

EIH ASSOCIATED HOTELS LIMITED

CIN: L92490TN1983PLC009903

Delhi Office: 7, Sham Nath Marg, Delhi – 110 054, India/ Telephone: +91-11-2389 0505
Kolkata Office: 4, Mangoe Lane, Kolkata – 700 001, India/ Telephone: +91-33-2248 6751/53
Website: www.eihassociatedhotels.in

18th July 2020

National Stock Exchange of India Limited

Exchange Plaza, 5th floor, Plot # C/1, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

BSE Limited

Corporate Relations Department
1st Floor, New Trading Ring, Rotunda Building
Phiroze Jeejeebhoy Towers, Dalal Street, Fort
Mumbai – 400 001

Dear Sirs,

Sub: Compliance LODR Regulation 34(1) – Annual Report Scrip Code/Symbol: 523127 / EIIAHOTELS

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) please find enclosed herewith the Company’s Annual Report in respect of the Financial Year 2019-20.

The Annual Report is being uploaded in the Company website
www.eihassociatedhotels.in.

Kindly take the same into your records.

Thanking you,
Yours faithfully,
For **EIH Associated Hotels Limited**

Indrani Ray
Company Secretary

Encl: As above

EIH Associated Hotels Limited
A MEMBER OF THE OBEROI GROUP

Annual Report 2019-2020

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A MEMBER OF THE OBEROI GROUP

Annual Report 2019-2020

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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 and 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

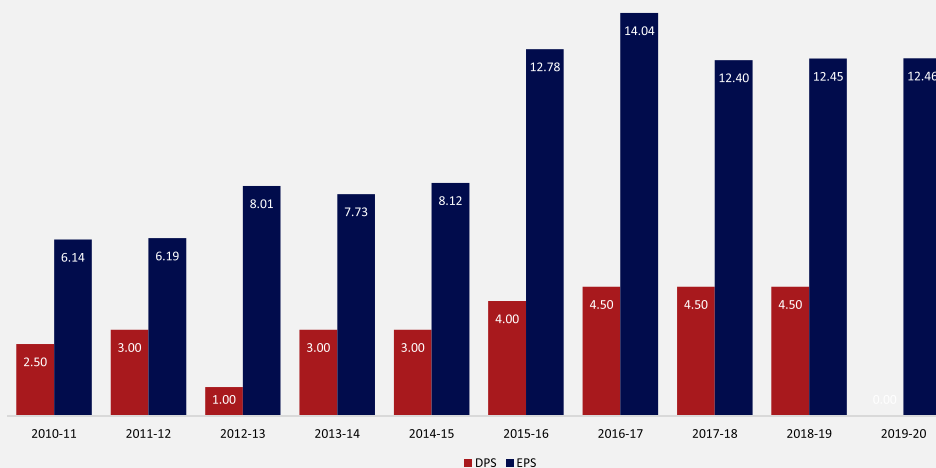
As a result, we will create extraordinary value for our shareholders.

Highlights

	Revenue	Profit Before Tax	Profit After Tax	Dividend	Retained Earnings	Forex Earnings
2019-20	2,581	430	380	0	374	744
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

All figures in INR mn

Earning Per Share and Dividend Per Share

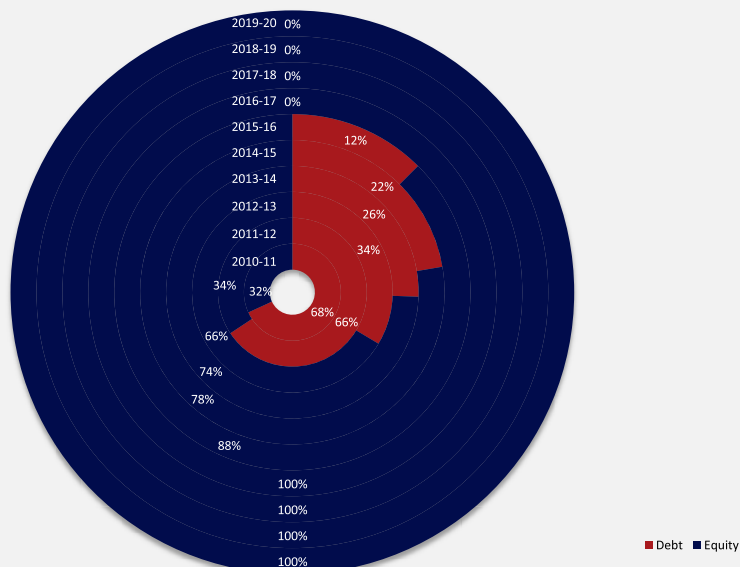


Highlights

	Net Worth	Share Capital	Reserves & Surplus	Borrowings	Capital Employed	Gross Fixed Assets
2019-20	3,452	305	3147	0	3452	3566
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

All figures in INR mn

Debt to Equity Ratio



HIGHLIGHTS

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

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
FOR THE YEAR										
1 GROSS REVENUE	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	2,580.68
2 PROFIT BEFORE TAX	182.86	196.56	298.10	382.30	399.61	547.07	649.34	586.60	583.45	430.01
3 PROFIT AFTER TAX	120.17	133.55	205.02	235.61	247.27	389.39	427.80	377.94	379.38	379.64
4 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-	-	386.09	419.74	377.34	378.24	377.44
5 DIVIDEND (INCLUDING TAX)	56.91	68.29	35.65	106.94	110.01	146.68	165.02	165.29	165.29	-
6 RETAINED EARNINGS	190.71	192.50	301.82	262.71	326.84	394.74	396.65	353.53	356.71	374.07
7 FOREIGN EXCHANGE EARNINGS	875.16	1,133.13	1,225.19	1,088.33	1,233.40	1,236.49	873.79	794.93	810.55	744.26
AT YEAR END										
8 GROSS FIXED ASSETS	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	3,566.39
9 SHARE CAPITAL	195.87	195.87	304.68	304.68	304.68	304.68	304.68	304.68	304.68	304.68
10 RESERVES AND SURPLUS	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	3,146.91
11 NET WORTH	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	3,451.59
12 BORROWINGS	2,407.00	2,280.00	1,003.10	725.87	621.21	345.43	-	-	-	-
13 CAPITAL EMPLOYED	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	3,451.59
PER SHARE										
14 NET WORTH PER EQUITY SHARE	57.44	60.77	65.13**	69.34**	70.95**	79.67**	92.24**	99.21**	106.20**	113.29**
15 EARNINGS PER EQUITY SHARE	6.14	6.19 *	8.01 **	7.73 **	8.12 **	12.78 **	14.04 **	12.40 **	12.45 **	12.46 **
16 DIVIDEND PER EQUITY SHARE	2.50	3.00	1.00**	3.00**	3.00**	4.00**	4.50**	4.50**	4.50**	0.00**
RATIO										
17 DEBT:EQUITY RATIO	2.14:1	1.92:1	0.51:1	0.34:1	0.29:1	0.14:1	-	-	-	-

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

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

Notes :

- a) Serial nos. 8, 10, 11, 13, 14 and 17 are inclusive of Revaluation Reserve balance, if any, as at year end.
- b) Figures for previous year(s) have been regrouped / rearranged, wherever necessary.
- c) 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
- d) Gross Fixed Assets as at March 31, 2020 includes Right-of-use assets in accordance with Ind AS 116.

DIRECTORS' REPORT

The Board presents the Thirty-seventh Annual Report together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31st March 2020.

Financial Highlights

The financial highlights are set out below:

	Rupees in Million	
	2019-20	2018-19
Total Revenue	2580.68	2737.00
Earnings Before Interest, Depreciation, Taxes and Amortisations (EBIDTA)	594.19	730.41
Interest and Finance Charges	4.46	4.34
Depreciation and Amortisation Expenses	159.72	142.62
Profit before Tax	430.01	583.45
Tax including Deferred Tax	50.37	204.07
Profit after Tax	379.64	379.38
Other Comprehensive Income/(Loss), net of tax	(2.20)	(1.14)
Total Comprehensive Income	377.44	378.24
Balance brought forward	1120.02	907.07
Dividend on Equity Shares	137.11	137.11
Dividend Distribution Tax	28.18	28.18
Impact on adoption of Ind AS 116	3.80	-
Balance carried forward in Retained Earnings	1335.97	1120.02

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;

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

Performance

The annexed Management Discussion and Analysis forms part of this report and covers, amongst other matters, the performance of the Company during the Financial Year 2019-20 as well as the future outlook.

Business Responsibility Report

As stipulated under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Business Responsibility Report describing the initiatives taken by the Company from the environmental, social and governance perspective is attached and forms part of this Report.

Corporate Governance Report

In accordance with Regulation 34(3) read with Schedule V(C) of the Listing Regulations, the report on Corporate Governance along with the certificate from Practicing Company Secretary is attached and forms part of this Report.

Dividend

In view of the prolonged lockdown and consequent travel restrictions to avoid spread of COVID-19 pandemic imposed by the Government of India as well other countries globally almost all business segments i.e. Corporate, Leisure, MICE and Direct business were severely impacted. In these unforeseen and uncertain times, it is difficult to predict when business conditions will normalise. Therefore, in order to conserve cash and ensure liquidity for the operations for the Financial Year 2020-21, the Board of Directors decided not to recommend any dividend to the shareholders for the Financial Year 2019-20.

Board Meetings

During the year, four Board Meetings were held i.e. on 28th May 2019, 30th July 2019, 4th November 2019 and 23rd January 2020.

Directors

The Shareholders, at the 36th Annual General Meeting held on 30th July 2019 approved by Special Resolutions, the re-appointment of Mr. L. Ganesh (DIN: 00012583) and Mr. Sudipto Sarkar (DIN: 00048279) 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 effective 8th August 2019, the date of expiry of their first term of office as Non-executive Independent Directors.

The tenure of Mr. Vikram Oberoi, Managing Director, expired at close of business on 22nd June 2020. The Nomination and Remuneration Committee and the Board at their respective meetings on 5th May 2020 recommended renewal of his appointment as Managing Director for a further period of five years effective 23rd June 2020. Mr. Vikram Oberoi will not receive any remuneration. The re-appointment requires approval of

the Shareholders for which a Resolution was included in the Notice for Postal Ballot dated 5th May 2020. As per the Scrutinizer's Report on Postal Ballot and e-Voting dated 22nd June 2020, the Resolution was passed by almost 100% votes cast in favour of the said re-appointment.

Ms. Radhika Haribhakti (DIN: 02409519), Non-executive Independent Director's first term of 5 (five) years expired on 21st May 2020. The Nomination and Remuneration Committee and the Board of Directors at their respective meetings on 5th May 2020, noted that Ms. Radhika Haribhakti is a highly renowned professional in her field of expertise. The Company and the Board have immensely benefitted from her vast experience, knowledge and strategic insights on various matters relating to Company's business. Considering the contribution of Ms. Haribhakti to the functioning and performance of the Company, the Board is of the unanimous view that it will be in the interest of the Company to re-appoint Ms. Haribhakti as Non-executive Independent Director, not liable to retire by rotation, for a second term of 5 (five) consecutive years effective 22nd May 2020. The re-appointment requires approval of the Shareholders for which a Special Resolution was included in the Notice for Postal Ballot dated 5th May 2020. As per the Scrutinizer's Report on Postal Ballot and e-Voting dated 22nd June 2020, the Special Resolution was passed with 99.99% votes cast in favour of the said re-appointment.

At the first meeting of the Board of Directors for the Financial Year 2020-21 held on 5th May 2020, 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. Akshay Raheja (DIN: 00288397) retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Directors recommend re-appointment of Mr. Akshay Raheja 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 2019-20 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** supports Bhawani Child Development Center, a school for dyslexic children, by giving donation to the organization. The hotel donated INR 35,000/- in the year 2019-20. The Oberoi Rajvilās had organized Blood Donation Camp in the Hotel through Suman Blood Bank and in total had donated 50 units

of blood. The Oberoi Rajvilās organizes Annual Fete every year. The Fete is for the charity purpose. The money collected from the Fete is utilized to buy items for SOS Village children.

- b. **Trident Jaipur** supports Bhavani Child Development Center (Bhavani CDC), a school for children with learning disabilities. The school is involved in providing intensive early intervention for children showing signs of developmental delay and exposed to the risk of learning disability. Trident Jaipur has sponsored education of two children in the past. Every year the hotel sponsors their Art Work Competition. Trident Jaipur also participates in sports day, festival celebration and calendar release events at Bhavani CDC. On 10th May 2019, the Hotel team attended Abhivyakti “3rd Rising Day” and Cultural event.

‘Manna in the Desert’ is an orphanage in Jaipur. It feeds, shelters, provide clothes and education to orphans. Trident Jaipur encourages team members to donate utility items, clothes, toys, books etc to the children on different occasions. The hotel also invites the children on Republic Day and Independence Day for fun activities, flag hoisting and serves them special brunch. On 5th June 2019, World Environment Day, Manna Orphanage Children participated in poster making competition and tree plantation at the hotel. Brunch was served to the children at the hotel.

Youth Career Initiative (YCI) offers young people who are particularly vulnerable, the opportunity to gain the skills and experience they need to take the first step in their career. The three-month programme starts with classroom training in basic hospitality and English language skills. Then, through their unique partnership with world-leading hotel companies, they offer hands-on experience (6 months) within the hotel industry. Trident Jaipur, through YCI, supports young people aged 18-24 years, who have faced a wide range of barriers, including people from low income families, those living without parental care, survivors of human trafficking, refugees and people with disabilities. YCI creates an opportunity for both professional and personal development, equipping graduates with the practical skills and self-belief to reach for greater goals. Trident Jaipur provides six month’s practical training to YCI candidates and encourages their enrolment as an Apprentice through ITI after completion of their six months’ training.

- c. **Trident Bhubaneswar** religiously follows the mantra ‘Say No to Plastic’ as our guests and employees are aware of the damage caused by use of plastic. The hotel promotes the slogan by different means such as poster making competition among the department, cleaning the area in and around to get rid of any plastic material and also to ensure that the hotel premises are eco-friendly and plastic free. On 5th October 2019, Trident Bhubaneswar carried out various eco-friendly activities to uphold the slogan and create environmental awareness among its guests and employees.
- d. **Trident Udaipur** extends assistance to local chapters of Mother Teresa’s Missionaries of Charity. On 15th October 2019, Team members and Executives of Trident Udaipur visited Mother Teresa Ashram and interacted with children. Food packets and other items were distributed as part of the hotel’s yearly activity towards to the society. On Children’s Day, 14th November 2019, Trident Udaipur team voluntarily collected a fund for distribution of woollen clothes to the children of the Theosophical Society’s

School. The children at Theosophical Society's school are destitute; they are either differently abled or orphaned. The CSR team had decided to collect a fund from an activity during one of their team's event. For this, they had also visited the school to know their requirements. On Children's Day, the volunteers from Trident Udaipur celebrated the day with children at the Theosophical Society and also distributed woolen clothes to 50 children.

- e. **Trident Agra** - On 19th July 2019, the employees along with the Human Resources team of Trident Agra visited a slum area with around 35 school-going children. The education of these children is sponsored by an NGO - Aarambh. Along with Aarambh, the team distributed tiffin boxes, hampers, and steel platters. This initiative with the people at the slum area left smiling faces. Trident Agra also extended assistance to NGO Divya Prabha which supports the education of 27 underprivileged children.
- f. **Trident Cochin** in association with the other hotels and business organizations in its locality distributes school supplies to the Government School on Willingdon Island. This is an yearly event in which the hotel participates and is appreciated and supported by the local community. On 11th June 2019, team Trident Cochin participated in this yearly event.
- g. **Trident Chennai** commemorated World Environment Day on 5th June 2019 by holding placards outside the hotel on Environmental themes in order to create awareness among the general public. The hotel also distributed saplings to guests, team members and general public. This is an annual activity the hotel carries out.

Audit Committee

The composition of the Audit Committee is as under:

- | | |
|--------------------------|--|
| • Ms. Radhika Haribhakti | – Independent Director & Chairperson |
| • Mr. Anil Nehru | – Independent Director |
| • Mr. L. Ganesh | – Independent Director |
| • Mr. Sudipto Sarkar | – 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. 49 and 50.

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

The Company's Policy on Directors Appointment and Remuneration Policy (revised) 2019 ("Directors 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 Directors 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 on 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 on 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 Directors 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 other industries in general 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 conventional lamps with energy efficient LED lamps;
- installation of waste heat recovery equipment;
- replacement of old pumps with energy efficient pumps;
- installation of heat pumps in place of conventional fuel based water heaters;
- carrying out overhauling works for heat exchangers;
- installation of water flow optimizers in wash basin taps and installation of water efficient eco washers based WCs.

Furthermore, conservation measures in form of tight operational control of lighting and other equipment, regulation of air conditioning set points according to ambient temperatures, taking guest floors out of order during low occupancy, optimization of laundry and boiler operation were continued. Energy audit of plant and machinery along with thermography of electrical panels were carried out for identifying additional measures of saving energy.

Operational measures include setting of benchmarks w.r.t the current year with targets for increased savings, initiatives by energy conservation committees comprising of cross functional groups, close monitoring & performance evaluation of plant and machinery by conducting regular self-audit and up gradation of plant room equipment. With various energy conservation measures taken in the financial year 2019-20, we were able to reduce our overall energy consumption by about 1.5 million kWh which resulted in a reduction of our carbon dioxide emissions by about 0.6 million kg in comparison to the last financial year.

Actions planned for next year include:

- replacement of remaining conventional lamps with energy efficient LED lamps;
- upgradation of sewage treatment plants, installation of new energy efficient pumps;
- replacement of old chillers with more energy efficient chillers;
- installation of heat pumps in place of conventional fuel based water heaters;
- replacement of cooling towers with more efficient cooling towers;
- replacement of old blowers with energy efficient blowers;
- installation of additional water efficient eco washers based water closets and water flow optimizers in water taps.

Foreign Exchange earnings & outgo

During the Financial Year 2019-20, the foreign exchange earnings of the Company amounted to ₹ 744.26 Million as against ₹ 810.55 Million in the previous year. The expenditure in foreign exchange during the Financial Year 2019-20 was ₹ 85.66 Million compared to ₹ 88.30 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 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 2020. The Secretarial Audit Report submitted by the Secretarial Auditors does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed and forms part of the Annual Report.

The Secretarial Compliance Report for the year ended 31st March 2020 and Certificate of Non-disqualification of Directors as at 31st March 2020, as required under Listing Regulations, is also annexed and forms part of the Annual Report.

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 arms 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 Transaction 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 set out in Note no 39 to the Financial Statement.

Extract of Annual Return

The Extract of Annual Return for the Financial Year ended 31st March 2020 in Form MGT-9 is annexed as Annexure 2.

Loans, Guarantees or Investments

During the year 2019-20, 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 the Section 177(9) of the Act and rules framed thereunder read with Regulation 22 of the Listing Regulations, the Company has a Whistle blower 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 Whistle blower. Disclosures can be made through e-mail or letter to the Whistle Officer or to the Chairperson of the Audit Committee. The Whistle blower Policy can be accessed on the Company's website www.eihassociatedhotels.in. During the year ended 31st March 2020 the Company did not receive any complaint under the scheme.

