

Elh Associated Hotels Limited
A MEMBER OF THE OBEROI GROUP

Annual Report 2018-2019

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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

CHIEF FINANCIAL OFFICER
Mr. Samidh Das

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Indrani Ray

SHARE TRANSFER AGENT
EIH Limited
7, Sham Nath Marg
Delhi - 110 054

AUDITORS
Deloitte Haskins & Sells LLP
Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
Gurugram - 122 002
Haryana, India

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

CORPORATE OFFICE
7, Shamnath Marg
Delhi - 110 054

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 unrelenting 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

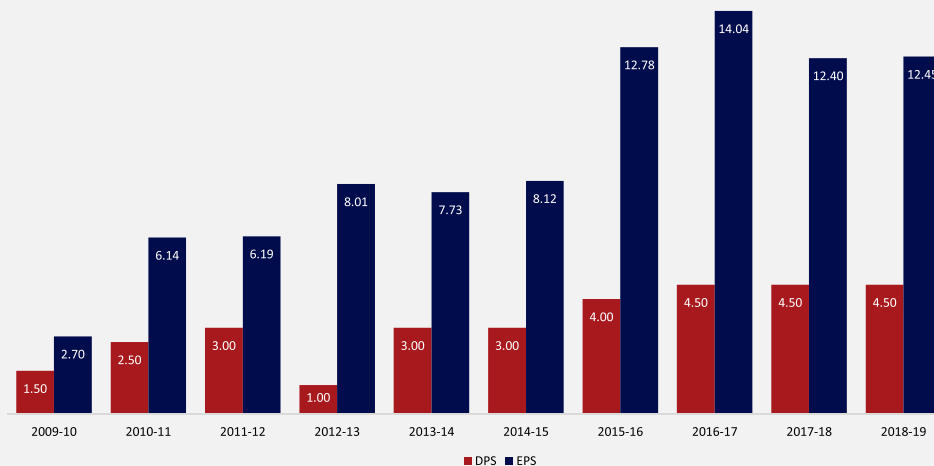
As a result, we will create extraordinary value for our shareholders.

Highlights

| | Revenue | Profit Before Tax | Profit After Tax | Dividend | Retained Earnings | Forex Earnings |
|---------|---------|-------------------|------------------|----------|-------------------|----------------|
| 2018-19 | 2,737 | 583 | 379 | 165 | 357 | 811 |
| 2017-18 | 2,693 | 587 | 378 | 165 | 354 | 795 |
| 2016-17 | 2,717 | 649 | 428 | 165 | 397 | 874 |
| 2015-16 | 2,483 | 547 | 389 | 147 | 395 | 1236 |
| 2014-15 | 2,315 | 400 | 247 | 110 | 327 | 1233 |
| 2013-14 | 2,164 | 382 | 236 | 107 | 263 | 1088 |
| 2012-13 | 2,130 | 298 | 205 | 36 | 302 | 1225 |
| 2011-12 | 1,905 | 197 | 134 | 68 | 193 | 1133 |
| 2010-11 | 1,763 | 183 | 120 | 57 | 191 | 875 |
| 2009-10 | 1,490 | 82 | 53 | 34 | 132 | 744 |

All figures in INR mn

Earning Per Share and Dividend Per Share

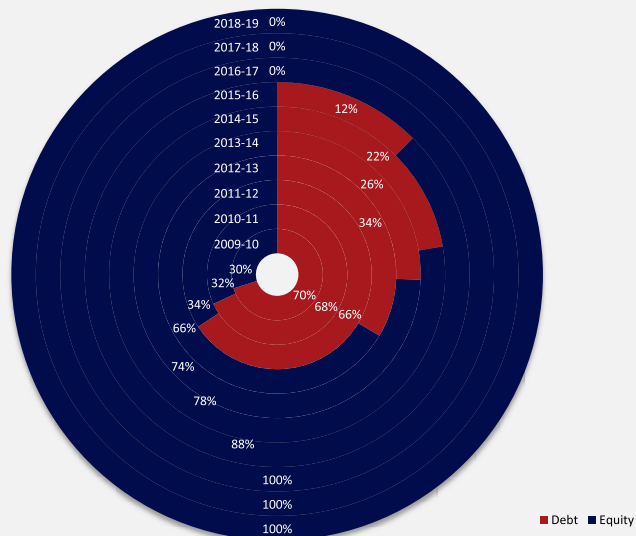


Highlights

| | Net Worth | Share Capital | Reserves & Surplus | Borrowings | Capital Employed | Gross Fixed Assets |
|---------|-----------|---------------|--------------------|------------|------------------|--------------------|
| 2018-19 | 3,236 | 305 | 2931 | 0 | 3236 | 3112 |
| 2017-18 | 3,023 | 305 | 2718 | 0 | 3023 | 2886 |
| 2016-17 | 2,810 | 305 | 2506 | 0 | 2810 | 2795 |
| 2015-16 | 2,427 | 305 | 2123 | 345 | 2773 | 2719 |
| 2014-15 | 2,162 | 305 | 1857 | 621 | 2783 | 4719 |
| 2013-14 | 2,113 | 305 | 1808 | 726 | 2839 | 4510 |
| 2012-13 | 1,984 | 305 | 1680 | 1003 | 2988 | 4465 |
| 2011-12 | 1,190 | 196 | 994 | 2280 | 3470 | 3905 |
| 2010-11 | 1,125 | 196 | 929 | 2407 | 3532 | 3868 |
| 2009-10 | 1,062 | 196 | 866 | 2489 | 3131 | 3791 |

All figures in INR mn

Debt to Equity Ratio



HIGHLIGHTS

Rupees in million
except item nos 14, 15, 16 & 17

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| FOR THE YEAR | | | | | | | | | | |
| 1 GROSS REVENUE | 1,489.96 | 1,763.42 | 1,904.54 | 2,129.53 | 2,163.79 | 2,315.35 | 2,482.94 | 2,716.77 | 2,692.67 | 2,737.00 |
| 2 PROFIT BEFORE TAX | 81.92 | 182.86 | 196.56 | 298.10 | 382.30 | 399.61 | 547.07 | 649.34 | 586.60 | 583.45 |
| 3 PROFIT AFTER TAX | 52.88 | 120.17 | 133.55 | 205.02 | 235.61 | 247.27 | 389.39 | 427.80 | 377.94 | 379.38 |
| 4 TOTAL COMPREHENSIVE INCOME FOR THE YEAR | - | - | -- | - | - | - | 386.09 | 419.74 | 377.34 | 378.24 |
| 5 DIVIDEND (INCLUDING TAX) | 34.26 | 56.91 | 68.29 | 35.65 | 106.94 | 110.01 | 146.68 | 165.02 | 165.29 | 165.29 |
| 6 RETAINED EARNINGS | 132.45 | 190.71 | 192.50 | 301.82 | 262.71 | 326.84 | 394.74 | 396.65 | 353.53 | 356.71 |
| 7 FOREIGN EXCHANGE EARNINGS | 744.37 | 875.16 | 1,133.13 | 1,225.19 | 1,088.33 | 1,233.40 | 1,236.49 | 873.79 | 794.93 | 810.55 |
| AT YEAR END | | | | | | | | | | |
| 8 GROSS FIXED ASSETS | 3,791.08 | 3,868.19 | 3,905.17 | 4,464.99 | 4,510.07 | 4,718.50 | 2,719.35 | 2,794.95 | 2,886.22 | 3,112.26 |
| 9 SHARE CAPITAL | 195.87 | 195.87 | 195.87 | 304.68 | 304.68 | 304.68 | 304.68 | 304.68 | 304.68 | 304.68 |
| 10 RESERVES AND SURPLUS | 865.93 | 929.21 | 994.47 | 1,679.77 | 1,807.98 | 1,857.00 | 2,122.62 | 2,505.69 | 2,718.01 | 2,930.96 |
| 11 NET WORTH | 1,061.80 | 1,125.08 | 1,190.34 | 1,984.45 | 2,112.66 | 2,161.68 | 2,427.30 | 2,810.37 | 3,022.69 | 3,235.64 |
| 12 BORROWINGS | 2,489.26 | 2,407.00 | 2,280.00 | 1,003.10 | 725.87 | 621.21 | 345.43 | - | - | - |
| 13 CAPITAL EMPLOYED | 3,131.06 | 3,532.08 | 3,470.34 | 2,987.55 | 2,838.53 | 2,782.89 | 2,772.73 | 2,810.37 | 3,022.69 | 3,235.64 |
| PER SHARE | | | | | | | | | | |
| 14 NET WORTH PER EQUITY SHARE | 54.21 | 57.44 | 60.77 | 65.13** | 69.34** | 70.95** | 79.67** | 92.24** | 99.21** | 106.20** |
| 15 EARNINGS PER EQUITY SHARE | 2.70 | 6.14 | 6.19 * | 8.01** | 7.73** | 8.12** | 12.78** | 14.04** | 12.40** | 12.45** |
| 16 DIVIDEND PER EQUITY SHARE | 1.50 | 2.50 | 3.00 | 1.00** | 3.00** | 3.00** | 4.00** | 4.50** | 4.50** | 4.50** |
| RATIO | | | | | | | | | | |
| 17 DEBT: EQUITY RATIO | 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 :

- Serial nos. 8, 10, 11, 13, 14 and 17 are inclusive of Revaluation Reserve balance, if any, as at year end.
- Figures for previous year(s) have been regrouped / rearranged, wherever necessary.
- Figures pertaining to the years 2015-16, 2016-17, 2017-18 and 2018-19 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-sixth Annual Report together with the Audited Financial Statement and the Auditor's Report in respect of the Financial Year ended 31st March, 2019.

Financial Highlights

The financial highlights are set out below:

| | Rupees in Million | |
|--|-------------------|---------|
| | 2018-19 | 2017-18 |
| Total Revenue | 2737.00 | 2692.67 |
| Earnings Before Interest, Depreciation, Taxes and Amortisations (EBIDTA) | 730.41 | 731.45 |
| Interest and Finance Charges | 4.34 | 3.97 |
| Depreciation and Amortisation Expenses | 142.62 | 140.88 |
| Profit before Tax | 583.45 | 586.60 |
| Tax including Deferred Tax | 204.07 | 208.66 |
| Profit after Tax | 379.38 | 377.94 |
| Other Comprehensive Income / (Loss), net of tax | (1.14) | (0.60) |
| Total Comprehensive Income | 378.24 | 377.34 |
| Balance brought forward | 907.07 | 694.75 |
| Dividend on Equity Shares | 137.11 | 137.11 |
| Dividend Distribution Tax | 28.18 | 27.91 |
| Balance carried forward in Retained Earnings | 1120.02 | 907.07 |

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:

- in preparing the Annual Accounts, applicable accounting standards have been followed and there are no material departures;
- 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;
- 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;
- the Directors have prepared the Annual Accounts of the Company on a "going concern" basis;

- a) 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
- b) 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, amongst other matters, the performance of the Company during the Financial Year 2018-19 as well as the future outlook.

Corporate Governance Report

In accordance with Regulation 34(3) read with Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Report on Corporate Governance along with the Auditor's Certificate is attached and forms part of this Report.

Dividend

The Board recommends a Dividend of ₹ 4.50 per equity share of ₹ 10 each for the Financial Year 2018-19 for approval by the Shareholders at the forthcoming Annual General Meeting. The dividend, if declared at the forthcoming Annual General Meeting will be paid on 31st July, 2019 to those Shareholders whose names appear in the Register of Shareholders / Beneficial Owners as on 22nd July, 2019. In accordance with the Income Tax Act, 1961, the tax on dividend will be borne by the Company.

Board Meetings

During the year, seven Board Meetings were held ie. on 18th April, 2018, 28th May, 2018, 3rd August, 2018, 27th September, 2018, 31st October, 2018, 31st January, 2019 and 29th March, 2019.

Directors

In accordance with Regulation 17(1A) of the Listing Regulations, the Shareholders, by passing a special resolution by way of postal ballot and remote e-voting on 16th March, 2019 approved the continuation of Mr. P.R.S. Oberoi (DIN: 00051894) as the Non-executive Chairman on the Board of the Company on and after 1st April, 2019, notwithstanding that he has attained the age of 75 (seventy-five) years.

Mr. Anil Kumar Nehru (DIN: 00038849), a Non-executive Independent Director was re-appointed on the Board for a second term of 5 (five) consecutive years with effect from 1st April, 2019 up to 31st March 2024, notwithstanding that he has attained the age of 75 (seventy-five) years. In accordance with Regulation 17(1A) of the Listing Regulations, the Shareholders have approved re-appointment of Mr. Anil Kumar Nehru by passing a special resolution by way of postal ballot and remote e-voting on 16th March, 2019.

Mr. Sudipto Sarkar (DIN 00048279) and Mr. L. Ganesh (DIN: 00012583), Non-executive Independent Directors' first term in office expires on 8th August, 2019. The Nomination and Remuneration Committee and the Board at their respective Meetings held on 28th May, 2019, noted that the above Non-executive Independent Directors are highly renowned professionals drawn from diverse fields, who bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's functioning

and its decision making process. The Company and the Board has immensely benefitted from their vast experience, knowledge and strategic insights on various matters relating to the Company's business. Considering the enormous contributions of the Directors to the functioning and performance of the Company, the Board was of unanimous view that it will be in the best interest of the Company to re-appoint them as Non-executive Independent Directors for a second term of 5 (five) consecutive years.

Taking into account the outcome of the Performance Evaluation Report of the aforesaid two Independent Directors, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, approved and recommended to the Shareholders, the re-appointment of Mr. Sudipto Sarkar and Mr. L. Ganesh as Non-executive Independent Directors on the Board of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years from the expiry date of their current term.

At the first meeting of the Board of Directors for the Financial Year 2018-19 held on 18th April 2018, the Independent Directors have confirmed, as required under sub-section (7) of Section 149 of the Act read with Regulation 25(8) of the Listing Regulations that they meet the criteria of independence required under sub-section (6) of Section 149 of the Act and clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations. The Board, after undertaking due assessment of the veracity of the declaration submitted by the Independent Directors under sub-section (6) of Section 149 of the Act read with sub-regulation (9) of Regulation 25 of the Listing Regulations, was of the opinion that the Independent Directors meet the criteria of independence.

Mr. S.S. Mukherji retires by rotation at the forthcoming Thirty-sixth Annual General Meeting and being eligible, offers himself for reappointment. The Directors recommend re-appointment of Mr. S.S. Mukherji as a Director on the Board.

Corporate Social Responsibility

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

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2018-19 is given in **Annexure 1**, which forms a part of this Report. The Annexure also gives the composition of the CSR Committee.

In addition to the mandatory CSR spend in accordance with the Act, during the year, 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 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, 2018, the hotel organized an annual blood donation camp for the local blood bank. The World Environment Day was commemorated by observing an Environment Week to create awareness on global warming, pollution and ecological balance.

- c. Trident Hotels at Agra and Udaipur extend assistance to local chapters of Mother Teresa's Missionaries of Charity. To commemorate the World Environment Day on 5th June, 2018 with an endeavour to promote a healthier and green environment, Trident Agra pioneered a sapling plantation drive.
- 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.
- e. Trident Chennai supported the 'One time use plastic ban' initiative of the Tamil Nadu Government by organising awareness programs and campaigns across various communication platforms such as notice boards and television, to make people aware of the products that have been banned by the Government and some of the greener alternatives for plastic products. On World Environment Day, saplings plantation was done by the Trident Chennai team in and around the Hotel. The team visited SOS Children's Village, Tambaram, with an aim to create awareness amongst young children about the World Environment Day and its importance. Trident Chennai made voluntary contribution towards the Kerala Chief Minister's Distress Relief Fund for strengthening relief activities for the victims of the devastating Kerala floods in August, 2018.
- f. Trident Cochin in association with the other hotels and business organizations in its locality distributed school supplies to the Government Schools in Willingdon Island. This is an yearly event in which the hotel participates and is appreciated and supported by the local community. During the recent Kerala floods, the hotel joined hands with local Government organizations in distributing flood relief materials at relief camps in Kochi.
- g. Trident Bhubaneswar commemorated the World Environment Day by initiating a sapling plantation drive among its employees within the sprawling garden area of the hotel. On the eve of Independence Day, children from Asha Kiran and Douglas Memorial Children's Home, an orphanage school with which the hotel is associated, were invited for flag hoisting followed by distribution of sweet and clothes.

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 Haribhakti | – Independent Director |
| • Mr. Akshay Raheja | – Non-executive Non-Independent Director |
| • Mr. S.S. Mukherji | – Non-executive Non- Independent Director |

For other details relating to the Audit Committee, please refer page nos 37.

Company's Policy on Director Appointment and Remuneration and Senior Management Personnel Appointment and Remuneration.

The Company's Policy on Director Appointment and Remuneration Policy (revised) 2019 ("Director Appointment Policy") and Senior Management Appointment and Remuneration Policy ("Senior Management Policy") formulated in accordance with Section 178 of the Act read with Regulation 19(4) of the Listing Regulations can be accessed on the Company's website www.eihassociatedhotels.in

The salient features of the Director Appointment Policy are as under:

- 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. The Directors shall be able to positively carry out their supervisory role in the management and the general affairs of the Company;
- 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 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 Director's ability to exercise independent judgment;
- the time commitment required from a Director to actively discharge his or her duties to the Company.

The salient features of the "Senior Management Policy" are as under:

- The objective of this Policy is to provide a framework and set standards for the appointment, remuneration and termination of Key Managerial Personnel (KMP) and the Core Management Team (within the Senior Management Personnel) who have the capacity and responsibility to lead the Company towards achieving its long term objectives, development and growth;
- Appointment & Remuneration of Key Managerial Personnel and Core Management Team are aligned with the interests of the Company and its Shareholders within an appropriate governance framework;
- Remuneration is structured to align with the Company's interests, taking into account the Company's strategies and risks;
- Remuneration is linked to individual and Company performance, which, in turn, impacts the quantum of variable pay;

- Remuneration is designed to be competitive within the hospitality industry or general industry for applicable roles;
- Executives performing similar complexity of jobs are paid similar compensation.

The remuneration paid to Senior Management Personnel is categorised under the following major heads:

Fixed Salary: This includes basic salary, other allowances, perquisites and retirement benefits;

Variable Salary: This includes variable pay linked to Company and Individual performance.

Energy Conservation Measures

During the year, energy conservation measures taken by the Company include:

- replacement of incandescent, halogen and CFL lamps with energy efficient LED lamps;
- replacement of old pumps with energy efficient pumps;
- installation of motion sensors to reduce energy for lighting;
- installation of condensate recovery system and
- installation of variable frequency drives for demand based control of high power fans.

In addition to these, various operational measures were taken to reduce energy consumption such as de-scaling of heat exchangers and timely preventive maintenance of equipment to maintain their efficiency.

Actions planned for the next year include:

- replacement with energy efficient equipment viz. electrically operated chiller, chiller and condenser pumps;
- automation of cooling tower as per ambient temperature, steam boiler, condensate recovery system;
- installation of heat pumps for hot water generation, air blowers for STP;
- installation of rain water harvesting system and
- continued replacement of halogen & CFL lamps to energy efficient LED lamps.

Operational measures like ensuring effective working of energy conservation committees, energy audits, close monitoring & control of energy consumption will be continued.

Foreign Exchange earnings & outgo

During the Financial Year 2018-19, the foreign exchange earnings of the Company amounted to ₹ 810.55 Million as against ₹ 794.93 Million in the previous year. The expenditure in foreign exchange during the Financial Year 2018-19 was ₹ 88.30 Million compared to ₹ 60.93 Million in the previous year.

Auditor and Auditor's Report

At the 34th Annual General Meeting of the Company held in the year 2017, the Shareholders had approved 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.

The Report of the Auditors does not contain any qualification, reservation or adverse remark.

Secretarial Auditors

In accordance with the provisions of Section 204 of the Act, M/s JUS & Associates were appointed as the Secretarial Auditors of the Company for the Financial Year ended 31st March, 2019. The Secretarial Audit Report submitted by the Secretarial Auditors does not contain any qualification, reservation or adverse remark. The Secretarial Auditor's Report forms part of the Annual Report.

Compliance with Secretarial Standards

During the year, the Company has complied with the applicable Secretarial Standards.

Related Party Transactions

The contracts, arrangements and 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, 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, 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. 38(b) to the Financial Statements.

Extract of Annual Return

The Extract of Annual Return for the Financial Year ended 31st March, 2019 in Form MGT-9 is annexed as **Annexure 2**.

Loans, Guarantees or Investments

During the year 2018-19, the Company has not given any loan or made any investment or provided any guarantee in terms of Section 185 of the Companies Act, 2013.

Deposits

During the year, the Company did not accept any deposits 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 for the Whistleblower. Disclosures can be made 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, 2019 the Company did not receive any complaint under the scheme.

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 2018-19 (₹ Million) | Total Remuneration 2017-18 (₹ Million) | Percentage Increase |
|-------|-------------------------|---|---|---------------------|
| 1 | Chief Financial Officer | 7.80 | 7.43 | 4.98 |
| 2 | Company Secretary | 4.26 | 3.93 | 8.40 |

- b) the percentage increase in the median remuneration of the employees in the Financial Year is 6.04%;
- c) the number of permanent employees on the rolls of the Company as at the end of the Financial Year is 698;
- d) the average percentile increase in remuneration of the employees in the Financial Year 2018-19 is 6.9%;

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. 29 to 31.

