



HOTELS • PALACES • RESORTS • SAFARIS

ORIENTAL HOTELS LIMITED

47th ANNUAL REPORT 2016-17



Vivanta by Taj - Malabar, Cochin

ORIENTAL HOTELS LIMITED

BOARD OF DIRECTORS

(As on May 12, 2017)

Rakesh Sarna

Chairman

Pramod Ranjan

Managing Director

D Varada Reddy

Director

Dr. G Sundaram

Director

D Vijayagopal Reddy

Director

S Y Syed Meeran

Director

Ramesh D Hariani

Director

Gita Nayyar

Director

Vijay Sankar

Director

(appointed w.e.f. May 12, 2016)

P. D. Karkaria

Director

(appointed w.e.f. January 23, 2017)

ORIENTAL HOTELS LIMITED

SHAREHOLDERS' INFORMATION

Annual General Meeting	July 25, 2017 at 2.30 p.m.
Venue	Sathguru Sri Gnanananda Hall, Narada Gana Sabha, 314, T.T.K Road, Chennai 600018
AVP Legal & Company Secretary	Tom Antony
Financial Controller & CFO	Rajneesh Jain
Legal Advisor	T Raghavan New No.41, (Old No.40), Kasturi Ranga Road, Alwarpet, Chennai - 600018
Auditors	Messrs. SNB Associates, Chartered Accountants No.12, III Floor, Gemini Parsn Complex, 121, Anna Salai, Chennai - 600 006.
Bankers	HDFC Bank Ltd Standard Chartered Bank
Debenture Trustee	Indian Overseas Bank
CIN	L55101TN1970PLC005897
Book Closure Date	July 21, 2017 to July 25, 2017 (both days inclusive)
e-Voting Window Period	July 22, 2017, 9.00 a.m. to July 24, 2017 5.00 p.m.
Registered Office	Taj Coromandel, 37, Mahatma Gandhi Road, Chennai - 600034 Telephone : 044-66002827 Fax : 044-66002089/98
Company Secretary's Office	Paramount Plaza, III Floor, 47, Mahatma Gandhi Road, Chennai - 600034 Telephone : 044-66172828 Fax : 044-28254447 / 28278138 ohlshares.mad@tajhotels.com www.orientalhotels.co.in
E-mail	
Website	
Listing	
● Equity Shares	BSE Ltd. 1st Floor, New Trading Ring, Rountana Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 Telephone : 022-22721233 / 34 Fax : 022-22721919 The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No.C/1, 'G' Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400051 Telephone : 022-26598100 / 8114 Fax : 022-26598237 / 38 Luxembourg Stock Exchange Societe De la Bourse de Luxembourg SA BP 165 L 2011, Luxembourg Fax : 00352473228/3298
● Shares underlying Global Depository Receipts	
ISIN Number - Equity	INE750A01020
- NCD	Series A - INE750A0727 / Series B - INE750A0735
Stock Code	NSE — ORIENTHOT EQ BSE — 500314
Registrar & Share Transfer Agent	M/s. Integrated Registry Management Services Private Limited II Floor, Kences Towers, 1, Ramakrishna Street, T.Nagar, Chennai-600017

	Page Nos.
Financial Highlights	4
Notice to Members	5-12
Boards' Report	13-39
Management Discussion & Analysis	40-48
Corporate Governance	49-66
Auditors' Report	67-72
Balance Sheet	73
Statement of Profit & Loss	74
Statement of Changes in Equity	75
Cash Flow Statement	76-77
Notes to Financial Statements	78-122
Financial Statistics	123
Consolidated Financial Statements	125-180

Forty Seventh Annual General Meeting on Tuesday July 25, 2017 at 2.30 p.m.
at Sathguru Sri Gnanananda Hall, Narada Gana Sabha,
314, T.T.K Road, Chennai 600 018.