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 ("POSH Act") and rules made thereunder, the Company has constituted an Internal Complaints Committee (ICC) in all its hotels.

During the year, the ICC received four complaints. All the four complaints have been disposed of within the statutory time period prescribed under the POSH Act. The Company has also filed necessary returns as required to be filed under the POSH Act.

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 2019-20 (₹Million)	Total Remuneration 2018-19 (₹ Million)	Percentage Increase
1	Chief Financial Officer	7.83	7.80	0.38
2	Company Secretary	4.69	4.26	10.09

- b) the percentage increase in the median remuneration of the employees in the Financial Year is 8.68%;
- c) the number of permanent employees on the rolls of the Company at the end of the Financial Year are 666;
- d) the average percentile increase in remuneration of the employees in the Financial Year 2019-20 was 6.9%;

It is hereby affirmed that the remuneration of Directors and Key Managerial Personnel are as per the Remuneration Policy of the Company.

Internal Financial Control Systems and Risk Management Systems

Compliance of the Internal Financial Controls and Risk Management Systems are given in the Management Discussion & Analysis report.

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 2019-20. 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, the Board as a whole and also its Committees were undertaken in a separate meeting of Independent Directors held on 22nd May 2020, 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 2020-21 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.

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

Vikram Oberoi
Managing Director

New Delhi
23rd June 2020

Radhika Haribhakti
Chairperson, Audit Committee

Mumbai
23rd June 2020

**DETAILS OF REMUNERATION OF MANAGERIAL PERSONNEL PURSUANT TO RULE 5(2) OF THE COMPANIES
APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014
AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2020**

The top ten employees in terms of remuneration drawn for the Financial Year ended 31st March 2020 are as follows:

SL. No.	Name of the Employee	Age (Yrs)	Designation/ Nature of Duties	Gross Remuneration ₹	Qualification(s)	Experience in Years	Date of Commencement of Employment	Particulars of previous employment
1	Abhishek Sharma	40	General Manager	5,296,140	MT 2003-05	16	Nov-16	The Leela, Goa
2	Adin Jaisinghani	38	General Manager	4,921,170	MT 2004-06 OCLD	13	Jun-18	Constance Moofushi Resort, Maldives
3	Amardeep Singh	39	General Manager	5,301,728	Diploma in Hotel Management (2003), OCLD (2005)	13	Jul-05	First Employment
4	Ankush Mahajan	44	General Manager	7,794,609	OCLD MT batch 1999-01	23	Sep-17	DLF Limited
5	Gaurav Kumar Kumra	44	General Manager	4,872,614	IHM 98, BA (Hons)	20	Jan-05	Taj Residency, Aurangabad
6	Indrani Ray	49	Company Secretary	4,601,433	B.Com. (Hons), A.C.A., A.C.S.	25	Mar-10	Foster Wheeler Group
7	Jashobanta Parhi	57	Head - Human Resources	4,361,374	Bachelor Degree in Spanish (1992)	31	Nov-86	First Employment
8	Jishnu Veliyath	46	General Manager	7,363,279	HKT OCLD 1997	23	Sep-18	Antara Senior Living
9	Prakash Jayadevan	41	General Manager	5,704,694	Diploma in Hotel Management from Institute of Hotel Management in 1999	22	Feb-19	Fairfield by Marriott, Kathmandu
10	Samidh Das	53	Chief Financial Officer	7,834,603	B.Com(Hons), F.C.A.	30	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

Vikram Oberoi
Managing Director

New Delhi
23rd June 2020

Radhika Haribhakti
Chairperson-Audit Committee

Mumbai
23rd June 2020

ANNEXURES TO THE DIRECTORS' REPORT

Annexure -1

Annual Report on CSR Activities

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

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

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

The Board of Directors at their Meeting held on 30th July 2019 on the recommendation of the CSR Committee, approved a CSR spend of ₹ 12.09 Million for contribution to SOS Children's Villages of India for the Financial Year 2019-20. The CSR activity approved is an on-going contract for the year 2019-20.

- 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**
₹ 604.70 Million
- 4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above) in 2019-20:**
₹ 12.09 Million
- 5. Details of CSR spent during the financial year**
 - Amount to be spent for the financial year: Rs 12.09 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
	TOTAL			12.10	12.10	Nil	12.10	

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 the amount as prescribed under the law.

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

New Delhi
23rd June 2020

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

S.S. MUKHERJI
Chairperson, CSR Committee

Kolkata
23rd June 2020

ANNEXURES TO THE DIRECTORS' REPORT

Annexure-2

Form MGT-9

Extract of the Company's Annual Return for the financial year ended 31st March 2020

*[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 [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% 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	97,486	-	97,486	0.32	97,486	-	97,486	0.32	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	15,968,119	-	15,968,119	52.41	15,968,119	-	15,968,119	52.41	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	16,065,605	-	16,065,605	52.73	16,065,605	-	16,065,605	52.73	-
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	6,784,711	-	6,784,711	22.27	6,784,711	-	6,784,711	22.27	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	67,84,711	-	6,784,711	22.27	6,784,711	-	6,784,711	22.27	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	22,850,316	-	22,850,316	75	22,850,316	-	22,850,316	75.00	-
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	-	500	500	-	-	300	300	-	-40.00
(b)	Financial Institutions /Banks	7,627	100	7,727	0.03	2,000	100	2,100	0.01	-72.82
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	4,320,420	-	4,320,420	14.18	4,021,920	-	4,021,920	13.20	-6.91
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	4,328,047	600	4,328,647	14.21	4,023,920	400	4,024,320	13.21	-7.03
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	171,465	3,601	175,066	0.57	123,940	2,900	126,840	0.42	-27.55
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,032,977	158,462	1,191,439	3.39	1,325,789	141,859	1,467,648	4.82	23.18
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,733,138	-	1,733,138	5.69	1,800,048	-	1,800,048	5.91	3.86
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Others									
	NON RESIDENT INDIANS	110,052	12,038	122,090	0.40	121,559	7,238	128,797	0.42	5.49
	TRUSTS	200	-	200	0.00	200	-	200	-	-
	FOREIGN NATIONALS	-	-	-	-	-	-	-	-	-
	DIRECTORS RELATIVES	-	-	-	-	-	-	-	-	-
	CLEARING MEMBERS	2,071	-	2,071	0.01	2,083	-	2,083	0.01	0.58
	Investor Education and Protection Fund	65,180	-	65,180	0.21	67,895	-	67,895	0.22	4.17
	Sub-Total B(2) :	3,115,083	174,101	3,289,184	10.80	3,441,514	151,997	3,593,511	11.79	9.25
	Total Public Shareholding B = B(1)+B(2) :	7,443,130	174,701	7,617,831	25.00	7,465,434	152,397	7,617,831	25.00	-
	Total (A+B) :	30,293,446	174,701	30,468,147	100.00	30,315,750	152,397	30,468,147	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) :	30,293,446	174,701	30,468,147	100.00	30,315,750	152,397	30,468,147	100	-

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

SN	Particulars	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	EIH Limited	No Change	11,215,118	36.81	11,215,118	36.81
2	Satish B Raheja	No Change	6,784,711	22.27	6,784,711	22.27
3	Manali Investment & Finance Private Limited	No Change	2,276,617	7.47	2,276,617	7.47
4	Coronet Investments Private Limited	No Change	2,088,899	6.86	2,088,899	6.86
5	Oberoi Holdings Private Limited	No Change	271,874	0.89	271,874	0.89
6	Oberoi Hotels Private Limited	No Change	111,733	0.37	111,733	0.37
7	P R S Oberoi	No Change	50,820	0.17	50,820	0.17
8	Rajan B Raheja	No Change	46,666	0.15	46,666	0.15
9	Oberoi Plaza Private Ltd	No Change	2,260	0.01	2,260	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	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	National Westminster Bank Plc As Trustee	No Change	3,041,111	9.98	3,041,111	9.98
2	Jupiter South Asia Investment Company Limited		1,277,802	4.19		
	Jupiter South Asia Investment Company Limited	06/03/2020			979,302	3.21
	At The End of The Year				979,302	3.21
3	Hemendra M Kothari	No Change	373,363	1.23	373,363	1.23
4	Usha Kamal Kabra	No Change	351,000	1.15	351,000	1.15
5	Kamal Kabra Huf	No Change	331,100	1.09	331,100	1.09
6	Gopikishan S Damani	No Change	252,000	0.83	252,000	0.83
7	Aayush Kamal Kabra	No Change	90,444	0.3	90,444	0.3
8	Kamal Shyamsunder Kabra*	No Change	66,100	0.22	66,100	0.22
9	Sanjeev Vinodchandra Parekh*	No Change	54,228	0.18	54,228	0.18
10	Pooja Kamal Kabra*	No Change	51,200	0.17	51,200	0.17
11	Vinodchandra Mansukhlal Parekh*	No Change	39,354	0.13	39,354	0.13
12	Ajay Kumar Kayan#		-	-		
	Ajay Kumar Kayan	06/03/2020			149,250	0.49
	At The End of The Year				149,250	0.49
13	Lalita Kayan#		-	-		
	Lalita Kayan	06/03/2020			74,955	0.25
	At The End of The Year				74,955	0.25
14	Atul Kayan#		-	-		
	Atul Kayan	06/03/2020			74,625	0.24
	At The End of The Year)				74,625	0.24
	*Not in TOP 10 at the end of the year					
	# Not in TOP 10 at the beginning of the year					

E) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Rajan B Raheja	No Change	46666	0.15	46666	0.15
2	P R S Oberoi	No Change	50820	0.17	50820	0.17
3	Shib Sanker Mukherji	No Change	10000	0.03	10000	0.03

V. Indebtedness 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	0.40	-	-	0.40
	Mr. L.Ganesh	0.24	-	-	0.24
	Mr. Sudipto Sarkar	0.52	-	-	0.52
	Mr. Surin Shailesh Kapadia	0.16	-	-	0.16
	Ms. Radhika Vijay Haribhakti	0.24	-	-	0.24
	Total (1)	1.56	-	-	1.56
2	Non-Executive Directors				
	Mr. P.R.S.Oberoi	0.08	-	-	0.08
	Mr. S.S.Mukherji	0.76	-	-	0.76
	Mr. Akshay Raheja	0.16	-	-	0.16
	Total (2)	1.00	-	-	1.00
3	Executive Director				
	Mr. Vikram Oberoi*	0.52	-	-	0.52
	Total (3)	0.52	-	-	0.52
	Total B (1+2+3)	3.08	-	-	3.08
	Total Managerial Remuneration	3.08	-	-	3.08

**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	-	4.39	7.33	11.72
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.30	0.50	0.80
	(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	-	4.69	7.83	12.52

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

2019 saw global economic growth¹ slow to 2.9% compared with 3.6% in the previous year, impacted by slowing rates of growth in most regions across the world. In Emerging Markets and Developing Economies (EMDE), GDP growth reduced from 4.5% in 2018 to an estimated 3.7% in 2019 due to increased Government debt and a slowing of investment. Simultaneously, weaker exports and investment in advanced economies (USA, EU and Japan), led to a slower GDP growth of 1.7% in 2019 against 2.2% in 2018.

GDP growth in the 'Emerging and Developing Asia'² fell from 6.3% in 2018 to 5.5% in 2019 strongly influenced by the slowdown in the Chinese economy. This the first time since the 1997-98 Asian financial crisis that growth in this region dropped below 6%.

The ongoing COVID-19 pandemic has brought global economic activity to almost a standstill. Owing to widescale lockdowns in most parts of Asia, Europe and in South and North America, the service sector, particularly travel, tourism and hospitality have seen severe disruption to their businesses. With businesses staring at severe liquidity crisis, unemployment rates have risen sharply. Likewise, sharp drops in consumer spending have affected global supply chains. Governments across the world have introduced stimulus packages to support their economies which will further exasperate their fiscal deficits. There are varying opinions on the shape and the scale of economic recovery with the outlook still uncertain till a vaccine or an effective treatment for COVID-19 is found. The International Monetary Fund³ estimates the global economy to contract sharply by 4.9% in 2020, much worse than during the 2008-09 financial crisis. The U.S. economy is projected to shrink in 2020 by 5.9% and the Euro area by 7.5%. China is expected to grow at a modest 1.2%.

The India Story

India's⁴ GDP growth rate declined from 6.1% in 2018-19 to an estimated 4.2% in 2019-20. On the other hand, India improved its global ranking in the *World Bank's Ease of Doing Business Report* from 143 in 2016-17 to 68 in 2019-20. **India's total foreign exchange (Forex) reserves** increased to around US\$ 508 billion in June 2020.

The Government of India has introduced several bold pro-corporate initiatives in the past year, including passing of the Insolvency and Bankruptcy Code (Second Amendment) Bill, rationalization of GST rates and reduction of corporate tax rates. Measures have also been taken to improve the Ease of Doing Business index, reduction of GST on hotel rooms with tariffs of ₹ 1,001 to ₹ 7,500 per night to 12% and those above ₹ 7,501 to 18%. Likewise, easing of credit, especially for the stressed real estate and NBFC sectors helped boosting investment and consumption.

¹ IMF World Economic Outlook Update, June 2020

² *ibid*

³ *ibid*.

⁴ *ibid*

Much like the rest of the world, the Indian economy has been deeply affected by the impact of the COVID-19 pandemic with its far reaching consequences on economic and social life. The lockdown in India that was imposed on 24th March 2020 has had an unprecedented impact on the economy owing to a steep fall in demand as well as supply.

The process of lifting of the lockdown in various states has since started in phases, effective 1st June 2020, guided by the decision of individual states, although during a major part of this lockdown period, hotel and flight operations were mandated to remain non-operational across India. We expect domestic travel to gradually pick up as the lockdown in various cities in India is lifted. Further, once border restrictions are lifted, we expect international travel to also progressively resume.

The IMF has projected India's economy to contract by 4.5% in 2020 followed by a 6%⁵ GDP growth in 2021-22, implying that a recovery of business sentiment and resultant economic growth recovery may be on the cards once a vaccine and/or treatment is in sight.

Travel & Tourism

Global Scenario

As per the *World Travel and Tourism Council*, the global Travel & Tourism industry generated US\$8.9 trillion (10.3% of global GDP) and 330 million jobs directly and indirectly in 2019. While the global economy grew by 2.4%, the Travel and Tourism industry grew by 3.5%.

India

The Travel & Tourism Industry has been a major source of growth for the Indian economy. Over the past few years, tourism has witnessed steady growth, aided by the shift from foreign to domestic tourism driven by the rising purchasing power of the expanding middle class. The 2020 edition of the *WTTC's Economic Impact - India* Report states that the Travel & Tourism industry's total contribution to the country's GDP in 2019 equated to 6.8% or ₹ 13.7 trillion (US\$194.3 billion). This decline in 2019 from 9.2% in 2018 is attributed to several factors, such as a general declining trend in economic activity, discontinuation of a national airline leading to reduced air travel, natural disasters and pollution levels especially during the winter months.

The industry continued to generate over 8% of employment, amounting to 40 million jobs, and significantly contributes to the Foreign Exchange Earnings of the country, increasing by 7.4% per cent during January to November 2019.

2019 witnessed an estimated 11 million Foreign Tourist Arrivals to the country, a growth of 3.2% over 2018. Among other factors, this may be attributed to easy access to e-visas and government schemes, as, of the total foreign visitors, over 2.5 million arrived on an e-tourist visa – a growth of 24%. Top countries for inbound arrivals in 2019 include Bangladesh (12%), United States of America (9%), United Kingdom (6%), Canada (2%) and Australia (2%). In its latest report on the Tourism and Hospitality industries, the *India Brand Equity Foundation* projects that number of Foreign Tourist Arrivals in India will surpass 30 million by 2028, although Domestic tourism for the hospitality sector has equally continued to gain importance, being a significant generator of revenue.

⁵ IMF World Economic Outlook Update, June 2020

India's ranking in the Travel and Tourism Competitiveness Index (TTCI) of the World Economic Forum has moved from 65 in 2013 to 34 in 2019. The Government has adopted the development of thematic circuits comprising 77 projects under the 'Swadesh Darshan Scheme' for an amount of ₹ 6,035.70 Crore.

Tourism & Hospitality - Trends and Opportunities for Growth

The past decade saw a substantial increase in hotel rooms in India and with a corresponding increase in demand, room rates and occupancies improving gradually till reaching a peak in 2018-19. The impact of COVID-19 on the hospitality sector is likely to constrain supply in the near term, which is expected to trigger growth in occupancy levels and rates once consumer and business confidence returns post this crisis. India's tourism sector was, not long ago, projected to reach US\$95.3 billion by 2028. Given the current circumstances, it may however be early to assess the possible impact of COVID-19 on future capital investments in the sector and whether the projection that are under planning or in the initial stages of development will still be developed.

We believe that with the demographic dividend of the country, the vast and widespread tourism landscape, forts and palaces, wellness retreats, wildlife sanctuaries, tea and coffee plantations, hill stations, deserts and seas, the cultural, religious and spiritual destinations which makes India a nation so rich and diverse, the opportunity for hospitality and tourism to flourish and drive employment and foster economic growth will help overcome any short and medium term impediments.

Financial and Operating Performance

The Company's primary business activity is hotel business.

Total Revenue of the Company was ₹ 2580.68 million in 2019-20 as compared to ₹ 2737.00 Million in the previous year, a decrease of 5.71%.

Earnings Before Interest, Depreciation, Taxes, Amortisations and Exceptional Items (EBIDTA) was ₹ 594.19.Million as compared to ₹ 730.41 Million, a decrease of 18.64%. Profit before Tax was ₹ 430.01 Million as compared to ₹ 583.45 Million in the previous year. The Net Profit for the year was ₹ 379.64 Million as compared to ₹ 379.38 Million in the previous year. Total comprehensive income was ₹ 377.44 Million as against ₹ 378.24 Million in the previous year. The Revenue and Profitability would have been higher had there not been the outbreak of the COVID-19 pandemic in the 4th quarter of the Financial Year.

A note on the impact of COVID-19 on the Company's operations is given in Note No 49 of the Notes to the Accounts.

The Company and the Hotels have taken various initiatives to protect the Health and Safety of Guests and Employees. All precautions based on World Health Organisation Guidelines and directions of the Central and State Governments have been implemented and are being strictly adhered to. The exhaustive measures that have been introduced at Hotels have been published on the websites of Oberoi Hotels & Resorts and Trident Hotels.

The Company has taken adequate measures to conserve liquidity and to ensure access to required working capital. Steps have also been taken to reduce discretionary spending and eliminate avoidable costs.

In view of the current and evolving economic situation, the Board does not propose to declare any Dividend for the Financial Year ended 31st March 2020.

Internal Control Mechanism and Adequacy

The organisation's commitment to internal controls 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 fraud and errors, accurate and timely completion of accounting records and the 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 in place.

In order to enable the Directors to 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 organisations of a similar size, nature and complexity, the Company's internal control framework has been designed through structured control risk assessments by way of Standard Operating Procedures (SOPs), Risk and Control Matrices (RACM), Information Technology (IT) Policies, ERP-based Information Systems including MIS and automated system controls inbuilt within the ERP and other IT Systems. With increased instances of information security breaches and data leakages being reported from across the globe, the Company has created a policy for reviewing its information technology security infrastructure. Commensurate actions are taken to mitigate risks arising in the information technology framework.