Board Evaluation

In accordance with the provisions of the Act and Regulation 17(10) of the Listing Regulations, a Board Evaluation Policy is in place. A structured questionnaire by an independent external agency 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 2018-19. Based on the responses received, the Board as a whole, the Committees, the Chairperson and individual Directors were separately evaluated in 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 in a separate meeting of Independent Directors held on 29th March, 2019, 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, Non-Executive Directors and Independent Directors. The Meeting also assessed the quality, quantity and timeliness 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 conducted by the independent external agency.

Based on the findings from the evaluation process, the Board will continue to review its procedures, processes and effectiveness of Board's functioning, individual Director's effectiveness and contribution to the Board's functioning in the Financial Year 2019-20 as well with a view to practice the highest standards of Corporate Governance.

Cost Records

The Company is not required to maintain cost records in accordance with Section 148 of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 as the services of the Company are not covered under the said rules.

Significant and Material orders, if any

During the Financial Year, 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.

Prevention of Sexual Harassment at Workplace

The Company has a policy for prevention of sexual harassment at the workplace. In accordance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Redressal Act") and rules made thereunder, the Company has constituted an Internal Complaints Committee (ICC) in all its hotels. During the year, the ICC received two complaints, both of which were disposed of within the statutory period. During the year, the Company has duly complied with the Redressal Act.

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
28th May, 2019

VIKRAM OBEROI
Managing Director

SUDIPTO SARKAR
Chairperson Audit Committee

INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH SUB-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, 2019.

The top ten employees in terms of remuneration drawn for the Financial Year ended 31st March, 2019 are as follows:

| Sl. No. | Name of the Employee | Age (Yrs) | Designation/ Nature of Duties | Nature of Employment | Gross Remuneration ₹ | Qualification(s) | Experience in Years | Date of Commencement of Employment | Particulars of previous employment |
|---------|----------------------|-----------|----------------------------------|----------------------|----------------------|---|---------------------|------------------------------------|-------------------------------------|
| 1 | Abhishek Sharma | 39 | General Manager | Permanent | 9,064,079 | Diploma in Hotel Management (2000), OCLD (2002) | 16 | 07-Apr-12 | The Leela Palace Kempinski, Udaipur |
| 2 | Abhishek Sharma. | 39 | General Manager | Permanent | 4,558,234 | MT 2003-05 | 16 | 01-Nov-16 | The Leela, Goa |
| 3 | Amardeep Singh | 38 | General Manager | Permanent | 5,159,595 | Diploma in Hotel Management (2003), OCLD (2005) | 13 | 11-Jul-05 | NA |
| 4 | Amit Saincher | 42 | General Manager | Permanent | 9,500,520 | Diploma in Hotel Management (1998), OCLD (2000) | 18 | 12-Aug-02 | NA |
| 5 | Gaurav Issar | 42 | General Manager | Permanent | 5,705,581 | Hotel Management (1999) | 19 | 01-Dec-04 | Hyatt Regency, New Delhi |
| 6 | Indrani Ray | 48 | Company Secretary | Permanent | 4,253,507 | B. Com. (Hons), A.C.A., A.C.S. | 25 | 15-Mar-10 | Foster Wheeler Group |
| 7 | J. Suresh | 54 | Financial Controller | Permanent | 3,105,200 | Cost and Works Accountancy in 1994. Company Secretary in 1992. | 26 | 16-Mar-11 | Park Hyatt Goa Resort & Spa |
| 8 | Jashobanta Parhi | 56 | Head-Human Resources | Permanent | 4,646,850 | Bachelor Deg. In Spanish-1992 | 32 | 01-Nov-86 | NA |
| 9 | Niraj Tanwar | 42 | Financial Controller | Permanent | 3,416,016 | PG Diploma in Business Administration 2008. CA Inter - 1999, B.Com 97 | 21 | 01-Mar-01 | Advance Group of Companies |
| 10 | Samidh Das | 52 | Chief Financial Officer | Permanent | 7,795,602 | B. Com. (Hons), F.C.A. | 30 | 05-Sep-97 | CESC Limited |

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

For and on behalf of the Board

Gurugram
28th May, 2019

VIKRAM OBEROI
Managing Director

SUDIPTO SARKAR
Chairperson Audit Committee

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 ("CSR") Policy. As per the Policy Statement, the Company's CSR policy will focus on addressing the critical social, economic and educational needs of the marginalized under-privileged children of the society and "caring for the elderly and addressing their health issues". The Policy will also focus on cleanliness drive under the Swachh Bharat Abhiyan within 500 metres of each Hotel of the Company.

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

The Board of Directors at their Meeting held on 7th September, 2018, on the recommendation of the CSR Committee, approved a CSR spend of ₹ 12.34 Million. This includes 2% of the Average Net Profit of the Company during the three preceding financial years aggregating to ₹ 11.83 Million and unspent amount of ₹ 0.51 Million for the financial year 2017-18.

- 2. Composition of the CSR Committee**

The CSR Committee comprises of the following Board Members:

| | | |
|--------------------|---|-------------------------------|
| 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**
₹ 591.32 Million
- 4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above) in 2018-19:**
₹ 12.34 Million (including ₹ 0.51 Million unspent CSR amount relating to financial year 2017-18)
- 5. Details of CSR spent during the financial year**
 - Amount to be spent for the financial year: ₹ 11.83 Million
 - Amount unspent, if any: NIL

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

| (1) | (2) | (3) | (4) | (5) | (6) | | (7) | (8) |
|---------|---|--|---|--|--|------------|---|---|
| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs 1) Local area or other 2) Specify the State and district where project or Programs was undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or programs | | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| | | | | | Direct expenditure on projects/ programs | Over-heads | | |
| | | | | ₹ 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 | 12.10 | 12.10 | Nil | 12.10 | Through SOS Children's Villages of India |
| 2 | 'Swachh Bharat Abhiyan' Sanitation Programme | Urban | Around 500 metres around each Hotel premises situated in different cities viz. Cochin, Chennai, Udaipur, Jaipur, Agra, Shimla and Bhubaneswar | 1.57 | 1.46 | Nil | 1.46 | Direct |
| | TOTAL | | | 13.67 | 13.56 | Nil | 13.56 | |

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:**

The Company has spent a total CSR amount of ₹ 13.56 Million in the Financial Year 2018-19 covering the budgeted outlay of ₹ 12.34 Million and an additional amount of ₹ 1.22 Million, to meet its commitment towards CSR activities during the said financial year.

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 ElH Associated Hotels Limited

VIKRAM OBEROI
Managing Director

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

S.S. MUKHERJI
Chairperson, CSR Committee

ANNEXURES TO THE DIRECTORS' REPORT

Annexure-2

Form MGT-9

Extract of the Company's Annual Return for the year ended 31st March, 2019

[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)

| A) 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 | - |
| | (b) Central Government/ State Government(s) | - | - | - | - | - | - | - | - | |
| | (c) Bodies Corporate | 15968119 | - | 15968119 | 52.41 | 15968119 | - | 15968119 | 52.41 | - |
| | (d) Financial Institutions / Banks | - | - | - | - | - | - | - | - | |
| | (e) Others | - | - | - | - | - | - | - | - | |
| | Sub-Total A(1) : | 16065605 | - | 16065605 | 52.73 | 16065605 | - | 16065605 | 52.73 | - |
| (2) | FOREIGN | | | | | | | | | |
| | (a) Individuals (NRIs/ Foreign Individuals) | 6784711 | - | 6784711 | 22.27 | 6784711 | - | 6784711 | 22.27 | - |
| | (b) Bodies Corporate | - | - | - | - | - | - | - | - | |
| | (c) Institutions | - | - | - | - | - | - | - | - | |
| | (d) Qualified Foreign Investor | - | - | - | - | - | - | - | - | |
| | (e) Others (specify) | - | - | - | - | - | - | - | - | |
| | Sub-Total A(2) : | 6784711 | - | 6784711 | 22.27 | 6784711 | - | 6784711 | 22.27 | - |
| | Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2) | 22850316 | - | 22850316 | 75 | 22850316 | - | 22850316 | 75 | - |
| | | | | | | | | | | |
| (B) | PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) | INSTITUTIONS | | | | | | | | | |
| | (a) Mutual Funds / UTI | - | 500 | 500 | - | - | 500 | 500 | - | - |
| | (b) Financial Institutions / Banks | 2000 | 100 | 2100 | 0.01 | 7627 | 100 | 7727 | 0.03 | 267.95 |
| | (c) Central Government/ State Government(s) | - | - | - | - | - | - | - | - | |
| | (d) Venture Capital Funds | - | - | - | - | - | - | - | - | |
| | (e) Insurance Companies | - | - | - | - | - | - | - | - | |
| | (f) Foreign Institutional Investors | 4320899 | - | 4320899 | 14.19 | 4320420 | - | 4320420 | 14.18 | -0.01 |
| | (g) Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | |
| | (h) Qualified Foreign Investor | - | - | - | - | - | - | - | - | |
| | (i) Others (specify) | - | - | - | - | - | - | - | - | |
| | Sub-Total B(1) : | 4322899 | 600 | 4323499 | 14.19 | 4328047 | 600 | 4328647 | 14.21 | 0.12 |
| (2) | NON-INSTITUTIONS | | | | | | | | | |
| | (a) Bodies Corporate | 197057 | 3601 | 200658 | 0.66 | 171465 | 3601 | 175066 | 0.57 | -12.75 |
| | (b) Individuals | | | | | | | | | |
| | (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 1094555 | 180843 | 1275398 | 4.19 | 1032977 | 158462 | 1191439 | 3.39 | -0.07 |
| | (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 1600022 | - | 1600022 | 5.25 | 1733138 | - | 1733138 | 5.69 | 0.08 |
| | (c) Qualified Foreign Investor | - | - | - | - | - | - | - | - | |
| | (d) Others | | | | | | | | | |
| | NON RESIDENT INDIANS | 135364 | 13049 | 148413 | 0.49 | 110052 | 12038 | 122090 | 0.40 | -17.74 |
| | TRUSTS | 200 | - | 200 | - | 200 | - | 200 | - | - |

| A) 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 | |
| | FOREIGN NATIONALS | - | - | - | - | - | - | - | - | - |
| | DIRECTORS RELATIVES | - | - | - | - | - | - | - | - | - |
| | CLEARING MEMBERS | 9473 | - | 9473 | 0.03 | 2071 | - | 2071 | 0.01 | -78.14 |
| | INVESTOR EDUCATION AND PROTECTION FUND | 60168 | - | 60168 | 0.2 | 65180 | - | 65180 | 0.21 | 8.33 |
| | Sub-Total B(2) : | 3096839 | 197493 | 3294332 | 10.81 | 3115083 | 174101 | 3289184 | 10.80 | -0.16 |
| | Total Public Shareholding B = B(1)+B(2) : | 7419738 | 198093 | 7617831 | 25 | 7443130 | 174701 | 7617831 | 25.00 | - |
| | Total (A+B) : | 30270054 | 198093 | 30468147 | 100 | 30293446 | 174701 | 30468147 | 100.00 | - |
| | | | | | | | | | | |
| (C) | SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED | | | | | | | | | |
| (1) | Promoter and Promoter Group | - | - | - | - | - | - | - | - | - |
| (2) | Public | - | - | - | - | - | - | - | - | - |
| | GRAND TOTAL (A+B+C) : | 30270054 | 198093 | 30468147 | 100 | 30293446 | 174701 | 30468147 | 100 | - |

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

| C) Change in Promoters' Shareholding (please specify, if there is no change) | | | | | | |
|---|---|----------------|---|----------------------------------|---|----------------------------------|
| SN | Particulars | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | Date of change | 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 |

| D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) | | | | | | |
|---|---|----------------|---|----------------------------------|---|----------------------------------|
| SN | For Each of the Top 10 Shareholders | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | Date of Change | 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 | 1277802 | 4.19 | 1277802 | 4.19 |
| 3 | Usha Kamal Kabra | No Change | 351000 | 1.15 | 351000 | 1.15 |
| 4 | Hemendra Mathradas Kothari | | 359501 | 1.18 | | |
| | | 29.06.2018 | - | - | 0 | 0 |
| | At The End of The Year | | - | - | 0 | 0 |
| 5 | Kamal Kabra Huf | No Change | 331100 | 1.09 | 331100 | 1.09 |
| 6 | Radhakishan Damani | | 252000 | 0.83 | - | - |
| | | 25.05.2018 | - | - | 0 | 0 |
| | At The End of The Year | | - | - | 0 | 0 |
| 7 | Aayush Kamal Kabra | No Change | 90444 | 0.3 | 90444 | 0.3 |
| 8 | Kamal Shyamsunder Kabra | No Change | 66100 | 0.22 | 66100 | 0.22 |
| 9 | Pooja Kamal Kabra | No Change | 51200 | 0.17 | 51200 | 0.17 |
| 10 | Sanjeev Vinodchandra Parekh | | 44942 | 0.15 | - | - |
| | | 23.11.2018 | - | - | 54228 | 0.18 |
| | At The End of The Year | | | | 54228 | 0.18 |
| 11 | Vinodchandra Mansukhlal Parekh | No Change | 39354 | 0.13 | 39354 | 0.13 |
| 12 | Hemendra M Kothari | | 13862 | 0.05 | | |
| | | 30.06.2018 | | | 373363 | 1.23 |
| | At The End of The Year | | | | 373363 | 1.23 |
| 13 | Gopikishan S Damani | | 0 | 0 | | |
| | | 25.05.2018 | | | 252000 | 0.83 |
| | At The End of The Year | | | | 252000 | 0.83 |

| E) Shareholding of Directors and Key Managerial Personnel | | | | | | |
|--|--|----------------|---|----------------------------------|---|----------------------------------|
| SN | Shareholding of each Directors and each Key Managerial Personnel | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | Date of change | 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 of the Company including interest outstanding/accrued but not due for payment - Nil

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Director and/or Manager – Nil

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 | 0.68 | - | - | 0.68 |
| | Mr. L.Ganesh | 0.48 | - | - | 0.48 |
| | Mr. Sudipto Sarkar | 0.88 | - | - | 0.88 |
| | Mr. Surin Shailesh Kapadia | 0.28 | - | - | 0.28 |
| | Ms. Radhika Vijay Haribhakti | 0.48 | - | - | 0.48 |
| | Total (1) | 2.80 | - | - | 2.80 |
| 2 | Non-Executive Directors | | | | |
| | Mr. P.R.S.Oberoi | 0.40 | - | - | 0.40 |
| | Mr. S.S.Mukherji | 0.92 | - | - | 0.92 |
| | Mr. Akshay Raheja | 0.28 | - | - | 0.28 |
| | Total (2) | 1.60 | - | - | 1.60 |
| 3 | Executive Director | | | | |
| | Mr. Vikram Oberoi* | 0.72 | - | - | 0.72 |
| | Total (3) | 0.72 | - | - | 0.72 |
| | Total B (1+2+3) | 5.12 | - | - | 5.12 |
| | Total Managerial Remuneration | 5.12 | - | - | 5.12 |

**Mr. Vikram Oberoi, 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. | 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 | - | 4.09 | 7.01 | 11.10 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | 0.17 | 0.79 | 0.96 |
| | (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 | - | 4.26 | 7.80 | 12.06 |

(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

The world economy is estimated to have grown by 3.1% in 2018, as a fiscally induced growth acceleration in the United States of America offset a slower expansion in a few large economies, including Argentina, Canada, China, and Turkey. In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions.

Growth in global industrial production and merchandise trade volumes has been tapering since early 2018, particularly in the trade-intensive capital and intermediate goods sectors. In several countries, leading indicators point to some softening in economic momentum, amid escalating trade disputes, risks of financial stress and volatility, and an undercurrent of geopolitical tensions. At the same time, a few developed economies are facing capacity constraints, which may weigh on growth in the short term.

As the impulse from fiscal stimulus decreases, the growth momentum in the United States is projected to slow from 2.8% in 2018 to 2.5% in 2019 and 2% in 2020. While the European Union is projected to experience a steady growth of 2.0%, the risks are tilted to the downside, including a potential fallout from Brexit.

In China, growth is expected to moderate from 6.6% in 2018 to 6.3% in 2019, with policy support partly offsetting the negative impact of trade tensions. Several large commodity-exporting countries, including Brazil, Nigeria and the Russian Federation, are likely to see a moderate pickup in growth in the outlook period, albeit from a low base.

The India Story

Major reforms were undertaken over the past year. The transformational Goods and Services Tax (GST) was launched on 1st July, 2017. The Indian Bankruptcy Code was introduced to facilitate early resolution of Companies in financial crisis. As a result of these measures, the dissipating effects of earlier policy actions and the export uplift from the global recovery, the economy began to accelerate in the second half of the year. The advance estimates released by the Central Statistics Office anticipates GDP growth for 2018-19 to be 7.2% as compared to the 6.75% growth achieved in 2017-18, thereby re-instating India as the world's fastest growing major economy. This growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratios.

Travel & Tourism

Global Scenario

The global Travel & Tourism industry generated US\$8.8 trillion (10.4% of global GDP) in 2018 and is expected to grow by 3.6% to US\$9.1 trillion continuing to be 10.4% of GDP in 2019.

Travel & Tourism generated 122 million jobs directly in 2018 (3.8% of total employment) and this is forecast to grow by 2.2% in 2019 to 125 million. This includes employment by hotels, travel agents, airlines and other passenger transportation services.

India

The Travel & Tourism Industry has been a major growth engine for the Indian economy. Over the past few years, tourism has witnessed steady growth, aided by the shift from foreign to domestic tourism, coupled with the rising purchasing power of the expanding middle class. The 2019 edition of the WTTC's Economic Impact - India states that the Travel & Tourism industry's total contribution to the country's GDP equalled 10.4% of the total GDP or INR 16.9 trillion (US\$247 billion). Additionally, the industry is fundamental in generating employment for the skilled and unskilled alike. In 2018, 8.1% of total jobs (42.6 million) were supported by the Travel & Tourism industry.

Foreign Exchange Earnings have witnessed a significant growth in 2017, registering an estimated growth rate of 19.1% over 2016 to reach US\$27 billion, as per the Indian Tourism Statistics. 2017 saw 16.3 million visitor arrivals to the country, a growth of 14.0% over 2016. On the domestic front, domestic tourist visits (DTV's) to the States / Union Territories (UTs) grew by 2.3% to reach 1.65 billion during 2017.

INR 13 billion of India's direct Travel & Tourism GDP was generated by leisure travel spending, both international and domestic, which represents 95% of the direct Travel & Tourism GDP of the country. This is anticipated to rise by 7.6% in 2018 and 7.0% annually thereafter, to reach INR 28 trillion in 2028. Similarly, business travel spending (which represents 5.4% of GDP) is anticipated to grow by 6.7% in 2018 and 7.0% annually thereafter, to reach INR 1.6 trillion by 2028.

There is still significant opportunity for inbound tourism to India. The CAPA India inbound tourism report highlights that in 2017, only 2.5 million international visitors were holidaymakers. This is significantly less than many destinations in the region and should be seen as an opportunity given the enormous employment and foreign exchange potential from increased international holidaymakers to India. In contrast, Thailand and Indonesia received 31 million and 7.6 million international holidaymakers respectively in 2017 and even the island country of Sri Lanka received 1.8 million holidaymakers.

In addition to improving India's image internationally on women's safety, addressing poor air quality during the winter months in particular and the cleanliness of many of our cities, more can also be done to promote India, its history, culture, geographic diversity and cuisine especially in important source markets like Europe and North America. The highest slab of 28% on the Goods & Services Tax for hotels is also a deterrent for holidaymakers to visit as this tax is considerably higher than any other country in the region. The World Travel and Tourism Council, the Hotel Association of India and other associations have made a number of representations to the Government to reduce this tax and to make it competitive with other countries in the region where taxes on hotel accommodation are 7-11%.

Tourism & Hospitality - Trends and Opportunities for Growth

India's tourism sector attracted capital investments of US\$ 48 billion in 2017 and expected to reach US\$95 billion by 2028. The collective government spending in India on travel and tourism is expected to reach INR 368 billion (US\$5.85 billion) in 2028 from INR 170 billion (US\$2.81 billion) in 2017.

The year 2017-18 marked the third year of the up cycle for the Indian Hospitality Industry. The nationwide occupancy of 67% in 2017-18 was the highest the industry has witnessed in a decade and was a key driver of the Rev PAR clocking its best performance since

2010-11, to reach INR 3,837. Despite the addition of close to 9,000 rooms last year, the sustained growth in occupancy was expected to encourage hotels to push up room rates significantly, but instead at INR 5,759, the weighted average rate appreciated by a mere 1.5% over the previous fiscal.

Steady demand and diminishing supply coupled with the government's commitment to strengthening the Travel & Tourism Industry is likely to have a positive impact on the industry. We believe that this is the time operators, lenders and advisors will all jointly appreciate the opportunity ahead and make decisive plans to capitalize on it.

Financial and Operating Performance

The Company's Total Revenue was ₹ 2,737 Million in 2018-19 as compared to ₹ 2,693 Million in the previous year.

Earnings before Interest, Depreciation, Taxes and Amortizations (EBIDTA) was ₹ 730 Million as compared to ₹ 731 Million in the previous year.

Profit before Tax was ₹ 583 Million as compared to ₹ 587 Million in the previous year.

The Profit after Tax for the year was ₹ 379 Million as compared to ₹ 378 Million in the previous year.

Total Comprehensive Income was ₹ 378 Million as compared to ₹ 377 Million in the previous year.

