
Aravali Polymers LLP
Oberoi Holdings Hong Kong Limited
Oberoi UK Limited
Vikramaditya Exports Private Limited
Mashobra Resort Limited
Mumtaz Hotels Limited
Oberoi Kerala Hotels & Resorts Limited
Oberoi Investments (BVI) Ltd.
Oberoi Services International Ltd.
Oberoi Services Pte. Ltd.
Oberoi Holdings (Singapore) Pte. Ltd.
Oberoi Corporation Ltd.
Oberoi Mauritius Limited
EIH Flight Services Limited
EIH International Limited
EIH Holdings Limited

Entities with Joint Control or significant influence

J&W Hong Kong Limited
EIH Corporation Limited (Upto 10.06.2016)
EIH Investments N.V
EIH Management Services B.V
PT Widja Putra Karya
PT Waka Oberoi Indonesia
PT Astina Graha Ubud
Mercury Car Rentals Private Limited
Island Resorts Limited
Komensi Pty Limited
Oberoi Hotels (Australia) Pty Limited
OBHR Pty Limited
OBHR (Australia) Pty Limited
Saudi Oberoi Company Limited
RH Financial Services
M/s S.G. Kapadia (HUF)
M/s G.M. Kapadia & Co.
Surin Properties LLP
M/s Prashen Agencies
Dr B .S. Raheja (HUF)
Rajan Raheja HUF
Gstaad Investment & Finance Private Limited
Granada Corporation
R Raheja Realty LLP
Rane Foundation, Chennai
Vidhya Bharathi Trust
La Roseraie De L'atlas
Bhagwanti Oberoi Charitable Trust
Inshrani Devi Oberoi Family Trust
Oberoi Foundation

Enterprises which are post employment benefit plan for the benefit of employees

EIH Employees Gratuity Fund
EIH Executive Superannuation Scheme

Notes to Financial Statements – *Contd.*

The details of the Related Party Transactions entered into by the Company during the year ended March 31, 2017 and March 31, 2016 are as follows :

NATURE OF TRANSACTIONS	Rupees Million					
	Entities with Joint Control or significant influence		Enterprises which are post employment benefit plan for the benefit of employees		Key Management Personnel	
	2017	2016	2017	2016	2017	2016
PURCHASES						
Purchase of Goods & Services						
EIH Limited	318.96	303.36	-	-	-	-
Mumtaz Hotels Limited	0.33	0.42	-	-	-	-
Mashobra Resort Limited	4.03	0.40	-	-	-	-
Oberoi Hotels Private Limited	0.04	0.01	-	-	-	-
Mercury Car Rentals Private Limited	14.22	12.54	-	-	-	-
Total	337.59	316.74	-	-	-	-
Purchase of Fixed Assets						
EIH Limited	13.37	-	-	-	-	-
Mumtaz Hotels Limited	-	0.01	-	-	-	-
Total	13.37	0.01	-	-	-	-
EXPENSES						
Rent						
Mumtaz Hotels Limited	1.45	1.58	-	-	-	-
EIH Limited	0.44	0.24	-	-	-	-
Total	1.90	1.82	-	-	-	-
Management Contract						
EIH Limited	187.14	172.07	-	-	-	-
Mercury Car Rentals Private Limited	4.99	-	-	-	-	-
Total	192.12	172.07	-	-	-	-
Royalty						
Oberoi Hotels Private Limited	30.58	28.34	-	-	-	-
Total	30.58	28.34	-	-	-	-
Contribution to Gratuity Fund						
EIH Employees Gratuity Fund	-	-	5.52	3.29	-	-
Total	-	-	5.52	3.29	-	-
Director's Sitting Fees						
Mr. P.R.S. Oberoi	-	-	-	-	0.24	0.32
Mr. Vikram Oberoi	-	-	-	-	0.48	0.52
Mr. S.S. Mukherji	-	-	-	-	0.76	0.60
Mr. L Ganesh	-	-	-	-	0.40	0.36
Mr. Anil Kumar Nehru	-	-	-	-	0.60	0.48
Mr. Akshay Raheja	-	-	-	-	0.16	0.28
Mr. Sudipto Sarkar	-	-	-	-	0.76	0.56
Mr. Surin Shailesh Kapadia	-	-	-	-	0.24	-
Ms. Radhika Vijay Haribhakti	-	-	-	-	0.28	0.20
Total	-	-	-	-	3.92	3.32
Remuneration- Short Term Employee Benefit						
Mr. Samidh Das	-	-	-	-	5.98	5.40
Ms. Indrani Ray	-	-	-	-	3.60	2.64
Total	-	-	-	-	9.58	8.04
Remuneration- Post Employee Benefit						
Mr. Samidh Das	-	-	-	-	0.76	0.53
Ms. Indrani Ray	-	-	-	-	0.18	0.11
Total	-	-	-	-	0.94	0.64