The RACM framework is periodically tested through independent internal audits using data analytics tools. The Internal Audit team has also implemented systems to ensure continuous audit monitoring, in order to identify deviations from the standard, if any. Such exceptions, if any, are then reported to the functional/unit heads with the responsibility of rectifying these exceptions within a definitive time frame. The audit team also has the responsibility to ensure adequate monitoring mechanisms and procedures to ensure prevention and detection of failures and faults in processes and possible fraud.

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 specialised skillsets in areas of Information Security, Financial, Business, Legal, Statutory, Projects and Process Audits.

The Department works on the latest 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 teams of Internal Audit and the IT Department. Vulnerability assessment and penetration testing (VAPT), of IT systems are also done by specialised 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 presents the findings to the Audit Committee every quarter, in the order of the impact of risks and probabilities of their occurrence, and highlights pendency of issues, if any.

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 2019-20, separate presentations on internal audit findings on four occasions and internal financial controls on two occasions were shared with the Audit Committee in its meetings. 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 of the Company. Robust risk management ensures adequate controls and monitoring mechanisms for the smooth and efficient running of the business.

Although the Company does not qualify for constituting Risk Management Committee or for holding committee meetings as required under Regulation 21 of LODR, the Risk Charter & Risk Management Framework formulated by the Risk Management Committee of EIH Limited has been made applicable to its subsidiaries and associates. The Company's Board at its meeting on 5th May 2020 noted that the Risk Charter of EIH Limited would be made applicable to all the subsidiaries and associates of EIH Limited, including EIH Associated Hotels Limited.

The Board Committee on Risk Management comprises of Board Members and Senior Executives with the majority of the Members belonging to the Board.

During the year, the Board Committee on Risk Management (“the Committee”) of EIH Limited met twice on 30th July 2019 and 25th January 2020. The Committee formulated the Risk Charter and the Risk Management Framework for the risks associated with the company’s business and the business of its subsidiaries and associates, the salient features of which are as follows:

Risk Charter

The Committee has an oversight role and in fulfilling that role, it relies on the reviews and reports to periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard.

The Committee has an overall responsibility of reviewing, with management, the Company’s risk appetite strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, all short term and long term risks that significantly affect the operation of the Company as well as the guidelines, policies and processes for monitoring and mitigating such risks.

The Committee is responsible for ensuring that the Company has a structured risk governance framework which includes risk assessment and risk management practices and the guidelines, policies and processes for risk assessment and risk management.

Specific responsibilities of the Committee includes:

- i) Annual review and approval of Risk Management Framework of the Company;
- ii) Periodic review of the risk management processes and practices of the Company to ensure that appropriate measures are taken to achieve a prudent balance between risk and reward in both ongoing and new business activities;
- iii) Evaluation of significant risk exposures of the Company and assessment of management’s actions to mitigate the exposures in a timely manner;
- iv) Reporting to the Board its evaluations, actions and recommendations.

Risk Management Framework

The Committee has identified ten key risk outcomes for the organization as under:

- Risk of inadequate growth;
- Risk of business slowdown;
- Risk of low or negative returns;
- Risk of deterioration of financial health;
- Risk of business interruption;
- Risk of impact on reputation;
- Safety, health, environment and security risk;
- Cyber risk;
- Risk of inadequate compliance;
- Risk of fraud.

The Committee shall closely monitor risks associated with the Company and its subsidiaries and associates, as above, periodically, based on the aforesaid guidelines.

The Oberoi Centre of Excellence

During the year, The Oberoi Group initiated major process improvement initiatives through “The Oberoi Centre of Excellence” (“TOCE”). The Centre provides services to all hotels of EIH Associated Hotels Limited. The centre commenced operations on 01st October 2019 with the broad objective of introducing contemporary IT-enabled

processes, modifying various processes across the organization to enhance efficiency, eliminating manpower redundancy, promoting scalability and achieving economies of scale.

This is done by channelizing collective resources; ensuring smart and efficient delivery of transactional services; driving expertise in Finance, Procurement, Master Data Management, Taxation, Business Transformation, Budgeting; all resulting in realisation of benefits from scale, standardisation, collective experience, high-end technology, Research & Development and mitigation of attrition risk.

TOCE has helped the Company optimise manpower in various functions such as Finance, Procurement and IT simplifying approval system; better Delegation of Authority based workflow, improved compliance and optimised controls with reduced manual intervention; better vendor management, robust budget control system; financial planning and analysis system and BOT based accounting and reconciliations reducing human intervention.

The services are provided to all Business Units in the Group to streamline and better control functional and operational processes.

All services provided at arms' length and invoiced under chargeback mechanisms that are in line with industry and international best practices; Chargeability to every Business Unit has been estimated based on the cost incurred.

Awards

Oberoi Hotels & Resorts has been voted the Best Hotel Group for the third consecutive year by Telegraph Travel Awards, UK – 2019, 2018 and 2017.

Oberoi Hotels & Resorts was voted Best Indian Hotel Group in the Travel + Leisure, India & South Asia India's Best Awards, 2019.

Oberoi Hotels & Resorts was voted the Best Luxury Hotel Brand by Business Traveller UK Awards, 2019

Oberoi Hotels & Resorts was ranked second amongst the Best Hotel Brand in the world by Travel + Leisure, US, World's Best Awards, 2019.

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

The Oberoi Cecil, Shimla	Best Hotel in Heritage Grand Category	National Tourism Awards 2017 – 2018
	Top 25 Hotels – India (Ranked 11th)	TripAdvisor 2019 Travelers' Choice Awards
	Top 25 Luxury Hotels – Asia - (Ranked 21st)	TripAdvisor 2019 Travelers' Choice Awards
	Top 25 Luxury Hotels – India - (Ranked 5th)	TripAdvisor 2019 Travelers' Choice Awards
	Top 25 Hotels for Service – India – (Ranked 8th)	TripAdvisor 2019 Travelers' Choice Awards
	Best Hotel in Heritage Grand Category	National Tourism Awards 2016 – 2017

Development in Human Resources and Industrial Relations

The Oberoi Group continuously reviews and re-aligns its people practices and policies with an aim to provide its employees the best working environment. Our team members truly demonstrate the Oberoi Dharma by placing guests first, the company second and self, last.

The belief of “people being our biggest asset” has always guided the Company to continuously strive to create the next generation of people practices. In the last one year, several such practices have been instrumental in continuing The Oberoi Group being an employer of choice. Some of these initiatives are:

The Oberoi Group Employee Engagement Survey – Employee engagement has always been a strong focus at The Oberoi Group. In the Financial Year 2019-20, the Kincentric Employee Engagement study was concluded, where the Oberoi Group has achieved an overall engagement of 82% which is in the Top Quartile of Global and India Best Employers. An employee participation rate of 92% was achieved across all hotels and business units in India and overseas. Our scores are at par with the Global Best Employers at 82%.

Diversity and Inclusion – One of our key focus areas for the Financial Year 2019-20 was to focus on Gender Diversity, ensure we provide the best working environment to be ‘inclusive’ and are a preferred employer for women. We achieved our internal plans and goals to foster and continue our Diversity mission across all our Hotels.

Retention – With a focus on employee engagement and managing people’s careers proactively, our Executive and staff turnover remained steady and well below current market trends.

Compliance – The Oberoi Group stands committed to the highest standards of compliance with all labour-related and other statutory requirements. A detailed Third Party Contract Labour Manual was created to standardise all policies governing the third party manpower. This was implemented across the Group as a best practice initiative for the year.

Humam Resource Automation – The journey to automate HR processes to ensure process efficiency, robust data analytics and better business delivery is continuing with the selection of automated solutions for Performance Management and Learning Management.

Industrial Relations remained stable throughout the year. We were also able to reduce the number of on-going labour litigations by reaching fair and equitable settlements.

Learning & Development

In keeping with The Oberoi Group's philosophy of training and developing people, its hotels and corporate training centre, The Oberoi Centre of Learning and Development (OCLD) continued to invest in comprehensive training interventions.

The Oberoi Centre of Learning and Development (OCLD) continued to be focused on its core programmes, namely, the Post Graduate Management Programmes in Guest Services, Housekeeping, Kitchen and Sales Management and the three-year Undergraduate Systematic Training and Education Programme (STEP). OCLD engaged with a Professor-in-Residence from the University of Nebraska to review the curriculum of the Management Training Programmes. The review resulted in the development of two new modules to focus on Business Acumen and Business Transformation. The Food and Beverage curriculum has also been revamped to include research in international cuisine trends and curating meal experiences.

OCLD created a module on 'Creating a Luxury Mindset' to be used in orientation of team members and the STEP Programmes collaborated with the University of Nebraska, Lincoln *via* a global classroom to understand global hospitality.

As part of the Corporate Learning and Development initiatives, a series of 10 programmes were run for Executives in the Financial Year 2019-20. Over 200 executives attended these management and functional development workshops. Competencies covered included Leadership, Coaching, Performance Management, Productivity and Process Improvement.

Master Trainer workshops were conducted to enhance training capability and better compliance within the organisation. These were focused on Prevention of Sexual Harassment Train and a Trainer workshop for HR Managers.

A talent framework was established to identify, nurture and retain top talent by the senior leadership. Individual development plans for the Top Talent were rolled out. Executives received training interventions for their specific identified learning and development needs.

The Oberoi Group Coaching and Mentorship Programmes were launched. Executives who are General Managers, Hotel Managers, Executive Assistant Managers and Rooms Division Managers were identified as Mentees and carefully matched to Mentors who are members of The Oberoi Group Mentors Club. The Mentors Club is a group of 7 leaders in the Company who have a long and successful track record, role modelling the culture of the organization and epitomizing Leadership qualities at The Oberoi Group. The Oberoi Group Coaching programme has been created to support first time department heads.

As on 31st March 2020, the number of people employed by the Group was 9,959.

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

VIKRAM OBEROI
Managing Director

New Delhi
23rd June 2020

RADHIKA HARIBHAKTI
Chairperson, Audit Committee

Mumbai
23rd June 2020

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of the Company for the Financial Year ended on 31st March 2020 pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") in the prescribed format by the Securities and Exchange Board of India ("SEBI") is as under:

SECTION 1: General Information

1	Corporate Identity Number (CIN) of the Company	L92490TN1983PLC009903
2	Name of the Company	EIH Associated Hotels Limited
3	Registered address	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
4	Website	www.eihassociatedhotels.in
5	E-mail address	isdho@oberoigroup.com invcom@tridenthotels.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Hotels- 9963/99631110
8	List three key products, services that the Company manufactures/provides (as in balance sheet)	Hotel Services
9	Total number of locations where business activity is undertaken by the Company	i. Eight directly owned hotels in India (Shimla, Jaipur, Agra, Bhubaneswar, Chennai, Udaipur, Cochin) ii. We own the eight hotel properties and as part of our business strategy focus on owning and maintaining such hotel properties. We have entered into Technical Service Agreements (TSAs) with EIH Limited, one of our Promoters, for operating all the hotels. We have also entered into royalty agreement with Oberoi Hotels Private Limited, one of our Promoters, for usage of "The Oberoi" and "Trident" logo and insignia for all our Hotels.
10	Markets served by the Company	The Company caters to the national market only.

SECTION 2: Financial Details

1	Paid up Capital (Rs in Million)	304.68
2	Total Turnover (Rs in Million)	2,580.68
3	Total profit after taxes (Rs in Million)	379.64
4	Total Spending in Corporate Social Responsibility (CSR) as percentage of profit after tax	3.19%
5	List of activities in which expenditure in Point 4 above has been incurred	<ul style="list-style-type: none"> The Company has been supporting SOS Children's Villages of India under "Project Shaksham" since 2014. Under this project, the Company provides family-based care including education, healthcare, nutrition, and career development needs for children who have been abandoned, orphaned and are homeless. The program extends to 80 children in 8 family homes in Chennai, Jaipur, Cochin and Bhubaneswar. We also provide higher education to 15 children. <p>Other notable CSR activities:</p> <ul style="list-style-type: none"> The Oberoi Rajvilās, Jaipur supports Bhavani Child Development Centre, a school for dyslexic children. Trident Agra extend assistance to NGO Divya Prabha which supports the education of 27 underprivileged children. The Hotel also supports 50 children from nearby slum with school bags and water bottles, apart from teaching them good hygiene practice and providing hygiene kit. Trident Agra also extends assistance to an NGO Aarambh, which sponsors education of 35 school-going children from a slum area. Trident Udaipur – supports Mother Teresa's home with various activities through the year. The Hotel also visited Theosophical Society and distributed essentials to children. Trident Jaipur supports Bhavani Child Development Centre, a school for dyslexic children. Trident Chennai create awareness on world environment day and distribute saplings for plantation in nearby areas. Trident Cochin distributes school supplies to the Government schools in Willingdon Island as a yearly event.

SECTION 3: Other Details

1	Does the Company have any Subsidiary Company (ies)?	No
2	Do the Subsidiary Company (ies) participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company (ies).	Does not arise

SECTION 4: BR Information

Details of BR Head		
Sl.	Particulars	Details
1	DIN Number (if applicable)	00052014
2	Name	Vikramjit Singh Oberoi
3	Designation	Managing Director
4	Telephone No.	91 11 23890505
5	Email id	vikram.oberoi@oberoigroup.com

SECTION 5: Commitment to Responsible Business

As the owner and operator of leading luxury and five star hotels, the Company is committed to undertaking responsible business practices which are fully aligned with the principles enunciated under the Business Responsibility Reporting framework on social, environmental and economic responsibilities of business. The context of these principles are embedded firmly within the “The Oberoi Dharma” and “The Oberoi Group Mission” guiding our business practices and corporate governance. This philosophy allows us to work relentlessly towards delighting our guests and enriching the lives of our employees through an open and participative work culture and by providing opportunities for learning, development and growth.

The Company recognises the importance of society and the environment in which it operates. We strongly believe in mobilising our resources and efforts to strengthen and empower the socially and economically disadvantaged and to conduct business in a manner which is environmentally responsible. Through our policies, processes and initiatives, we conduct business in a responsible and sustainable manner. The Company continuously reviews and improves its policies and processes and in so doing, ensures the highest standards of service and business practices.

This Business Responsibility Report details the various initiatives undertaken by the Group during the Financial Year.

PRINCIPLE 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

The Company’s guiding philosophy on ethics, transparency and accountability is articulated in the “The Oberoi Dharma” and specific details are provided in the Company’s “Code of Conduct and Ethics Policy”. The Oberoi Dharma extends to the entire Company and is central to all that we do, individually and as an organisation. It binds all employees to act with honesty, integrity and ethics at all times. Every year, Directors, Key Managerial

Personnel and Senior Management Personnel of the Company, give a written affirmation of compliance to "The Oberoi Dharma".

All employees are required to sign "The Code of Conduct and Ethics Undertaking" at the time of joining the Company. "The Code of Conduct and Ethics" espouses honest and ethical conduct, while also emboldening the Company to act strongly against:

- Theft, pilferage and fraud;
- Violence and abuse;
- Physical harm or assault;
- Sexual harassment of women at the workplace;
- Vandalism of Company property or assets.

The Company also has a "Whistleblower Policy" which allows the Company to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Policy provides a mechanism for the Directors and employees of the Company to raise concerns regarding any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements, reports, fraud etc. The Policy applies to all employees of the hotels, business units and corporate office of "The Oberoi Group" in India.

The Policy enables and facilitates an employee and other stakeholders to report instances of misconduct, leakage of unpublished price sensitive information, fraud, and misdemeanour to the Whistle Officer, Managing Director or Chairperson of the Audit Committee.

The implementation of the Whistleblower Policy is anchored by the Executive Vice President, Human Resources and is overseen by the Managing Director of the Company.

PRINCIPLE 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company maintains the highest standards of safety and sustainability in accordance with the Oberoi Dharma and Vision which clearly states:

- "We see an organization which is committed to the environment, using natural products and recycling items, thus ensuring proper use of diminishing natural resources."- Oberoi Vision
- "Conduct which at all times safeguards the safety, security, health and environment of customers, employees and the assets of the company." – Oberoi Dharma
- "Conduct which eschews the short-term quick-fix for the long term establishment of healthy precedent." – Oberoi Dharma.

The Company takes great care in ensuring sustainable practices. Measures implemented by the Company include the following:

- All laundry chemicals are bio-degradable
- Detergents used require less water to rinse out of the fabric and are therefore water efficient
- Cloth bags are used instead of plastic bags for collecting and delivering guest laundry, dry cleaning and pressing

- Bio-degradable garbage bags are used in most hotels
- Guests are encouraged to adopt environment conscious practices like optimised changing of bed linen and towels during their stay
- All stationery and shopping bags are made of recycled paper
- Some of the hotels have implemented efficient WC systems with dual water flow for saving water
- Garden irrigation is carried out through recycled water
- Compost pits have been created in hotels with large gardens
- Compost machines have been installed in majority of hotels to recycle waste.

Safety initiatives underpin the Company's business and operational practices. These include physical structures resilient to intrusive and/or other damaging interventions to the extent feasible, fire-safety measures, focus on guest, employee safety, safety towards women in the workplace and overall operational safety across all functions. In addition, initiatives are taken to review the safety and security situation as follows:

- Internal security audit reviews of each hotel twice a year
- Following up on pending audit review points on a monthly tracking report
- Investigate any incident which is followed by a detailed Incident Report
- An exhaustive check list for risk assessment as a part of internal security audit
- Issuance of high alerts/security advisories from time to time based on prevailing security situations that arise in the city or country in which the hotel is located

PRINCIPLE 3: Business should promote the wellbeing of all employees

The Oberoi Dharma is the Company's central philosophy towards ensuring the wellbeing of its employees as follows:

- "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"

The Company is committed to making the employee experience enriching. This is done by ensuring a work culture that is caring, open and respectful and provides opportunity for learning, development and growth. Through various policies which guide employee engagement, we have fostered a culture that ensures guest centricity, high standards of personalised service and an enabling work environment.

The Company strongly espouses gender equality, diversity and equal opportunity:

- For the Company, gender equality is a commitment. The team comprises employees of both genders with increasing emphasis on providing opportunities to women. We are constantly working to improve on the gender diversity ratio. In addition, to ensure we do not lose lady team members, we actively create an ecosystem that supports their personal commitments thereby ensuring the right conditions necessary for their career growth and progression.
- Our teams comprise a diverse mix from different cultures, regions and social backgrounds. The Company has expatriate employees, adding a flavour of diversity to the organisational culture.

Given the varied age and interest demographics of team members, we design events on multi aspects such as entertainment, learning, environment, sports, health and pay back to society.

Presented below are the details on human resources of the Company:

1	Total number of employees (total number of permanent employees)	666	
2	Total number of employees hired on temporary / contractual / casual basis	414	
3	Number of permanent women employees	81	
4	Number of permanent employees with disabilities	0	
5	List of employee associations that are recognised by management	The Company's business is spread over several states and comprises of multiple hotels, business units and offices. There are several employees associations recognised by the management depending on the laws of the particular state.	
6	Percentage of permanent employees who are members of recognised employee associations	Because of multiple employees associations in various hotels, business units and offices, permanent employees change their membership to the various associations from time to time. Accordingly, the exact percentage keeps on changing. However recognised associations always have majority numbers.	
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in Financial Year 2019-20	4	
	Category	No. of complaints filed during the Financial Year	No. of complaints pending as on end of the Financial Year
7.1	Child labour / forced labour / involuntary labour	We do not employ child labour, forced labour or involuntary labour	
7.2	Sexual harassment	4	Nil
7.3	Discriminatory employment	We do not discriminate while selecting employees	
7.4	Number of man-days of executive level training	1249 (11.89 mandays per executive)	
7.5	Number of man-days of staff level training	18076 (18.71 mandays per staff)	

The Company ensures continuous improvement of skills and capabilities of our already distinguished talent pool.