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

The Company's business activity is limited to hotels.

Internal Control Mechanism and Adequacy

The organization's commitment to internal control mechanism itself flows from The Oberoi Dharma which states that we as members of The Oberoi Group, are committed to a conduct which is of the highest standards – ethical, intellectual, financial and moral. Adequate internal control processes have been laid down to provide an assurance on the orderly and efficient conduct of operations, safeguarding of assets, prevention and detection of frauds and errors, accurate and timely completion of accounting records and timely preparation of reliable financial information.

Appropriate checks and balances have been built in the internal control mechanisms to reflect its necessary concomitance to the principle of governance without affecting the ease of operations and their management.

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 the adequacy and continuing operating effectiveness of such internal financial controls. Furthermore, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (4) of the Companies Act, 2013, the Independent Directors have satisfied themselves

on the integrity of financial information and ensured that financial controls and systems of risk management are robust and defensible.

In order to enable the Directors meet these responsibilities, the Board has devised the necessary systems, frameworks and mechanisms within the Company and empowered the Audit Committee to periodically review and confirm that the mechanism remains effective and fit for purpose.

In line with global best practices applicable to organizations of a similar size, nature and complexity, the Company's internal control framework has been designed through structured control risk assessments by way of Standard Operating Procedures (SOPs), Risk and Control Matrices (RACM), Information Technology (IT) Policies, ERP-based Information Systems including MIS and automated system controls inbuilt within the ERP and other IT Systems. RACM's control effectiveness is ensured through self-certification mechanism in ERP by respective process owners. Management testing which is done by Internal Audit is now being implemented to be processed through data analytics tool.

With increased instances of information security breaches and data leakages being reported from across the globe, the Company has a policy of reviewing its information technology security infrastructure. Commensurate actions are taken to scale up infrastructure, wherever required.

A system based continuous audit monitoring tool has been implemented through the Internal Audit team, to observe the deviations from the standard. The exceptions are then reported back to the functional/unit heads with the responsibility of rectifying such exceptions within a definitive time frame.

The Audit team has been entrusted to devise adequate monitoring mechanisms and procedures to ensure prevention and detection of failures and faults in processes and report their observations along with mitigating actions within defined target dates to the Audit Committee of the Board of Directors in every quarter.

Internal Audit Mechanism and Review Systems

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

The Department works on matured Computer Assisted Audit Techniques (CAATs) and deploys online monitoring mechanisms across the IT systems of all functions and units of the Company. Focus areas for specific audits are determined based on structured assessment of risk and the yearly Internal Audit Plan as approved by the Audit Committee. All reported observations of audits are maintained in online databases for comprehensiveness, ease of accessibility and structured follow up.

Periodically, IT Security Audits are conducted by joint team of Internal Audit and IT Department. Vulnerability assessment and penetration testing, etc., audits are also done by specialized external agencies.

The Company has a structured follow-up team of Senior Executives who meet periodically under the aegis of the Managing Director to address and resolve pending audit issues. The

Internal Auditor is responsible to and presents the findings to the Audit Committee every quarter, in the order of the impact of risks involved and probabilities of their occurrence, and the pendency of issues in various units together with the periodicity and status thereof.

The Audit Committee takes cognizance of the presentation and provides its directions and guidance for further action. Besides, the 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 2018-19, 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

Risk Management is an integral and important component of Corporate Governance. Robust risk management ensures adequate controls and monitoring mechanisms for the smooth and efficient running of the business.

The policy framework enables the Company to identify and evaluate Risk and Opportunities.

The cornerstones of the Company's Risk Management Framework are:

- Periodic assessment and prioritisation of risks that affect the business of the Company;
- Development and deployment of risk mitigation plans to reduce vulnerability to the prioritised risks;
- Focus on both the results and efforts required to mitigate the risks;
- Defined review and monitoring mechanism wherein the functional teams, the top management and the Board review the progress of the mitigation plans;
- Wherever applicable and feasible, defining the risk appetite and installing adequate internal controls to ensure that the limits are adhered to.

The Risk Management Committee comprising the Managing Director and Senior Executives of the Company presented to the Board of Directors, Risk Reports in October 2018 and in March 2019. The potential risks associated with the Company's business are assigned as 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 organisational criteria of Critical, Good and Watch were 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

Major recognition received by The Oberoi Group during the previous two years have been:

Oberoi Hotels & Resorts has been voted the best Hotel Group for the second consecutive year by Telegraph Travel Awards 2018, UK.

Oberoi Hotels & Resorts has won Best Business Hotel Brand in India by Business Traveller UK Reader Awards, 2018.

Oberoi Hotels & Resorts has been voted as the World's Leading Luxury Hotel Brand for the sixth consecutive year by World Travel Awards, 2017.

| HOTEL | AWARD | AWARDED BY |
|--|---|--|
| The Oberoi Rajvilās, Jaipur, Rajasthan, India | Top 25 Hotels – India (Ranked 1st) | Trip Advisor Travelers' Choice Awards 2019 |
| | Top 25 Luxury Hotels – Asia (Ranked 2nd) | Trip Advisor Travelers' Choice Awards 2019 |
| | Top 25 Luxury Hotels – India (Ranked 1st) | Trip Advisor Travelers' Choice Awards 2019 |
| | Top 25 Hotels for Service – India (Ranked 1st) | Trip Advisor Travelers' Choice Awards 2019 |
| | 5 Best Resort Hotels in India (Ranked 2nd) | Travel + Leisure, USA World's Best Awards, Readers' Survey 2018 |
| | India's Leading Resort (4th consecutive year) | World Travel Awards, 2017 |

Development in Human Resources and Industrial Relations

The Oberoi Group continues to place a great deal of importance on creating the best teams possible who are aligned with the Company's values and The Oberoi Dharma. Our values guide and inspire us to do what is the right and not what is the easiest by placing guest first, company second and self, last. We continuously review and realign our people practices and policies with an aim to provide our employees with the best working environment.

The Oberoi Group has been recognized as one of the best employers in the 'Aon Best Employers India' - 2018 survey.

Belief of "people being our biggest asset" has always guided the Company to continuously strive to improve upon our people practices. Several of these practices have been instrumental in making The Oberoi Group an employer of choice. Some of these initiatives are listed below:

1. The Oberoi Group Employee Engagement Survey – Employee engagement has always been a strong focus at The Oberoi Group. We conduct People Pulse Survey to understand engagement levels of our employees during the year. In year 2019, the Company scores of Aon People Pulse was 81%.
2. The Oberoi Group Performance Management system has been further strengthened by creating an Organisational Balance Score Card and score cards for the entire leadership team.

3. The Company continues to focus on its policy of zero tolerance of any non-compliance with labour and other statutory requirements. We have created standard policies for third party manpower engaged in the group companies and streamlined practices related to them. Additionally, to ensure compliances related to third party manpower, Team Lease has been engaged to conduct independent audits on third party compliances in the Hotels/ Business Units.
4. With people being our biggest asset, we continue to look at high performers and create individual three year career plan for them. This is monitored at Corporate Human Resources.

Learning & Development

In keeping with The Oberoi Group's philosophy of training and developing people, its hotels and training center, The Oberoi Centre of Learning and Development (OCLD) continue to invest time, effort and money in comprehensive training interventions. These include:

1. The Oberoi Centre of Learning and Development (OCLD) continued to be focused on its core programmes. These are the Post Graduate Management Programmes in Guest Service, Housekeeping and Kitchen Management and the three-year Undergraduate Systematic Training and Education Programme (STEP).
2. OCLD had its first batch of Sales Management Programme graduate in January 2019.
3. As part of the Corporate Learning and Development initiatives, several programs were organised in the Financial Year 2018-19 for team members and executives across all levels. These Management Development Programs were based on individual needs identified during the appraisal process.
4. As part of our re-branding exercise OCLD developed a series of training modules to enable team members provide remarkable experiences to our guests. These training modules were delivered in a Train-the-Trainer format which were then cascaded by Training Managers to every team member.

Industrial Relations remained stable throughout the year.

As on 31st March, 2019, the number of people employed by the Group was 9270.

The Board takes this opportunity to thank all employees for their unwavering commitment to guests and the organisation and for their dedication and co-operation.

For and on behalf of the Board

Gurugram
28th May, 2019

VIKRAM OBEROI
Managing Director

SUDIPTO SARKAR
Chairperson, Audit Committee

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 page nos. 4 and 5 of this Annual Report.

2. Board of Directors

a) Board Composition

As on 31st March, 2019, 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.

b) Meetings and Attendance

The Board met seven times during the Financial Year *ie.* on 18th April, 2018, 28th May, 2018, 3rd August, 2018, 27th September, 2018, 31st October, 2018, 31st January, 2019 and 29th March, 2019.

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

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

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

** Chairperson of two Audit Committees and one Stakeholders Relationship Committee

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

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

c) Names of the listed entities where the above persons are Directors and the category of directorship

| Name of Director | Name of the listed company | Category of Directorship |
|------------------------------|---|---|
| Mr. Prithviraj Singh Oberoi | ElH Limited | Executive Chairman |
| Mr. Shib Sanker Mukherji | ElH Limited | Executive Vice Chairman |
| Mr. Vikramjit Singh Oberoi | ElH Limited | Managing Director and Chief Executive Officer |
| Mr. Akshay Raheja | Hathway Cable and Datacom Limited | Non-executive Non-Independent Director |
| Mr. Anil Nehru | ElH Limited | Independent Director |
| Mr. L. Ganesh | Rane Holdings Limited | Chairman & Managing Director |
| | Rane Brake Lining Limited | Chairman, Non-executive Director |
| | Rane (Madras) Limited | Chairman, Non-executive Director |
| | Rane Engine Valve Limited | Chairman & Managing Director |
| | ElH Limited | Independent Director |
| Mr. Sudipto Sarkar | Triveni Engineering & Industries Limited | Independent Director |
| | Vesuvius Limited | Independent Director |
| | ElH Limited | Independent Director |
| Mr. Surin Shailesh Kapadia | Exide Industries Limited | Independent Director |
| Ms. Radhika Vijay Haribhakti | Navin Fluorine International Limited | Independent Director |
| | Rain Industries Limited | Independent Director |
| | Mahanagar Gas Limited | Independent Director |
| | Adani Ports and Special Economic Zone Limited | Independent Director |
| | ICRA Limited | Independent Director |

d) Disclosure of relationship between Directors inter-se

Mr. Prithviraj Singh Oberoi and Mr. Vikramjit Singh Oberoi are related to each other, being father and son. None of the other Directors are related to any other Director.

e) Shareholding of Non-executive Directors

The number of shares held by Non-executive Directors in the Company are as follows:

| Name | Number of Shares |
|-------------------|------------------|
| Mr. P.R.S. Oberoi | 50,820 |
| Mr. S.S. Mukherji | 10,000 |

f) Web-link where details of familiarization programmes for Independent Directors is disclosed

The familiarisation program for Independent Directors is given on the Company's website www.eihassociatedhotels.in

g) Skills/ Expertise/ Competence of the Board of Directors

The matrix setting out the skills / expertise / competence of the Board of Directors are as under:

(i) Qualification

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

(ii) 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.

(iii) 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;

(iv) 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.

h) Independent Directors

It is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the Management.

i) Confirmation of Compliance with the Codes

All Directors and members of Senior Management have, as on 31st March, 2019, affirmed their compliance with:

- The Oberoi Dharma, the fundamental code of conduct for The Oberoi Group;
- The Company's Code of Conduct for Prevention of Insider Trading in its shares;
- Disclosures relating to all material and financial transactions;
- Annual Disclosure(s) as required under the Code of Conduct of Prevention of Insider Trading.

3. Audit Committee

As on 31st March, 2019, 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. Sudipto Sarkar is the Chairperson of the Audit Committee.

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, Chairperson of the Audit Committee is a graduate in Mathematics from Presidency College, Kolkata and obtained his TRIPOS in law from Jesus College, Cambridge. Mr. S.S. Mukherji is a Chartered Accountant and has completed Advanced Management Program from Harvard University. Mr. Anil Nehru has studied Business Management from IIM, Ahmedabad, Harvard University and Columbia University. Mr. L. Ganesh is a Chartered Accountant and holds a Masters degree in Business Administration from London Business School, Pennsylvania State University. Mr. Akshay Raheja graduated from the University of Mumbai and studied Business Management from Columbia Business School, New York and Ms. Radhika Vijay Haribhakti holds a Post Graduate Diploma in Management (Finance) from IIM, Ahmedabad. Accordingly, the Chairperson and all the members of the Committee are “financially literate” within the meaning of explanation under Regulation 18(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The Committee met five times during the financial year, ie. on 28th May, 2018, 3rd August, 2018, 31st October, 2018, 31st January, 2019 and 29th March, 2019. The attendance of members at the Committee Meetings held during the Financial Year 2018-19 is given below:

| Name | No. of Meetings attended |
|------------------------------|--------------------------|
| Mr. Sudipto Sarkar | 5 |
| Mr. S.S. Mukherji | 5 |
| Mr. Anil Nehru | 5 |
| Mr. L. Ganesh | 5 |
| Mr. Akshay Raheja | 4(3) |
| Ms. Radhika Vijay Haribhakti | 5 |

() Number within brackets represents meetings attended through video conference out of the total number of meetings attended

Mr. Vikram Oberoi, Managing Director is an invitee to the Committee meetings. The Statutory Auditors, Internal Auditor and the Chief Financial Officer also attend the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

Role of Audit Committee

The role of the Audit Committee is in accordance with that 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

Composition, Meetings and Attendance

As on 31st March, 2019, the Stakeholders Relationship Committee ('SRC') comprised of three Board members *viz.* Mr. S.S. Mukherji, Mr. Vikram Oberoi and Mr. Sudipto Sarkar. Upon cessation of Mr. P.R.S. Oberoi as Member of the Committee w.e.f. 31st October, 2018, Mr. S.S. Mukherji, Non-executive Director was appointed as the Chairperson. 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.

The Committee met thrice during the Financial Year 2018-19 ie. on 31st October, 2018, 31st January, 2019 and 29th March, 2019.

The attendance of members at the Committee Meetings held during the Financial Year 2018-19 is given below:

| Name | No. of Meetings attended |
|--------------------|---------------------------------|
| Mr. S.S. Mukherji | 3 |
| Mr. Sudipto Sarkar | 3 |
| Mr. Vikram Oberoi | 3 |

Role of Stakeholders' Relationship Committee

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, 2019, there were 3 pending requests for dematerialization and these were subsequently processed within stipulated timelines. However, no request for physical transfer remained pending on 31st March, 2019. During the year 2018-19, no complaints have been received from the Shareholders of the Company.

5. 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 2018-19 *ie.* on 7th September, 2018 and 29th March, 2019. The attendance of members at the Committee Meetings held during the Financial Year is given below:

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

Role of CSR Committee

The role of the CSR Committee is to formulate the 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 Policies) Rules, 2014.

6. 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 Secretary to the Committee.

The Committee met four times during the Financial Year 2018-19 *ie.* on 28th May, 2018, 27th September, 2018, 31st January, 2019 and 29th March, 2019. The attendance of members at the Committee Meetings held during the Financial Year is given below:

| Name | No. of Meetings attended |
|--------------------|---------------------------------|
| Mr. Sudipto Sarkar | 4(1) |
| Mr. S.S. Mukherji | 4 |
| Mr. Anil Nehru | 4 |

() Number within brackets represents meetings attended through video conference out of the total number of meetings attended

Role of Nomination and Remuneration Committee

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

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

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

The aforesaid policies are available on the Company's website www.eihassociatedhotels.in

Performance evaluation criteria for Independent Directors is as per the approved Board Evaluation Policy of the Company.

7. 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 2018-19, the total amount paid to the Directors for attending meetings of the Board, Committees and that of the Independent Directors amounted to ₹ 5.12 Million.

8. General Body Meetings

i) Location and time of last three Annual General Meetings (AGMs) and Special Resolutions passed at these Meetings

| Financial Year ended | Location | Date | Time | Special Resolutions passed |
|----------------------|------------------|--------------------------|-----------|----------------------------|
| 31st March, 2016 | Trident, Chennai | Friday, 5th August, 2016 | 3.30 P.M. | None |
| 31st March, 2017 | | Friday, 4th August, 2017 | 3.30 P.M. | None |
| 31st March, 2018 | | Friday, 3rd August, 2018 | 3.30 P.M. | None |

ii) Special Resolution passed through postal ballot

During the year, two Special Resolutions were passed through postal ballot with the requisite majority on 16th March, 2019. The details of voting pattern are as under:

- (a) Continuation of Mr. Prithviraj Singh Oberoi (DIN 00051894) as Non-executive Chairman on the Board of the Company, liable to retire by rotation, on and after 1st April, 2019 by Special Resolution in accordance with Regulation 17(1A) of the Listing Regulations:

| e-voting | | Ballot voting | | Total voting | |
|--------------------------------|------------------------------|--------------------------------|------------------------------|------------------------------------|----------------------------------|
| Cast in favour (No. of shares) | Cast against (No. of shares) | Cast in favour (No. of shares) | Cast against (No. of shares) | Cast in favour (No. of shares & %) | Cast against (No. of shares & %) |
| 27180530 | 4342 | 13088 | 400 | 27193618 (99.98%) | 4742 (0.02%) |

- (b) Re-appointment of Mr. Anil Kumar Nehru (DIN 00038849) as a Non-executive Independent Director on the Board of the Company for a second term of 5 (five) consecutive years with effect from 1st April, 2019 up to 31st March, 2024,

by Special Resolution in accordance with Regulation 17(1A) of the Listing Regulations:

| e-voting | | Ballot voting | | Total voting | |
|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|---------------------------------------|-------------------------------------|
| Cast in favour (No. of shares) | Cast against (No. of shares) | Cast in favour (No. of shares) | Cast against (No. of shares) | Cast in favour (No. of shares & %) | Cast against (No. of shares & %) |
| 22865824 | 135 | 13488 | 0 | 22879312 (99.99%) | 135 (0.01%) |

iii) Person who conducted the postal ballot exercise

Mr. Asim Kumar Chattopadhyay, Practicing Company Secretary (FCS 2303, CP 880) appointed as the Scrutinizer, had conducted the postal ballot voting process.

(iv) Procedure for postal ballot

The postal ballot was conducted in accordance with the procedure set out in Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations.

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

None

9. General Disclosures

(i) Related Party Transactions

- A summary of transactions with related parties, in the ordinary course of business and at arm's length is placed before the Audit Committee;
- There were no material individual transactions with related parties which were not in the ordinary course of business and not at arm's length during the Financial Year ended 31st March, 2019;
- There were no material significant transactions during the financial year with related parties such as Promoters, Directors, Key Managerial Personnel and their relatives that could have a potential financial conflict of interest with that of the Company;
- The mandatory disclosure of transactions with related parties, in compliance of the Indian Accounting Standard (Ind AS 24), forms part of this Annual Report;
- Related Party Transactions Policy of the Company can be accessed on the Company's website www.eihassociatedhotels.in

(ii) Capital market non-compliances, if any

There were no instances of non-compliance by the Company on any matter relating to the capital markets during the past three years;

(iii) Vigil Mechanism/ Whistleblower Policy

The Company has a Whistleblower Policy which can be accessed on the Company's website 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 financial year, no complaints were received by the Whistle Committee/ Audit Committee.

(iv) Other Policies

In accordance with the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the following policies which can be accessed on the Company's website www.eihassociatedhotels.in

- (a) Policy on Determination and disclosure of material events;
- (b) Policy on Preservation and Archival of documents;
- (c) Risk Management Policy.

(v) Insider Trading

The Company has formulated a 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 as amended by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Code of Conduct for Prevention of Insider Trading, Code of fair disclosure of Unpublished Price Sensitive Information and Policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information can be accessed on the Company's website www.eihassociatedhotels.in

(vi) Independent Directors' Meeting

The Independent Directors met on 29th March, 2019 to review the performance of the Non-Independent Directors and the Board as a whole, performance of the Chairperson and quality, quantity and timeliness of information exchange between the Company Management and the Board.

(vi) Board Evaluation

The Company has put in place a Board Evaluation process. A note on this is provided in the Directors' Report.

(viii) Prevention of Sexual Harassment at Workplace

In accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the complaints received and resolved during the Financial Year 2018-19 is as under:

| | |
|--|-----|
| Number of Complaints filed during the year | 02 |
| Number of Complaints disposed of during the year | 02 |
| Number of Complaints pending as at the end of the Financial Year | Nil |

(ix) Internal Controls

The Company has put in place adequate Internal Control Systems and Procedures including adequate financial controls with reference to the financial statement.

(x) Certificate from Company Secretary in Practice regarding Directors debarred under the Act, etc.

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or

continuing as directors of companies by the Securities and Exchange Board of India Board or the Ministry of Corporate Affairs or any such statutory authority is attached to and forms part of this Report.

(xi) Fee to Statutory Auditors

Total fees for all services paid by the Company, to the Statutory Auditors and all entities in the network firm/network entity of which statutory auditor is a part during the Financial Year is ₹ 5 Million.

(xii) Committee Recommendations

During the Financial Year 2018-19, there has been no instance where the Board had not accepted any recommendation of/submission by any of its Committees, which is mandatorily required to be accepted.

(xiii) Non-mandatory requirements under Part E of Schedule II to Listing Regulations

- (a) The Company is complying with the non-mandatory requirement of a separate post of Chairperson and Managing Director; and
- (b) the Internal Auditor reports directly to the Audit Committee.