Notes to Financial Statements – *Contd.*

NATURE OF TRANSACTIONS	Rupees Million					
	Entities with Joint Control or significant influence		Enterprises which are post employment benefit plan for the benefit of employees		Key Management Personnel	
	2017	2016	2017	2016	2017	2016
SALES						
Sale of Goods and Services						
EIH Limited	8.87	15.79	-	-	-	-
Mashobra Resort Limited	0.26	0.84	-	-	-	-
Mumtaz Hotels Limited	0.54	0.10	-	-	-	-
Oberoi Hotels Private Limited	0.84	0.86	-	-	-	-
Mercury Car Rentals Private Limited	4.08	7.87	-	-	-	-
Total	14.60	25.45	-	-	-	-
Sale of Fixed Assets						
EIH Limited	-	0.29	-	-	-	-
Oberoi Hotels Private Limited	0.28	0.05	-	-	-	-
Total	0.28	0.34	-	-	-	-
INCOME						
License Agreement						
EIH Limited	1.52	1.41	-	-	-	-
Mercury Car Rentals Private Limited	1.76	1.52	-	-	-	-
Total	3.28	2.93	-	-	-	-
FINANCE						
PAYMENTS						
Dividend on Equity Shares						
EIH Limited	11.22	67.29	-	-	-	-
Oberoi Hotels Private Limited	0.11	0.67	-	-	-	-
Oberoi Holdings Private Limited	0.27	1.63	-	-	-	-
Oberoi Plaza Private Limited	0.00	0.01	-	-	-	-
Bombay Plaza Private Limited	0.00	0.01	-	-	-	-
Mr. P R S Oberoi	-	-	-	-	0.05	0.30
Mr. S.S. Mukherji	-	-	-	-	0.01	0.06
Total	11.60	69.62	-	-	0.06	0.36
Refund of Collections to Related Party						
EIH Limited	9.99	27.37	-	-	-	-
Mashobra Resort Limited	0.05	1.56	-	-	-	-
Mumtaz Hotels Limited	0.05	1.03	-	-	-	-
Total	10.10	29.96	-	-	-	-
Expense reimbursed to Related Party						
EIH Limited	5.98	14.03	-	-	-	-
Oberoi Hotels Private Limited	-	0.13	-	-	-	-
Mercury Car Rentals Private Limited	-	0.09	-	-	-	-
Mashobra Resort Limited	0.63	0.48	-	-	-	-
Mumtaz Hotels Limited	0.30	0.37	-	-	-	-
Total	6.91	15.10	-	-	-	-
RECEIPTS						
Recovery of Collections by Related Party						
EIH Limited	9.79	158.72	-	-	-	-
Mashobra Resort Limited	0.44	0.14	-	-	-	-
Mumtaz Hotels Limited	1.45	1.58	-	-	-	-
Oberoi Hotels Private Limited	0.13	0.23	-	-	-	-
Total	11.82	160.67	-	-	-	-
Expense Reimbursed by Related Party						
EIH Limited	2.81	15.17	-	-	-	-
Mashobra Resort Limited	0.04	0.03	-	-	-	-
Mumtaz Hotels Limited	0.03	0.11	-	-	-	-
Oberoi Hotels Private Limited	0.15	0.10	-	-	-	-
Mercury Car Rentals Private Limited	-	0.09	-	-	-	-
Total	3.03	15.49	-	-	-	-

Notes to Financial Statements – *Contd.*

The details of amounts due to or due from Related Parties as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:

NATURE OF TRANSACTIONS	Entities with Joint Control or significant influence			Key Management Personnel		
	2017	2016	2015	2017	2016	2015
Rupees Million						
PAYABLES						
For Goods & Services						
EIH Limited	38.79	12.10	24.45	-	-	-
Mashobra Resort Limited	0.17	0.09	0.03	-	-	-
Mumtaz Hotels Limited	0.62	0.20	0.47	-	-	-
Mercury Car Rentals Private Limited	3.78	3.00	4.91	-	-	-
Mr. P. R.S Oberoi	-	-	-	0.04	-	-
Mr. Vikram Oberoi	-	-	-	0.04	-	-
Total	43.36	15.39	29.86	0.08	-	-
Management Contract						
EIH Limited	62.34	73.52	50.28			
Total	62.34	73.52	50.28	-	-	-
Royalty						
Oberoi Hotels Private Limited	8.58	8.61	7.26			-
Total	8.58	8.61	7.26	-	-	-
Advance from Related Party						
EIH Limited	13.25	-	-	-	-	-
Total	13.25	-	-	-	-	-
RECEIVABLES						
For Goods & Services						
EIH Limited	24.24	4.96	2.10	-	-	-
Mashobra Resort Limited	-	0.02	-	-	-	-
Mumtaz Hotels Limited	0.12	0.10	0.12	-	-	-
Mercury Car Rentals Private Limited	0.49	1.03	0.29	-	-	-
Total	24.86	6.12	2.50	-	-	-

Notes to Financial Statements – *Contd.*

41 Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities

The Company had Contingent Liabilities at March 31, 2017 in respect of:

Claims against the Company not acknowledged as debts

Rupees Million

	March 31,2017	March 31, 2016	April 01, 2015
Property Tax Demand	18.48	15.42	14.45
Value Added Tax	8.90	13.52	26.12
Excise Duty	-	0.08	0.08
Income Tax	2.19	17.15	17.16
Service Tax	66.75	72.18	72.36
Luxury Tax	24.90	21.68	29.59
Other Claims	2.52	5.18	5.30
Total	<u>123.74</u>	<u>145.21</u>	<u>165.06</u>

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

41 Commitments

Capital commitments

Rupees Million

	March 31, 2017	March 31, 2016	April 01, 2015
Actual amount of contracts remaining to be executed on Capital Account and not provided for is as follows:			
Property, plant and equipment	17.65	16.09	51.70

Notes to Financial Statements – *Contd.*

42 Leases

Company as a lessee

Finance lease

The Company acquired motor vehicles under finance lease. Generally, tenure of finance lease of vehicles varies between 3 to 5 years. After completion of the lease term, vehicles are transferred in the name of Company.

In case of leasehold building, tenure of the lease is 21 years. The lease is renewable on mutually agreed terms on the expiry of current lease period.

The year wise break-up of the outstanding lease obligations as on 31st March, 2017 in respect of these assets are as under:

	Rupees Million		
	March 31, 2017	March 31, 2016	April 01, 2015
Assets taken on lease			
Total Minimum Lease Payments at the year end	13.76	8.33	9.26
Present value of Minimum Lease Payments	10.06	6.16	7.01
Not later than one year			
Minimum Lease Payments	4.96	3.56	4.55
Present value	4.50	3.23	4.08
Later than one year but not later than five years			
Minimum Lease Payments	8.48	4.44	4.35
Present value	5.47	2.83	2.83
Later than five years			
Minimum Lease Payments	0.31	0.34	0.36
Present value	0.10	0.10	0.10
Contingent rents recognized as an expense in the Statement of Profit and Loss for the year.	Nil	Nil	Nil
The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance Sheet date.	Nil	Nil	Nil

Operating Lease

General description of the Company's operating lease arrangements:

- i) The Company has entered into operating lease arrangements for:
 - a. residential premises for its employees and
 - b. Leasehold Land

Some of the significant terms and conditions of the arrangements are:

- Lease agreements for employees accommodations are cancellable in nature and may generally be terminated by either party by serving a notice and agreements are generally renewable by mutual consent on mutually agreeable terms
- Lease agreements for leasehold lands are non-cancellable in nature and cannot be terminated during the tenure of lease and agreements are generally renewable by mutual consent on mutually agreeable terms. In some cases lease rent to be payable to the lessor are linked to /contingent to the actual revenue earned by the Company from the use of leased premises.