PRINCIPLE 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

The Company acknowledges and believes that it has a strong role to play in giving back to the communities and stakeholders it works with. Guided by the Corporate Social Responsibility Policy, the Company reaches out to stakeholders who are socially disadvantaged, vulnerable and marginalised. The Company takes particular attention in ensuring that the initiatives are designed to provide adequate help and relief to the following:

- Underprivileged children, including orphans and homeless children
- Elderly people
- Local communities
- Environment- tree plantation

The Company's initiatives focus on providing critical social, economic and developmental support like education, necessary vocational training and welfare support to these stakeholders so that they lead better lives. (Refer to section 2(5) of this report).

PRINCIPLE 5: Business should respect and promote human rights

The Company exercises utmost care in the promotion and protection of Human Rights. As already noted, the Oberoi Dharma drives the Company's central philosophy towards its employees and in its outlook regarding various stakeholders across its value chain. This approach is reiterated through the statement "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".

The company strongly values and upholds gender equality, diversity and provision of equal opportunities for all. The employees are sensitised regarding all aspects of socially inclusive behaviour and the need to have a humanitarian approach to all actions. The Company's Human Resource policies espouse these principles and these are clearly demonstrated in the recruitment policy, where nobody is discriminated on the basis of gender, caste, religion or physical disability. Any incidence of misconduct or harassment is dealt with seriously within the organisation. This helps in building a healthy and lively work place strengthened through mutual trust and ethical behaviour.

PRINCIPLE 6: Business should respect, protect and make efforts to restore the environment

The Company is committed to protecting the environment within which it operates. The Oberoi Group vision and dharma places utmost importance to sustainability while conducting business. Some of the environmental initiatives are:

- Energy efficient building and architectural design:
New construction emphasizes on energy efficient building design and materials. The roofs and external walls have high thermal resistance insulation to minimize energy loss. Building fenestration is incorporated with high performance insulated glass to reduce energy loss. Roof tops have reflective tiles or an albedo coating to minimize the impact of heat.

- Use of energy efficient designs and equipment:

Care is taken to ensure that the system design and equipment deployed are energy efficient. Highly efficient chillers are used for air conditioning. Pumps, fans, compressors, blowers and other equipment are selected carefully considering their energy efficiency. Energy recovery systems and variable speed drives are used extensively to save energy. High efficiency boilers and heaters are used with energy recovery systems to recover waste heat. Energy efficient lighting with optimal use of natural light is practiced. Building Management systems are used for monitoring and control.

- Sustainable landscape and water use:

Sustainable landscaping and horticulture are essential features of every hotel.

The design of new hotels ensures a high percentage of green area, trees and shrubs. Local plants species are extensively used to encourage biodiversity.

The use of natural fertilizers and bio-pesticides support sustainable practices. While building hotels, natural contours of the site are maintained to limit disturbance to natural water flow and increase infiltration of storm water. Rain water harvesting systems are installed in the majority of hotels. Hotels have Sewage Treatment Plants (STPs). Treated water from STPs gets recycled for use in horticulture and cooling towers. Technology for treating and recycling used water from laundry back to the laundry is an option under active consideration which will not only save water but also reclaim the heat which gets lost otherwise. A pilot plant at one our larger city hotels has been evaluated. Low water usage plumbing fixtures are used to reduce water consumption. Irrigation systems use automation to control water usage.

- Use of sustainable materials:

Fly-ash, a waste product from power plants is used in building structures. Low embedded energy materials (material with recycled content, rapidly renewable wood/composite wood products) are extensively used in developing interiors. FSC certified wood and composite products made from recycled wood scrap are used. Priority is given on use of locally available materials like tiles, granite, marble etc. This reduces transportation and minimises carbon emissions. Biodegradable organic chemicals are used in washing machines. Bathroom amenities are made from natural botanical extracts and herbs. Use of plastics is discouraged and there is preference for renewable and organic products. The refrigerants used have low global warming and low ozone depletion properties.

- Waste Reduction, recycle and reuse:

Wet garbage is treated in organic waste converters and recycled in several hotels. Alternatively, it is used as animal feed. Metal, plastic and other recyclable waste are segregated and sold as scrap for recycling. Electronic waste is disposed responsibly to authorized agencies as per regulations. Printed stationary is reused. Old linen is recycled for back of the house use. Business kits and cards are made from recycled paper.

- Indoor environmental quality:

Hotel designs give attention to indoor environmental quality for maintaining the environment for users, occupants and guests. Good ventilation is provided in all areas and air is treated to give good indoor air quality. Smoking zones are clearly identified and ventilation systems ensure there is no exposure of smoke outside these areas. Low VOC materials like paints, coatings, plywood, timber and fabrics are used to minimise exposure to VOCs. Carpets used are environment friendly and comply with CRI standards. Buildings

are carefully treated for acoustic comfort and to minimise ingress of noise from outside. Wet and dry scrubbers are installed to reduce emissions of gases and particulate matter.

- Special attention is paid towards safety and detailed safety procedures are listed for operational guidance of hotels.
- Hotel designs ensure accessibility for differently abled guests.
- In addition, the Company continues to ramp up its reliance on renewable energy, some of which is listed below:

The Company has invested in a local wind generating company and 2.8 million units of electricity per year from wind energy have been contracted on a long term basis for Trident Chennai. Roof top solar panels have been installed in all hotels of as much capacity feasible. In addition to the roof top solar plants, it is planned to utilize the unused land parcels within the hotel boundary to add to the existing solar power plant capacity which is estimated to deliver a substantial portion of the total power consumed at The Oberoi Rajvilās, Trident Udaipur and Trident Agra. This project is estimated to be commissioned by the end of the second quarter in Financial Year 2020-21.

PRINCIPLE 7: Business when engaged in influencing public and regulatory policy, should also do so in a responsible manner

The Company takes up with responsibility and commitment matters concerning the hotel industry across the country through active participation in apex industry associations including the following:

- Hotel Association of India (HAI)
- Federation of Hotels and Restaurant Association of India (FHRAI)
- Federation of Associations in Indian Tourism & Hospitality (FAITH)
- Tourism & Hospitality Skills Council (THSC)
- Skills Council for People with Disability (SCPwD)

PRINCIPLE 8: Business should support inclusive growth and equitable development

The Company continues to regularly identify and engage with different sections of the communities. Please refer to Point 5 of Section 2 of this Business Responsibility Report for further details.

PRINCIPLE 9: Business should engage with and provide value to their customers and consumers in a responsible manner

The Company has an uncompromising and unrelenting commitment to delivering excellence and value to its guests through efficient, personalised and caring service. This is based on “The Oberoi Dharma”. Our commitment to excellence, attention to detail and personalised service continues to be acknowledged and appreciated globally. Oberoi Hotels and Resorts was voted the best Hotel Group for the second consecutive year by Telegraph Travel Awards, 2018, UK. It has also won best business Hotel brand by Business Traveler U.K Readers Award, 2018. The many accolades that our hotels receive is recognition of the commitment and dedication of employees at all levels to deliver exceptional guest experiences.

The overall service and product classification of hotels in India is governed by The Ministry of Tourism via the Hotel and Restaurant Approval and Classification Committee (HRACC). HRACC has developed stringent guidelines for hotels to follow. Based on a detailed inspection, hotels are classified as 5 Star deluxe, 5 star and so on. All our hotels have been classified under 5 Star Deluxe, 5 star and Heritage hotels. This certificate is issued after a detailed inspection every five years.

The various channels that are used by the Company for marketing communication include:

- Direct & Foreign Tour Operator engagement
- Meetings, Incentives, Conference & Exhibition (MICE) Focus
- Multi resort use policy
- Online Travel Agent growth
- Customised itineraries to International Free Independent Traveller (FIT) – Exotic Vacations
- Enhancing sales force productivity & effectiveness
- Enhance focus on Digital Marketing
- Establishing a robust CRM approach and process
- Aggressive re-marketing via the Oberoi Contact Centre
- Targeting priority International Markets for FIT
- Ongoing engagement through Trident Privilege

Internationally, the Company has leveraged several reputed magazines to reach out to its large base of international customers.

Within the hotels a variety of media is used to display information for guests to better understand the special offers and general information about the hotel. To ensure continuous improvement, the Company's hotels rely on the "GQA – Guest Questionnaire" feedback process, which enables us to understand guest needs and experiences better.

The continuous endeavour of the Company is to maximise and increase satisfaction, loyalty and referrals from guests. This is based on the belief that loyal guests will actively promote and recommend our hotels. All customer complaints are immediately addressed to ensure that the guests continue to have a positive association and remain loyal to our hotels.

For the past two decades, the Company has consistently commissioned reputed independent third party agencies to conduct anonymous mystery audits at each of our hotels to ascertain that established quality standards pertaining to both service and product are met.

All the operating standards applicable at Oberoi Hotels and Trident Hotels have been approved by the Company's Chairman and the Managing Director of the Company, with support from management and staff, ensure the highest operating standards across all hotels.

For and on behalf of the Board

VIKRAM OBEROI
Managing Director

RADHIKA HARIBHAKTI
Chairperson, Audit Committee

New Delhi
23rd June 2020

Mumbai
23rd June 2020

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 2020, 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 four times during the Financial Year ie. on 28th May 2019, 30th July 2019, 4th November 2019 and 23rd January 2020.

Details of attendance of Directors at Board Meetings during the Financial Year and at the Company's Thirty-sixth 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	2	No	2	-
Mr. S.S. Mukherji	Vice Chairman	Non-executive Non-Independent	4	Yes	1	2
Mr. Vikram Oberoi	Managing Director	Executive	4	Yes	4	1
Mr. Akshay Raheja	Director	Non-executive Non-Independent	2(1)	No	2	-
Mr. Anil Nehru	Director	Non-executive Independent	4	Yes	3	4**
Mr. L. Ganesh	Director	Non-executive Independent	3	Yes	5	6
Mr. Sudipto Sarkar	Director	Non-executive Independent	3	Yes	3	3***
Mr. Surin Shailesh Kapadia	Director	Non-executive Independent	4	Yes	1	1
Ms. Radhika Vijay Haribhakti	Director	Non-executive Independent	3	Yes	5	7

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

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

*** Chairperson of one Audit 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	EIH Limited	Executive Chairman
Mr. Shib Sanker Mukherji	EIH Limited	Executive Vice Chairman
Mr. Vikramjit Singh Oberoi	EIH Limited	Managing Director and Chief Executive Officer
Mr. Akshay Raheja	Hathway Cable and Datacom Limited	Non-executive Non-Independent Director
Mr. Anil Nehru	EIH 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
	EIH Limited	Independent Director
Mr. Sudipto Sarkar	Triveni Engineering & Industries Limited	Independent Director
	Vesuvius Limited	Independent Director
	EIH 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
	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.

(v) Name(s) of Directors who have these expertise and skills

Sl. No.	Name of the Director	Area of Expertise/ Skill
1.	Mr. Prithvi Raj Singh Oberoi	Hotel Management Graduate- Hospitality Industry Leader with more than 70 years’ experience in running the internationally renowned brand “The Oberoi Hotels and Resorts”.
2.	Mr. Shib Sanker Mukherji	Chartered Accountant and Management Graduate- Expertise in Finance, Accounts, Strategy and General Management.
3.	Mr. Vikramjit Singh Oberoi	Expert in Hotel Management operations and General Administration.
4.	Mr. Anil Kumar Nehru	Experience of Management in a diverse organisation. Ability to work effectively with other members of the Board.
5.	Mr. Lakshminarayan Ganesh	Chartered Accountant with experience of Management of diverse organisation. Experience in Finance, Accounts, Strategy and General Management.

6.	Mr. Sudipto Sarkar	Recognised Specialist in law, compliance, Corporate Governance and litigation
7.	Mr. Surin Shailesh Kapadia	Chartered Accountant with experience of Management of diverse organisation
8.	Ms. Radhika Vijay Haribhakti	MBA in Finance, experienced in Commercial and Investment Banking

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, 2020, 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 2020, the Audit Committee consisted of six Board members, viz. Ms. Radhika Vijay Haribhakti Mr. S.S. Mukherji, Mr. Anil Nehru, Mr. L. Ganesh, Mr. Sudipto Sarkar and Mr. Akshay Raheja. Ms. Radhika Vijay Haribhakti 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.

Ms. Radhika Vijay Haribhakti, Chairperson of the Audit Committee, holds a Post Graduate Diploma in Management (Finance) from IIM, Ahmedabad. Mr. S.S. Mukherji is a Chartered Accountant and has completed Advanced Management Program from Harvard Business School. Mr. Anil Nehru has studied Business Management from IIM, Ahmedabad, Harvard Business School 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 Mr. Sudipto Sarkar is a graduate in Mathematics from Presidency College, Kolkata and obtained his TRIPOS in law from Jesus College, Cambridge. 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 four times during the financial year, ie. on 28th May 2019, 30th July 2019, 4th November 2019 and 23rd January 2020. The attendance of members

at the Committee Meetings held during the Financial Year 2019-20 is given below:

Name	No. of Meetings attended
Ms. Radhika Vijay Haribhakti	3
Mr. S.S. Mukherji	4
Mr. Anil Nehru	4
Mr. L. Ganesh	3
Mr. Akshay Raheja	2(1)
Mr. Sudipto Sarkar	3

() Number within brackets represents meetings attended through video conferencing 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 those specified in Regulation 18 read with Part C of Schedule II to the Listing Regulations and Section 177 of the Companies Act, 2013

4. Stakeholders' Relationship Committee

Composition, Meetings and Attendance

As on 31st March 2020, the Stakeholders Relationship Committee ('SRC') comprised of three Board members viz. Mr. S.S. Mukherji, Mr. Vikram Oberoi and Mr. Sudipto Sarkar. Mr. S.S. Mukherji, Non-executive Director is the Chairperson of the Committee. 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 five during the Financial Year 2019-20 ie. on 10th May 2019, 30th July 2019, 4th November 2019, 10th December 2019 and 23rd January 2020.

The attendance of members at the Committee Meetings held during the Financial Year 2019-20 is given below:

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

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 2020 there was no request pending for dematerialization and no physical transfer remained pending.

During the Financial Year 2019-20, only 1 complaint was received from an investor. The complaint related to unclaimed dividend not received by a deceased shareholder. The complaint has been resolved. There were no complaints pending as on 31st March 2020.

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 on 30th July 2019 held during the Financial Year 2019-20. The attendance of members at the Committee Meeting is given below:

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

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. Anil Nehru is the Chairperson of the Committee.

The quorum for a meeting of the NRC is either two members or one third of the members of the committee, whichever is greater, including one independent director in attendance. The Company Secretary acts as the Secretary to the Committee.

The Committee met twice during the Financial Year 2019-20 ie. on 28th May 2019 and 30th July 2019. The attendance of members at the Committee Meetings held during the year 2019-20 is given below:

Name	No. of Meetings attended
Mr. Anil Nehru	2
Mr. S.S. Mukherji	2
Mr. Sudipto Sarkar	2

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 Rs 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 2019-20, the total amount paid to the Directors for attending meetings of the Board, Committees and that of the Independent Directors amounted to Rs 3.08 Million. No stock option was given to any Director.

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, 2017	Trident, Chennai	Friday, 4th August, 2017	3.30 P.M.	None
31st March, 2018		Friday, 3rd August, 2018	3.30 P.M.	None
31st March, 2019		Tuesday, 30th July 2019	3.30 P.M.	Yes

ii) Special Resolution passed through postal ballot

No Special Resolution was passed through postal ballot during the Financial Year 2019-20.

On 22nd June 2020, two Resolutions were passed by postal ballot & e-voting:

- (1) Re-appointment of Mr. Vikramjit Singh Oberoi (DIN 00052014) as the Managing Director of the Company for a term of 5 (five) years, effective 23rd June 2020

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 & %)
201,17,178	35	0	0	201,17,178 (100%)	35 (0.00%)

- (2) Re-appointment of Ms. Radhika Vijay Haribhakti (DIN 02409519) as Non-executive Independent Director, not liable to retire by rotation, for a second term of 5 (five) consecutive years effective 22nd May 2020.

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 & %)
201,14,625	2688	0	0	201,14,625 (99.99%)	2688 (0.01%)

iii) Person who conducted the postal ballot exercise

Mr. Ajay Kumar Jain, Practicing Company Secretary (FCS 1551, CP 21898), Jus & Associates, 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 Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and also General Circular No.14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs, Government of India ("MCA") providing relaxations in the process of holding of general meetings and voting through postal ballot/ e-voting, in view of the current extraordinary circumstances due to COVID-19 pandemic.

The voting period commenced at 10.00 AM on 23rd May 2020 and ended at 5.00 PM on 21st June 2020 and the results of postal ballot including e-voting was announced by the Company on 22nd June 2020 at 5.00 PM.

v) Proposal to pass any special resolution through postal ballot

None

9. General Disclosures

(i) Related Party Transactions

- (a) A summary of transactions with related parties, in the ordinary course of business and at arm's length is placed before the Audit Committee;
- (b) 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 2020;
- (c) 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;
- (d) The mandatory disclosure of transactions with related parties, in compliance of the Indian Accounting Standard (IndAS-24), forms part of this Annual Report;
- (e) 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 Chairman 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, 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

During the year, one Independent Directors meeting which was required to be held mandatorily under the Act could not be held. In accordance with the Ministry of Corporate Affairs Circular no.11 / 2020 dated 24th March 2020, it has been clarified that as per Para VII (1) of Schedule IV to the Act, Independent Directors (IDs) are required to hold at least one meeting without the attendance of Non-independent directors and members of management. For the Financial Year 2019-20, if the IDs of a company have not been able to hold such a meeting, the same shall not be viewed as a violation. However, Independent Directors met through video conference on 22nd May 2020 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.

(vii) Board Evaluation

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

(viii) 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 year is as under:

Number of Complaints filed during the year	04
Number of Complaints disposed of during the year	04
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 and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which statutory auditor is a part during the financial year is Rs 4.40 Million.

(xii) Committee Recommendations

During the Financial Year 2019-20, 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 statement of the Company for the Financial Year along with the Directors' Report and Auditor's Report and its annexures. Also included in each Annual Report is the notice convening the Annual General Meeting and the Corporate Governance Report.

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 2019-20)	Newspapers	31.07.2019	30.07.2019
2	Half-yearly unaudited financial statement (second quarter 2019-20)	Newspapers	05.11.2019	04.11.2019
3	Quarterly unaudited financial statement (third quarter 2019-20)	Newspapers	24.01.2020	23.01.2020
4	Annual audited financial statements (2019-20)	Newspapers	N / A	23.06.2020

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 & Analysis and the Business Responsibility Report for the Financial Year 2019-20 forms part of the Directors' Report.