10. Means of Communication

The Annual Report for 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 2018-19) | Newspapers | 04.08.2018 | 03.08.2018 |
| 2 | Half-yearly unaudited financial statement (second quarter 2018-19) | Newspapers | 01.11.2018 | 31.10.2018 |
| 3 | Quarterly unaudited financial statement (third quarter 2018-19) | Newspapers | 01.02.2019 | 31.01.2019 |
| 4 | Annual audited financial statements 2018-19 | Newspapers | On or before 30.05.2019 | On or before 28.05.2019 |

The financial results are published in The Indian Express, The Financial Express, Mint 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 the website of stock exchanges i.e www.nseindia.com and www.bseindia.com. The information is also available on the Company's website www.eihassociatedhotels.in.

The Management Discussion and Analysis for the Financial Year 2018-19 forms part of the Directors' Report.

11. General Shareholder Information

a. **The Thirty-sixth Annual General Meeting will be held at 3.30 PM on Tuesday, 30th July, 2019 at Trident Chennai, Chennai.**

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

| | |
|--|--------------------------------------|
| Audited Annual Accounts for 2018-19 | Tuesday, 28th May, 2019 |
| Mailing of Annual Report for 2018-19 | On /before Wednesday, 3rd July, 2019 |
| Unaudited First Quarter Financial Result 2019-20 | Tuesday, 30th July, 2019 |
| Thirty-sixth Annual General Meeting | Tuesday, 30th July, 2019 |
| Unaudited Second Quarter Financial Results 2019-20 | Monday, 4th November, 2019 |

c. **Register of Shareholders**

The Register of Shareholders will remain closed from Tuesday, 23rd July, 2019 to Thursday, 25th July, 2019, both days inclusive.

d. **Payment of Dividend**

The Board at its Meeting held on 28th May, 2019 recommended a Dividend of ₹ 4.50 per equity share for declaration by the shareholders as the Dividend for the Financial Year 2018-19 at the forthcoming Thirty-sixth Annual General Meeting.

Dividend through Electronic Clearing System (ECS) and warrants in respect of Dividend for the Financial Year 2018-19, if declared by the Company at the Thirty-sixth Annual General Meeting, will be paid on Wednesday, 31st July, 2019, to those Shareholders whose name appear in the Register of members/ list of beneficial owners as on Monday, 22nd July, 2019.

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

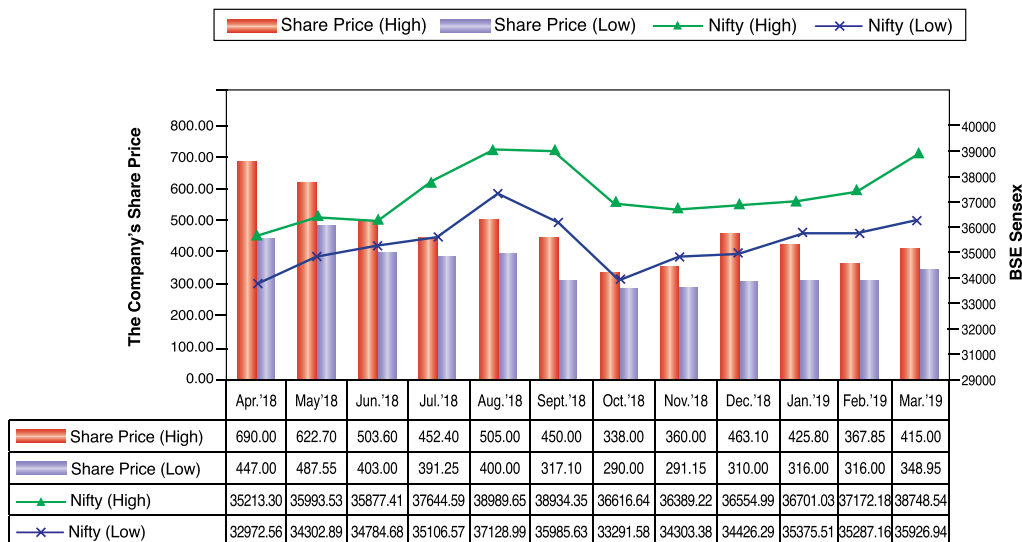
As on 31st March, 2019, the shares of the Company were listed on Stock Exchanges with their respective stock codes as follows:

| Name of the Stock Exchange | Stock Code |
|---|------------|
| BSE Limited Corporate Relationship Department 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street Fort, Mumbai-400 001 | 523127 |
| The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra Kurla Complex Bandra (E), Mumbai-400 051 | EIHAHOTELS |

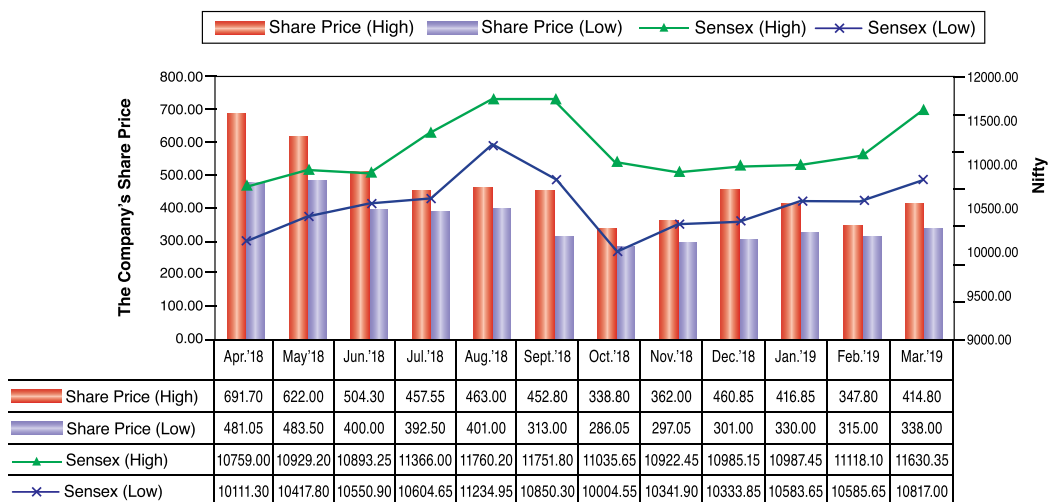
The ISIN Number of the Company's shares in the dematerialised mode is INE276C01014. There are no arrears of listing fees.

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

A. The Company's Share Price vs. Sensex



B. The Company's Share Price vs. Nifty



g. Means of Communication

In accordance with Section 20, 101 and 136 of the Companies Act, 2013 and rules made there under, the Annual Report, Notice of the Annual General Meeting, postal ballot notice, circulars, etc. are being sent by electronic means to those shareholders whose e-mail addresses are made available to the Company by the shareholders and the depository. Documents e-mailed to shareholders are 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 2018-19, the Company will follow the same procedure.

12. Share Transfers

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

EIH Limited
Investors Services Division
7, Shamnath 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, *ie.* Dematerialization Request Form ("DRF"), share certificates, etc. to the STA by providing the Dematerialization Request Number ("DRN"). Documents of transfer in physical form, *ie.* the transfer deeds, share certificates, etc. should similarly be sent to the STA.

Dematerialization

As on 31st March, 2019, 30.29 million shares of the Company, representing 99.44% of the total shares issued, were held in the dematerialised form and 0.17 million shares representing 0.56% of the total issued shares were held in physical form. A total of 6028 (88.22%) Shareholders have up to 31st March, 2019, dematerialised their shareholdings, while the balance 805 (11.78%) Shareholders continue to hold shares in the physical form.

13. Distribution of Shareholding as on 31st March, 2019

| Shareholding Range | No. of Shareholders | % of Shareholders | No. of shares | % of Shareholding |
|--------------------|---------------------|-------------------|---------------|-------------------|
| 1- 1000 | 6570 | 96.15 | 722474 | 2.37 |
| 1001-5000 | 204 | 2.98 | 450023 | 1.48 |
| 5001-10000 | 25 | 0.37 | 180521 | 0.59 |
| 10001-50000 | 16 | 0.23 | 361829 | 1.19 |
| 50001-100000 | 6 | 0.09 | 377972 | 1.24 |
| >100000 | 12 | 0.18 | 28375328 | 93.13 |
| Total | 6833 | 100.00 | 30468147 | 100.00 |

14. Pattern of Shareholding as on 31st March, 2019

| Category Code | Description of Shareholder | No. of shareholders | No. of Shares | Total shareholding as a percentage to total number of shares As per percentage of (A+B+C) |
|---------------|--|---------------------|-----------------|--|
| (A) | PROMOTER AND PROMOTER GROUP | | | |
| (1) | INDIAN | | | |
| (a) | Individual/ HUF | 2 | 97486 | 0.32 |
| (b) | Central Government/State Government(s) | 0 | 0 | 0 |
| (c) | Bodies Corporate | 7 | 15968119 | 52.41 |
| (d) | Financial Institutions / Banks | 0 | 0 | 0 |
| (e) | Others | 0 | 0 | 0 |
| | 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 |
| (c) | Institutions | 0 | 0 | 0 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 |
| (e) | Others (specify) | 0 | 0 | 0 |
| | Sub-Total A(2) : | 1 | 6784711 | 22.27 |
| | Total A=A(1)+A(2) | 10 | 22850316 | 75 |
| (B) | PUBLIC SHAREHOLDING | | | |
| (1) | INSTITUTIONS | | | |
| (a) | Mutual Funds / UTI | 2 | 500 | 0 |
| (b) | Financial Institutions / Banks | 4 | 7727 | 0.03 |
| (c) | Central Government/State Government(s) | 0 | 0 | 0 |
| (d) | Venture Capital Funds | 0 | 0 | 0 |
| (e) | Insurance Companies | 0 | 0 | 0 |
| (f) | Foreign Institutional Investors | 3 | 4320420 | 14.18 |
| (g) | Foreign Venture Capital Investors | 0 | 0 | 0 |
| (h) | Qualified Foreign Investor | 0 | 0 | 0 |
| (i) | Others (specify) | 0 | 0 | 0 |
| | Sub-Total B(1) : | 9 | 4328647 | 14.21 |
| (2) | NON-INSTITUTIONS | | | |
| (a) | Bodies Corporate | 223 | 175066 | 0.57 |
| (b) | Individuals | | | |
| | (i) Individuals holding nominal share capital upto Rs. 2 lakh | 6457 | 1301407 | 4.27 |
| | (ii) Individuals holding nominal share capital in excess of Rs. 2 lakh | 12 | 1623170 | 5.33 |
| (c) | Qualified Foreign Investor | 0 | 0 | 0 |
| (d) | Others | | | |
| | NON RESIDENT INDIANS | 105 | 122090 | 0.4 |
| | TRUSTS | 1 | 200 | 0 |
| | FOREIGN NATIONALS | 0 | 0 | 0 |
| | DIRECTORS RELATIVES | 0 | 0 | 0 |
| | CLEARING MEMBERS | 15 | 2071 | 0.01 |
| | INVESTOR EDUCATION AND PROTECTION FUND A | 1 | 65180 | 0.21 |
| | Sub-Total B(2) : | 6814 | 3289184 | 10.8 |
| | Total B=B(1)+B(2) : | 6823 | 7617831 | 25 |
| | Total (A+B) : | 6833 | 30468147 | 100 |
| (C) | Shares held by custodians, against which Depository Receipts have been issued | | | |
| (1) | Promoter and Promoter Group | 0 | 0 | 0 |
| (2) | Public | 0 | 0 | 0 |
| | GRAND TOTAL (A+B+C) : | 6833 | 30468147 | 100 |

15. Unclaimed Dividends

All unclaimed dividend up to and including the Financial Year ended on 31st March, 2011 and unclaimed shares pertaining thereto, 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 and amendments thereof, the Company has uploaded a Statement of Unclaimed Dividend amounts as on the date of the last Annual General Meeting by filing Form IEPF 2 with the Ministry of Corporate Affairs. The details of Unclaimed Dividends have also been uploaded on the Company's website www.eihassociatedhotels.in. The year-wise unclaimed dividend position as on 31st March, 2019 are furnished below:

| Year | Unclaimed Dividend (₹ Million) |
|------|--------------------------------|
| 2012 | 0.28 |
| 2013 | 0.10 |
| 2014 | 0.29 |
| 2015 | 0.36 |
| 2016 | 0.38 (Interim) |
| 2016 | 0.13 (Final) |
| 2017 | 0.61 |
| 2018 | 0.04 |

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, 2012 and subsequent years are requested to contact the Share Transfer Agent.

16. Transfer of Shares held by Shareholders if their dividend remains unclaimed for seven consecutive years, to the Investor Education and Protection Fund (IEPF)

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 held by the Shareholders whose Dividend has remained unclaimed for a consecutive period of seven years or more to IEPF.

The Company had sent Notices by Registered Post to those Shareholders who have not claimed their Dividend for the past seven years or more to claim their Dividend. Notices were also published in the newspapers on 7th June, 2018 requesting Shareholders to claim their Dividend failing which their Shares will be transferred to IEPF. As per IEPF Rules, the cut-off date for drawing the list of Shareholders was 14th September, 2018 and Transfer of shares to IEPF was within 1 month of the cut-off date *ie.* by 14th October, 2018.

Shareholders who have responded to the Notice have been paid the dividend amount. In respect of Shareholders from whom no response was received, the Company had transferred their shares to the demat account of the IEPF between 9th October, 2018 to 11th October, 2018. The details of shares transferred to IEPF are as under:

| No. of Shareholders | No. of shares transferred |
|----------------------------|----------------------------------|
| 26 | 5013 |

The Company has also filed Form IEPF-4 with the IEPF authority giving the details of shares transferred. The details of shares transferred are also available on the Company's website www.eihassociatedhotels.in. Shareholders are requested to follow the below mentioned procedure for claiming their shares / unclaimed dividend from IEPF:

- a) Make an online application in Form IEPF-5 available on the website www.iepf.gov.in;
- b) Send a copy of the online application duly signed on each page by Shareholders / claimant alongwith copy of challan and all documents mentioned in Form IEPF-5 to the Company's Share Transfer Agent *ie.* EIH Limited, Investors Services Division, 7, Shamnath Marg, Delhi-110 054 for verification of his / her claim;
- c) The Company shall, within 15 days of receipt of the claim form, send a verification report to the IEPF Authority alongwith all documents submitted by the claimant;
- d) On verification, the IEPF Authority shall release the shares / dividend directly to the claimant.

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 Investors Grievances : invcom@tridenthotels.com

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-sixth Annual General Meeting.

Mr. S.S. Mukherji, Non-executive Non-Independent Director, retires by rotation at the forthcoming Thirty-sixth Annual General Meeting and is eligible for re-appointment.

Mr. L. Ganesh and Mr. Sudipto Sarkar, Independent Directors, are eligible for re-appointment for a second term comprising of five consecutive years at the forthcoming Annual General Meeting in accordance with Section 149 of the Companies Act 2013.

20. Compliance Certificate of the Auditors

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

For and on behalf of the Board

Gurugram
28th May, 2019

VIKRAM OBEROI
Managing Director

SUDIPTO SARKAR
Chairperson, Audit Committee

Declaration by the 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 of the Listing Regulations, I hereby confirm that all 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, 2019.

Gurugram
28th May, 2019

VIKRAM OBEROI
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(*Persuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI*
(*Listing Obligations and Disclosure Requirements*) Regulations, 2015)

To,
The Members of
EIH Associated Hotels Limited
1/24, GST Road, Meenambakkam,
Chennai-600027

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of EIH Associated Hotels Limited having CIN L92490TN1983PLC009903 and having registered office at 1/24, GST Road, Meenambakkam, Chennai-600027 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|--------------------------|----------|--------------------------------|
| 1. | Prithviraj Singh Oberoi | 00051894 | 07/10/1988 |
| 2. | Shib Sanker Mukherji | 00103770 | 07/10/1988 |
| 3. | Vikramjit Singh Oberoi | 00052014 | 23/06/2015 |
| 4. | Ganesh Lakshminarayan | 00012583 | 23/03/1994 |
| 5. | Akshay Rajan Raheja | 00288397 | 28/05/2015 |
| 6. | Anil Kumar Nehru | 00038849 | 22/11/2004 |
| 7. | Sudipto Sarkar | 00048279 | 28/03/2009 |
| 8. | Surin Shailesh Kapadia | 00770828 | 05/08/2016 |
| 9. | Radhika Vijay Haribhakti | 02409519 | 08/08/2014 |

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dr. Ajay Kumar Jain
Principal Consultant & Partner

JUS & Associates
Company Secretary
Membership No. FCS-1551
Certificate of Practice No.: 21898
Firm Registration No.: P2010DE073000

Place: New Delhi
Date: 21/05/2019

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
EIH Associated Hotels Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated September 28, 2018 and addendum dated January 5, 2019.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of EIH ASSOCIATED HOTELS LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. 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.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Gurugram
Date: May 28, 2019

Alka Chadha
Partner
(Membership No. 93474)

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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**” (“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 March 31, 2019 (“the financial year”), 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 March 31, 2018, 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 regulations are not applicable to the Company during the Financial Year since the Company has not raised any money from the public and hence, these regulations have not been considered for the purpose of this report.
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. However, the regulations are not applicable to the Company during the financial year since the Company does not have any such scheme in operation and hence, these regulations have not been considered for the purpose of this report.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time. However, the regulations are not applicable to the Company during the financial year since the Company has not raised any money through debt securities from the public and hence, these regulations have not been considered for the purpose of this report.
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time. However, the regulations did not applicable to the Company during the financial year.
 - (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 financial year since the Company has not bought back any of its securities and hence, these regulations have not been considered for the purpose of this report.
- vi) Other significant laws specifically applicable to the Company, including:
- (a) 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) Phonographic and Performance License.
 - (f) Indian Explosives Act, 1884 and Rules made there under.
 - (g) The Apprentices Act, 1961 and Rules made there under.
 - (h) Indian Boiler Act, 1923

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) The Listing Agreements entered into by the Company with The National Stock Exchange of India Limited and BSE Limited.

- (iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, read with circulars issued there under.

During the financial year, 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 ("the Board") 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.
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 Company has obtained approval of shareholders under Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, through postal ballot in respect for the following:
 - i) Continuation of Mr. Prithviraj Singh Oberoi as Non-executive Chairman;
 - ii) Re-appointment of Mr. Anil Kumar Nehru as Non-executive Independent Director under Section 149, 152 read with Schedule IV and other applicable Rules and Regulations of Companies Act, 2013 and Regulation 16 and 17(1A) and other applicable provisions under Listing Regulations.

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 report received by the Company from its hotels, resorts and service units etc. 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 and Goods and Services 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 financial year and brief of the same has also been disclosed in the Independent Auditors' Report.
- iv) Applicable state and central laws, including those relating to Environment, Food Safety & Standards, Apprentice and Performance License, pertaining to the operations of the Company. However, notices from the statutory authorities, whenever received, are reported as part of Board process for compliance reporting and appropriate action is taken from time to time.

For **JUS & Associates**
Company Secretaries

Dr. Ajay Kumar Jain
Principal Consultant & Partner
Membership Number: FCS-1551

Certificate of Practice Number: 21898

Firm Registration Number: P2010DE073000

Place: New Delhi
Date: 24th May, 2019

SECRETARIAL COMPLIANCE REPORT

For the year ended March 31, 2019

*[Pursuant to Circular No. CIR/CFD/CMDI/27/2019 dated February 8, 2019 issued by
Securities and Exchange Board of India]*

To,
The Members ,
Elh Associated Hotels Limited
1/24, GST Road, Meenambakkam,
Chennai-600027

We have examined:

- a) all the documents and records made available to us and explanation provided by **Elh Associated Hotels Limited** ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the Stock Exchanges.
- c) website of the listed entity.
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended March 31, 2019 ("Review Period") in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; However, the regulations are not applicable to the Company during the financial year since the Company has not raised any money from the public and hence, these regulations have not been considered for the purpose of this report.
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; However, the regulations are not applicable to the Company during the financial year since the Company has not bought back any of its securities and hence, these regulations have not been considered for the purpose of this report.

- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; However, the regulations are not applicable to the Company during the financial year since the Company does not have any such scheme in operation and hence, these regulations have not been considered for the purpose of this report.
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; However, the regulations are not applicable to the Company during the financial year since the Company has not raised any money through debt securities from the public and hence, these regulations have not been considered for the purpose of this report.
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; However, the regulations are not applicable to the Company during the financial year since the Company has not raised any money through issue of Non-Convertible and Redeemable Preference Shares and hence, these regulations have not been considered for the purpose of this report.
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued there under;

and based on the above examination, we hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:

| Sr. No | Compliance Requirement (Regulations/circulars/guidelines including specific clause) | Deviations | Observations/Remarks of the Practicing Company Secretary |
|--------|--|--|---|
| 1. | <p>Grievance Redressal Mechanism Regulation 13 (3) of SEBI (LODR) Regulations, 2015</p> <p>The listed entity shall file with the Recognised stock exchange(s) on a quarterly basis, within twenty one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved unresolved at the end of the quarter.</p> | Late filing of Statement to the Stock Exchanges for the quarter ended March 31, 2019 | The Company filed the Statement on April 23 as against the due date of April 21, 2019 causing imposition of penalty of Rs. 1000 plus taxes from BSE as well as NSE. |

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from our examination of those records.