ORIENTAL HOTELS LIMITED

FINANCIAL HIGHLIGHTS

₹ lakhs

HIGHLIGHTS	2016-17	2015-16	2014-15	2013-14	2012-13
Gross Revenue	34,460.39	31,626.43	30,671.52	30,234.02	29,662.62
Profit Before Tax	198.51	(2,598.40)	(602.82)	(1,044.13)	1,390.01
Taxation	45.26	(813.66)	(303.45)	(324.57)	(39.80)
Profit After Tax	153.25	(1,784.74)	(299.37)	(719.56)	1,429.81
Dividend, Dividend Tax, Surcharge and Cess	-	429.92	859.83	1,149.24	1,149.24
Retained Earnings	2221.29	(250.79)	1,098.89	925.63	2,897.36
Total Assets	63,615.47	63,959.11	66,807.72	67,295.80	67,038.50
Net Worth	23,920.11	23,985.51	23,413.74	27,900.75	29,769.55
Borrowings	32,231.93	31,741.93	31,096.83	30,755.82	28,340.00
Net Worth per Equity Share (₹)	13.39	13.45	13.11	15.62	16.67
Earnings per Equity Share(₹)	0.09	(1.00)	(0.17)	(0.40)	0.80
Dividend on Equity Share	NIL	20%	40%	55%	55%
Debt : Equity Ratio	1.27:1	1.28:1	1.14:1	1.07:1	0.88:1

Note : Net worth per share is based on equity share of ₹1/- FY 2016 and FY 2017 are based on IND AS Financial Statements.

ORIENTAL HOTELS LIMITED

CIN: L55101TN1970PLC005897

Reg. Office: Taj Coromandel, #37, M.G.Road, Chennai 600034

Phone No.(044) 28222827 Fax No.(044) 28254447

E-mail: ohlshares.mad@tajhotels.com / Website: www.orientalhotels.co.in

NOTICE TO MEMBERS

NOTICE is hereby given that the 47th Annual General Meeting of Oriental Hotels Limited will be held on Tuesday, July 25, 2017 at 2:30pm at Sathguru Sri Gnanananda Hall, Narada Gana Sabha, 314, T.T.K Road, Chennai 600 018 to transact the following business:

Ordinary Business

- 1) To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the Report of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the report of the Auditors thereon.
- 2) To appoint a Director in place of Mr. Rakesh Kumar Sarna (DIN : 01875340) who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint the Statutory Auditors and fix their remuneration.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-

“Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder viz., Companies (Audit and Auditors) Rules, 2014, as amended from time to time, Messrs P.K.F. Sridhar & Santhanam, LLP, Chartered Accountants, (Firm Reg.No: 003990S/S200018) be and are hereby appointed as Statutory Auditors of the Company in place of retiring Auditors M/s. SNB Associates, Chartered Accountants to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 52nd Annual General Meeting of the Company, subject to annual ratification by Members at every subsequent AGM, on a remuneration (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee plus reimbursement of out-of-pocket expenses including travelling and other expenses incurred in connection with the audit of the accounts of the Company.”

Special Business

- 4) Appointment of Mr. Phillie Dara Karkaria (DIN: 00059397) as an Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-

“Resolved that Mr. Phillie Dara Karkaria, (DIN: 00059397), who was appointed as an Additional Director of the Company by the Board of Directors with effect from January 23, 2017, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (Act) but who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

Resolved further that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time including applicable Regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Phillie Dara Karkaria who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from January 23, 2017 up to January 22, 2022.”

- 5) Approval and Ratification of Hotel Operating Agreements entered into between the Company and Indian Hotels Company Ltd.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-

“Resolved that pursuant to the provisions under Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR) and other applicable provisions, if any, of the LODR and/or the Companies Act, 2013 and rules framed thereunder, the Company hereby approves and ratifies the Hotel Operating Agreements (HOAs) entered into between the Company and The Indian Hotels Company Ltd (IHCL), as per the terms set out in the Explanatory Statement pertaining to this item as attached to the Notice, irrespective of the fact that the aggregate of the value of all the transactions between the Company and IHCL under various HOAs in any financial year, may exceed 10% of the annual consolidated turnover of the Company in the corresponding previous financial year during the tenure of HOAs.

Resolved further that the consent of the Company be and is hereby accorded to the Board of Directors of the Company and/or a Committee thereof as may be authorized by the Board in this regard, to severally do or cause to be done all such acts, matters, deeds and things as may be necessary or desirable including any negotiation/ re-negotiation/ modification/ amendments to or termination thereof, of the subsisting arrangements/ transactions or any future arrangements in connection with the HOAs and to settle any queries, difficulties, doubts that may arise with regard to any transaction / arrangement with IHCL and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

By Order of the Board of Directors
For and on behalf of
ORIENTAL HOTELS LIMITED

Place: Chennai
Date: May 12, 2017

Tom Antony
Company Secretary
Membership No.: FCS 6828

NOTES:

- 1) The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the special business under Item No. 4 & 5 of the Notice, is annexed hereto. An explanatory statement is also provided in respect of Item No. 3 of the Notice. The relevant details as required under Regulations 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of persons seeking appointment/re-appointment as directors are also annexed.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 3) The instrument appointing a proxy should however be deposited at the Registered Office of the Company or at the office of the Company Secretary not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies must be supported by appropriate resolution / authority as applicable.
- 4) Members/Proxies should bring their Attendance Slip sent herewith duly filled in for attending the Meeting. ONLY MEMBERS/PROXIES WILL BE ADMITTED INTO THE AUDITORIUM FOR THE MEETING.
- 5) **MEMBERS SEEKING ANY INFORMATION WITH RESPECT TO FINANCIALS OR ANY OTHER INFORMATION ARE REQUESTED TO WRITE TO THE COMPANY AT THE EARLIEST SO AS TO ENABLE THE COMPANY TO PROVIDE APPROPRIATE REPLY.**
- 6) **The Register of Members and the Transfer Books will remain closed from July 21, 2017 to July 25, 2017 (both days inclusive) for the purpose of AGM.**
- 7) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form may submit the PAN copy to their depository participants, in the case of physical form the PAN copy be submitted to the Company/ RTA.

8) Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amounts of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Accounts of the Company are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of sub-section (6) of section 124 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend has not been encashed by the Members for a continuous period of seven years is also required to be transferred to the IEPF.

In this regard, a notice is being issued to all the members whose dividends are lying unpaid/ unclaimed against their name for seven consecutive years or more, followed by an advertisement to this effect in leading English and vernacular newspapers. Members are requested to claim the unclaimed dividends from the Company on or before August 25, 2017 failing which the respective shares shall be transferred to IEPF.

Members are entitled to claim the unclaimed dividends from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

Members desirous of claiming the dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents, M/s. Integrated Registry Management Services Pvt Limited, Kences Towers, No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai-600 017, Email: corpserv@integratedindia.in

- 9) As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has transferred all the share certificates remaining undelivered, unclaimed by the shareholders to "Unclaimed Suspense Account" and also has dematerialized the shares held in the said Unclaimed Suspense Account
- 10) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH-14.
- 11) Members holding shares in physical form are requested to intimate the Company regarding any change in their addresses/bank mandates to enable the Company to address future communications to their correct addresses. Members holding shares in electronic / dematerialized form are requested to inform the Depository Participant (DP) with whom they hold their demat account about changes in their address / bank details for necessary update
- 12) NO copies of the Annual Report will be distributed at the venue of the Annual General Meeting. Members are requested to kindly bring their copy of the Annual Report for the Meeting.
- 13) Members may also note that the Notice of the 47th Annual General Meeting and the Annual Report for 2016-17 is also available on the Company's website <http://orientalhotels.co.in/investors/postal-ballot/notice/>
- 14) The Companies Act, 2013 referred to as the "ACT" in this notice.
- 15) DIN refers to Director Identification Number.
- 16) SEBI (LODR) wherever appears refers to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 17) Pursuant to Section 108 of the Act, members may exercise their right to vote by electronic means for the resolutions to be passed at the meeting. A note on the e-voting process is provided hereunder:
- 18) **Voting through Electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (LODR), the Company is pleased to inform you a facility to exercise your voting right for the business to be transacted at the 47th Annual General Meeting by electronic means (e-Voting) through e-voting Services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL/ Company (for members whose email IDs are registered with the Company / Depository Participants(s)):

Open e-mail and open PDF file viz. "AGM47_2017.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and Password for e-voting. Please note that the password is an initial password.

- B. In case a Member receives physical copy of the Notice:
- a. **The User Id and Password are provided in the Attendance Slip / Proxy Form.**