11. General Shareholder Information

- a. The Thirty-seventh Annual General Meeting will be held at 3.30 PM on Wednesday, 12th August 2020 at Trident Chennai. The AGM will be conducted through Video Conference/Other Audio Visual Means (OAVM) in accordance with Ministry of Corporate Affairs ("MCA") circulars dated 8th April 2020, 13th April 2020, 5th May 2020 and 15th June 2020 which permits Companies to hold Annual General Meeting through Video Conference without the physical presence of the members. In compliance with the said circulars the Annual General Meeting is being held through Video Conference.

b. The tentative financial calendar is as follows:

Audited Financial Statement for 2019-20	Tuesday, 23rd June 2020
Mailing of Annual Report for 2019-20	On /before 16th July 2020
Unaudited First Quarter Financial Result 2020-21	Wednesday, 12th August 2020
Thirty-seventh Annual General Meeting	Wednesday, 12th August 2020
Payment of Dividend for 2019-20	N/A
Unaudited Second Quarter Financial Results 2020-21	Tuesday, 3rd November 2020

c. Register of Shareholders

The Register of Shareholders will remain closed from Wednesday, 5th August 2020 to Friday, 7th August 2020, both days inclusive.

d. Payment of Dividend

In view of the prevailing business conditions due to lockdown, the Board of Directors have not recommended any dividend payment for the Financial year 2019-20.

e. Listing of Shares on Stock Exchanges

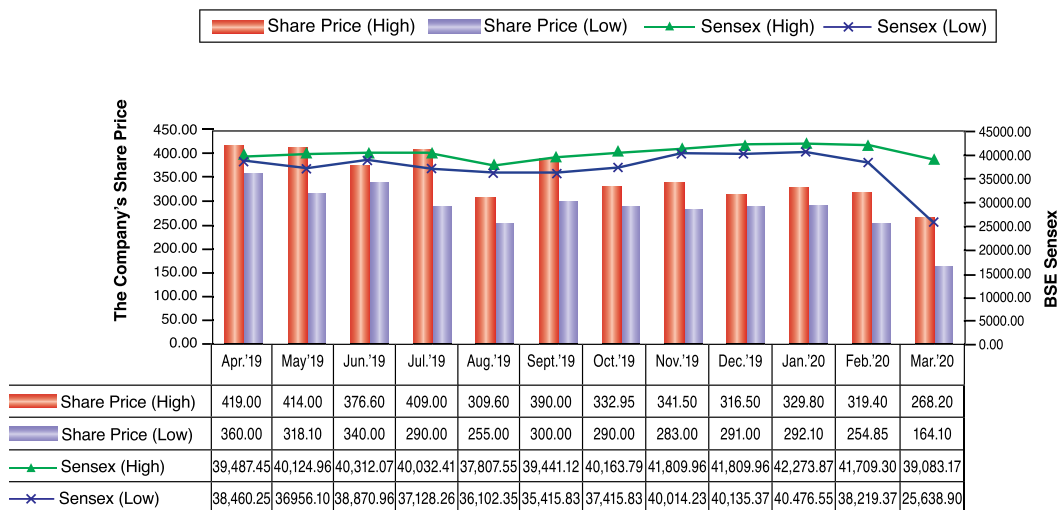
As on 31st March 2020, the shares of the Company were listed on Stock Exchanges with their respective stock codes as follows:

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

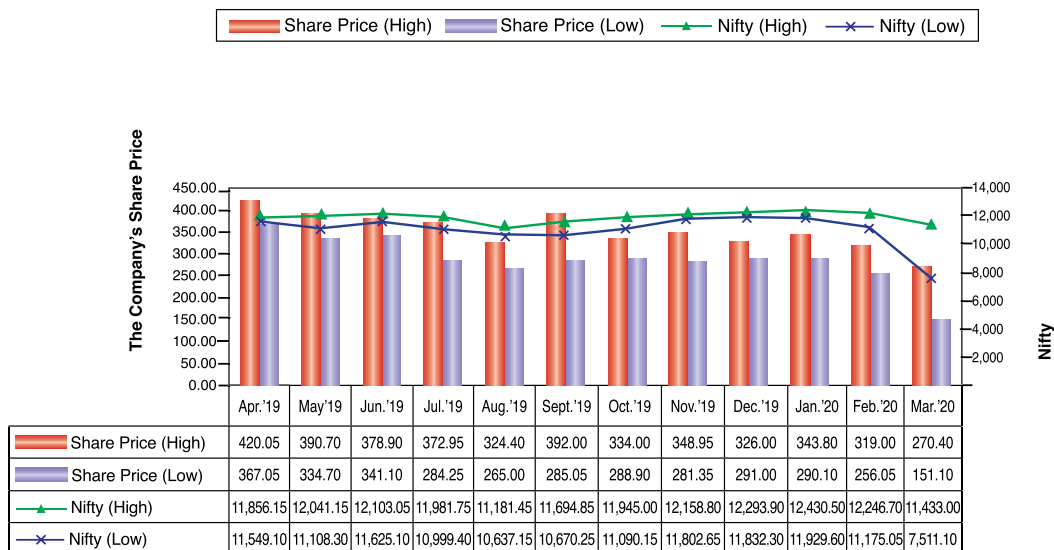
The ISIN Number of the Company's shares in the dematerialised mode is INE276C01014. There are no arrears of listing fees.

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 depositories. 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.

Regulation 36(1)(b) and (c) of the Securities and Exchange Board of India (Listing Obligations and Listing Requirements) Regulations, 2015 ("LODR") prescribes that a listed company shall send hard copy of the statement containing salient features of all the documents as prescribed in Section 136 of the Companies Act 2013 to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same, respectively. In view of the COVID-19 pandemic, SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/ 79 dated 12th May 2020 has allowed listed companies who conduct their Annual General Meetings during the calendar year 2020 (ie. till 31st December 2020), to dispense with the compliance of Regulation 36(1)(b) and (c) of LODR.

The Company has availed the relaxation allowed by SEBI and accordingly foregone printing of its Annual Report for the Financial Year 2019-20.

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 2020, 30.32 million shares of the Company, representing 99.50% of the total shares issued, were held in the dematerialised form and 0.15 million shares representing 0.50% of the total issued shares were held in physical form. A total of 6189 (89.35%) Shareholders have up to 31st March 2020, dematerialised their shareholdings, while the balance 738 (10.65%) Shareholders continue to hold shares in the physical form.

13. Distribution of Shareholding as on 31st March, 2020

Shareholding Range	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
1- 1000	6652	96.03	715512	2.37
1001-5000	213	3.07	459450	1.48
5001-10000	24	0.35	175236	0.59
10001-50000	17	0.25	361604	1.19
50001-100000	8	0.12	530267	1.24
>100000	13	0.19	28226078	93.13
Total	6927	100.00	30468147	100.00

14. Pattern of Shareholding as on 31st March, 2020

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)
(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	1	300	0
(b)	Financial Institutions /Banks	2	2100	0.01
(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	4021920	13.2
(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) :	6	4024320	13.21

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)
(2)	NON-INSTITUTIONS			
(a)	Bodies Corporate	149	126840	0.42
(b)	Individuals			
	(i) Individuals holding nominal share capital upto Rs. 2 lakh	6633	1345696	4.42
	(ii) Individuals holding nominal share capital in excess of Rs. 2 lakh	15	1922000	6.31
(c)	Qualified Foreign Investor	0	0	0
(d)	Others			
	NON RESIDENT INDIANS	89	128797	0.42
	TRUSTS	1	200	0
	FOREIGN NATIONALS	0	0	0
	DIRECTORS RELATIVES	0	0	0
	CLEARING MEMBERS	23	2083	0.01
	INVESTOR EDUCATION AND PROTECTION FUND A	1	67895	0.22
	Sub-Total B(2) :	6911	3593511	11.79
	Total B=B(1)+B(2) :	6917	7617831	25
	Total (A+B) :	6927	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) :	6927	30468147	100

15. Unclaimed Dividends

All unclaimed dividend up to and including the financial year ended on 31st March 2012 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 2020 are furnished below:

Year	Unclaimed Dividend (₹ Million)
2013	0.10
2014	0.28
2015	0.36
2016	0.38 (Interim)
2016	0.13 (Final)
2017	0.59
2018	0.37
2019	0.29

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 2013 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 6th June 2019 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 11th September 2019 and Transfer of shares to IEPF was within 1 month of the cut-off date i.e by 11th October 2019.

Shareholders who have responded to the Notice have been paid the dividend amount. The Shareholders from whom no response was received, the Company had transferred their shareholding to the demat account of the IEPF between 27th September 2020 to 1st October 2020. The details of shares transferred to IEPF are as under:

No. of Shareholders	No. of shares transferred
20	2715

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, Sham Nath 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 Thirty-seventh Annual General Meeting is enclosed as an annexure to the Notice convening the Annual General Meeting.

20. Compliance Certificate of the Auditors

The certificate obtained from Jus & Associates, Practicing Company Secretaries regarding compliance of the conditions of Corporate Governance as stipulated in the Listing Regulations is annexed and forms part of this report.

For and on behalf of the Board

New Delhi
23rd June 2020

VIKRAM OBEROI
Managing Director

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 Directors and Senior Management Personnel of the Company have affirmed compliance with The Oberoi Dharma, the Code of Conduct, as applicable to them for the Financial Year ended 31st March 2020.

New Delhi
23rd June 2020

VIKRAM OBEROI
Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
*(pursuant 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, 2020 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 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 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.

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Proprietor

Membership No. FCS-1551

Certificate of Practice No.: 21898

Firm Registration Number: P2010DE695800

Place: New Delhi

Date: June 9, 2020

UDIN: F001551B000327525

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

To,
The Members,
EIH Associated Hotels Limited
1/24, G.S.T. Road, Meenambakkam,
Chennai- 600027

We have examined the compliance of conditions of Corporate Governance by **EIH Associated Hotels Limited** ("the Company"), for the year ended March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time [hereinafter referred to as "Listing Regulations"].

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stated above.

Based on our examination of relevant records and according to the information and explanations provided and the representations given to us 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, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2020.

We further state that such compliance 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.

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Proprietor

Membership Number: FCS -1551

Certificate of Practice Number: 21898

Firm Registration Number: P2010DE695800

Date: 23rd June 2020

Place: New Delhi

UDIN: F001551B000374924

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2020

[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-600027

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 conduct/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, 2020 (“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, 2020, according to the provisions of:

- I. The Companies Act, 2013 (“the Act”) as amended from time to time, and the Rules made there under read with notifications, exemptions and clarifications thereto;
- II. The Securities Contracts (Regulation) Act, 1956 (SCRA) as amended from time to time, and the Rules made there under;
- III. The Depositories Act, 1996 as amended from time to time, and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 as amended from time to time, 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:
 - (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 read with circular on reporting of code of conduct violations.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time. However, these 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, these 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, these 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, these regulations did not become applicable to the Company during the Financial Year and hence, these regulations have not been considered for the purpose of this report.
 - (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended from time to time. However, these 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 policies and regulations 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) India 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 ("the Listing Regulations"), 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, Standards etc. mentioned herein 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 Listing Regulations.
2. Adequate notice has been given to all directors to schedule the Board Meetings during the Financial Year; 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 were carried out unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the Financial Year.
4. The Shareholders of the Company in its Annual General Meeting held on July 30, 2019 approved payment of dividend @ Rs. 4.50 per share of the face value of Rs. 10 each.
5. The Company has obtained approval of its shareholders, under Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Regulation 16, 17 and other applicable provisions of the Listing Regulations, in its Annual General Meeting held on July 30, 2019 by passing special resolutions in respect of the following:
 - a) Re-appointment of Mr. L Ganesh as Non-executive Independent Director for a second term of five years effective August 8, 2019;
 - b) Re-appointment of Mr. Sudipto Sarkar as Non-executive Independent Director for a second term of five years effective August 8, 2019.

We further report that during the Financial Year there were no specific events/ actions having major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc. referred to above.

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 compliance certificates received by the Company from its hotels and resorts 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 & 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 the Environment, Food Safety & Standards and Standards of Weights & Measures pertaining to the operations of the hotels and resorts 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
Proprietor

Membership Number: FCS -1551

Certificate of Practice Number: 21898

Firm Registration Number: P2010DE695800

Date: 23rd June 2020

Place: New Delhi

UDIN: F001551B000374924

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

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

Our Secretarial Audit Report of even date for the financial year ended March 31, 2020 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

This audit was conducted during the period of lockdown imposed by the Government due to the COVID-19 pandemic. During these extraordinary times, we had to make an exception and place reliance solely on scanned copy of certain documents and records, as provided to us by the Company electronically for the purpose of this audit, as we could not verify physical copies of the said documents and records.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and occurrence of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the Management. Our responsibility is to express an opinion based on examination of systems and procedures being followed by the Company.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Proprietor

Membership Number: FCS -1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE695800

Place: New Delhi

SECRETARIAL COMPLIANCE REPORT
For the year ended March 31, 2020

*[Pursuant to Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019
issued by Securities and Exchange Board of India]*

To,
The Members,
EIH 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 **EIH 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, 2020 ("Review Period") in respect of compliance with the provisions of :

- a) Securities and Exchange Board of India Act, 1992 ("SEBI Act") as amended from time to time and the Regulations, circulars, guidelines issued there under; and
- b) Securities Contracts (Regulation) Act, 1956 ("SCRA") as amended from time to time, 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, as amended from time to time;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time; However, these regulations are not applicable to the listed entity during the Review Period since it 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, as amended from time to time;
- d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended from time to time; However, these regulations are not applicable to the listed entity during the Review Period since it 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, as amended from time to time; However, these regulations are not applicable to the listed entity during the Review Period since it 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, as amended from time to time; However, these regulations are not applicable to the listed entity during the Review Period since it 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 Redeemable Preference Shares) Regulations, 2013, as amended from time to time; However, these regulations are not applicable to the listed entity during the Review Period since it 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, as amended from time to time 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
	NA	NA	NA

- 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 a Secretary, if any
	NA	NA	NA	NA

- 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
1	The Company filed the quarterly statement regarding investor complaints under Regulation 13(3) of SEBI (LODR) Regulations, 2015, on April 23, 2019 as against the due date of April 21, 2019 causing imposition of penalty of Rs. 1000 plus taxes by BSE as well as NSE.	March 31, 2019	The listed entity paid penalty of Rs. 1000 plus taxes as imposed by BSE and NSE for delay of one day.	Penalty imposed by both the exchanges has been paid by the listed entity. This has also been brought up in the meeting of its Board of Directors held on May 28, 2019.

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Proprietor

Membership Number: FCS -1551

Certificate of Practice Number: 21898

Firm Registration Number: P2010DE695800

Date: June 9, 2020

Place: New Delhi

UDIN: F001551B000330099

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Elh Associated Hotels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Elh ASSOCIATED HOTELS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, 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 audit 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 the key audit matter to be communicated in our report.

Key audit matter	Auditor's Response
<p>Contingent liabilities [Refer Note 1(r), 3B and 40(a) to the financial statements]</p> <p>The Company has tax and other ongoing litigations including matters under dispute which involve judgement in determining the likely outcome of tax/legal matters by the management.</p> <p>There is a risk relating to ongoing tax/legal matters amounting to ₹ 75.42 million which is disclosed in Note 40(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 judgement 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:</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 management's assessment of tax/legal matters; • On a sample basis, tested the completeness and accuracy of the underlying data used in the assessment and evaluating the assumptions used by management when determining its uncertain positions and the potential impact of past claims; • Assessed the independence, competency and objectivity of the external legal counsel involved; • Obtained management's assessment and circularised confirmations as considered necessary from the Company's legal counsel/tax consultants for confirming the possible outcome of the outstanding cases related to tax and legal claims; • For direct and indirect tax matters, we involved our tax specialists who assisted in evaluating the reasonableness of management's assessments by comparing the positions taken by management with tax regulations and past decisions from tax authorities, recent developments, new information and where applicable, evaluating assessments performed by the Company's external tax advisors; • Assessed the related disclosures in the financial statements.

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, Business Responsibility 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 skepticism 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, no remuneration has been paid by the Company to any of its directors. Accordingly, the provisions of Section 197 of the Act relating to remuneration to directors are not applicable.
 - 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 40 (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 37 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)

Place: Gurugram
Date: June 23, 2020

Alka Chadha
Partner
(Membership No. 93474)
UDIN: 20093474AAAABC5132

“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, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 2020, 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: June 23, 2020

Alka Chadha
Partner
(Membership No. 93474)
UDIN: 20093474AAAABC5132

“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 and no material discrepancies were noticed on such verification.
 - c. 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 in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) In our opinion, 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) In our opinion and 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 and the records of the Company examined by us, in respect of statutory dues:

- 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.
- 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, 2020 for a period of more than six months from the date they became payable.
- Details of dues of Income-tax, Service Tax, Value Added Tax and Luxury Tax which have not been deposited as on March 31, 2020 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	Commissioner of Income Tax (Appeals)	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	1.23
Sub-total				1.23
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Rajasthan Tax Board	2011-12 to 2015-16	Nil
	Value Added Tax	Rajasthan High Court	2011-12 to 2013-14	Nil
The Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Appellate Tribunal	2011-12	1.08
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Allahabad High Court	2007-08	0.12
Sub-total				1.20 ^^
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. 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 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: June 23, 2020

Alka Chadha
Partner
(Membership No. 93474)
UDIN: 20093474AAAABC5132

Balance Sheet

As at March 31, 2020

	Note	As at March 31, 2020	Rupees Million As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	2,700.05	2,508.00
(b) Right-of-use assets	5	117.08	-
(c) Capital work-in-progress		46.36	40.32
(d) Intangible assets	6	8.82	7.56
(e) Financial assets			
(i) Investments	7	0.39	0.34
(ii) Other financial assets	8 (i)	25.10	23.93
(f) Tax assets (net)	9	45.96	24.38
(g) Other non-current assets	10	131.34	180.58
Total non-current assets		3,075.10	2,785.11
Current assets			
(a) Inventories	11	113.52	103.00
(b) Financial assets			
(i) Investments	12	513.60	454.38
(ii) Trade receivables	13	243.63	315.04
(iii) Cash and cash equivalents	14	105.33	55.00
(iv) Other bank balances	15	288.87	322.75
(v) Other financial assets	8 (ii)	8.69	3.25
(c) Other current assets	16	117.86	70.59
Total current assets		1,391.50	1,324.01
Total assets		4,466.60	4,109.12
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	304.68	304.68
(b) Other equity	18	3,146.91	2,930.96
Total equity		3,451.59	3,235.64
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	9.70
(ii) Lease liabilities	42	22.58	-
(iii) Other financial liabilities	20	1.07	6.80
(b) Provisions	21	18.95	19.50
(c) Deferred tax liabilities (net)	22	344.79	366.12
(d) Other non-current liabilities	23	0.19	0.29
Total non-current liabilities		387.58	402.41
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	24	2.06	1.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	478.73	374.37
(ii) Lease liabilities	42	4.91	-
(iii) Other financial liabilities	26	82.59	39.90
(b) Provisions	21	12.36	6.91
(c) Other current liabilities	27	46.78	48.28
Total current liabilities		627.43	471.07
Total equity and liabilities		4,466.60	4,109.12