- c) The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued there under:

| Sr. No. | Action taken by | Details of violation | Details of action taken e.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|---------|-----------------|----------------------|---|--|
| N.A. | N.A. | N.A. | N.A. | N.A. |

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|---------|--|---|--|--|
| N.A. | N.A. | N.A. | N.A. | N.A. |

For **JUS & Associates**
Company Secretaries

Dr. Ajay Kumar Jain

Principal Consultant & Partner

Membership Number: FCS-1551

Certificate of Practice Number: 21898

Firm Registration Number: P2010DE073000

Place: New Delhi

Date: 24th May, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of
EIH Associated Hotels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **EIH ASSOCIATED HOTELS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be key audit matter to be communicated in our report.

| Key audit matter | Auditor's Response |
|---|---|
| <p>Contingent liabilities in respect of claims against the Company not acknowledged as debts [Refer Note 1(r), 3(ii) and 39 (a) to the financial statements]:</p> <p>The Company has uncertain tax positions and legal claims including matters under dispute which involve estimation uncertainty in determining the likely outcome of tax/legal matters by the management. For the current year ended March 31, 2019, we believe there is a risk relating to ongoing tax/legal matters amounting to Rs. 89.41 million which is disclosed in Note 39 (a) to the financial statements. The amounts involved are significant and application of the accounting standard to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective. This includes assumptions relating to the likelihood and/or timing of cash outflows from the business and the pending decisions of the appropriate authorities.</p> <p>Due to the uncertainty involved in determining the likely outcome of the tax/legal matters by the management, the above matter has been identified as a key audit matter.</p> | <p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • Obtained an understanding of the processes for determining the likely outcome of tax/legal matters. Tested the design, implementation and operating effectiveness of relevant internal controls relating to the monitoring of known exposures. • Discussed the status of tax/legal matters based on the summary of litigation matters obtained from the management and reviewed the relevant underlying documents; • Assessed the value of the contingent liabilities in light of the nature of the legal exposures and the related correspondences; • Assessed the competency, objectivity and capability of the legal counsel involved. • Obtained management assessment and confirmations in certain cases from the Company's legal counsel/tax consultants for the possible outcome of the outstanding cases related to tax and legal claims; • Involved our internal tax specialists to challenge the underlying assumptions in estimating the possible outcome of the disputes. Our internal direct tax and indirect tax specialists also considered the legal precedence and other rulings in evaluating management's position on these uncertain tax positions. |

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including annexures to the Directors' Report, Report on Corporate Governance but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the

other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these 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 Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section

143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided remuneration to its directors during the year in accordance with the provisions of section 197 of the Act.

- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note 39 (a) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer note 36 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company – Refer note 48 to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "ANNEXURE B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha
Partner
(Membership No. 93474)

Place: Gurugram
Date: May 28, 2019

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 of March 31, 2019 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 Board of Directors 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 March 31, 2019, based on the criteria for internal financial control over financial reporting 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Place: Gurugram
Date: May 28, 2019

Alka Chadha
Partner
(Membership No. 93474)

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’
section of our report of even date)

- (i) In respect of its property, plant and equipment:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b. The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed and conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for a cash credit facility are held in the name of the Company based on the confirmation directly received by us from lender. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- c. Details of dues of Income-tax, Service Tax, Value Added Tax and Luxury Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Forum where dispute is pending | Period | Amount unpaid (₹ Million) |
|--|-----------------|--|---------------------|---------------------------|
| The Income Tax Act, 1961 | Income Tax | Income Tax Appellate Tribunal | 2004-05 ^ | Nil |
| The Income Tax Act, 1961 | Income Tax | Madras High Court | 2005-06 ^ | Nil |
| Sub-total | | | | Nil ## |
| Finance Act, 1994 | Service tax | Commissioner (Appeals) | 2004-07 and 2012-16 | 2.82 |
| Finance Act, 1994 | Service tax | Customs, Excise and Service Tax Appellate Tribunal | 2008-13 | 13.12 |
| Sub-total | | | | 15.94 # |
| The Rajasthan Value Added Tax Act, 2003 | Value Added Tax | Deputy Commissioner (Appeals) | 2014-15 to 2015-16 | Nil |
| | Value Added Tax | Rajasthan Tax Board | 2011-12 to 2013-14 | Nil |
| The Tamil Nadu Value Added Tax Act, 2006 | Value Added Tax | Appellate Tribunal | 2011-12 | 1.08 |
| The Orissa Value Added Tax Act, 2004 | Value Added Tax | Sales Tax Tribunal | 1999-00 | 0.07 |
| The Uttar Pradesh Value Added Tax Act, 2008 | Value Added Tax | Allahabad High Court | 2007-08 | 0.12 |
| Sub-total | | | | 1.27 ^^ |
| The Rajasthan Tax on Luxuries (in Hotels and Lodging Houses) Act, 1990 | Luxury Tax | Rajasthan High Court | 2010-11 to 2013-14 | 1.77 |
| Tamil Nadu Tax on Luxuries Act, 1981 | Luxury Tax | Joint Commissioner | 2007-08 to 2011-12 | 14.56 |
| The Himachal Pradesh Tax on Luxuries (In Hotels and Lodging House) Act, 1979 | Luxury Tax | Himachal Pradesh High Court | 2008-09 to 2015-16 | 4.72 |
| Sub-total | | | | 21.05 ** |

^Period represents assessment year

Net of Rs. 16.47 million paid under protest

Net of Rs. 1.38 million paid under protest

^^ Net of Rs. 11.42 million paid under protest

**Net of Rs. 3.85 million paid under protest

- There are no dues in respect of Sales Tax, Customs Duty, Excise Duty and Goods and Services Tax which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
 - (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
 - (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
 - (xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration during the year in accordance with the provisions of Section 197 of the Companies Act, 2013 and hence reporting under clause (xi) of CARO 2016 is not applicable to the Company.
 - (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
 - (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 - (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
 - (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, as applicable, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
 - (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Place: Gurugram
Date: May 28, 2019

Alka Chadha
Partner
(Membership No. 93474)

Balance Sheet

As at March 31, 2019

| | Note | As at March 31, 2019 | Rupees Million As at March 31, 2018 |
|--|--------|-------------------------|---|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 4 | 2,508.00 | 2,427.52 |
| (b) Capital work-in-progress | | 40.32 | 26.03 |
| (c) Intangible assets | 5 | 7.56 | 6.15 |
| (d) Financial assets | | | |
| (i) Investments | 6 | 0.34 | 0.41 |
| (ii) Other financial assets | 7 (i) | 23.93 | 171.32 |
| (e) Tax assets (net) | 8 | 24.38 | 39.31 |
| (f) Other non-current assets | 9 | 180.58 | 162.46 |
| Total non-current assets | | <u>2,785.11</u> | <u>2,833.20</u> |
| Current assets | | | |
| (a) Inventories | 10 | 103.00 | 101.87 |
| (b) Financial assets | | | |
| (i) Investments | 11 | 454.38 | 398.10 |
| (ii) Trade receivables | 12 | 315.04 | 285.36 |
| (iii) Cash and cash equivalents | 13 | 55.00 | 44.64 |
| (iv) Other bank balances | 14 | 322.75 | 4.79 |
| (v) Other financial assets | 7 (ii) | 3.25 | 8.49 |
| (c) Other current assets | 15 | 70.59 | 79.21 |
| Total current assets | | <u>1,324.01</u> | <u>922.46</u> |
| TOTAL ASSETS | | <u>4,109.12</u> | <u>3,755.66</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 16 | 304.68 | 304.68 |
| (b) Other equity | 17 | 2,930.96 | 2,718.01 |
| Total equity | | <u>3,235.64</u> | <u>3,022.69</u> |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 9.70 | 11.57 |
| (ii) Other financial liabilities | 19 | 6.80 | 6.15 |
| (b) Provisions | 20 | 19.50 | 20.36 |
| (c) Deferred tax liabilities (net) | 21 | 366.12 | 284.81 |
| (d) Other non-current liabilities | 22 | 0.29 | 0.27 |
| Total non-current liabilities | | <u>402.41</u> | <u>323.16</u> |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 23 | 1.61 | 2.66 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 24 | 374.37 | 314.50 |
| (ii) Other financial liabilities | 25 | 39.90 | 10.92 |
| (b) Provisions | 20 | 6.91 | 8.51 |
| (c) Other current liabilities | 26 | 48.28 | 73.22 |
| Total current liabilities | | <u>471.07</u> | <u>409.81</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>4,109.12</u> | <u>3,755.66</u> |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

Alka Chadha
Partner
(Membership Number 93474)

Date: May 28, 2019
Place: Gurugram

For and on behalf of the Board of Directors

| | |
|--|--|
| <p>VIKRAM OBEROI Managing Director (DIN No.: 00052014)</p> <p>SAMIDH DAS Chief Financial Officer</p> | <p>SUDIPTO SARKAR Director (DIN No: 00048279)</p> <p>INDRANI RAY Company Secretary</p> |
|--|--|

Statement of Profit and Loss for the year ended March 31, 2019

| | Note | Year Ended March 31, 2019 | Rupees Million Year Ended March 31, 2018 |
|--|--------|------------------------------|--|
| Income | | | |
| Revenue from operations | 27 | 2,641.82 | 2,635.68 |
| Other income | 28 | 95.18 | 56.99 |
| Total income | | <u>2,737.00</u> | <u>2,692.67</u> |
| Expenses : | | | |
| Consumption of provisions, wines and others | 29 | 204.55 | 211.78 |
| Excise duty | | - | 0.43 |
| Employee benefits expense | 30 | 561.02 | 553.27 |
| Finance costs | 31 | 4.34 | 3.97 |
| Depreciation and amortisation expense | 32 | 142.62 | 140.88 |
| Other expenses | 33 | 1,241.02 | 1,195.74 |
| Total expenses | | <u>2,153.55</u> | <u>2,106.07</u> |
| Profit before tax | | 583.45 | 586.60 |
| Tax expense | | | |
| Income tax | 34 (a) | 207.18 | 210.11 |
| Deferred tax | 34 (b) | (3.11) | (1.45) |
| Profit after tax | | <u>379.38</u> | <u>377.94</u> |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Remeasurements of post-employment benefit obligations | | (1.75) | (0.92) |
| - Tax relating to these items | | 0.61 | 0.32 |
| Total other comprehensive income/(loss), net of tax | | <u>(1.14)</u> | <u>(0.60)</u> |
| Total comprehensive income | | <u>378.24</u> | <u>377.34</u> |
| Earnings per equity share (in INR)- Face Value INR 10 | 43 | | |
| (1) Basic | | 12.45 | 12.40 |
| (2) Diluted | | 12.45 | 12.40 |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

Alka Chadha
Partner
(Membership Number 93474)

Date: May 28, 2019
Place: Gurugram

For and on behalf of the Board of Directors

VIKRAM OBEROI
Managing Director
(DIN No.: 00052014)

SAMIDH DAS
Chief Financial Officer

SUDIPTO SARKAR
Director
(DIN No: 00048279)

INDRANI RAY
Company Secretary

Statement of Cash Flows for the year ended March 31, 2019

| | Year Ended March 31, 2019 | Rupees Million Year Ended March 31, 2018 |
|--|------------------------------|--|
| Cash flows from operating activities | | |
| Profit before tax | 583.45 | 586.60 |
| Adjustments for: | | |
| Dividend income from investments measured at fair value through profit or loss | (14.80) | (12.24) |
| Interest income from financial assets carried at amortised cost | (20.91) | (2.38) |
| Interest income on income tax refund | (1.62) | - |
| Provisions and liabilities no longer required, written back | (1.40) | (5.23) |
| Fair value changes on equity investments measured at fair value through profit or loss | (3.99) | (0.19) |
| Finance costs | 4.34 | 3.97 |
| Depreciation and amortisation expense | 142.62 | 140.88 |
| Loss on sale / discard of property, plant and equipment (net) | 14.03 | 9.03 |
| Provision for doubtful debts | 1.23 | 3.42 |
| Bad debts and advances written off | - | 3.77 |
| Change in operating assets and liabilities | | |
| (Increase) / decrease in trade receivables | (30.86) | (56.85) |
| (Increase) / decrease in inventories | (1.13) | 6.66 |
| Increase / (decrease) in trade payables | 60.17 | 45.15 |
| (Increase) / decrease in other financial assets | 1.66 | 0.70 |
| (Increase) / decrease in other non-current assets | (6.84) | (23.62) |
| (Increase) / decrease in other current assets | 8.62 | 26.81 |
| Increase / (decrease) in provisions | (4.21) | 1.58 |
| Increase / (decrease) in other financial liabilities | 0.08 | 13.48 |
| Increase / (decrease) in other non-current liabilities | 0.02 | (0.05) |
| Increase / (decrease) in other current liabilities | (24.94) | (40.91) |
| Cash generated from operations | <u>705.52</u> | <u>700.58</u> |
| Income taxes paid (net of refund) | (107.22) | (131.17) |
| Interest on Income tax refund | 1.62 | - |
| Net cash inflow from operating activities | <u>599.92</u> | <u>569.41</u> |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (242.46) | (107.26) |
| Proceeds from sale of property, plant and equipment | 6.94 | 1.30 |
| Sale of investments in equity shares | 0.07 | - |
| Dividend income from financial asset measured at fair value | - | 1.48 |
| Investment in mutual funds | (37.49) | (206.18) |
| Investment in fixed deposits with maturity of more than twelve months | - | (150.00) |
| Changes in other bank balances | | |
| - placed | (167.96) | (1.40) |
| Interest received | 21.88 | 1.42 |
| Net cash used in investing activities | <u>(419.02)</u> | <u>(460.64)</u> |

Statement of Cash Flow – *Contd.*

| | Rupees Million | |
|---|--------------------------------------|--------------------------------------|
| | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
| Cash flow from financing activities | | |
| Proceeds from borrowings | 4.80 | 10.12 |
| Repayment of borrowings | (6.12) | (4.39) |
| Interest paid | (4.34) | (3.97) |
| Dividends paid | (136.70) | (137.14) |
| Dividend distribution tax | (28.18) | (27.91) |
| Net cash used in financing activities | (170.54) | (163.29) |
| Net increase / (decrease) in cash and cash equivalents | 10.36 | (54.52) |
| Cash and cash equivalents at the beginning of the year | 44.64 | 99.16 |
| Cash and cash equivalents at the end of the year | 55.00 | 44.64 |

Notes:

The above Statement of Cash Flows has been prepared under the “Indirect Method” as set out in Ind AS - 7 “Statement of Cash Flows”.

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

Alka Chadha
Partner
(Membership Number 93474)

Date: May 28, 2019
Place: Gurugram

For and on behalf of the Board of Directors

VIKRAM OBEROI
Managing Director
(DIN No.: 00052014)

SAMIDH DAS
Chief Financial Officer

SUDIPTO SARKAR
Director
(DIN No: 00048279)

INDRANI RAY
Company Secretary

Statement of changes in Equity for the year ended March 31, 2019

Rupees Million

A. Equity share capital

| | |
|---|--------|
| Balance as at April 1, 2017 | 304.68 |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2018 | 304.68 |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2019 | 304.68 |

B. Other equity

| | Reserves and surplus | | | | | Total other equity |
|--|----------------------------|-----------------|--------------------|-----------------|-----------------------------|--------------------|
| | Capital redemption reserve | Capital reserve | Securities premium | General reserve | Retained earnings (surplus) | |
| Balance as at April 1, 2017 | 100.00 | 8.48 | 1,077.00 | 625.46 | 694.75 | 2,505.69 |
| Profit after tax | - | - | - | - | 377.94 | 377.94 |
| Other comprehensive income/(loss), net of tax | - | - | - | - | (0.60) | (0.60) |
| Total comprehensive income for the year | - | - | - | - | 377.34 | 377.34 |
| Allocations and/or appropriations: | | | | | | |
| Final dividend (FY 2016-17) | - | - | - | - | (137.11) | (137.11) |
| Dividend distribution tax | - | - | - | - | (27.91) | (27.91) |
| Balance as at March 31, 2018 | 100.00 | 8.48 | 1,077.00 | 625.46 | 907.07 | 2,718.01 |
| Profit after tax | - | - | - | - | 379.38 | 379.38 |
| Other comprehensive income/(loss), net of tax | - | - | - | - | (1.14) | (1.14) |
| Total comprehensive income for the year | - | - | - | - | 378.24 | 378.24 |
| Allocations and/or appropriations: | | | | | | |
| Final dividend (FY 2017-18) | - | - | - | - | (137.11) | (137.11) |
| Dividend distribution tax | - | - | - | - | (28.18) | (28.18) |
| Balance as at March 31, 2019 | 100.00 | 8.48 | 1,077.00 | 625.46 | 1,120.02 | 2,930.96 |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. 117366W/W-100018

Alka Chadha
Partner
(Membership Number 93474)

Date: May 28, 2019
Place: Gurugram

For and on behalf of the Board of Directors

VIKRAM OBEROI
Managing Director
(DIN No.: 00052014)

SUDIPTO SARKAR
Director
(DIN No.: 00048279)

SAMIDH DAS
Chief Financial Officer

INDRANI RAY
Company Secretary

Notes to Financial Statements

General Information

EIH Associated Hotels Limited ("the Company") is a public 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 Financial Statements of EIH Associated Hotels Limited. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Indian Accounting Standard (Ind AS)

The Financial Statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, as a going concern on accrual basis.

Accounting Policies have been consistently applied except where a new issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

(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 may 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 recognised in the period the same is determined.

b) Revenue recognition

- (i) Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied on contracts that were not completed as of April 1, 2018. Accordingly, the comparative information in the Statement of Profit and Loss has not been restated. The impact of adoption of the standard on financial statements of the Company is insignificant.
- (ii) Performance obligation in contract with customers is met throughout the stay of guest in the hotel or on rendering of services and sale of goods.
- (iii) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, value added taxes, goods and service taxes and amounts collected on behalf of third parties.
- (iv) Revenue from interest is recognised on accrual basis and determined by contractual rate of interest.
- (v) Interest income from debt instruments is recognised using the effective interest 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 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.
- (vi) Dividends are recognised in the Statement of Profit and 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.*

The Company recognises 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.

Timing of revenue recognition from major business activities

- Hospitality Services: Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable or when collectibility is certain.
- Others: Revenue from Shop License Fee, included under "Other Services" is recognised on accrual basis as per terms of the contract.
- Revenue in respect of customer loyalty program are recognised when loyalty points are redeemed by the customers or on its expiry.

c) **Foreign Currency translation**

(i) Presentation Currency:

The financial statements are presented in INR which is the Functional Currency of the Company.

(ii) Transactions and balances

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment is insignificant.

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 into the reporting currency of the corresponding receivables at the year end.

Payments made in foreign currency 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 recognised based on the taxable profit for the year 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 financial statements, using tax rates and tax laws that have been enacted or prescribed on the date of balance sheet.

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

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

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 are recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case, the taxes are also recognised in other comprehensive income or directly in equity, respectively.

Notes to Financial Statements – *Contd.*

Minimum Alternate Tax (MAT) 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 recognised as deferred tax asset in the Balance Sheet.

f) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, ("CODM").

The Board of Directors of the Company, which has been identified as being the CODM, generally assesses the financial performance and position of the Company and makes strategic decisions.

g) 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 capitalised at the lease's 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 Statement of Profit and 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 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 presented in the balance sheet based on their nature.

h) 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. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

i) 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.

j) 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.

Notes to Financial Statements – *Contd.*

k) Inventories

Inventories are valued at cost, based on cumulative weighted average method or net realisable value, whichever is lower. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale. Unserviceable/damaged/discarded stocks and shortages are charged to the Statement of Profit and Loss.

l) 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 and loss are expensed in the Statement of Profit and 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:

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 asset's 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 Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and 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 (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. 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 at each reporting date whether a financial asset (or a group of financial assets) such as investments, advances and security deposits held at amortised cost and financial assets that are measured at fair

Notes to Financial Statements – *Contd.*

value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort.

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 36 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 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 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.

m) Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption/settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

n) 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 accumulated 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.

Notes to Financial Statements – *Contd.*

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

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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 1, 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 machinery and buildings 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 46 years and 56 years with effect from March 31, 2019 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 Statement of Profit and Loss within other gains/ (losses).

o) 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 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

p) Trade and other payables

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

q) 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

Notes to Financial Statements – *Contd.*

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.

r) 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 disclosed 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.

s) 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.

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

Notes to Financial Statements – *Contd.*

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.

t) Dividends

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

u) 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.

v) 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 recognised 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/incentives are recognised at fair value as income when there is reasonable assurance that the grants/incentives will be received.

w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million with two decimals 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:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not early adopted.

Ind AS 116, Leases:

On March 30, 2019, MCA has notified Ind AS 116, Leases which will replace the existing leases standard, Ind AS 17 Leases, and related interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosures of leases for both lessors and lessees. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for leases. It substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual reporting periods beginning on or after April 1, 2019. The Company proposes to use the simpler approach for transitioning to Ind AS 116 and take the cumulative adjustment to retained earnings, on the date of initial application, i.e., April 1, 2019. Accordingly, the comparatives of the year ended March 31, 2019 will not be restated. On transition, the Company will be using certain practical expedients that are available.

Currently, the operating lease expenses are charged to the Statement of Profit and Loss.

The Company is in the process of evaluating the impact of this on its financial statements.

Ind AS 12, Income Taxes:

On March 30, 2019, MCA issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of this on its financial statements.

On March 30, 2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while determining the taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company proposes to adjust the cumulative effect of application of Appendix C in equity on the date of initial application i.e., April 1, 2019 without adjusting comparatives.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of this on its financial statements.