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
-------------------------------------	----------------	---------------------
 - b. **E-Voting Procedure:**
 - a) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - b) Click on Shareholder – Login
 - c) Put User ID and Password as initial password noted in step (i) above. Click Login.
 - d) Password change menu appears, Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof, note down the new password. It is strongly recommended not to share your password with any other person(s) and take utmost care to keep your password confidential.
 - e) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - f) Select “EVEN” of Oriental Hotels Limited.
 - g) Now you are ready for e-Voting as Cast Vote page opens.
 - h) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - i) Upon confirmation, the message “vote cast successfully” will be displayed.
 - j) Once you have voted on the resolutions, you will not be allowed to modify your vote.
 - k) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: evoting.ksmassociates@gmail.com with a copy marked to evoting@nsdl.co.in
 - l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the “downloads” section of www.evoting.nsdl.com
 - i. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote
 - ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - iii. The e-voting commences on July 22, 2017 @ 9:00 am and ends on July 24, 2017 @5:00pm. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (ie) July 20, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
 - iv. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.
 - v. M/s. KSM Associates, Practicing Company Secretaries represented by Mr. Krishna Sharan Mishra, Partner (Membership No. FCS 6447 / CP No. 7039) or Ms. Deepa V. Ramani, Partner (Membership No. FCS 5574 / CP No. 8760) have been appointed by Board of Directors of the Company as scrutinizers for scrutinizing the remote e-voting process as well as voting through poll paper at the meeting in fair and transparent manner.
 - vi. The Scrutinizers shall submit his report to the Chairman / Managing Director of the Company and the results of the ballot & e-voting shall be declared on July 27, 2017 at 5.00 p.m at its Corporate Office, Paramount Plaza – III Floor, 47 Mahatma Gandhi Road, Nungambakkam, Chennai 600034 and displayed along with the Scrutinizer’s Report on the website of the Company www.orientalhotels.co.in. The results will also be communicated to the Stock Exchanges and NSDL (e-voting agency).
 - vii. Subject to the receipt of requisite number of votes, the Resolutions forming part of this AGM Notice shall be deemed to be passed on the date of AGM (ie) July 25, 2017.
- 19) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company. By Order of the Board of Directors

Explanatory Statement pursuant to Section 102 of the Companies Act 2013 forming part of the Notice of the 47th Annual General Meeting of the Company.

The following Explanatory Statement sets out all material facts relating to the Ordinary Business under Item no. 3 and Special Business under Item Nos. 4 & 5 mentioned in the accompanying Notice dated May 12, 2017.

Item No. 3

- (1) This explanatory statement is provided though not mandatory under Section 102 of the Companies Act, 2013 (Act).
- (2) In terms of the provisions under Section 139 (2) of the Act dealing with mandatory rotation of Auditors, no listed company, shall appoint or re-appoint an audit firm as Auditor for more than two terms of five consecutive years and any audit firm which has completed its term as above shall not be eligible for re-appointment as Auditor in the same company for five years from the completion of such term. Provided also that every company, existing on or before the commencement of this Act which is required to comply with provisions of this sub-section, shall comply with the requirements of this sub-section within three years from the date of commencement of this Act and the time was further extended to the date of AGM to be held in 2017.
- (3) The tenure of present Statutory Auditors M/s SNB Associates, Chartered Accountants will come to an end at the at the conclusion of ensuing AGM. Considering that the present Auditors have completed the maximum tenure allowed under the Act, the Company is required to appoint a new statutory auditor in their place.
- (4) Based on recommendation of Audit Committee, the Board of Directors at their meeting held on May 12, 2017 have recommended the appointment of Messrs P.K.F. Sridhar & Santhanam, LLP, Chartered Accountants (Firm Reg. No: 003990S/S200018), to hold office from the conclusion of this Annual General Meeting until the conclusion of the 51st Annual General Meeting of the Company subject to annual ratification of the said appointment by Members at every subsequent AGM.
- (5) Accordingly, approval of the members is being sought for the proposal contained in the Resolution set out at Item no. 3 of the Notice.
- (6) The Board recommends the Resolution at Item no. 3 for approval by the Members.
- (7) None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item no. 3 of the Notice.