Notes to Financial Statements – *Contd.*

The year wise break-up of the operating lease rental payable under non-cancellable lease as on 31st March, 2017 are as under:

	Rupees Million		
	March 31, 2017	March 31, 2016	April 01, 2015
Assets taken on lease			
Total Minimum Lease Payments at the year end	21.10	21.45	21.80
Not later than one year			
Minimum Lease Payments	0.35	0.35	0.35
Later than one year but not later than five years			
Minimum Lease Payments	1.40	1.40	1.40
Later than five years			
Minimum Lease Payments	19.35	19.70	20.05
Contingent rents recognized as an expense in the Statement of Profit and Loss for the year.	2.60	2.53	

(b) Company as a lessor

Operating Lease

General description of the Company's operating lease arrangements:

i) The Company has entered into operating lease arrangements for shops, office space and residential premises given on operating lease to third parties. Such lease arrangements are cancellable in nature and may generally be terminated by either party by serving a notice. However in some cases lease agreements are non-cancellable and lease rent are linked to/contingent to the actual revenue earned by the lessee from the use of leased premises.

	Rupees Million		
	March 31, 2017	March 31, 2016	April 01, 2015
Contingent rents recognized as an income in the Statement of Profit and Loss for the year.	-	-	-

43 Segment Reporting

The Company has identified single reportable segment, i.e., hotel, of its business. Accordingly, disclosures relating to the segmentation under Ind AS 108, "Operating Segment" is not required.

The Company does not have transactions of more than 10% of total revenue with any single external customer.

44 The financial statement were authorised for issue by the directors on 29th May, 2017.

Notes to Financial Statements – *Contd.*

45 Earnings per share

	March 31, 2017	March 31, 2016
	Rupees	Rupees
(a) Basic earnings per share	14.04	12.78
(b) Diluted earnings per share	14.04	12.78
 (c) Reconciliations of earnings used in calculating earnings per share		
	March 31, 2017	March 31, 2016
	Rupees Million	Rupees Million
Profit from continuing operations attributable to the Equity Holders of the Company used for Basic and Dilluted earnings per share	427.80	389.39
 (d) Weighted average number of shares used as the denominator		
	March 31, 2017	March 31, 2016
	Number of shares	Number of shares
Weighted average number of equity shares used as the denominator in calculating basic and dilluted earnings per share	30,468,147	30,468,147

46 Specified Bank Notes Disclosure (SBNs)

Transactions by the Company in Specified Bank Notes (SBN) and in other denomination notes as defined in the MCA notification G.S.R 308 (E) dated March 30, 2017 during the period from November 8, 2016 to December 30, 2016 are given below:

Particulars	Rupees Million		
	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	6.95	1.57	8.52
<i>Add:</i> Permitted Receipts*	-	24.19	24.19
<i>Less:</i> Permitted Payments	-	11.41	11.41
<i>Less:</i> Deposited in Banks	6.95	9.83	16.78
Closing Cash in hand as on 30.12.2016	-	4.52	4.52

* Includes withdrawal of cash from Bank Accounts during the period from November 9, 2016 to December 30, 2016

Notes to Financial Statements – *Contd.*

47 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's First Financial Statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the Financial Statements for the year ended 31 March 2017, the comparative information presented in these Financial Statements for the year ended 31st March, 2016 and in the preparation of an opening Ind AS balance sheet at April 01, 2015 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Exemptions and exceptions availed

A.1 Ind AS optional exemptions

(a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its Property, Plant and Equipment and Intangible Assets at their previous GAAP carrying value, which has been considered as deemed cost.

(b) Classification and measurement of Lease land

In accordance with Ind AS 101, when a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or an operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing as at the date of transition. Accordingly, applying the same exemption, the Company has classified its land leases into finance lease and operating lease on the basis of the facts and circumstances existing as at the date of transition.

A.2 Ind AS mandatory exceptions

(a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

(b) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the Company has classified all the financial assets on basis of facts and circumstances that existed on the date of transition, i.e., April 1, 2015.