Ind AS 19, Employee Benefits

On March 30, 2019, MCA has issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

This amendment requires an entity to:

- (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of this on its financial statements.

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 information about the areas involving 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.

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.

Detailed information about each of these estimates on judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the financial statements.

The areas involving critical estimates are:

(i) Useful life of the hotel buildings [refer note 1 (n) and note 4]

The Company has adopted useful life of property, plant and equipment 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 as on March 31, 2019, the balance useful life of the hotel buildings ranges between 46 to 56 years. The carrying amount of the hotel building is being depreciated over its residual life. Based on management evaluation performed at each meeting period, there has been no change in the earlier assessed useful life.

(ii) Contingent liabilities [refer note 1 (r) and note 39(a)]

The Company has ongoing litigations with various regulatory authorities and third parties with respect to tax/legal matters. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. These are subjective in nature and involve estimation uncertainty in determining the likely outcome of such tax/legal matters.

Notes to Financial Statements – Contd.

4 Property, plant and equipment

| | | Rupees Million | | | | | |
|-----|------------------------------------|-----------------------------|---------------------------|-----------------------------------|------------------------------|---------------|----------------------|
| | | Gross carrying amount | | | Accumulated Depreciation | | |
| | | Balance as at April 1, 2017 | Additions during the year | Sales/ adjustment during the year | Balance as at March 31, 2018 | For the year | As at March 31, 2018 |
| (a) | Land | 31.38 | - | - | 31.38 | - | 31.38 |
| (b) | Freehold land (Refer note 1 below) | 15.92 | - | - | 15.92 | 0.22 | 15.27 |
| (c) | Buildings | 1,943.37 | 13.18 | 4.47 | 1,952.08 | 49.36 | 1,805.92 |
| (d) | Leasehold buildings | 0.20 | - | - | 0.20 | 0.01 | 0.17 |
| (e) | Plant and equipment | 591.82 | 70.95 | 7.28 | 655.49 | 61.10 | 463.57 |
| (f) | Furniture and fittings | 74.01 | 4.59 | 0.15 | 78.45 | 8.33 | 53.22 |
| (g) | Vehicles | 38.96 | 2.00 | 0.09 | 40.87 | 5.32 | 23.92 |
| (h) | Vehicles taken on finance lease | 14.51 | 10.12 | 2.13 | 22.50 | 4.04 | 15.06 |
| (i) | Office equipment | 0.99 | - | 0.03 | 0.96 | 0.09 | 0.47 |
| (j) | Others | 0.17 | - | - | 0.17 | 0.03 | 0.08 |
| (k) | Boats | 2.47 | - | - | 2.47 | 0.12 | 2.13 |
| (l) | Computer | 42.53 | 6.61 | 0.90 | 48.24 | 9.96 | 16.33 |
| | Total | 2,756.33 | 107.45 | 15.05 | 2,848.73 | 138.58 | 2,427.52 |
| | | Gross carrying amount | | | Accumulated Depreciation | | |
| | | Balance as at April 1, 2018 | Additions during the year | Sales/ adjustment during the year | Balance as at March 31, 2019 | For the year | As at March 31, 2019 |
| (a) | Land | 31.38 | - | - | 31.38 | - | 31.38 |
| (b) | Freehold land (Refer note 1 below) | 15.92 | - | - | 15.92 | 0.22 | 15.05 |
| (c) | Buildings | 1,952.08 | 70.84 | 17.68 | 2,005.24 | 50.69 | 1,812.77 |
| (d) | Leasehold buildings | 0.20 | - | - | 0.20 | 0.01 | 0.16 |
| (e) | Plant and equipment | 655.49 | 106.08 | 10.51 | 751.06 | 61.90 | 502.19 |
| (f) | Furniture and fittings | 78.45 | 38.93 | 0.64 | 116.74 | 10.56 | 81.20 |
| (g) | Vehicles | 40.87 | 10.68 | 0.22 | 51.33 | 5.19 | 29.30 |
| (h) | Vehicles taken on finance lease | 22.50 | 4.80 | 3.96 | 23.34 | 4.91 | 13.69 |
| (i) | Office equipment | 0.96 | 0.43 | 0.09 | 1.30 | 0.12 | 0.72 |
| (j) | Others | 0.17 | - | - | 0.17 | 0.03 | 0.05 |
| (k) | Boats | 2.47 | 1.46 | - | 3.93 | 0.16 | 3.43 |
| (l) | Computer | 48.24 | 8.39 | 0.63 | 56.00 | 6.37 | 18.06 |
| | Total | 2,848.73 | 241.61 | 33.73 | 3,056.61 | 140.16 | 2,508.00 |

Notes:

- Leasehold land
Under Ind AS, the Company has classified the above land lease as finance lease on the basis of terms and conditions of the lease agreement. The Company has the right to use of land together with renewal rights.
- Assets held as security
Refer to note 36 for disclosure of assets held as security.
- Contractual obligations
Refer note 40 for disclosure of contractual commitments for acquisition of property plant and equipment.

Notes to Financial Statements – Contd.

5 Intangible assets

| | Gross carrying amount | | | | | Accumulated Amortisation | | | | Rupees Million |
|-------------------|-----------------------------|---------------------------|----------------------------------|------------------------------|-----------------------------|--------------------------|-------------------|----------------------|-------------------------------------|----------------|
| | Balance as at April 1, 2017 | Additions during the year | Sales/adjustment during the year | Balance as at March 31, 2018 | Balance as at April 1, 2017 | For the year | Sales/Adjustments | As at March 31, 2018 | Carrying value as at March 31, 2018 | |
| Computer software | 10.94 | 0.52 | - | 11.46 | 3.01 | 2.30 | - | 5.31 | 6.15 | |
| Total | 10.94 | 0.52 | - | 11.46 | 3.01 | 2.30 | - | 5.31 | 6.15 | |

| | Gross carrying amount | | | | | Accumulated Amortisation | | | | Rupees Million |
|-------------------|-----------------------------|---------------------------|----------------------------------|------------------------------|-----------------------------|--------------------------|-------------------|----------------------|-------------------------------------|----------------|
| | Balance as at April 1, 2018 | Additions during the year | Sales/adjustment during the year | Balance as at March 31, 2019 | Balance as at April 1, 2018 | For the year | Sales/Adjustments | As at March 31, 2019 | Carrying value as at March 31, 2019 | |
| Computer software | 11.46 | 3.87 | - | 15.33 | 5.31 | 2.46 | - | 7.77 | 7.56 | |
| Total | 11.46 | 3.87 | - | 15.33 | 5.31 | 2.46 | - | 7.77 | 7.56 | |

Intangible assets are amortised on straight line basis over a period of 3 to 5 years.

Notes to Financial Statements – *Contd.*

| | Rupees Million | |
|---|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| 6 | | |
| Investments | | |
| Investments in equity instruments (fully paid, carried at fair value through profit or loss) | | |
| Unquoted | | |
| Nil (2018 - 100) equity shares of TCP Limited | - | 0.07 |
| 33,600 (2018 - 33,600) equity shares of Green Infra Wind Generation Limited | <u>0.34</u> | <u>0.34</u> |
| Total investments in equity instruments | <u>0.34</u> | <u>0.41</u> |
| Aggregate amount of unquoted investments | 0.34 | 0.41 |
| 7 | | |
| Other financial assets | | |
| i) Non-current financial assets | | |
| Fixed deposits with banks deposited with government authorities | 0.70 | 0.14 |
| Fixed deposits with maturity of more than twelve months | - | 150.00 |
| Security deposits | <u>23.23</u> | <u>21.18</u> |
| Total | <u>23.93</u> | <u>171.32</u> |
| ii) Current financial assets | | |
| Interest accrued | 0.02 | 0.99 |
| Other receivables / recoverable | 2.13 | 6.24 |
| Security deposits | <u>1.10</u> | <u>1.26</u> |
| Total | <u>3.25</u> | <u>8.49</u> |
| 8 | | |
| Tax assets (Net) | | |
| Opening balance | 39.31 | 35.51 |
| Add: Taxes paid / adjusted | 133.31 | 127.50 |
| Add: MAT credit utilised | 84.49 | 86.34 |
| Less: Current tax payable for the year | (206.64) | (210.04) |
| Less: Refund for earlier years received | <u>(26.09)</u> | <u>-</u> |
| Total | <u>24.38</u> | <u>39.31</u> |

Notes to Financial Statements – *Contd.*

| | As at March 31, 2019 | Rupees Million As at March 31, 2018 |
|---|-------------------------|---|
| 9 | | |
| Other non-current assets | | |
| (i) Capital advances | 17.39 | 6.11 |
| (ii) Prepaid expenses | 11.82 | 11.68 |
| (iii) Prepayments for lands on operating leases | 74.42 | 77.54 |
| (iv) Advance paid under protest | 48.15 | 45.66 |
| (v) Services export incentive | 28.80 | 21.47 |
| (vi) Other advances recoverable which have significant increase in credit risk - unsecured: | - | 0.13 |
| Less: Provision for doubtful advances | - | (0.13) |
| Total | 180.58 | 162.46 |

10 **Inventories**

| | | |
|---------------------------------|---------------|---------------|
| Provisions, wines and others | 32.80 | 28.72 |
| Stores and operational supplies | 70.20 | 73.15 |
| Total | 103.00 | 101.87 |

Inventories are valued at cost which is based on 'Cumulated Weighted Average Method' or net realisable value, whichever is lower.

The cost of inventories recognised as an expense during the year as consumption of provisions, wines and others was ₹ 204.55 Million (for the year ended March 31, 2018 : ₹ 211.78 Million).

| | As at March 31, 2019 | Rupees Million As at March 31, 2018 |
|---|-------------------------|---|
| 11 | | |
| Investments | | |
| Investment in mutual funds (Quoted) | | |
| (Carried at fair value through Statement of Profit and Loss) | | |
| Nil (2018 - 74,622.764) units of Birla Sun Life cash plus daily dividend direct reinvestment plan | - | 7.48 |
| Nil (2018 - 1,921,998.223) units of Aditya Birla Sun Life floating rate fund daily dividend direct reinvestment plan | - | 192.51 |
| 2,042,630.903 (2018 - Nil) units of ABSL Liquid Fund daily dividend direct reinvestment plan | 204.76 | - |
| 107,524.431 (2018 - Nil) units of ABSL Money Manager Fund Growth direct reinvestment plan | 27.05 | - |
| Nil (2018 - 4,119,544) units of Reliance Liquid Fund - treasury plan daily dividend direct reinvestment plan | - | 6.30 |
| Nil (2018 - 172,057.738) units of Reliance Liquid cash plan daily dividend direct reinvestment plan | - | 191.81 |
| 8,886.217 (2018 - Nil) units of Reliance Ultra Short Duration Fund-Direct growth plan | 27.16 | - |
| 127,775.727 (2018 - Nil) units of Reliance Liquid Fund-direct plan daily dividend option | 195.41 | - |
| Total | 454.38 | 398.10 |
| Aggregate amount of quoted investments and market value thereof | 454.38 | 398.10 |

Notes to Financial Statements – *Contd.*

| | Rupees Million | |
|--|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| 12 | | |
| Trade receivables* | | |
| Unsecured, considered good | | |
| Receivable from related parties | 6.58 | 4.50 |
| Receivable from other than related parties | 308.46 | 280.86 |
| | <u>315.04</u> | <u>285.36</u> |
| Unsecured, which have significant increase in credit risk | | |
| Receivable from other than related parties | 3.39 | 6.60 |
| Less: Allowance for doubtful trade receivables | (3.39) | (6.60) |
| | <u>-</u> | <u>-</u> |
| Total | <u>315.04</u> | <u>285.36</u> |
| * Read with note 36(B) | | |
| 13 | | |
| Cash and cash equivalents | | |
| Balances with banks | | |
| - Current accounts | 47.11 | 36.99 |
| Cheques on hand | 0.28 | 1.87 |
| Cash on hand | 5.39 | 5.58 |
| Fixed deposits with original maturity of less than three months | 2.22 | 0.20 |
| Total | <u>55.00</u> | <u>44.64</u> |
| 14 | | |
| Other bank balances | | |
| In other deposit accounts | | |
| - Bank deposits having more than 3 months but less than 12 months maturity | 317.93 | - |
| In earmarked accounts | | |
| - Balance held as margin money against guarantees | 1.25 | 1.72 |
| - Unpaid dividend accounts | 2.20 | 1.79 |
| - Rights issue refund account | 0.02 | - |
| - Other earmarked accounts* | 1.35 | 1.28 |
| Total | <u>322.75</u> | <u>4.79</u> |
| * deposited with government authorities | | |
| 15 | | |
| Other current assets | | |
| Prepaid expenses | 35.93 | 30.61 |
| Prepayments for lands on operating leases | 3.11 | 3.11 |
| Services export incentive | 21.47 | 35.18 |
| Other advances | 10.08 | 10.31 |
| Total | <u>70.59</u> | <u>79.21</u> |

Notes to Financial Statements – Contd.

| | Rupees Million | |
|---|----------------------------|----------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| 16 | | |
| Equity share capital | | |
| AUTHORISED | | |
| 75,000,000 Equity shares of ₹ 10 each (2018 - 75,000,000) | 750.00 | 750.00 |
| 1,000,000 Redeemable preference shares of ₹ 100 each (2018 - 1,000,000) | 100.00 | 100.00 |
| | 850.00 | 850.00 |
| ISSUED, SUBSCRIBED AND FULLY PAID | | |
| 30,468,147 Equity shares of ₹ 10 each, fully paid up (2018 - 30,468,147) | 304.68 | 304.68 |
| | 304.68 | 304.68 |

(i) Reconciliation of equity share capital

| | Number of shares | Equity share capital (par value) (Rupees Million) |
|-----------------------------|---------------------|---|
| As at April 1, 2017 | 30,468,147 | 304.68 |
| Changes during the year | - | - |
| As at March 31, 2018 | 30,468,147 | 304.68 |
| Changes during the year | - | - |
| As at March 31, 2019 | 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 ₹ 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, 2019 | | As at March 31, 2018 | |
|--|----------------------|-----------|----------------------|-----------|
| | Number of Shares | Holding % | Number of Shares | Holding % |
| EIH Limited | 11,215,118 | 36.81 | 11,215,118 | 36.81 |
| Satish B Raheja | 6,784,711 | 22.27 | 6,784,711 | 22.27 |
| National Westminster Bank PLC, as Trustee of the Jupiter India Fund | 3,041,111 | 9.98 | 3,041,111 | 9.98 |
| Manali Investments & Finance Private Limited | 2,276,617 | 7.47 | 2,276,617 | 7.47 |
| Coronet Investments Private Limited | 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 (2018 - 30,468,147) equity shares, 9,086,666 (2018 - 9,086,666) equity shares of ₹ 10 each have been allotted as fully paid up in 2006-2007 pursuant to Scheme of Amalgamation of Indus Hotels Corporation Limited with the Company without payments being received in cash.

Notes to Financial Statements – *Contd.*

| | As at March 31, 2019 | Rupees Million As at March 31, 2018 |
|---|-------------------------|---|
| 17 | | |
| Other equity | | |
| Reserves and surplus | | |
| Capital redemption reserve | 100.00 | 100.00 |
| Capital reserve | 8.48 | 8.48 |
| Securities premium | 1,077.00 | 1,077.00 |
| General reserve | 625.46 | 625.46 |
| Retained earnings (surplus) | 1,120.02 | 907.07 |
| Total other equity | <u>2,930.96</u> | <u>2,718.01</u> |
| Capital redemption reserve | | |
| Opening balance | 100.00 | 100.00 |
| Add: Adjustment | - | - |
| Closing balance | <u>100.00</u> | <u>100.00</u> |
| Capital reserve | | |
| Opening balance | 8.48 | 8.48 |
| Add: Adjustment | - | - |
| Closing balance | <u>8.48</u> | <u>8.48</u> |
| Securities premium | | |
| Opening balance | 1,077.00 | 1,077.00 |
| Add: Adjustment | - | - |
| Closing balance | <u>1,077.00</u> | <u>1,077.00</u> |
| General reserve | | |
| Opening balance | 625.46 | 625.46 |
| Add: Transfer from surplus | - | - |
| Closing balance | <u>625.46</u> | <u>625.46</u> |
| Retained earnings (surplus) | | |
| Opening balance | 907.07 | 694.75 |
| Add: Profit during the year as per Statement of Profit and Loss | 379.38 | 377.94 |
| Less: Appropriations | | |
| Final dividend | (137.11) | (137.11) |
| Dividend distribution tax | (28.18) | (27.91) |
| Other Comprehensive Income recognised directly in retained earnings | | |
| – Remeasurements of post-employment benefit obligation, net of tax | (1.14) | (0.60) |
| Closing balance | <u>1,120.02</u> | <u>907.07</u> |

Nature and purpose of reserves

(i) Capital redemption reserve

Capital redemption reserve represents the statutory reserve created by the Company on the redemption of its preference share capital issued and redeemed under previous GAAP. The same can be utilised by the Company for issuing fully paid bonus shares.

(ii) Securities premium

Securities premium represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(iii) Capital reserve

The Capital reserve includes the government grant received in the nature of subsidy, where no repayment is ordinarily expected in respect thereof and on amalgamation where the net value of the assets acquired exceeds over the purchase consideration.

Notes to Financial Statements – *Contd.*

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Non-current borrowings

| | | | | Rupees Million | |
|---|----------------|---------------------|---------------------------------|----------------------|----------------------|
| | Maturity Date | Terms of repayments | Coupon/ Interest rate per annum | As at March 31, 2019 | As at March 31, 2018 |
| Secured | | | | | |
| Maturities of finance lease obligations - vehicles (refer note below) | 1 to 5 years | Monthly | 12.50% | 9.53 | 11.39 |
| Unsecured | | | | | |
| Long term maturity of finance lease obligations - leasehold building | March 31, 2035 | Yearly | 11.00% | 0.17 | 0.18 |
| Total | | | | <u>9.70</u> | <u>11.57</u> |

Note

The Finance lease obligations are secured by hypothecation of vehicles taken under lease. Repayments are done by equated monthly instalments over 36 to 60 months.

19

Other non-current financial liabilities

| | Rupees Million | |
|------------------------------|----------------------|----------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| Security deposits | 0.96 | 0.39 |
| Lease equalisation liability | 5.84 | 5.76 |
| Total | <u>6.80</u> | <u>6.15</u> |

Notes to Financial Statements – *Contd.*

20

Provisions

Rupees Million

| Employee benefit obligations | As at March 31, 2019 | | | As at March 31, 2018 | | |
|---|----------------------|--------------|--------------|----------------------|--------------|--------------|
| | Current | Non-current | Total | Current | Non-current | Total |
| Leave encashment - Unfunded | | | | | | |
| Present value of obligation | 0.83 | 19.50 | 20.33 | 0.93 | 20.36 | 21.29 |
| Gratuity - Funded | | | | | | |
| Present value of obligation | 33.40 | - | 33.40 | 33.68 | - | 33.68 |
| Fair value on plan assets | (27.32) | - | (27.32) | (26.10) | - | (26.10) |
| Net liability | 6.08 | - | 6.08 | 7.58 | - | 7.58 |
| Total employee benefit obligations | 6.91 | 19.50 | 26.41 | 8.51 | 20.36 | 28.87 |

i) **Defined benefit plans**

a) **Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation of India funds. Provision/write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following Projected Unit Credit Method.

b) **Leave encashment**

As per the policy of the Company, leave obligations on account of accumulated leave of an 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.

(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. The expense recognised during the year towards defined contribution plan is INR 17.74 Million (March 18 INR 17.18 Million).

Notes to Financial Statements – Contd.

(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:

Rupees Million

| | Gratuity | | | Earned Leave |
|--|-----------------------------|---------------------------|-------------|---|
| | Present value of obligation | Fair value of plan assets | Net amount | Present value obligation for leave encashment |
| Liability as on April 1, 2017 | 31.00 | (22.73) | 8.27 | 18.08 |
| Current service cost | 3.42 | - | 3.42 | 5.39 |
| Interest expense/(income) | 2.06 | (1.64) | 0.42 | 1.13 |
| Total amount recognised in Statement of Profit and Loss | 5.48 | (1.64) | 3.84 | 6.52 |
| Remeasurements: | | | | |
| (Gain)/loss from change in experience | (1.02) | - | (1.02) | (0.35) |
| (Gain)/loss from change in financial assumptions | 1.35 | (0.13) | 1.22 | 1.07 |
| Total amount recognised in other comprehensive income | 0.33 | (0.13) | 0.20 | 0.72 |
| Employer contributions | - | (4.73) | (4.73) | - |
| Benefit payments | (3.13) | 3.13 | - | 4.03 |
| Liability as on March 31, 2018 | 33.68 | (26.10) | 7.58 | 21.29 |

| | Gratuity | | | Earned Leave |
|--|-----------------------------|---------------------------|-------------|---|
| | Present value of obligation | Fair value of plan assets | Net amount | Present value obligation for leave encashment |
| Liability as on April 1, 2018 | 33.68 | (26.10) | 7.58 | 21.29 |
| Current service cost | 3.68 | - | 3.68 | 5.58 |
| Interest expense/(income) | 2.26 | (1.95) | 0.31 | 1.31 |
| Total amount recognised in Statement of Profit and Loss | 5.94 | (1.95) | 3.99 | 6.89 |
| Remeasurements: | | | | |
| (Gain)/loss from change in experience | 0.97 | - | 0.97 | (0.27) |
| (Gain)/loss from change in financial assumptions | 0.60 | (0.01) | 0.59 | 0.46 |
| Total amount recognised in other comprehensive income | 1.57 | (0.01) | 1.56 | 0.19 |
| Employer contributions | - | (7.05) | (7.05) | - |
| Benefit payments | (7.79) | 7.79 | - | 8.04 |
| Liability as on March 31, 2019 | 33.40 | (27.32) | 6.08 | 20.33 |

Notes to Financial Statements – Contd.