Item No. 4

- (1) The Board of Directors based on the recommendation of Nomination and Remuneration Committee appointed Mr. Phillie Dara Karkaria (DIN: 00059397) as Additional Director under the category of Independent Director with effect from January 23, 2017. Pursuant to Section 161 of the Companies Act 2013, read with applicable articles of the Articles of Association of the Company, he holds office as Additional Director of the Company up to the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received notice pursuant to Section 160 of the Companies Act 2013, along with the requisite deposit from a Member proposing his candidature for the office of Director of the Company at the forthcoming Annual General Meeting. The Board commends to the Members his appointment as a Director of the Company.
- (2) Mr. Phillie D. Karkaria is a Commerce graduate. He is a Fellow of the Chartered Institute of Management Accountants, London (CIMA) and also a member of its Governing Council. In a career span of over 40 years, he has worked 13 years in the UK with one of the big four firms of Chartered Accountants, the National Health Service and a large US Multinational Company. This was followed by a consultancy assignment with a large oil conglomerate in the UAE for over 2 years. Subsequently, he worked for 27 years with the Tata Group in India - first, as Vice President of Tata Financial Services, a Division of Tata Sons Limited, and retired as Executive Director of Tata Realty and Infrastructure Limited (TRIL). He is on the boards of several Tata and other companies and a Co-operative Bank. He is also Vice Chairman of St. John's Ambulance Association, Maharashtra State.
- (3) As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Phillie Dara Karkaria has given declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.
- (4) Mr. Phillie Dara Karkaria is a Non-Executive Director and considered as Independent based on the declaration received under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (5) In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and is independent of the management.
- (6) In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Phillie Dara Karkaria is now being placed before the Members for their approval.
- (7) Mr. Phillie Dara Karkaria may deemed to be concerned and interested in Item no. 4, as it relates to his appointment as Director under the category of Independent Director of the Company. Other than the aforesaid Director none of the other Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested in the Resolutions mentioned at Item no. 4 of the Notice.
- (8) The Board commends the Resolutions at Item no. 4 of the Notice for acceptance by the Members.

Item No. 5

The Indian Hotels Co. Ltd (IHCL) renders consultancy and advisory services to the Company (OHL) pursuant to various Hotel Operating Agreements (HOAs) entered into between OHL and IHCL in respect of various hotel units owned/licensed/leased by OHL. Under the HOAs, IHCL is paid compensation by way of a fee and reimbursement of expenses including that of salaries of the staff deputed by IHCL to the Company for rendering such services. OHL being an Associate Company of IHCL and forming part of the same group, IHCL and OHL are considered as related parties as per the Accounting Standard viz., Ind-AS 24.

In terms of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR) all related party transactions requires prior approval of Audit Committee. Further, all material related party transactions i.e., related party transactions irrespective of the fact that they are at arm's length and entered during the ordinary course of business, where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

The Regulation also provides that all existing material related party contracts or arrangements entered into prior to the date of notification of the Regulation and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.

The existing HOA's were entered before the notification of LODR. Since the value of transactions under HOAs was well below the threshold prescribed for material transactions, no approval from the shareholders was being sought previously. However commencing from financial year 2017-18, due to the implementation of Ind-AS which resulted in a change in the manner of preparation consolidated accounts, it is expected that the consolidated turnover of the Company would undergo considerable reduction as compared to the consolidated turnover reported under the earlier Accounting Standard viz., Indian GAAP. Consequent to the reduction of consolidated turnover, there would be corresponding reduction in the threshold limit for the purpose of ascertaining material related party transactions.

Considering the fact that parties to the HOAs and scope of services under the HOAs are the same, for want of clarity on the manner in which the said transactions have to be dealt with for the purpose of material related party transactions, in spite of the fact that the HOAs entered into between OHL and IHCL are separate and specific for each hotel units of OHL, it is proposed to seek approval of shareholders for approval and ratification of existing HOAs and the transactions envisaged thereunder in the lines of good corporate governance practices.

The following are the nature of transactions envisaged under the Hotel Operating Agreements and the consideration payable.

SL. NO.	Nature of Transactions	Consideration
1	Basic Management Fee	3% – 5% of Gross Income
2	Reimbursement of expenditure towards specialized facilities such as Central Reservation System, Customer Information System and other shared corporate services	2% of Gross Sales
3	Reimbursement of expenditure towards Group Advertising, Marketing, Promotions and other Sales related activities including international and regional sales offices (excluding customer loyalty programme)	2.5% of Gross Sales
4	Reimbursement of salaries of Deputed Staff	At actuals
5	Project /Technical Fee	1.5% of estimated cost of renovation projects
6	Customer loyalty management programmes, ie. Taj Inner Circle and Epicure	As per the prevailing scheme
7	Other Expenses incurred in connection with the services rendered under the Hotel Operating Agreement	At actuals

The transactions envisaged under the HOAs are deemed to be taking place during the ordinary course of business and the consideration payable in respect of these transactions are in line with the prevailing rates and practices in the particular segment of hospitality sector in which the Company operates.

The details of transactions with IHCL are furnished in notes to the Accounts forming part of the audited financial statements for the financial year 2016-17.

The following are the HOAs which presently exist between OHL and IHCL.