Notes to Financial Statements – *Contd.*

48

I Reconciliation of total Equity as at March 31, 2016 and April 1, 2015

		Rupees Million	
	Note	March 31, 2016	April 01, 2015
Total Equity (Shareholder's Funds) as per previous GAAP		2,398.63	2,161.67
Adjustments			
Deferral of Revenue relating to Loyalty Programs	1	0.61	0.24
Fair valuation of Financial Assets and Liabilities	2	(0.68)	(2.29)
Reclassification of Leases	3	(11.02)	(11.55)
Proposed Dividend including tax	4	36.67	110.01
Tax effects of adjustments	5	3.09	3.15
Total adjustments		28.67	99.56
Total equity as per Ind AS		2,427.30	2,261.23

II Reconciliation of total Comprehensive Income for the year ended March 31, 2016

	Note	March 31, 2016
Profit after tax as per previous GAAP		383.64
Adjustments		
Deferred revenue on Customer Loyalty Programme	1	0.36
Fair valuation of Financial Assets and Liabilities	2	1.61
Reclassification of Leases	3	0.53
Remeasurnment of Post-employment benefit obligations (Net of Tax)	6	3.30
Tax effects of adjustments	5	(0.05)
Total adjustments		5.75
Profit after tax as per Ind AS		389.39
Other Comprehensive Income (Net of Tax)	6	(3.30)
Total Comprehensive Income as per Ind AS		386.09

III Impact of Ind AS adoption on the Statements of Cash Flows for the year ended March 31, 2016

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	625.28	37.62	662.90
Net cash flow from investing activities	(153.17)	(0.96)	(154.13)
Net cash flow from financing activities	(512.72)	(36.66)	(549.38)
Net increase/ (decrease) in cash and cash equivalents	(40.61)	-	(40.61)
Cash and cash equivalents as at April 01, 2015	72.06	-	72.06
Cash and cash equivalents as at March 31, 2016	31.45	-	31.45

1 **Deferral of Revenue relating to Loyalty Programs**

The Company participate in the customer loyalty program operated and maintained by EIH Limited. The programme allows customers to complimentary room nights on completion of 5 nights bookings. Under the previous GAAP, the Company was creating provision towards its liability under the programmes on full value without considering the estimated lapses.

Notes to Financial Statements – *Contd.*

Under Ind AS, sales consideration received has been allocated between the hospitality services and the complimentary room nights issued. The consideration allocated to the complimentary room nights has been deferred and will be recognised as revenue when the complimentary room nights are redeemed or lapsed. The consideration to be allocated to the complimentary room nights has been determined considering the past estimated lapses on the basis of past trend. Accordingly, the Company has recognised the deferred revenue for the outstanding complimentary rooms nights with a corresponding adjustment in revenue for the period. Further provision created under previous GAAP has been reversed with corresponding impact in provision expense.

2 Fair valuation of Financial Assets and Liabilities

Under the previous GAAP, interest free lease security deposits assets (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value at initial recognition and subsequently at amortised cost. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

The Company holds investment in Equity Shares of entities other than subsidiaries, associate and joint venture. Under previous GAAP such investments were measured at cost less provision for other than temporary nature diminution in the value of investment.

Under Ind AS, these investments have been measured at fair value. The Company has categorised these investments as fair value through profit & loss (FVTPL) and any changes in fair value of those investment has been recognised in the statement of profit and loss.

3 Reclassification of Leases

Under Previous GAAP due to non availability of guidance on how land leases should be classified, the Company has capitalised the leasehold land with the initial cost incurred to enter into the lease agreement along with the upfront payment of future lease rent. Annual lease rent payment were charged to the profit or loss on annual basis.

Under Ind AS, land lease has been classified into finance and operating leases. In cases where land leases has been classified as finance lease on the basis of factors such as renewal right with the Company, etc., finance lease obligations has been recognised for the future lease rent payable over the primary period of lease with corresponding impact to the retained earnings as these lands were already revalued at their fair value under previous GAAP.

In cases where land leases has been classified as operating leases, carrying value of the respective leasehold land has been reclassified to prepaid rent from property, plant and equipment.

4 Proposed Dividend including tax

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.

5 Tax effects of adjustments

Additional deferred tax asset/(liability) has been recognised corresponding to the adjustments to retained earnings/profit or loss as a result of Ind AS Implementation.

6 "Remeasurement of Post-employment benefit obligations (Net of Tax)"

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the period.

49 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 accounts and other disclosures relating to the current year.



The Oberoi Group

OBEROI HOTELS & RESORTS

INDIA

Agra	The Oberoi Amarvilās
Bangalore	The Oberoi
Chandigarh	The Oberoi Sukhvilās
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>
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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

Ajman	The Oberoi Beach Resort, Al Jorah
Dubai	The Oberoi

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