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

| Rupees Million | | |
|--|----------------------------|----------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| Present value of funded obligations | 33.40 | 33.68 |
| Fair value of plan assets | (27.32) | (26.10) |
| Deficit of funded plan | 6.08 | 7.58 |
| Unfunded plans | 20.33 | 21.29 |
| Deficit of employee benefit plans | 26.41 | 28.87 |

(iv) Post-employment benefits

The significant actuarial assumptions are as follows:

| | March 31, 2019 | March 31, 2018 |
|--------------------|---|---|
| Discount rate | 7.40% | 7.60% |
| Salary growth rate | 5.00% | 5.00% |
| Mortality | Indian assured lives mortality (2006-08) (modified) Ultimate | Indian assured lives mortality (2006-08) (modified) Ultimate |
| Withdrawal rate | 2% | 2% |

(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 | | | |
| | | | Increase in assumption | | Decrease in assumption | |
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Gratuity | | | | | | |
| Discount rate | 1% | 1% | (2.82) | (3.00) | 3.32 | 3.53 |
| Salary growth rate | 1% | 1% | 3.37 | 3.59 | (2.91) | (3.09) |
| Leave encashment | | | | | | |
| Discount rate | 1% | 1% | (2.13) | (2.37) | 2.58 | 2.86 |
| Salary growth rate | 1% | 1% | 2.61 | 2.91 | (2.20) | (2.44) |

The above sensitivity analysis 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.

Sensitivities due to demographic and investment are not material and hence the impact of change due to these is not disclosed.

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:

The 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 /class wise is not available.

(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.

Investment risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. LIC of India primarily invests in debt instruments such as Government Securities and highly rated corporate bonds where in the risk of downward fluctuation in value is minimal.

(viii) Defined benefit liability and employer contributions

Expected contributions to post employment benefit plan for the year ending March 31, 2020 is ₹ 6.08 million.

The weighted average duration of defined benefit obligation in case of Gratuity is 11 years (2018 - 10 years) and in case of Leave Obligation 12 years (2018 - 11 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, 2019 | | | | | | | |
| Gratuity | 1.43 | 2.51 | 4.03 | 2.96 | 3.62 | 25.04 | 39.59 |
| Leave encashment | 0.86 | 1.67 | 2.89 | 2.45 | 1.59 | 14.92 | 24.38 |
| Total | 2.29 | 4.18 | 6.92 | 5.41 | 5.21 | 39.96 | 63.97 |
| March 31, 2018 | | | | | | | |
| Gratuity | 1.88 | 1.95 | 2.32 | 4.90 | 3.14 | 25.82 | 40.01 |
| Leave encashment | 0.96 | 1.16 | 1.86 | 3.07 | 2.54 | 13.76 | 23.35 |
| Total | 2.84 | 3.11 | 4.18 | 7.97 | 5.68 | 39.58 | 63.36 |

Notes to Financial Statements – Contd.

| | As at March 31, 2019 | Rupees Million As at March 31, 2018 |
|---|-------------------------|---|
| 21 | | |
| Deferred tax liabilities (net) | | |
| A. Deferred tax liabilities on account of: | | |
| (i) Property, plant and equipment and intangible assets | 467.14 | 468.73 |
| (ii) Fair valuation of security deposits liability | 0.02 | 0.02 |
| (iii) Capital accretion on mutual funds | 1.47 | - |
| Total deferred tax liabilities (A) | 468.63 | 468.75 |
| B. Deferred tax assets on account of: | | |
| (i) Accrued expenses deductible on payment | 6.53 | 6.60 |
| (ii) Provision for leave encashment | 6.12 | 5.79 |
| (iii) Provision for doubtful debts | 1.18 | 2.35 |
| (iv) Fair valuation of security deposits assets | 1.55 | 1.50 |
| (v) Lease equalisation liability | 2.04 | 2.01 |
| (vi) MAT credit entitlement | 79.26 | 163.75 |
| (vii) Principal payment of finance leased vehicles | 0.29 | - |
| (viii) Others | 5.54 | 1.94 |
| Total deferred tax assets (B) | 102.51 | 183.94 |
| Deferred tax liabilities (net) (A-B) | 366.12 | 284.81 |

| Movement in deferred tax liabilities | Property, plant and equipment and intangible assets | Fair valuation of security deposits liability | Capital accretion on mutual funds | Total |
|--------------------------------------|---|---|-----------------------------------|---------------|
| As at April 1, 2017 | 465.95 | 0.01 | - | 465.96 |
| Charged/(Credited): | | | | |
| - to Statement of Profit and Loss | 2.78 | 0.01 | - | 2.79 |
| As at March 31, 2018 | 468.73 | 0.02 | - | 468.75 |
| Charged/(Credited): | | | | |
| - to Statement of Profit and Loss | (1.59) | - | 1.47 | (0.12) |
| As at March 31, 2019 | 467.14 | 0.02 | 1.47 | 468.63 |

| Movement in deferred tax assets | Accrued expenses deductible on payment | Provision for leave encashment | Provision for doubtful debts | Fair valuation of security deposits assets | Lease equalisation liability | MAT credit entitlement | Principal payment of finance lease vehicle | Others | Total |
|-----------------------------------|--|--------------------------------|------------------------------|--|------------------------------|------------------------|--|-------------|---------------|
| As at April 1, 2017 | 6.54 | 4.58 | 1.18 | 1.43 | 1.97 | 250.09 | - | - | 265.79 |
| (Charged)/Credited: | | | | | | | | | |
| - to Statement of Profit and Loss | 0.06 | 0.96 | 1.17 | 0.07 | 0.04 | (86.34) | - | 1.94 | (82.10) |
| - to other comprehensive income | - | 0.25 | - | - | - | - | - | - | 0.25 |
| As at March 31, 2018 | 6.60 | 5.79 | 2.35 | 1.50 | 2.01 | 163.75 | - | 1.94 | 183.94 |
| (Charged)/Credited: | | | | | | | | | |
| - to Statement of Profit and Loss | (0.07) | 0.26 | (1.17) | 0.05 | 0.03 | (84.49) | 0.29 | 3.60 | (81.50) |
| - to other comprehensive income | - | 0.07 | - | - | - | - | - | - | 0.07 |
| As at March 31, 2019 | 6.53 | 6.12 | 1.18 | 1.55 | 2.04 | 79.26 | 0.29 | 5.54 | 102.51 |

Notes to Financial Statements – *Contd.*

| | Rupees Million | |
|--------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| 22 | | |
| Other non-current liabilities | | |
| Advance rent income | 0.29 | 0.27 |
| Total | <u>0.29</u> | <u>0.27</u> |

| | | |
|--|-------------|-------------|
| 23 | | |
| Micro and Small Enterprises | | |
| (i) Principal amount remaining unpaid at the end of the year ** | 1.58 | 2.66 |
| (ii) Interest due thereon remaining unpaid at the end of the year | - | Nil |
| (iii) The amount of interest paid along with the amounts of the payment beyond the appointed day | Nil | Nil |
| (iv) The amount of interest due and payable for the year | 0.03 | Nil |
| (v) The amount of interest accrued and remaining unpaid at the end of the year | 0.03 | - |
| (vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | Nil | Nil |
| Total [(i)+(v)] | <u>1.61</u> | <u>2.66</u> |

** Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are based on information made available to the Company.

| | | |
|---|---------------|---------------|
| 24 | | |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Trade payables to related parties | 109.17 | 114.43 |
| Trade payables - others | 265.20 | 200.07 |
| Total | <u>374.37</u> | <u>314.50</u> |

Notes to Financial Statements – *Contd.*

| | Rupees Million | |
|--|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| 25 | | |
| Other current financial liabilities | | |
| Current maturities of finance lease obligations | 4.83 | 4.28 |
| Interest accrued but not due on finance lease obligation | 0.02 | 0.02 |
| Unclaimed dividend | 2.20 | 1.79 |
| Rights issue refund account | 0.02 | - |
| Security deposits | 2.29 | 2.88 |
| Liability for capital expenditure | 30.54 | 1.95 |
| Total | 39.90 | 10.92 |
| 26 | | |
| Other current liabilities | | |
| Advance from customers | 31.93 | 40.27 |
| Statutory liabilities | 16.24 | 32.87 |
| Deferred revenue | 0.01 | 0.02 |
| Advance rent income | 0.10 | 0.06 |
| Total | 48.28 | 73.22 |

Notes to Financial Statements – *Contd.*

| | Rupees Million | |
|---|--------------------------------------|--------------------------------------|
| | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
| 27 | | |
| Revenue from operations | | |
| Rooms | 1,708.35 | 1,675.90 |
| Food and beverage | 798.02 | 811.40 |
| Other services | 135.45 | 148.38 |
| Total | 2,641.82 | 2,635.68 |
| 28 | | |
| Other income | | |
| Dividend income from investments measured at fair value through profit or loss | 14.80 | 12.24 |
| Interest income from financial assets carried at amortised cost | 20.91 | 2.38 |
| Interest income on income tax refund | 1.62 | - |
| Income on account of services exports incentive | 42.53 | 29.92 |
| Provisions and liabilities no longer required, written back | 1.40 | 5.23 |
| Fair value changes on investments measured at fair value through profit or loss | 3.99 | 0.19 |
| Miscellaneous income | 8.87 | 6.84 |
| Other gains/ (losses): | | |
| Net foreign exchange gain | 1.06 | 0.19 |
| Total | 95.18 | 56.99 |
| 29 | | |
| Consumption of provisions, wines and others | | |
| Opening stock | 28.72 | 29.75 |
| Add: Purchases | 208.63 | 210.75 |
| | 237.35 | 240.50 |
| Less: Closing stock | 32.80 | 28.72 |
| Total | 204.55 | 211.78 |
| 30 | | |
| Employee benefits expense | | |
| Salaries, wages and bonus | 445.19 | 439.56 |
| Contribution to provident fund and other funds | 21.73 | 21.02 |
| Staff welfare expenses | 94.10 | 92.69 |
| Total | 561.02 | 553.27 |

Notes to Financial Statements – *Contd.*

| | Rupees Million | |
|---|--------------------------------------|--------------------------------------|
| | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
| 31 | | |
| Finance costs | | |
| - Interest on borrowings | - | 0.02 |
| - Interest on finance lease | 4.26 | 3.88 |
| - Others | 0.08 | 0.07 |
| Total finance costs for financial liabilities not recognised through FVTPL | 4.34 | 3.97 |
| 32 | | |
| Depreciation and amortisation expense | | |
| Depreciation of property, plant and equipment | 140.16 | 138.58 |
| Amortisation of intangible assets | 2.46 | 2.30 |
| Total | 142.62 | 140.88 |

Notes to Financial Statements – Contd.

| | Rupees Million | |
|--|--------------------------------------|--------------------------------------|
| | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
| 33 | | |
| Other expenses | | |
| Linen, uniform washing and laundry expenses | 12.02 | 8.38 |
| Expenses on apartment and board | 43.27 | 43.33 |
| Power and fuel | 252.41 | 245.97 |
| Renewals and replacement | 37.68 | 37.84 |
| Repairs: | | |
| Buildings | 74.92 | 64.61 |
| Plant and equipment | 78.33 | 78.94 |
| Others | 12.05 | 8.32 |
| Expenses for contractual services | 88.16 | 84.98 |
| Lease rent | 23.54 | 15.10 |
| Royalty | 26.80 | 26.56 |
| Technical services fees | 103.50 | 107.14 |
| Advertisement, publicity and other promotional expenses | 102.59 | 95.64 |
| Commission to travel agents and others | 138.05 | 129.41 |
| Rates and taxes | 40.92 | 41.51 |
| Insurance | 8.25 | 7.63 |
| Passage and travelling | 46.21 | 40.92 |
| Postage, telephone, etc. | 7.39 | 19.92 |
| Printing and stationery | 14.31 | 13.46 |
| Musical, banquet and kitchen expenses | 15.46 | 14.03 |
| Directors' fees | 5.12 | 3.68 |
| Bad debts & advances written off | 4.52 | 3.77 |
| Less: charged off against provisions | (4.52) | - |
| Net bad debts & advances written off | - | 3.77 |
| Allowance for trade receivables with significant increase in credit risk | 1.23 | 3.42 |
| Loss on sale / discard of property, plant and equipment (net) | 14.03 | 9.03 |
| Auditors' remuneration [Refer Note 33(a)] | 5.71 | 4.09 |
| CSR expenses [Refer Note 33(b)] | 13.56 | 13.54 |
| Miscellaneous expenses | 75.51 | 74.52 |
| Total | 1,241.02 | 1,195.74 |
| (a) Details of Auditor's remuneration (net of input tax credit) | | |
| As auditor: | | |
| Audit fee | 4.70 | 3.79 |
| Tax audit fee | 0.20 | 0.20 |
| Other services such as certification | 0.10 | 0.10 |
| Reimbursement of expenses | 0.71 | - |
| Total | 5.71 | 4.09* |
| *includes ₹ 0.34 million paid to predecessor auditor | | |
| (b) Details of CSR Expenditure | | |
| Contribution to SOS Children's Villages of India | 12.10 | 12.10 |
| Expenses for Swachh Bharat Abhiyan | 1.46 | 1.44 |
| Total | 13.56 | 13.54 |
| Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013 | 11.83 | 10.58 |

Notes to Financial Statements – *Contd.*

| | Rupees Million | |
|--|------------------------------|------------------------------|
| | Year Ended March 31, 2019 | Year Ended March 31, 2018 |
| 34 | | |
| Tax expense | | |
| (a) Income tax | | |
| Tax on profits for the year | 207.18 | 210.11 |
| Total income tax | 207.18 | 210.11 |
| (b) Deferred tax | | |
| Decrease / (increase) in deferred tax assets | 81.43 | 81.85 |
| (Decrease) / increase in deferred tax liabilities | (0.12) | 2.79 |
| | 81.31 | 84.64 |
| <i>Add:</i> Deferred tax recognised in OCI | 0.07 | 0.25 |
| <i>Less:</i> MAT credit utilised | (84.49) | (86.34) |
| Total deferred tax expense / (benefit) | (3.11) | (1.45) |
| Total tax expense | 204.07 | 208.66 |
| (c) Reconciliation of tax expense and the accounting profit multiplied by tax rate: | | |
| Profit before tax expense | 583.45 | 586.60 |
| Tax at the rate of 34.944% (FY 2017-2018 – 34.608%) | 203.88 | 203.01 |
| Tax effect of amounts which are not deductible in calculating taxable income: | | |
| Interest to MSME | 0.02 | - |
| CSR expenses | 4.74 | 4.69 |
| Expenses related to exempt income | 1.10 | 0.92 |
| Donations | 0.01 | 0.10 |
| Adjustments related to property, plant and equipment: | | |
| Depreciation on account of difference in WDV as per Companies Act, 2013 and Income Tax Act, 1961 | - | 1.48 |
| Leased assets | (0.72) | (1.52) |
| Others | 0.09 | 0.05 |
| Tax effect of amounts which are not taxable in calculating taxable income: | | |
| Dividend income exempt from tax | (5.17) | (4.24) |
| Fair value gains on investment in equity securities | 0.08 | (0.14) |
| Others | 0.04 | - |
| Effect of rate change in deferred tax (excluding OCI) | - | 4.31 |
| Tax expense | 204.07 | 208.66 |

Notes to Financial Statements – Contd.

35

Fair Value Measurements

Financial instruments by category

Rupees Million

| | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|----------------|----------------------|----------------|
| | FVTPL | Amortised cost | FVTPL | Amortised cost |
| Financial assets | | | | |
| Investments | | | | |
| - Equity instruments | 0.34 | - | 0.41 | - |
| - Mutual funds | 454.38 | - | 398.10 | - |
| Trade receivables | - | 315.04 | - | 285.36 |
| Cash and cash equivalents | - | 55.00 | - | 44.64 |
| Other bank balances | - | 322.75 | - | 4.79 |
| Fixed deposits | - | 0.70 | - | 150.14 |
| Other receivables including interest accrued | - | 2.15 | - | 7.23 |
| Security deposits | - | 24.33 | - | 22.44 |
| Total financial assets | 454.72 | 719.97 | 398.51 | 514.60 |
| Financial liabilities | | | | |
| Security deposits | - | 3.25 | - | 3.27 |
| Finance lease obligations | - | 14.53 | - | 15.85 |
| Trade payables | - | 375.98 | - | 317.16 |
| Liability for capital expenditure | - | 30.54 | - | 1.95 |
| Lease equalisation liability | - | 5.84 | - | 5.76 |
| Others | - | 2.24 | - | 1.81 |
| Total financial liabilities | - | 432.38 | - | 345.80 |

(i) Financial assets and liabilities measured at fair value - recurring fair value measurements

| | | As at 31 March 2019 | | | As at 31 March 2018 | | |
|---|-------|---------------------|----------|-------------|---------------------|----------|-------------|
| | Notes | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | | |
| Financial investments at FVPL | | | | | | | |
| Investment in equity shares of TCP Limited | 6 | - | - | - | - | - | 0.07 |
| Investment in equity shares - Green Infra Wind Generation Limited | 6 | - | - | 0.34 | - | - | 0.34 |
| Investment in mutual funds | 11 | 454.38 | - | - | 398.10 | - | - |
| Total financial assets | | 454.38 | - | 0.34 | 398.10 | - | 0.41 |

(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 maximise 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.

Notes to Financial Statements – Contd.

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

All the financial assets and financial liabilities 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 contract and best information available in the market, cost of investment is considered as fair value of the investments.
- Fair valuation of investment in TCP Limited has been computed as on March 31, 2018 based on the fair market value provided by TCP Limited.

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

| Rupees Million | |
|-----------------------------|---------------------|
| | Unquoted Securities |
| As at April 1, 2017 | 13.58 |
| Acquisitions/ adjustment | 0.07 |
| Sold during the year | 13.24 |
| As at March 31, 2018 | 0.41 |
| Acquisitions/ adjustment | - |
| Sold during the year | 0.07 |
| As at March 31, 2019 | 0.34 |

(vi) Valuation inputs and relationships to fair value

| Particulars | Fair Value as at (Rupees Million) | | Significant unobservable inputs | Probability- weighted range | |
|------------------------|--------------------------------------|-------------------|-------------------------------------|--------------------------------|-------------------|
| | March 31, 2019 | March 31, 2018 | | March 31, 2019 | March 31, 2018 |
| Unquoted equity shares | 0.34 | 0.41 | Terminal (perpetuity) value CARG | - | - |
| | | | Cost of Equity | - | - |

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.

36

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. The Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board of Directors provide 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.

(A) Market risk

(i) Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognised 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 Million are as follows :

| Rupees Million | | | |
|--|-----------------------|------------------------|---------------------------------|
| Currency | Asset (Receivable) | Liability (Payable) | Net Receivable/ (Payable) |
| March 31, 2019 | | | |
| EURO | - | 0.94 | (0.94) |
| US Dollar (USD) | 10.45 | 4.35 | 6.10 |
| Great Britain Pound (GBP) | - | 1.55 | (1.55) |
| Exposure to foreign currency risk | 10.45 | 6.84 | 3.61 |
| March 31, 2018 | | | |
| EURO | - | 0.03 | (0.03) |
| US Dollar (USD) | 16.35 | 2.37 | 13.98 |
| Great Britain Pound (GBP) | - | 0.59 | (0.59) |
| Exposure to foreign currency risk | 16.35 | 2.99 | 13.36 |

Sensitivity

If INR is depreciated or appreciated by 5% vis-à-vis foreign currency, the impact thereof on the profit and loss of the Company are given below:

| | | | Rupees Million | |
|---|--|--|---|-------------------|
| | | | Impact on profit Increase / (Decrease) | |
| | | | March 31, 2019 | March 31, 2018 |
| EURO sensitivity | | | | |
| INR / EURO Increases by 5% (31 March 2018 - 5%) | | | (0.05) | (0.00) |
| INR / EURO Decreases by 5% (31 March 2018 - 5%) | | | 0.05 | 0.00 |
| USD sensitivity | | | | |
| INR / USD Increases by 5% (31 March 2018 - 5%) | | | 0.31 | 0.70 |
| INR / USD Decreases by 5% (31 March 2018 - 5%) | | | (0.31) | (0.70) |
| GBP sensitivity | | | | |
| INR / GBP Increases by 5% (31 March 2018 - 5%) | | | (0.08) | (0.03) |
| INR / GBP Decreases by 5% (31 March 2018 - 5%) | | | 0.08 | 0.03 |
| Holding all other variables constant | | | | |

Notes to Financial Statements – *Contd.*

(ii) Interest rate risk

The status of borrowings in terms of fixed rate and floating rate are as follows:

| | Rupees Million | |
|--------------------------|-------------------|-------------------|
| | March 31, 2019 | March 31, 2018 |
| Variable rate borrowings | - | - |
| Fixed rate borrowings | 14.53 | 15.85 |
| Total borrowings | 14.53 | 15.85 |

As at the end of the reporting period, the Company does not have any variable rate borrowings outstanding, therefore, the Company is not exposed to any interest rate risk.