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's Registration No. 117366W/W-100018)

Alka Chadha

Partner

(Membership Number 93474)

Date: June 23, 2020

Place: Gurugram

For and on behalf of the Board of Directors

Vikramjit Singh Oberoi

Managing Director

(DIN : 00052014)

Radhika Vijay Haribhakti

Director

(DIN : 02409519)

Samidh Das

Chief Financial Officer

Indrani Ray

Company Secretary

Statement of Profit and Loss for the year ended March 31, 2020

	Note	Year Ended March 31, 2020	Rupees Million Year Ended March 31, 2019
Income			
Revenue from operations	28	2,490.76	2,641.82
Other income	29	89.92	95.18
Total income		<u>2,580.68</u>	<u>2,737.00</u>
Expenses :			
Consumption of provisions, wines and others	30	198.57	204.55
Employee benefits expense	31	564.70	561.02
Finance costs	32	4.46	4.34
Depreciation and amortisation expense	33	159.72	142.62
Other expenses	34	1,223.22	1,241.02
Total expenses		<u>2,150.67</u>	<u>2,153.55</u>
Profit before tax		430.01	583.45
Tax expense			
Income tax	35 (a)	125.94	207.18
Deferred tax	35 (b)	(75.57)	(3.11)
Profit after tax		<u>379.64</u>	<u>379.38</u>
Other comprehensive income /(loss)			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(3.12)	(1.75)
- Tax relating to these items		0.92	0.61
Total other comprehensive income/(loss), net of tax		<u>(2.20)</u>	<u>(1.14)</u>
Total comprehensive income		<u>377.44</u>	<u>378.24</u>
Earnings per equity share (in INR)- Face Value INR 10	44		
(1) Basic		12.46	12.45
(2) Diluted		12.46	12.45

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's Registration No. 117366W/W-100018)

Alka Chadha

Partner

(Membership Number 93474)

Date: June 23, 2020

Place: Gurugram

For and on behalf of the Board of Directors

Vikramjit Singh Oberoi

Managing Director

(DIN : 00052014)

Radhika Vijay Haribhakti

Director

(DIN : 02409519)

Samidh Das

Chief Financial Officer

Indrani Ray

Company Secretary

Statement of Cash Flows for the year ended March 31, 2020

	Rupees Million	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Cash flows from operating activities		
Profit before tax	430.01	583.45
Adjustments for:		
Dividend income from investments measured at fair value through profit or loss	(13.70)	(14.80)
Interest income from financial assets carried at amortised cost	(22.29)	(20.91)
Interest on income tax refund	-	(1.62)
Provisions and liabilities no longer required, written back	(0.62)	(1.40)
Fair value changes on equity investments measured at fair value through profit or loss	(4.73)	(3.99)
Gain on redemption of mutual fund	(0.26)	-
Finance costs	4.46	4.34
Depreciation and amortisation expense	159.72	142.62
Loss on sale / discard of property, plant and equipment (net)	26.26	14.03
Provision for doubtful debts	0.79	1.23
Change in operating assets and liabilities		
(Increase) / decrease in trade receivables	70.73	(30.86)
(Increase) / decrease in inventories	(10.51)	(1.13)
Increase / (decrease) in trade payables	105.32	60.17
(Increase) / decrease in other financial assets	(6.58)	1.66
(Increase) / decrease in other non-current assets	(27.68)	(6.84)
(Increase) / decrease in other current assets	(51.36)	8.62
Increase / (decrease) in provisions	1.78	(4.21)
Increase / (decrease) in other financial liabilities	4.83	0.08
Increase / (decrease) in other non-current liabilities	(0.10)	0.02
Increase / (decrease) in other current liabilities	(1.50)	(24.94)
Cash generated from operations	664.57	705.52
Income taxes paid (net of refund)	(94.41)	(107.22)
Interest on Income tax refund	-	1.62
Net cash inflow from operating activities	570.16	599.92
Cash flows from investing activities		
Payments for property, plant and equipment	(369.71)	(242.46)
Proceeds from sale of property, plant and equipment	9.85	6.94
Purchase of investments in equity instruments	(0.05)	-
Sale of investments in equity shares	-	0.07
Purchase in mutual funds	(735.53)	(37.49)
Proceeds from sale of mutual funds	695.00	-
Changes in other bank balances - deposits matured / (placed)	33.87	(167.96)
Interest received	22.25	21.88
Net cash used in investing activities	(344.32)	(419.02)

Statement of Cash Flow – *Contd.*

	Rupees Million	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Cash flow from financing activities		
Proceeds from borrowings	-	4.80
Repayment of borrowings	-	(6.12)
Interest paid	(4.09)	(4.34)
Payment of lease liabilities	(6.44)	-
Dividends paid	(136.80)	(136.70)
Dividend distribution tax	(28.18)	(28.18)
Net cash used in financing activities	(175.51)	(170.54)
Net increase / (decrease) in cash and cash equivalents	50.33	10.36
Cash and cash equivalents at the beginning of the year	55.00	44.64
Cash and cash equivalents at the end of the period	105.33	55.00

Note :

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’s Registration No. 117366W/W-100018)

Alka Chadha

Partner

(Membership Number 93474)

Date: June 23, 2020

Place: Gurugram

For and on behalf of the Board of Directors

Vikramjit Singh Oberoi

Managing Director

(DIN : 00052014)

Radhika Vijay Haribhakti

Director

(DIN : 02409519)

Samidh Das

Chief Financial Officer

Indrani Ray

Company Secretary

Statement of changes in Equity for the year ended March 31, 2020

A. Equity share capital

Rupees Million

Balance as at April 1, 2018	304.68
Changes in equity share capital during the year	-
Balance as at March 31, 2019	304.68
Changes in equity share capital during the year	-
Balance as at March 31, 2020	304.68

B. Other equity

Rupees Million

	Reserves and surplus					Total other equity
	Capital redemption reserve	Capital reserve	Securities premium	General reserve	Retained earnings (surplus)	
Balance as at April 1, 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	-	-	-	-	378.24	378.24
Allocations and/or appropriations:						
Final dividend (FY 2017-18)	-	-	-	-	(137.11)	(137.11)
Tax on dividend	-	-	-	-	(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
Profit after tax	-	-	-	-	379.64	379.64
Other comprehensive income/(loss), net of tax	-	-	-	-	(2.20)	(2.20)
Total comprehensive income	-	-	-	-	377.44	377.44
Allocations and/or appropriations:						
Final dividend (FY 2018-19)	-	-	-	-	(137.11)	(137.11)
Tax on dividend	-	-	-	-	(28.18)	(28.18)
Impact on adoption of Ind AS 116, net of tax (Refer note 42)	-	-	-	-	3.80	3.80
Balance as at March 31, 2020	100.00	8.48	1,077.00	625.46	1,335.97	3,146.91

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's Registration No. 117366W/W-100018)

For and on behalf of the Board of Directors

Alka Chadha

Partner

(Membership Number 93474)

Vikramjit Singh Oberoi

Managing Director

(DIN : 00052014)

Radhika Vijay Haribhakti

Director

(DIN : 02409519)

Date: June 23, 2020

Place: Gurugram

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 had not been restated. The impact of adoption of the standard on financial statements of the Company was insignificant.
- (ii) Performance obligation in contracts 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.

Notes to Financial Statements – *Contd.*

- (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.

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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Effective April 1, 2019, the Company has adopted Appendix C to Ind AS 12 – Income taxes, which clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The effect on adoption of Appendix C to Ind AS 12 – Income Taxes is insignificant.

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.

Notes to Financial Statements – *Contd.*

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.

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:

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Accordingly, comparative information as at and for the year ended March 31, 2019 has not been restated. The impact of adoption of the standard on financial statements of the Company has been disclosed in the notes to financial statements.

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to certain leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities have been measured at the present value of the remaining lease payments, discounted using the company's incremental borrowing rate as of 1 April 2019.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind AS 116 are only applied after that date.

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for land, building and vehicle leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Notes to Financial Statements – *Contd.*

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs incurred by the lessee less any lease incentives and estimated restoration costs of the underlying asset where applicable. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the practical expedient by the standard allowing not to separate the lease component from other service components included in its lease agreements. Accordingly, all fixed payments provided for in the lease agreement, whatever their nature, are included in the lease liability. The interest cost on lease liability (computed using effective interest method), is expensed in the Statement of Profit and Loss.

Some leases for hotel properties contain variable lease payments that are based on the hotel's performance, as defined by the agreement. These payment terms are common practice in the Hospitality Industry. Variable lease payments are recognised in the Statement of Profit and Loss on an accrual basis.

The Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

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 and cash generating unit'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 cash generating unit 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.

Notes to Financial Statements – *Contd.*

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.

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.

Notes to Financial Statements – *Contd.*

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 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 37 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.

Notes to Financial Statements – *Contd.*

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.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 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 and certain buildings on leasehold land is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013. Buildings on leasehold land (other than perpetual lease) are depreciated over the useful life or over the remaining lease period whichever is shorter.

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which ranges between 45 years and 55 years with effect from March 31, 2020 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 financial year.

Freehold land is not depreciated.

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.

Notes to Financial Statements – *Contd.*

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 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.

Notes to Financial Statements – *Contd.*

Leave encashment on termination of service –

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

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

Provident Fund –

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

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 grant/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

Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 notifies new standard or amendments to the standards. There is no such new notification which would be applicable from April 1, 2020

3

Significant estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. 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 or judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the financial statements.

A. Significant estimates:

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, 2020, the balance useful life of the hotel buildings ranges between 45 to 55 years. The carrying amount of the hotel building is being depreciated over its residual life. Based on management evaluation performed at each reporting period, there has been no change in the earlier assessed useful life.

B. Significant judgements:

Contingent liabilities [refer note 1 (r) and note 40 (a)]

The Company has ongoing litigations with various regulatory authorities and third parties with respect to tax/legal matters. Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Company’s control, or present obligations that are not recognised because it is not probable that a settlement will be required or the value of such a payment cannot be reliably estimated. These are subjective in nature and involve judgement in determining the likely outcome of such tax/legal matters. The Company has disclosed these as contingent liability. Refer to Note 40 (a) for the disclosures.

Notes to Financial Statements – Contd.

4 Property, plant and equipment

	Rupees Million					
	Gross carrying amount			Accumulated Depreciation		
	Balance as at April 1, 2018	Additions during the year	Sales/ad-justment during the year	Balance as at March 31, 2019	As at April 1, 2018	For the year
(a) Land						
Freehold land	31.38	-	-	31.38	-	-
Leasehold land (Refer note 1 below)	15.92	-	-	15.92	0.65	0.22
(b) Buildings						
Buildings	1,952.08	70.84	17.68	2,005.24	146.16	50.69
Leasehold buildings	0.20	-	-	0.20	0.03	0.01
(c) Plant and equipment	655.49	106.08	10.51	751.06	191.92	61.90
(d) Furniture and fittings	78.45	38.93	0.64	116.74	25.23	10.56
(e) Vehicles						
Vehicles - others	40.87	10.68	0.22	51.33	16.95	5.19
Vehicles taken on finance lease	22.50	4.80	3.96	23.34	7.44	4.91
(f) Office equipment	0.96	0.43	0.09	1.30	0.49	0.12
(g) Others						
Jetty	0.17	-	-	0.17	0.09	0.03
Boats	2.47	1.46	-	3.93	0.34	0.16
Computer	48.24	8.39	0.63	56.00	31.91	6.37
Total	2,848.73	241.61	33.73	3,056.61	421.21	140.16
					12.76	548.61
						2,508.00

1. Leasehold land

Under Ind AS 17, 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. This has been reclassified to right-of-use assets on adoption of Ind AS 116 "Leases" as on April 1, 2019.

2. Assets held as security

Refer to note 37 for disclosure of assets held as security.

3. Contractual obligations

Refer Note 41 for disclosure of contractual commitments for acquisition of property, plant and equipment.

Notes to Financial Statements – Contd.

4

Property, plant and equipment

		Gross carrying amount						Accumulated Depreciation					Rupees Million	
		Balance as at April 1, 2019	Reclas-sified on adop-tion of Ind AS 116 (Re-fer note 42)	Ad-justed balance as at April 1, 2019	Addi-tions during the year	Sales/adjustment during the year	Balance as at March 31, 2020	As at April 1, 2019	Reclas-sified on adop-tion of Ind AS 116 (Re-fer note 42)	Ad-justed balance as at April 1, 2019	For the year	Sales/Adjust-ments	As at March 31, 2020	Carrying value as at March 31, 2020
(a)	Land													
	Freehold land	31.38	-	31.38	-	-	31.38	-	-	-	-	-	-	31.38
	Leasehold land	15.92	(15.92)	-	-	-	-	0.87	(0.87)	-	-	-	-	-
(b)	Buildings													
	Buildings	2,005.24	-	2,005.24	137.37	32.78	2,109.83	192.47	-	192.47	52.63	6.39	238.71	1,871.12
	Leasehold buildings	0.20	(0.20)	-	-	-	-	0.04	(0.04)	-	-	-	-	-
(c)	Plant and equipment	751.06	-	751.06	186.13	15.78	921.41	248.87	-	248.87	66.48	8.78	306.57	614.84
(d)	Furniture and fittings	116.74	-	116.74	46.56	2.90	160.40	35.54	-	35.54	14.40	2.24	47.70	112.70
(e)	Vehicles													
	Vehicles	51.33	-	51.33	21.41	1.84	70.90	22.03	-	22.03	7.44	1.60	27.87	43.03
	Leased vehicles	23.34	(23.34)	-	-	-	-	9.65	(9.65)	-	-	-	-	-
(f)	Office equipment	1.30	-	1.30	0.14	0.01	1.43	0.58	-	0.58	0.17	-	0.75	0.68
(g)	Others													
	Jetty	0.17	-	0.17	-	-	0.17	0.12	-	0.12	0.02	-	0.14	0.03
	Boats	3.93	-	3.93	-	0.50	3.43	0.50	-	0.50	0.16	0.09	0.57	2.86
	Computer	56.00	-	56.00	11.70	0.27	67.43	37.94	-	37.94	6.27	0.19	44.02	23.41
	Total	3,056.61	(39.46)	3,017.15	403.31	54.08	3,366.38	548.61	(10.56)	538.05	147.57	19.29	666.33	2,700.05

1. Assets held as security

Refer to note 37 for disclosure of assets held as security.

2. Contractual obligations

Refer Note 41 for disclosure of contractual commitments for acquisition of property, plant and equipment.

Notes to Financial Statements – Contd.

5 Right-of-use assets

	Gross carrying amount					Accumulated Depreciation				Rupees Million			
	Balance as at April 1, 2019	Reclas- sified on adop- tion of Ind AS 116 (Re- fer note 42)	Ad- justed balance as at April 1, 2019	Addi- tions during the year	Sales/ adjust- ment during the year	Balance as at March 31, 2020	As at April 1, 2019	Ad- justed balance as at April 1, 2019	For the year		Sales/ Adjust- ments	As at March 31, 2020	Carrying value as at March 31, 2020
Land	-	110.23	110.23	-	-	110.23	-	0.87	0.87	3.92	-	4.79	105.44
Buildings	-	0.22	0.22	-	-	0.22	-	0.04	0.04	0.01	-	0.05	0.17
Vehicles	-	23.34	23.34	3.95	4.05	23.24	-	9.65	9.65	4.85	2.73	11.77	11.47
Total	-	133.79	133.79	3.95	4.05	133.69	-	10.56	10.56	8.78	2.73	16.61	117.08

6 Intangible assets

	Gross carrying amount				Accumulated Amortisation				Rupees Million	
	Balance as at April 1, 2018	Additions during the year	Sales/ad- justment during the year	Balance as at March 31, 2019	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	

	Gross carrying amount				Accumulated Amortisation				Rupees Million	
	Balance as at April 1, 2019	Additions during the year	Sales/ad- justment during the year	Balance as at March 31, 2020	As at April 1, 2019	For the year	Sales/ Adjustments	As at March 31, 2020	Carrying value as at March 31, 2020	
Computer software	15.33	4.63	-	19.96	7.77	3.37	-	11.14	8.82	
Total	15.33	4.63	-	19.96	7.77	3.37	-	11.14	8.82	

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, 2020	As at March 31, 2019
7		
Investments		
A. Investments in equity instruments (fully paid, carried at fair value through profit or loss)		
Unquoted		
38,400 (2019 - 33,600) equity shares of INR - 10 each of Green Infra Wind Generation Limited.	0.39	0.34
Total	0.39	0.34
Aggregate amount of unquoted investments	0.39	0.34
8		
Other financial assets		
i) Non-current financial assets		
Fixed deposits with banks deposited with government authorities	0.70	0.70
Security deposits	24.40	23.23
Total	25.10	23.93
ii) Current financial assets		
Interest accrued	0.06	0.02
Other receivables / recoverables		
Receivables from related parties	5.05	-
Receivables other than related parties	2.00	2.13
Security deposits	1.58	1.10
Total	8.69	3.25
9		
Tax assets (net)		
Opening balance	24.38	39.31
Add: Taxes paid / adjusted	94.41	133.31
Add: MAT credit utilised	52.40	84.49
Less: Current tax payable for the year	(125.23)	(206.64)
Less: Refund for earlier years received	-	(26.09)
Total	45.96	24.38
10		
Other non-current assets		
(i) Capital advances	15.62	17.39
(ii) Prepaid expenses	10.40	11.82
(iii) Prepayments for lands on operating leases	-	74.42
(iv) Advance paid under protest	48.77	48.15
(v) Services export incentive	56.55	28.80
Total	131.34	180.58

Notes to Financial Statements – *Contd.*

	Rupees Million	
	As at March 31, 2020	As at March 31, 2019
11		
Inventories		
Provisions, wines and others	34.91	32.80
Stores and operational supplies	78.61	70.20
Total	113.52	103.00
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 period as consumption of provisions, wines and others was Rs. 198.57 million (for the year ended March 31, 2019 : Rs. 204.55 million).		
Inventories as at 31.03.2020 is after a write-off amounting to INR 0.84 Million owing to the lockdown situation arising due to the global pandemic COVID-19.		
12		
Investments		
Investment in mutual funds (Quoted) (Carried at fair value through Statement of Profit and Loss)		
2,112,955.821 (2019 - 2,042,630.903) units of Aditya Birla Sun Life Liquid Fund- Daily Dividend-Direct	211.71	204.76
164,211.540 (2019 - Nil) units of Aditya Birla Sunlife Liquid Fund- Direct Growth Plan	52.48	-
Nil (2019 - 107,524.431) units of Aditya Birla Sun Life Money Manager Fund- Growth Direct	-	27.05
Nil (2019 - 8,886.217) units of Reliance Ultra Short Fund- Direct Growth Plan	-	27.16
10,806.717 (2019 - Nil) units of Nippon India Liquid Fund- Direct Growth Plan	52.42	-
128,859.594 (2019 - 127,775.727) units of Nippon India Liquid Fund-Direct Plan Daily Dividend Option (formerly known as Reliance Liquid Fund-Direct Plan Daily Dividend Option)	196.99	195.41
Total	513.60	454.38
Aggregate amount of quoted investments and market value thereof	513.60	454.38
13		
Trade receivables*		
(a) Unsecured, considered good		
Receivables from related parties	18.77	6.58
Receivables other than related parties	224.86	308.46
	243.63	315.04
(b) Unsecured, which have significant increase in credit risk		
Receivables other than related parties	3.42	3.39
Less: Allowance for doubtful trade receivables	(3.42)	(3.39)
	-	-
Total	243.63	315.04
* Read with note 37 (B)		

Notes to Financial Statements – *Contd.*

	Rupees Million	
	As at March 31, 2020	As at March 31, 2019
14		
Cash and cash equivalents		
Balances with banks		
- Current accounts	89.64	47.11
Cheques on hand	0.01	0.28
Cash on hand	5.58	5.39
Fixed deposits with original maturity of less than three months	10.10	2.22
Total	105.33	55.00
15		
Other bank balances		
In other deposit accounts		
- Bank deposits having more than 3 months but less than 12 months maturity	283.67	317.93
In earmarked accounts		
- Balance held as margin money against guarantees	1.29	1.25
- Unpaid dividend accounts	2.51	2.20
- Rights issue refund accounts	-	0.02
- Other earmarked accounts *	1.40	1.35
Total	288.87	322.75
* deposited with government authorities		
16		
Other current assets		
Prepaid expenses	19.88	35.93
Prepayments for lands on operating leases	-	3.11
Services export incentive	19.31	21.47
Balance with Government Authorities	34.28	-
Other advances		
- considered good	44.39	10.08
- considered doubtful	0.33	-
Less: Provision for doubtful advances	(0.33)	-
Total	117.86	70.59

Notes to Financial Statements – Contd.