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, 2019 | March 31, 2018 |
| Interest rates – increase by 25 basis points (25 bps) | - | - |
| Interest rates – decrease by 25 basis points (25 bps) | - | - |

(iii) Price risk

The Company's exposure to securities price risk arises from investments held by the Company in mutual fund and classified in the balance sheet as at fair value through profit or loss (note 11). However, at the reporting date the Company does not hold material value of quoted securities. Accordingly, the 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.

The Company does not have any derivative transaction and therefore is not exposed to any credit risk on account of derivatives.

Reconciliation of allowance for doubtful trade receivables:

| | Rupees Million |
|--------------------------------|----------------|
| Allowance as on April 1, 2017 | 3.18 |
| Changes in allowance | 3.42 |
| Allowance as on March 31, 2018 | 6.60 |
| Changes in allowance | (3.21) |
| Allowance as on March 31, 2019 | 3.39 |

Notes to Financial Statements – Contd.

(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 utilisation 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, 2019 | March 31, 2018 |
| Expiring beyond one year (bank loans) | | |
| Floating rate | | |
| HDFC Bank Limited Cash Credit Facility | 200.00 | 200.00 |
| The Federal Bank Limited Overdraft Facility | - | 500.00 |
| | <u>200.00</u> | <u>700.00</u> |

The Cash Credit Facility together with interest from HDFC Bank Limited are secured by way of hypothecation of stock and book debts of the entire Company and hypothecation of entire movable plant and equipment including all spare parts and other movable property, plant and equipment both present and future pertaining to Trident, Chennai and by way of mortgage of the said property.

The bank cash credit facility may be drawn at any time and may be terminated by the bank without notice.

(ii) Maturities of financial liabilities

The tables below analyses 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.

Contractual maturities of financial liabilities:

| | Rupees Million | | | |
|---|--------------------------|--------------------------|-----------------------|---------------|
| | Not later than 1 year | Between 1 and 5 years | Later than 5 years | Total |
| March 31, 2019 | | | | |
| Non-derivatives | | | | |
| Financial lease obligation | 6.63 | 11.64 | 0.26 | 18.53 |
| Trade payables | 375.98 | - | - | 375.98 |
| Security deposits | 2.29 | 0.69 | 0.73 | 3.71 |
| Liability for capital expenditure | 30.54 | - | - | 30.54 |
| Lease equalisation liability | - | - | 5.84 | 5.84 |
| Other financial liabilities | 2.24 | - | - | 2.24 |
| Total non-derivative liabilities | 417.68 | 12.33 | 6.83 | 436.84 |
| March 31, 2018 | | | | |
| Non-derivatives | | | | |
| Financial lease obligation | 7.25 | 17.06 | 0.29 | 24.60 |
| Trade payables | 317.16 | - | - | 317.16 |
| Security deposits | 2.88 | 0.76 | - | 3.64 |
| Liability for capital expenditure | 1.95 | - | - | 1.95 |
| Lease equalisation liability | - | - | 5.76 | 5.76 |
| Other financial liabilities | 1.81 | - | - | 1.81 |
| Total non-derivative liabilities | 331.05 | 17.82 | 6.05 | 354.92 |

Notes to Financial Statements – *Contd.*

37

Capital management

(a) Risk management

The Company's objectives when managing capital are to

- safeguard its ability to continue as a going concern, so that it 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 along with 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, 2019 | March 31, 2018 |
| Final dividend for the year ended March 31, 2018 of INR 4.50 (March 31, 2017 – INR 4.50) | 137.11 | 137.11 |
| Dividend distribution tax | 28.18 | 27.91 |
| Dividends not recognised at the end of the reporting period | | |
| Liability for proposed dividend* | 137.11 | 137.11 |
| Dividend Distribution Tax on proposed dividend | 28.18 | 28.18 |

* The Board of Directors have recommended a final dividend of INR 4.50 per share which is subject to the approval of the shareholders in the ensuing annual general meeting.

Notes to Financial Statements – *Contd.*

38

Related Party Transactions

In accordance with the requirements of Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balance with them in the ordinary course of business and on arms' length basis are given below:

a) List of Related Parties

(i) Key Management Personnel of the Company

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

(ii) Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year.

EIH Limited
Oberoi Hotels Private Limited
Oberoi Holdings Private Limited
Oberoi Plaza Private Limited
Bombay Plaza Private Limited
Mashobra Resort Limited
Mumtaz Hotels Limited
Oberoi Kerala Hotels and Resorts Limited
Mercury Car Rentals Private Limited
Mercury Travels Limited (w.e.f. 11.04.17 upto 07.08.18)
Island Resort Limited
Oberoi International LLP
PT Waka Oberoi Indonesia
PT Widja Putra Karya

(iii) 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.

38 (b) The details of the Related Party Transactions entered into by the Company during the year ended March 31, 2019 and March 31, 2018 are as follows :

| Nature of Transactions | Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence | | Enterprises which are post employment benefit plan for the benefit of employees | | Rupees Million | |
|--|--|---------------|---|-------------|--------------------------|--------------|
| | | | | | Key Management Personnel | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| PURCHASES | | | | | | |
| Purchase of goods and services | | | | | | |
| EIH Limited | 347.55 | 331.17 | - | - | - | - |
| Mumtaz Hotels Limited | 4.28 | 0.29 | - | - | - | - |
| Mashobra Resort Limited | 0.98 | 1.32 | - | - | - | - |
| Oberoi Hotels Private Limited | 0.06 | 0.06 | - | - | - | - |
| Mercury Travels Limited | 2.91 | 3.97 | - | - | - | - |
| Mercury Car Rentals Private Limited | 14.31 | 15.21 | - | - | - | - |
| Oberoi International LLP | - | - | - | - | - | - |
| PT Waka Oberoi Indonesia | 0.01 | - | - | - | - | - |
| PT Widja Putra Karya | 0.06 | - | - | - | - | - |
| Total | 370.16 | 352.02 | - | - | - | - |
| EXPENSES | | | | | | |
| Rent | | | | | | |
| EIH Limited | 0.49 | 0.46 | - | - | - | - |
| Mumtaz Hotels Limited | 1.46 | 1.46 | - | - | - | - |
| Total | 1.95 | 1.92 | - | - | - | - |
| Management contract | | | | | | |
| EIH Limited | 185.37 | 188.36 | - | - | - | - |
| Mercury Car Rentals Private Limited | 6.10 | 5.71 | - | - | - | - |
| Total | 191.47 | 194.07 | - | - | - | - |
| Royalty | | | | | | |
| Oberoi Hotels Private Limited | 31.62 | 31.19 | - | - | - | - |
| Total | 31.62 | 31.19 | - | - | - | - |
| Contribution to gratuity fund | | | | | | |
| EIH Employees gratuity fund | - | - | 7.05 | 4.73 | - | - |
| Total | - | - | 7.05 | 4.73 | - | - |
| Director's sitting fees | | | | | | |
| Mr. P.R.S. Oberoi | - | - | - | - | 0.40 | 0.32 |
| Mr. Vikram Oberoi | - | - | - | - | 0.72 | 0.48 |
| Mr. S.S. Mukherji | - | - | - | - | 0.92 | 0.56 |
| Mr. L Ganesh | - | - | - | - | 0.48 | 0.40 |
| Mr. Anil Kumar Nehru | - | - | - | - | 0.68 | 0.48 |
| Mr. Akshay Raheja | - | - | - | - | 0.28 | 0.32 |
| Mr. Sudipto Sarkar | - | - | - | - | 0.88 | 0.52 |
| Mr. Surin Shailesh Kapadia | - | - | - | - | 0.28 | 0.20 |
| Ms. Radhika Vijay Haribhakti | - | - | - | - | 0.48 | 0.40 |
| Total | - | - | - | - | 5.12 | 3.68 |
| Remuneration - Short term employee benefits | | | | | | |
| Mr. Samidh Das | - | - | - | - | 7.01 | 6.55 |
| Ms. Indrani Ray | - | - | - | - | 4.09 | 3.75 |
| Total | - | - | - | - | 11.10 | 10.30 |
| Remuneration - Post employee benefits | | | | | | |
| Mr. Samidh Das | - | - | - | - | 0.79 | 0.89 |
| Ms. Indrani Ray | - | - | - | - | 0.17 | 0.19 |
| Total | - | - | - | - | 0.96 | 1.08 |
| Sale of goods and services | | | | | | |
| EIH Limited | 11.59 | 9.00 | - | - | - | - |
| Mashobra Resort Limited | 0.24 | 0.67 | - | - | - | - |
| Mumtaz Hotels Limited | 0.14 | 0.03 | - | - | - | - |
| Oberoi Hotels Private Limited | 0.88 | 1.04 | - | - | - | - |
| Mercury Travels Limited | 0.74 | 6.01 | - | - | - | - |
| Mercury Car Rentals Private Limited | 3.65 | 3.75 | - | - | - | - |
| Island Resort Limited | 0.06 | - | - | - | - | - |
| Total | 17.30 | 20.50 | - | - | - | - |

Notes to Financial Statements – *Contd.*

| Rupees Million | | | | | | |
|--|--|--------------|---|----------|--------------------------|-------------|
| Nature of Transactions | Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence | | Enterprises which are post employment benefit plan for the benefit of employees | | Key Management Personnel | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| INCOME | | | | | | |
| License Agreement | | | | | | |
| ElH Limited | 1.36 | 1.68 | - | - | - | - |
| Mercury Car Rentals Private Limited | 1.61 | 1.50 | - | - | - | - |
| Total | 2.97 | 3.18 | - | - | - | - |
| Purchase of property, plant and equipment | | | | | | |
| ElH Limited | 3.30 | 1.12 | - | - | - | - |
| Total | 3.30 | 1.12 | - | - | - | - |
| Sale of property, plant and equipment | | | | | | |
| ElH Limited | 0.01 | - | - | - | - | - |
| Total | 0.01 | - | - | - | - | - |
| FINANCE | | | | | | |
| PAYMENTS | | | | | | |
| Dividend on equity shares | | | | | | |
| ElH Limited | 50.47 | 50.47 | - | - | - | - |
| Oberoi Hotels Private Limited | 0.50 | 0.50 | - | - | - | - |
| Oberoi Holdings Private Limited | 1.22 | 1.22 | - | - | - | - |
| Oberoi Plaza Private Limited | 0.01 | 0.01 | - | - | - | - |
| Bombay Plaza Private Limited | 0.01 | 0.01 | - | - | - | - |
| Mr. P R S Oberoi | - | - | - | - | 0.23 | 0.23 |
| Mr. S. S. Mukherji | - | - | - | - | 0.05 | 0.05 |
| Total | 52.21 | 52.21 | - | - | 0.28 | 0.28 |
| Refund of collections to related Party | | | | | | |
| ElH Limited | 4.02 | 13.89 | - | - | - | - |
| Mashobra Resort Limited | 0.31 | 0.26 | - | - | - | - |
| Mumtaz Hotels Limited | 1.37 | 1.09 | - | - | - | - |
| Total | 5.70 | 15.24 | - | - | - | - |
| Expense reimbursed to related party | | | | | | |
| ElH Limited | 12.10 | 9.97 | - | - | - | - |
| Mashobra Resort Limited | 0.11 | 0.44 | - | - | - | - |
| Mumtaz Hotels Limited | 2.30 | 0.02 | - | - | - | - |
| Total | 14.51 | 10.43 | - | - | - | - |
| RECEIPTS | | | | | | |
| Recovery of collections by related party | | | | | | |
| ElH Limited | 4.89 | 19.96 | - | - | - | - |
| Mashobra Resort Limited | 0.62 | 0.55 | - | - | - | - |
| Mumtaz Hotels Limited | 0.62 | 0.52 | - | - | - | - |
| Oberoi Hotels Private Limited | - | 0.16 | - | - | - | - |
| Total | 6.13 | 21.19 | - | - | - | - |
| Expense reimbursed by related party | | | | | | |
| ElH Limited | 7.03 | 4.65 | - | - | - | - |
| Mashobra Resort Limited | 0.15 | 0.14 | - | - | - | - |
| Mumtaz Hotels Limited | 0.56 | 0.03 | - | - | - | - |
| Oberoi Kerala Hotels and Resorts Limited | - | 0.03 | - | - | - | - |
| Oberoi Hotels Private Limited | 0.46 | 0.76 | - | - | - | - |
| Mercury Car Rentals Private Limited | 0.39 | 0.58 | - | - | - | - |
| Total | 8.59 | 6.19 | - | - | - | - |

Notes to Financial Statements – *Contd.*

38 (c) The details of amounts due to or due from related parties as at March 31, 2019 and March 31, 2018 are as follows :

| | Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence | | Rupees Million | |
|-------------------------------------|---|--------------|----------------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| PAYABLES | | | | |
| For Goods and Services | | | | |
| ElH Limited | 31.37 | 38.25 | - | - |
| Mashobra Resort Limited | 0.14 | - | - | - |
| Mumtaz Hotels Limited | 0.15 | 0.30 | - | - |
| Oberoi Hotels Private Limited | 0.04 | - | - | - |
| Mercury Travels Limited | - | 0.70 | - | - |
| Mercury Car Rentals Private Limited | 4.31 | 4.52 | - | - |
| Oberoi International LLP | - | - | - | - |
| Total | 36.01 | 43.77 | - | - |
| Management contract | | | | |
| ElH Limited | 63.90 | 61.92 | - | - |
| Total | 63.90 | 61.92 | - | - |
| Royalty | | | | |
| Oberoi Hotels Private Limited | 9.26 | 8.74 | - | - |
| Total | 9.26 | 8.74 | - | - |
| RECEIVABLES | | | | |
| For Goods and Services | | | | |
| ElH Limited | 5.85 | 2.35 | - | - |
| Mashobra Resort Limited | 0.01 | 0.01 | - | - |
| Mumtaz Hotels Limited | 0.07 | 0.38 | - | - |
| Mercury Travels Limited | - | 1.12 | - | - |
| Mercury Car Rentals Private Limited | 0.57 | 0.50 | - | - |
| Oberoi Hotels Private Limited | 0.08 | 0.14 | - | - |
| Total | 6.58 | 4.50 | - | - |

Notes to Financial Statements – *Contd.*

39 Contingent liabilities

(a) Contingent liabilities

The Company had contingent liabilities at March 31, 2019 in respect of:

Claims against the Company pending appellate/judicial decisions not acknowledged as debts

Rupees Million

| | March 31, 2019 | March 31, 2018 |
|-----------------|-----------------------|----------------|
| Property tax | 16.93 | 14.59 |
| Value added tax | 12.69 | 13.20 |
| Income tax | 16.47 | 16.47 |
| Service tax | 17.33 | 62.76 |
| Luxury tax | 24.90 | 24.90 |
| Other claims | 1.09 | 1.09 |
| Total | 89.41 | 133.01 |

The matters listed above are in the nature of statutory dues, namely, property tax, value added tax, income tax, service tax, luxury tax and other claims, all of which are under litigation, the outcome of which would depend on the merits of facts and law at an uncertain future date. The amounts shown in the items above represent the best possible estimates arrived at, are on the basis of currently available information. The Company engages reputed professional advisors to protect its interest, and cases that are disputed by the Company are those where the management has been advised that it has strong legal positions. Hence, the outcomes of these matters are not envisaged to have any material adverse impact on the Company's financial position.

Rupees Million

March 31, 2019 March 31, 2018

(b) Guarantees:

| | | |
|------------------|-------------|------|
| Guarantees given | 3.88 | 3.88 |
| Letter of credit | 4.36 | - |

40 Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

| | | |
|---|--------------|------|
| Property, plant and equipment (net of capital advances) | 54.56 | 5.78 |
|---|--------------|------|

Notes to Financial Statements – *Contd.*

41 Leases

(a) 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 the 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 March 31, 2019 in respect of these assets are as under:

| | Rupees Million | |
|---|-----------------------|-----------------------|
| | March 31, 2019 | March 31, 2018 |
| Assets taken on lease | | |
| Total minimum lease payments at the year end | 18.53 | 24.60 |
| Present value of minimum lease payments | 14.53 | 15.85 |
| Not later than one year | | |
| Minimum lease payments | 6.63 | 7.25 |
| Present value | 6.10 | 6.36 |
| Later than one year but not later than five years | | |
| Minimum lease payments | 11.64 | 17.06 |
| Present value | 8.32 | 9.37 |
| Later than five years | | |
| Minimum lease payments | 0.26 | 0.29 |
| Present value | 0.11 | 0.12 |
| Contingent rents recognised as an expense in the Statement of Profit and Loss for the year | Nil | Nil |
| The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance Sheet date | 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:

- a. 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.
- b. 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 March 31, 2019 are as under:

| | Rupees Million | |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| Assets taken on lease | | |
| Total minimum lease payments at the year end | 20.40 | 20.75 |
| Not later than one year | | |
| Minimum lease payments | 0.35 | 0.35 |
| Later than one year but not later than five years | | |
| Minimum lease payments | 1.55 | 1.40 |
| Later than five years | | |
| Minimum lease payments | 18.50 | 19.00 |
| Contingent rents recognised as an expense in the Statement of Profit and Loss for the year | - | - |

(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, 2019 | March 31, 2018 |
| Contingent rents recognised as an income in the Statement of Profit and Loss for the year | - | - |

42 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.

Notes to Financial Statements – Contd.

43 Earnings per equity share

| | Rupees | |
|--|-------------------------|-------------------------|
| | March 31, 2019 | March 31, 2018 |
| (a) Basic earnings per equity share | 12.45 | 12.40 |
| (b) Diluted earnings per share | 12.45 | 12.40 |
| (c) Reconciliations of earnings used in calculating earnings per equity share | Rupees Million | |
| | March 31, 2019 | March 31, 2018 |
| Profit attributable to the equity holders of the Company used in calculating basic earnings per share | 379.38 | 377.94 |
| Profit attributable to the equity holders of the Company used in calculating diluted earnings per share | 379.38 | 377.94 |
| (d) Weighted average number of shares used as the denominator | March 31, 2019 | |
| | Number of shares | March 31, 2018 |
| | | Number of shares |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | 30,468,147 | 30,468,147 |
| Adjustments for calculation of diluted earnings per share | - | - |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 30,468,147 | 30,468,147 |

44 Reconciliation of borrowings arising from financing activities

The table below details the changes in Company's borrowings arising from financing activities, including both cash and non-cash

| | Rupees Million | | | |
|--|-----------------------------|-------------------|-------------------------|-----------------------------|
| | As at March 31, 2017 | Cash Flows | Non-cash Changes | As at March 31, 2018 |
| Non-current borrowings (including current maturities of finance lease obligations) | 10.12 | 5.73 | - | 15.85 |
| Current borrowings | - | - | - | - |
| Total | 10.12 | 5.73 | - | 15.85 |
| | | | | |
| | As at March 31, 2018 | Cash Flows | Non-cash Changes | As at March 31, 2019 |
| Non-current borrowings (including current maturities of finance lease obligations) | 15.85 | (1.32) | - | 14.53 |
| Current borrowings | - | - | - | - |
| Total | 15.85 | (1.32) | - | 14.53 |

45 Disclosure on contract balances :

Trade receivables

A trade receivable is recorded when the Company has an unconditional right to receive payment. In respect of revenue from rooms, food and beverages and other services invoice is typically issued as the related performance obligations are satisfied as described in note 1(b) (Refer Note 12).

Advance from customers

Advance from Customers is recognised when payment is received before the related performance obligation is satisfied (Refer Note 26).

Rupees Million

| Particulars | As at March 31, 2019 |
|---------------------------------------|----------------------|
| As at the beginning of the year | 40.27 |
| Recognised as revenue during the year | 38.43 |
| As at the end of the year | 31.93 |

- 46** In the recent case of The Regional Provident Fund Commissioner (II) West Bengal Vs. Vivekananda Vidyamandir and Others, Supreme Court has ruled that special allowances paid by an establishment to its employees would fall within the expression "basic wages" under Section 2(b)(ii) read with Section 6 of the Act for computation of contribution towards Provident Fund.

As legally advised, the incremental liability has been ascertained prospectively, effective March 01, 2019 and provided for in the books of accounts of the Company.

- 47** 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 financial statements and other disclosures relating to the current year.
- 48** There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- 49** The financial statements were approved for issue by Board of Directors on May 28, 2019.

For and on behalf of the Board of Directors

Date: May 28, 2019
Place: Gurugram

VIKRAM OBEROI
Managing Director
(DIN No.: 00052014)

SAMIDH DAS
Chief Financial Officer

SUDIPTO SARKAR
Director
(DIN No: 00048279)

INDRANI RAY
Company Secretary



OBEROI HOTELS & RESORTS

INDIA

| | |
|-------------------------|---|
| Agra | The Oberoi Amarvilās |
| Bengaluru | 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 Luxury Nile Cruiser |
| | The Oberoi Philae Luxury Nile Cruiser |

INDONESIA

| | |
|--------|------------|
| Bali | The Oberoi |
| Lombok | The Oberoi |

MAURITIUS

| | |
|-----------|------------|
| Mauritius | The Oberoi |
|-----------|------------|

SAUDI ARABIA

| | |
|--------|---------------|
| Madina | Madina Oberoi |
|--------|---------------|

UAE

| | |
|-------|--------------------------------------|
| Ajman | The Oberoi Beach Resort, Al Zorah |
| 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 |