	Rupees Million	
	As at March 31, 2020	As at March 31, 2019
17		
Equity share capital		
AUTHORISED		
75,000,000 Equity shares of Rs 10 each (2019- 75,000,000)	750.00	750.00
1,000,000 Redeemable preference shares of Rs. 100 each (2019 - 1,000,000)	100.00	100.00
	<u>850.00</u>	<u>850.00</u>
ISSUED, SUBSCRIBED AND FULLY PAID		
30,468,147 Equity shares of Rs. 10 each, fully paid up (2019 - 30,468,147)	304.68	304.68
	<u>304.68</u>	<u>304.68</u>

(i) Reconciliation of equity share capital

	Number of shares	Equity share capital (par value) (Rupees Million)
As at April 1, 2018	30,468,147	304.68
Changes during the year	-	-
As at March 31, 2019	30,468,147	304.68
Changes during the year	-	-
As at March 31, 2020	30,468,147	304.68

(ii) Rights and preferences attached to equity shares:

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

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

Equity Shares:

	As at March 31, 2020		As at March 31, 2019	
	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 (2019 -30,468,147) Equity shares, 9,086,666 (2019 - 9,086,666) equity shares of Rs. 10 each have been allotted as fully paid up in 2006-2007 pursuant to Scheme of Amalgamation of Indus Hotels Corporation Limited with the Company without payments being received in cash.

Notes to Financial Statements – *Contd.*

	Rupees Million	
	As at March 31, 2020	As at March 31, 2019
18		
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)	1,335.97	1,120.02
Total other equity	3,146.91	2,930.96
Capital redemption reserve		
Opening balance	100.00	100.00
Add: Adjustment	-	-
Closing balance	100.00	100.00
Capital reserve		
Opening balance	8.48	8.48
Add: Adjustment	-	-
Closing balance	8.48	8.48
Securities premium		
Opening balance	1,077.00	1,077.00
Add: Adjustment	-	-
Closing balance	1,077.00	1,077.00
General reserve		
Opening balance	625.46	625.46
Add: Transfer from surplus	-	-
Closing balance	625.46	625.46
Retained earnings (surplus)		
Opening balance	1,120.02	907.07
Add: Profit during the year as per Statement of Profit and Loss	379.64	379.38
Add: Impact on adoption of Ind AS 116	3.80	-
Less: Appropriations		
Final dividend	(137.11)	(137.11)
Dividend distribution tax	(28.18)	(28.18)
Other Comprehensive Income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(2.20)	(1.14)
Closing balance	1,335.97	1,120.02

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. 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.

(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.*

19

Non-current borrowings

Rupees Million					
	Maturity Date	Terms of repayments	Coupon/ Interest rate per annum	As at March 31, 2020	As at March 31, 2019
Secured					
Maturities of finance lease obligations - vehicles (refer note below and note 42)	1 to 5 years	Monthly	12.50%	-	9.53
Unsecured					
Long term maturity of finance lease obligations - leasehold building	March 31, 2035	Yearly	11.00%	-	0.17
Total				-	9.70

Note

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

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Other non-current financial liabilities

Security deposits	1.07	0.96
Lease equalisation liability	-	5.84
Total	1.07	6.80

Notes to Financial Statements – Contd.

21 Provisions

Rupees Million

Employee benefit obligations	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Leave encashment- Unfunded						
Present value of obligation	4.05	18.95	23.00	0.83	19.50	20.33
Gratuity- Funded						
Present value of obligation	34.42	-	34.42	33.40	-	33.40
Fair value on plan assets	(26.11)	-	(26.11)	(27.32)	-	(27.32)
Net liability	8.31	-	8.31	6.08	-	6.08
Total employee benefit obligations	12.36	18.95	31.31	6.91	19.50	26.41

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 24.37 Million (March 19 - INR 17.74 Million).

(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, 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 demographic 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.

	Rupees Million		
	Present value of obligation	Gratuity Fair value of plan assets	Earned Leave Present value obligation for leave encashment
Liability as on April 1, 2019	33.40	(27.32)	6.08
Current service cost	3.82	-	3.82
Curtailement cost	-	-	-
Interest expense/(income)	2.20	(1.91)	0.29
Total amount recognised in Statement of Profit and Loss	6.02	(1.91)	4.11
Remeasurements:			
Actuarial (Gain)/loss - experience	0.94	-	0.94
(Gain)/loss from change in demographic experience	1.00	-	1.00
(Gain)/loss from change in financial assumptions	0.49	-	0.49
Total amount recognised in other comprehensive income	2.43	-	2.43
Employer contributions	-	(4.31)	(4.31)
Benefit payments	(7.43)	7.43	-
Liability as on March 31, 2020	34.42	(26.11)	8.31

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

	Rupees Million	
	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	34.42	33.40
Fair value of plan assets	(26.11)	(27.32)
Deficit of funded plan	8.31	6.08
Unfunded plans	23.00	20.33
Deficit of employee benefit plans	31.31	26.41

(iv) Post-employment benefits

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.50%	7.40%
Salary growth rate	5%*	5.00%
Mortality	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate
Withdrawal rate	Age less than 30 years: Management - 20% Non Management - 30% Age greater than 30 years: 5%	2.00%

* Salary growth rate for financial year 2020-21 : Nil and from 2021-22 onwards : 5%

Notes to Financial Statements – Contd.

(v) Sensitivity analysis

Rupees Million

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Gratuity						
Discount rate	1%	1%	(2.24)	(2.82)	2.55	3.32
Salary growth rate	1%	1%	2.24	3.37	(2.00)	(2.91)
Leave encashment						
Discount rate	1%	1%	(1.56)	(2.13)	1.81	2.58
Salary growth rate	1%	1%	1.60	2.61	(1.41)	(2.20)

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.

(vi) The major categories of plan 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 / classwise 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.

(viii) Defined benefit liability and employer contributions

Expected contributions to post employment benefit plan for the year ending March 31, 2021 is ₹ 8.31 million.

The weighted average duration of defined benefit obligation in case of Gratuity is 7 years (2019-11 years) and in case of Leave obligation 7 years (2019-11 years)

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

	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, 2020							
Gratuity	3.04	4.96	4.13	3.49	6.04	23.80	45.46
Leave encashment	4.18	5.16	4.46	3.19	5.44	14.20	36.63
Total	7.22	10.12	8.59	6.68	11.48	38.00	82.09
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

Notes to Financial Statements – Contd.

	Rupees Million	Rupees Million
	As at	As at
	March 31, 2020	March 31, 2019
22		
Deferred tax liabilities (net)		
A. Deferred tax liabilities on account of:		
(i) Property, plant and equipment and intangible assets	391.14	467.14
(ii) Fair valuation of security deposits liability	0.02	0.02
(iii) Capital accretion on Mutual Fund	1.37	1.47
Total deferred tax liabilities (A)	392.53	468.63
B. Deferred tax assets on account of:		
(i) Accrued expenses deductible on payment	6.47	6.53
(ii) Provision for leave encashment	5.88	6.12
(iii) Provision for doubtful debts	1.09	1.18
(iv) Fair valuation of security deposits assets	1.34	1.55
(v) Lease equalisation liability	-	2.04
(vi) MAT credit entitlement	26.86	79.26
(vii) Lease liabilities	0.34	0.29
(viii) Others	5.76	5.54
Total deferred tax assets (B)	47.74	102.51
Deferred tax liabilities (net) (A-B)	344.79	366.12

	(Rupees Million)			
Movement in deferred tax liabilities	Property, plant and equipment and intangible assets	Fair valuation of security deposits liability	Capital accretion on Mutual Fund	Total
As at April 1, 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
Charged/(Credited):				
- to Statement of Profit and Loss	(76.00)	-	(0.10)	(76.10)
As at March 31, 2020	391.14	0.02	1.37	392.53

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	Lease liabilities [refer note 1(g), 42]	Others	Total
As at April 1, 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
(Charged)/Credited:									
- to Retained earnings as on April 1 2019	-	-	-	-	(2.04)	-	-	-	(2.04)
- to Statement of Profit and Loss	(0.06)	(0.44)	(0.09)	(0.21)	-	(52.40)	0.05	0.22	(52.93)
- to other comprehensive income	-	0.20	-	-	-	-	-	-	0.20
As at March 31, 2020	6.47	5.88	1.09	1.34	(0.00)	26.86	0.34	5.76	47.74

Notes to Financial Statements – *Contd.*

	Rupees Million	
	As at March 31, 2020	As at March 31, 2019
23		
Other non-current liabilities		
Advance rent income	0.19	0.29
Total	0.19	0.29
24		
Micro and Small Enterprises		
(i) Principal amount remaining unpaid at the end of the year **	2.05	1.58
(ii) Interest due thereon remaining unpaid at the end of the year	0.01	-
(iii) The amount of interest paid along with the amounts of the payment beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	0.03
(v) The amount of interest accrued and remaining unpaid at the end of the year	0.01	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	-	-
Total [(i)+(v)]	2.06	1.61
** 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.		
25		
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Trade payables to related parties	181.24	109.17
Trade payables - others	297.49	265.20
Total	478.73	374.37
26		
Other current financial liabilities		
Current maturities of finance lease obligations	-	4.83
Interest accrued but not due on finance lease obligation	-	0.02
Unclaimed dividend	2.51	2.20
Rights issue refund account	-	0.02
Security deposits	2.29	2.29
Liability for capital expenditure	73.03	30.54
Other payables	4.76	-
Total	82.59	39.90
27		
Other current liabilities		
Advance from customers	28.44	31.93
Statutory liabilities	18.24	16.24
Deferred revenue	-	0.01
Advance rent income	0.10	0.10
Total	46.78	48.28

Notes to Financial Statements – *Contd.*

	Rupees Million	
	Year Ended March 31, 2020	Year Ended March 31, 2019
28		
Revenue from operations		
Rooms	1,597.41	1,708.35
Food and beverage	763.11	798.02
Other services	130.24	135.45
Total	<u>2,490.76</u>	<u>2,641.82</u>
29		
Other income		
Dividend income from investments measured at fair value through profit or loss	13.70	14.80
Interest income from financial assets carried at amortised cost	22.29	20.91
Interest on income tax refund	-	1.62
Income on account of services exports incentive	37.97	42.53
Provisions and liabilities no longer required, written back	0.62	1.40
Fair value changes on investments in Mutual Funds measured at fair value through profit or loss	4.73	3.99
Gain on redemption of Mutual Fund	0.26	-
Miscellaneous income	9.35	8.87
Other gains/ (losses):		
Net foreign exchange gain	1.00	1.06
Total	<u>89.92</u>	<u>95.18</u>
30		
Consumption of provisions, wines and others		
Opening stock	32.80	28.72
Add: Purchases	200.68	208.63
	<u>233.48</u>	<u>237.35</u>
Less: Closing stock	34.91	32.80
Total	<u>198.57</u>	<u>204.55</u>
31		
Employee benefits expense		
Salaries, wages and bonus	443.04	445.19
Contribution to provident fund and other funds	28.48	21.73
Staff welfare expenses	93.18	94.10
Total	<u>564.70</u>	<u>561.02</u>

Notes to Financial Statements – Contd.

	Rupees Million	
	Year Ended March 31, 2020	Year Ended March 31, 2019
32		
Finance costs		
- Interest on finance lease	-	4.26
- Interest on lease liabilities	4.35	-
- Others	0.11	0.08
Total finance costs for financial liabilities not recognised through FVTPL	4.46	4.34
33		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	147.57	140.16
Amortisation of intangible assets	3.37	2.46
Depreciation of Right-of-use assets	8.78	-
Total	159.72	142.62
34		
Other expenses		
Linen, uniform washing and laundry expenses	7.92	12.02
Expenses on apartment and board	41.82	43.27
Power and fuel	244.47	252.41
Renewals and replacement	33.02	37.68
Repairs:		
Buildings	68.98	74.92
Plant and equipment	77.66	78.33
Others	8.23	12.05
Expenses for contractual services	89.83	88.16
Lease rent (refer note 42)	19.87	23.54
Royalty	25.12	26.80
Technical services fees	90.04	103.50
Advertisement, publicity and other promotional expenses	103.70	102.59
Commission to travel agents and others	138.26	138.05
Rates and taxes	43.82	40.92
Insurance	9.39	8.25
Passage and travelling	40.36	46.21
Postage, telephone, etc.	12.86	7.39
Printing and stationery	13.80	14.31
Musical, banquet and kitchen expenses	16.88	15.46
Directors' fees	3.08	5.12
Allowance for trade receivable & advances with significant increase in credit risk.	0.79	1.23
Bad debts & advances written off	0.33	4.52
Less: charged off against provisions	(0.33)	(4.52)
Net bad debts & advances written off	-	-
Loss on sale / discard of property, plant and equipment (net)	26.26	14.03
Auditors' remuneration [Refer Note 34(a)]	4.58	5.71
CSR expenses [Refer Note 34(b)]	12.10	13.56
Miscellaneous expenses	90.38	75.51
Total	1,223.22	1,241.02

Notes to Financial Statements – *Contd.*

	Rupees Million	
	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Details of Auditor's remuneration (net of input tax credit)		
As auditor:		
Audit fee	4.18	4.70
Tax audit fee	0.22	0.20
Reimbursement of expenses	0.18	0.71
Other services such as certification	-	0.10
Total	4.58	5.71
(b) Details of CSR Expenditure		
Contribution to SOS Children's Villages of India	12.10	12.10
Expenses for Swachh Bharat Abhiyan	-	1.46
Total	12.10	13.56
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	12.09	11.83
35		
Tax expense		
(a) Income tax		
Tax on profits for the year	125.94	207.18
Total income tax	125.94	207.18
(b) Deferred tax		
Decrease / (increase) in deferred tax assets	54.77	81.43
(Decrease)/ increase in deferred tax liabilities	(78.14)	(0.12)
	(23.37)	81.31
Add: Deferred tax recognised in OCI	0.20	0.07
Less: MAT credit utilised	(52.40)	(84.49)
Total deferred tax expense/(benefit)	(75.57)	(3.11)
Total tax expense	50.37	204.07

Notes to Financial Statements – *Contd.*

	Rupees Million	
	Year Ended March 31, 2020	Year Ended March 31, 2019
(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax expense	430.01	583.45
Tax at the Indian tax rate of 29.12% (FY 2018-2019 – 34.944%)	125.22	203.88
Impact of change in tax rate	(74.57)	-
Tax effect of amounts which are not deductible in calculating taxable income:		
Interest to MSME	-	0.02
CSR expenses	3.52	4.74
Expenses related to exempt income	0.92	1.10
Donations	0.01	0.01
Adjustments related to property, plant and equipment:		
Leased assets	(0.68)	(0.72)
Others	-	0.09
Tax effect of amounts which are not taxable in calculating taxable income:		
Dividend income exempt from tax	(3.99)	(5.17)
Fair value gains on investment in equity securities	(0.06)	0.08
Others	-	0.04
Tax expense	50.37	204.07

Notes:

- (i) Considering that the Company's Turnover was lower than Rs. 4,000 million in the financial year 2017-18, the Company recognised a provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax liabilities as at March 31, 2020 at the reduced rate of 25% plus applicable surcharge and health and education cess thereon as enacted in the Union Budget 2019 which was presented on July 5, 2019.
- (ii) Effective April 1, 2019, the Company has adopted Appendix C to Ind AS 12 – Income taxes retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The effect on account of initial application of this amendment is insignificant. The effect of adoption of this amendment in the current year is also insignificant.

Notes to Financial Statements – Contd.

36

Fair Value Measurements

Financial instruments by category

	Rupees Million			
	As at March 31, 2020		As at March 31, 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
- Equity instruments	0.39	-	0.34	-
- Mutual funds	513.60	-	454.38	-
Trade receivables	-	243.63	-	315.04
Cash and cash equivalents	-	105.33	-	55.00
Other bank balances	-	288.87	-	322.75
Fixed deposits	-	0.70	-	0.70
Other receivables	-	7.11	-	2.15
Security deposits	-	25.98	-	24.33
Total financial assets	513.99	671.62	454.72	719.97
Financial liabilities				
Security deposits	-	3.36	-	3.25
Lease liabilities	-	27.49	-	-
Finance lease obligation	-	-	-	14.53
Trade payables	-	480.79	-	375.98
Liability for capital expenditure	-	73.03	-	30.54
Lease equalisation liability	-	-	-	5.84
Others	-	7.27	-	2.24
Total financial liabilities	-	591.94	-	432.38

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

	Notes	As at 31 March 2020			As at 31 March 2019		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
Financial investments at FVPL							
Investment in equity shares - Green Infra Wind Generation Limited	7	-	-	0.39	-	-	0.34
Investment in mutual funds	12	513.60	-	-	454.38	-	-
Total financial assets		513.60	-	0.39	454.38	-	0.34

(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.

Notes to Financial Statements – Contd.

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.

(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 the 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.

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

		Rupees Million
		Unquoted Securities
As at April 1, 2018		0.41
Acquisitions/adjustment		(0.07)
Gains/losses recognised in profit and loss		-
As at March 31, 2019		0.34
Acquisitions/adjustment		0.05
Gains/losses recognised in profit and loss		-
As at March 31, 2020		0.39

(vi) Valuation inputs and relationships to fair value

Particulars	Fair Value as at (Rupees Million)		Significant unobservable inputs	Probability- weighted range	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
Unquoted equity shares	0.39	0.34	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.*

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Financial risk management

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

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

The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. 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 are 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 is as follows :

Rupees Million			
Currency	Asset (Receivable)	Liability (Payable)	Net Receivable/ (Payable)
March 31, 2020			
EURO	-	0.79	(0.79)
US Dollar (USD)	7.05	7.18	(0.13)
Hongkong Dollar (HKD)	-	0.13	(0.13)
Great Britain Pound (GBP)	-	2.15	(2.15)
Exposure to foreign currency risk	7.05	10.25	(3.20)
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

Notes to Financial Statements – *Contd.*

Sensitivity

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

	Rupees Million	
	Impact on profit Increase/(Decrease)	
	March 31, 2020	March 31, 2019
EURO sensitivity		
INR/EURO Increases by 5% (31 March 2019 - 5%)	(0.04)	(0.05)
INR/EURO Decreases by 5% (31 March 2019 - 5%)	0.04	0.05
USD sensitivity		
INR/USD Increases by 5% (31 March 2019 - 5%)	(0.01)	0.31
INR/USD Decreases by 5% (31 March 2019 - 5%)	0.01	(0.31)
HKD sensitivity		
INR/HKD Increases by 5% (31 March 2019 - 5%)	(0.01)	-
INR/HKD Decreases by 5% (31 March 2019 - 5%)	0.01	-
GBP sensitivity		
INR/GBP Increases by 5% (31 March 2019 - 5%)	(0.11)	(0.08)
INR/GBP Decreases by 5% (31 March 2019 - 5%)	0.11	0.08
Holding all other variables constant.		

(ii) Interest rate risk

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

	March 31, 2020	March 31, 2019
Variable rate borrowings	-	-
Fixed rate borrowings	-	14.53
Total borrowings	-	14.53

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.

	Impact on profit	
	March 31, 2020	March 31, 2019
Interest rates – increase by 25 basis points (25 bps)	-	-
Interest rates – decrease by 25 basis points (25 bps)	-	-

Notes to Financial Statements – *Contd.*

(iii) Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company in listed securities and classified in the balance sheet as at fair value through profit or loss (note 7). 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, 2018	6.60
Changes in allowance	(3.21)
Allowance as on March 31, 2019	3.39
Changes in allowance	0.03
Allowance as on March 31, 2020	3.42

(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:

	March 31, 2020	March 31, 2019
Expiring beyond one year (bank loans)		
Floating rate		
HDFC Bank Limited Cash Credit Facility	<u>200.00</u>	<u>200.00</u>
	<u>200.00</u>	<u>200.00</u>

The Cash Credit Facility from HDFC Bank Limited (together with interest) is 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.

Notes to Financial Statements – Contd.

(ii) Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

	Rupees Million			
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
March 31, 2020				
Non-derivatives				
Lease liabilities	7.88	13.87	51.94	73.69
Trade payables	480.79	-	-	480.79
Security deposits	2.29	1.42	-	3.71
Liability for capital expenditure	73.03	-	-	73.03
Other financial liabilities	7.27	-	-	7.27
Total non-derivative liabilities	571.26	15.29	51.94	638.49
March 31, 2019				
Non-derivatives				
Finance lease obligation	4.83	13.44	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	415.88	14.13	6.83	436.84

38

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 alongwith shareholder's fund appearing in the financial statements 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, 2020	March 31, 2019
Final dividend for the year ended March 31, 2019 of INR 4.50 (March 31, 2018 – INR 4.50)	137.11	137.11
Dividend distribution tax	28.18	28.18
Dividends not recognised at the end of the reporting period		
Liability for proposed dividend	-	137.11
Dividend Distribution Tax on proposed dividend	-	28.18

Notes to Financial Statements – *Contd.*

39

Related Party disclosures

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. Vikramjit Singh 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.

39 (b) The details of the Related Party Transactions entered into by the Company during the year ended March 31, 2020 and March 31, 2019 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		Key Management Personnel	
	2020	2019	2020	2019	2020	2019
PURCHASES						
Purchase of goods and services						
ElH Limited	334.04	347.55	-	-	-	-
Mumtaz Hotels Limited	0.28	4.28	-	-	-	-
Mashobra Resort Limited	0.50	0.98	-	-	-	-
Oberoi Hotels Private Limited	-	0.06	-	-	-	-
Mercury Travels Limited	-	2.91	-	-	-	-
Mercury Car Rentals Private Limited	6.10	14.31	-	-	-	-
Oberoi International LLP	0.21	-	-	-	-	-
PT Waka Oberoi Indonesia	-	0.01	-	-	-	-
PT Widja Putra Karya	-	0.06	-	-	-	-
Total	341.13	370.16	-	-	-	-
EXPENSES						
Rent						
ElH Limited	0.49	0.49	-	-	-	-
Mumtaz Hotels Limited	1.05	1.46	-	-	-	-
Total	1.54	1.95	-	-	-	-
Management contract						
ElH Limited	165.52	185.37	-	-	-	-
Mercury Car Rentals Private Limited	12.74	6.10	-	-	-	-
Total	178.26	191.47	-	-	-	-
Royalty						
Oberoi Hotels Private Limited	29.64	31.62	-	-	-	-
Total	29.64	31.62	-	-	-	-
Contribution to gratuity fund						
ElH Employees' gratuity fund	-	-	4.31	7.05	-	-
Total	-	-	4.31	7.05	-	-
Director's sitting fees						
Mr. P.R.S. Oberoi	-	-	-	-	0.08	0.40
Mr. Vikramjit Singh Oberoi	-	-	-	-	0.52	0.72
Mr. S.S. Mukherji	-	-	-	-	0.76	0.92
Mr. L. Ganesh	-	-	-	-	0.24	0.48
Mr. Anil Kumar Nehru	-	-	-	-	0.40	0.68
Mr. Akshay Raheja	-	-	-	-	0.16	0.28
Mr. Sudipto Sarkar	-	-	-	-	0.52	0.88
Mr. Surin Shailesh Kapadia	-	-	-	-	0.16	0.28
Ms. Radhika Vijay Haribhakti	-	-	-	-	0.24	0.48
Total	-	-	-	-	3.08	5.12
Remuneration - Short term employee benefits						
Mr. Samidh Das	-	-	-	-	7.33	7.01
Ms. Indrani Ray	-	-	-	-	4.39	4.09
Total	-	-	-	-	11.72	11.10
Remuneration - Post employee benefits						
Mr. Samidh Das	-	-	-	-	0.50	0.79
Ms. Indrani Ray	-	-	-	-	0.30	0.17
Total	-	-	-	-	0.80	0.96
SALES						
Sale of goods and services						
ElH Limited	13.28	11.59	-	-	-	-
Mashobra Resort Limited	0.06	0.24	-	-	-	-
Mumtaz Hotels Limited	0.63	0.14	-	-	-	-
Oberoi Hotels Private Limited	0.88	0.88	-	-	-	-
Mercury Travels Limited	-	0.74	-	-	-	-
Mercury Car Rentals Private Limited	2.73	3.65	-	-	-	-
Island Resort Limited	-	0.06	-	-	-	-
PT Waka Oberoi Indonesia	0.21	-	-	-	-	-
Total	17.79	17.30	-	-	-	-

Notes to Financial Statements – Contd.

Nature of Transactions	Rupees Million					
	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	
	2020	2019	2020	2019	2020	2019
INCOME						
License Agreement						
ElH Limited	1.41	1.36	-	-	-	-
Mercury Car Rentals Private Limited	1.13	1.61	-	-	-	-
Total	2.54	2.97	-	-	-	-
Purchase of property, plant and equipment						
ElH Limited	0.99	3.30	-	-	-	-
Mumtaz Hotels Limited	0.15	-	-	-	-	-
Total	1.14	3.30	-	-	-	-
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
Purchase of Investment						
ElH Limited	0.05	-	-	-	-	-
Total	0.05	-	-	-	-	-
Refund of collections to related party						
ElH Limited	3.47	4.02	-	-	-	-
Mashobra Resort Limited	0.75	0.31	-	-	-	-
Mumtaz Hotels Limited	0.28	1.37	-	-	-	-
Total	4.50	5.70	-	-	-	-
Expense reimbursed to related party						
ElH Limited	27.22	12.10	-	-	-	-
Oberoi Hotels Private Limited	0.07	-	-	-	-	-
Mercury Car Rentals Private Limited	0.19	-	-	-	-	-
Mashobra Resort Limited	2.34	0.11	-	-	-	-
Mumtaz Hotels Limited	1.56	2.30	-	-	-	-
Total	31.38	14.51	-	-	-	-
RECEIPTS						
Recovery of collections by related party						
ElH Limited	16.18	4.89	-	-	-	-
Mashobra Resort Limited	0.37	0.62	-	-	-	-
Mumtaz Hotels Limited	0.07	0.62	-	-	-	-
Oberoi Hotels Private Limited	0.19	-	-	-	-	-
Total	16.81	6.13	-	-	-	-
Expense reimbursed by related party						
ElH Limited	10.32	7.03	-	-	-	-
Mashobra Resort Limited	3.28	0.15	-	-	-	-
Mumtaz Hotels Limited	1.23	0.56	-	-	-	-
Oberoi Kerala Hotels and Resorts Limited	-	-	-	-	-	-
Oberoi Hotels Private Limited	0.04	0.46	-	-	-	-
Mercury Car Rentals Private Limited	0.30	0.39	-	-	-	-
PT Waka Oberoi Indonesia	0.01	-	-	-	-	-
Total	15.18	8.59	-	-	-	-

Notes to Financial Statements – Contd.

39 (c) The details of amounts due to or due from related parties as at March 31, 2020 and March 31, 2019 are as follows :

	Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence		Key Management Personnel	
	2020	2019	2020	2019
Rupees Million				
PAYABLES				
For goods and services				
EIH Limited	72.29	31.37	-	-
Mashobra Resort Limited	0.20	0.14	-	-
Mumtaz Hotels Limited	0.35	0.15	-	-
Oberoi Hotels Private Limited	-	0.04	-	-
Mercury Car Rentals Private Limited	7.45	4.31	-	-
Oberoi International LLP	0.14	-	-	-
Total	80.43	36.01	-	-
Management contract				
EIH Limited	93.17	63.90	-	-
Total	93.17	63.90	-	-
Royalty				
Oberoi Hotels Private Limited	7.64	9.26	-	-
Total	7.64	9.26	-	-
RECEIVABLES				
For goods and services				
EIH Limited	17.81	5.85	-	-
Mashobra Resort Limited	0.33	0.01	-	-
Mumtaz Hotels Limited	0.28	0.07	-	-
Mercury Car Rentals Private Limited	0.26	0.57	-	-
Oberoi Hotels Private Limited	0.09	0.08	-	-
Total	18.77	6.58	-	-
Other receivables				
EIH Limited	5.05	-	-	-
Total	5.05	-	-	-

Notes to Financial Statements – Contd.

40 Contingent liabilities and contingent assets

(a) Contingent liabilities

The Company had contingent liabilities at March 31, 2020 in respect of:

Claims against the Company not acknowledged as debts

Rupees Million

	March 31, 2020	March 31, 2019
Property tax	19.27	16.93
Value added tax	12.62	12.69
Income tax	16.47	16.47
Service tax	1.23	17.33
Luxury tax	24.90	24.90
Other claims	0.93	1.09
Total	75.42	89.41

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.

(b) Guarantees:

Rupees Million

	March 31, 2020	March 31, 2019
Guarantees given	3.89	3.88
Letter of credit	4.62	4.36

41 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)	40.49	54.56
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42 Leases

(a) Company as a Lessee

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method by recognising a lease liability at the date of initial application at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and recognising a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the financial statements for the year ended March 31, 2019.

Notes to Financial Statements – *Contd.*

On transition, the adoption of the new standard resulted in recognition of right-of-use assets of Rs. 123.23 million of which Rs. 94.33 million was in respect of leases that were earlier classified as operating lease and Rs. 28.90 million was in respect of leases that were earlier classified as finance lease. Further, lease liabilities of Rs. 29.62 million were recognised of which Rs. 15.07 million was in respect of leases that were earlier classified as operating lease and lease liability of Rs. 14.55 million was in respect of leases that were earlier classified as finance lease.

Further the effect of this adoption has resulted in the following as on 1 April 2019:

- Property, plant and equipment decreased by Rs. 28.90 million
- Deferred tax liabilities (net) increased by Rs. 2.04 million
- Prepayments and prepaid decreased by Rs. 77.53 million and 1.73 million respectively
- Borrowings and other financial liabilities decreased by Rs. 9.70 million and Rs 10.69 million respectively

The cumulative effect of applying the standard resulted in Rs. 3.80 million (net of tax) being credited to retained earnings as on date of transition.

The nature of expenses in respect of operating leases has changed from lease rent to depreciation on right-of-use asset and finance cost for interest accrued on lease liability. Consequently, Finance Costs and Depreciation for the year ended March 31, 2020, are higher by Rs. 1.27 million and Rs. 3.93 million respectively and Other Expenses are lower by Rs. 4.21 million as a result of which, Profit before tax is lower by Rs. 0.99 million.

Further, the effect of this adoption has resulted in an increase in cash inflows from operating activities by Rs. 4.21 million and an increase in cash outflows from financing activities on account of lease payments by Rs. 10.43 million.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at April 1, 2019.
3. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
4. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
5. Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
6. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17

The difference between the operating lease obligation disclosed under Ind AS 17 in Note 41 of the financial statements for the year ended March 31, 2019 and the lease liabilities as of April 1, 2019 is primarily on account of the following reasons:

Particulars	Rupees Million
Operating lease commitments disclosed as at March 31, 2019	20.40
Discounted using the lessee's incremental borrowing rate of at the date of initial application	5.74
Add: finance lease liabilities recognised as at March 31, 2019	14.55
Add/(less): adjustments as a result of a different treatment of extension and termination options	9.33
Lease liability recognised as at April 1, 2019	29.62
Of which are:	
Current lease liabilities	4.87
Non-current lease liabilities	24.75
	29.62

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9% based on the remaining lease term.

Notes to Financial Statements – Contd.

Amount recognised in Statement of Profit and Loss

The statement of profit and loss shows the following amount relating to leases for the year ended March 31, 2020

Rupees Million

Particulars

Depreciation charge for the right-of-use assets

Land	3.92
Buildings	0.01
Vehicle	4.85
	<hr/> 8.78
Finance costs	4.35
Expense relating to short-term leases (included in other expenses)	9.67
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	0.75
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)	11.12

Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2020:

Particulars	Land	Vehicle	Buildings	Total
* Balance as on April 1, 2019				
Reclassified on adoption of Ind AS 116 (refer to note 4)	109.36	13.69	0.18	123.23
Additions	-	3.95	-	3.95
Sales / Adjustments during the year	-	1.32	-	1.32
Depreciation	3.92	4.85	0.01	8.78
Balance as on March 31, 2020	105.44	11.47	0.17	117.08

* In the previous year, the Company only recognised lease assets and lease liabilities in relation to leases that were classified as finance leases under Ind AS 17, Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Company's borrowings and other financial liabilities.

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortization expense in the statement of Profit and Loss.

Notes to Financial Statements – *Contd.*

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	Rupees Million
Current lease liabilities	4.91
Non-current lease liabilities	22.58
Total	27.49

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	
Balance as on April 1, 2019	29.62
Additions	3.95
Finance cost accrued during the period	4.35
Payment of lease liabilities	10.43
Balance as on March 31, 2020	27.49

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	As at March 31, 2020
Less than one year	7.88
One to five years	13.87
More than five years	51.94
Total	73.69

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(b) Company as a lessor

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 arrangements and lease rent are linked to/contingent to the actual revenue earned by the lessee from the use of lease premises.

	March 31, 2020	March 31, 2019
Contingent rents recognised as an income in the Statement of Profit and Loss for the year.	-	-

43 Segment Reporting

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

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

Notes to Financial Statements – Contd.

44 Earnings per equity share

	Rupees	
	March 31, 2020	March 31, 2019
(a) Basic earnings per equity share	12.46	12.45
(b) Diluted earnings per share	12.46	12.45
	Rupees Million	
(c) Reconciliations of earnings used in calculating earnings per equity share		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	379.64	379.38
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	379.64	379.38
(d) Weighted average number of shares used as the denominator		
	March 31, 2020	March 31, 2019
	Number of shares	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

45 Reconciliation of liabilities 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, 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
	As at March 31, 2019	Cash Flows	Non-cash Changes (refer note 42)	As at March 31, 2020
Non-current borrowings (including current maturities of finance lease obligations)	14.53	-	(14.53)	-
Current borrowings	-	-	-	-
Total	14.53	-	(14.53)	-

Notes to Financial Statements – *Contd.*

46 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 13).

Advance from customers

Advance from customers is recognised when payment is received before the related performance obligation is satisfied (Refer Note 27).

Particulars	Rupees Million	
	As at March 31, 2020	As at March 31, 2019
As at the beginning of the year	31.93	40.27
Recognised as revenue during the year	30.78	38.43
As at the end of the year	28.44	31.93

- 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.

Notes to Financial Statements – *Contd.*

49 Impact of COVID-19 on Business Operations

The World Health Organization declared the COVID-19 outbreak as a pandemic on 11th March 2020, leading to series of measures by different countries across the world to contain the spread of the virus. India responded by imposing a lockdown from 24th March 2020. For most of this period, hotel and flight operations were mandated to remain non-operational, which affected business at the Company's hotels across India.

The Management's priority in dealing with the exceptional challenges posed by COVID-19 is to ensure the safety of its guests and employees, support suppliers and keep the supply chain operational for essential supplies.

The consequences of the COVID-19 outbreak on the Company's business for the financial year ended 31st March, 2020 have been limited, as business was impacted only in the latter half of the month of March 2020. Several cost rationalisation measures have been initiated subsequent to the year end and are being monitored.

The Management does not foresee any stress on liquidity owing to the availability of liquid funds in the form of cash and cash equivalents, other bank balances (other than earmarked accounts) and investments in mutual funds amounting to Rs. 902.60 Million as on 31st March, 2020.

The Management has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, inventory, receivables, other current and non-current assets as on 31st March, 2020. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Management has considered the impact from a prolonged lock-down situation; travel restrictions being continued to be imposed by India and other countries even after lifting of the lockdown, guests postponing their discretionary spending, internal and external information available up to the date of approval of these financial statements including credit reports and economic forecasts although a clearer picture shall emerge only in due course. The Management has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Management expects to recover the carrying amount of its assets as on 31st March, 2020. The impact of COVID-19 may be different from that estimated on the date of approval of these financial statements. Such changes, if any, will be prospectively recognised. The Management will continue to closely monitor any material changes to future economic conditions.

Based on enquiries received, assessments performed and analysis of market trends, the Management expects demand to gradually resume for domestic leisure and business travel, social events within prescribed norms, and limited international travel once international airlines are allowed to commence operations.

The revised projections have been prepared taking into account best estimates based on these factors and other variables, although a clearer picture shall emerge only in due course.

50 The financial statements were approved for issue by Board of Directors on June 23, 2020.

For and on behalf of the Board of Directors

Vikramjit Singh Oberoi
Managing Director
(DIN : 00052014)

Radhika Vijay Haribhakti
Director
(DIN : 02409519)

Date: June 23, 2020
Place: Gurugram

Samidh Das
Chief Financial Officer

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 <i>(A luxury backwater cruiser)</i>

TRIDENT HOTELS

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

EGYPT

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

INDONESIA

Bali	The Oberoi
Lombok	The Oberoi

MOROCCO

Marrakech	The Oberoi
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MAURITIUS

Mauritius	The Oberoi
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SAUDI ARABIA

Madina	Madina Oberoi
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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