Sl. No.	Hotel Unit covered under HOA	Tenure
1	Taj Coromandel	01.07.2008 – 30.06.2028
2	VB T Fishermen's Cove	01.02.2008 – 31.01.2028
3	VB T Malabar	14.04.2006 – 13.04.2026
4	TGH Madurai	01.07.2015 – 30.06.2025
5	TGH Coonoor	01.04.2016 – 31.03.2036
6	TGH Mangalore	01.12.1993 – 30.11.2018
7	TGH Vizag	01.01.2011 – 31.12.2030
8	VB T Trivandrum	01.08.2009 – 31.07.2029
9	VB T Surya Coimbatore	10.11.2011 – 09.11.2031

Since the transactions with IHCL are pursuant to a continuing agreement/arrangement valid till a future date as mentioned above, the aggregate value of all transactions with IHCL is likely to exceed 10% of the annual consolidated turnover of the Company every year. It is therefore proposed to seek shareholders' approval for ratification of the HOAs entered into between OHL and IHCL as detailed herein, to continue with the transactions envisaged under the HOAs during the tenure of these agreements.

IHCL being part of Promoters, none of the Promoters are eligible to vote on the resolution as the LODR provides that related parties shall abstain from voting on resolutions seeking approval of related party transactions irrespective of whether the entity is a related party to the particular transaction or not.

The Directors recommend the resolution for your approval. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, except to the extent that Mr. Rakesh Sarna, Director is the Managing Director and CEO of IHCL and Mr. Rajneesh Jain, Key Managerial Personnel is deputed to the Company from IHCL.

By Order of the Board of Directors
For and on behalf of
ORIENTAL HOTELS LIMITED

Place: Chennai
Date: May 12, 2017

Tom Antony
Company Secretary
Membership No.: FCS 6828

ORIENTAL HOTELS LIMITED

NOTICE TO MEMBERS

This information forms part of the notice for the Annual General Meeting.

Details of Directors seeking appointment / re-appointment at the 47th Annual General Meeting of the Company:

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name	Mr. Rakesh Kumar Sarna	Mr. Phillie Dara Karkaria
DIN	01875340	00059397
Date of Birth	March 29, 1957	November 6, 1948
Occupation	Management (Hotelier)	Professional
Qualification	Diploma in Hospitality Administration, from Algonquin College, Canada	B.Com, CIMA (London)
Date of appointment	October 23, 2014	January 23, 2017
Shares held in the Company	NIL	NIL
Directorship in other Companies	1) The Indian Hotels Company Limited 2) PIEM Hotels Limited 3) Taj GVK Hotels and Resorts Limited 4) Roots Corporation Limited 5) Taj Sats Air Catering Limited 6) Benaras Hotels Limited 7) TAL Hotels and Resorts Limited 8) ELEL Hotels and Investments Limited	1) Indo Rama Renewables Jath Limited 2) Bachi Shoes Limited 3) Duville Estate Pvt Limited 4) TRIL Infopark Limited 5) TRIL Roads Pvt Limited 6) Tata Securities Limited 7) Sheeba Properties Limited 8) Taj Air Limited 9) Simto Investment Company Limited 10) Aftab Investment Company Limited
Chairman / Member of the Committees* of other Companies on which he is a Director	NIL	NIL

* Committess refers to Audit committee and Stakeholders Relationship Committee.

The attendance records of the Directors seeking re-appointment are furnished in the Corporate Governance report which forms part of the Annual Report 2016-17.

By Order of the Board of Directors
For and on behalf of
ORIENTAL HOTELS LIMITED

Place: Chennai
Date: May 12, 2017

Tom Antony
Company Secretary
Membership No.: FCS 6828

Boards' Report**To the Members:**

The Directors are pleased to present the 47th Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2017.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS ") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Financial statements for the year ended and as at March 31, 2016 have been restated to conform to Ind AS.

1. Financial Results

Particulars	Year Ended March 31, 2017 ₹ in Lakhs	Year Ended March 31, 2016 ₹ in Lakhs
Gross Revenue	34,460	31,626
Profit before Depreciation, Finance cost and Tax	5,874	3,584
Profit/(Loss) before Exceptional Items and Tax	156	(1,965)
Exceptional Items (net)	42	(633)
Profit/(Loss) Before Tax	199	(2,598)
Tax Expense:		
-Current Tax	180	105
-Deferred Tax	(135)	(919)
Profit/(Loss) After Tax	153	(1,785)
Earnings per share (₹)	0.09	(1.00)

State of Company's affairs**Operating Results**

The Revenue from operations amounts to ₹33,349 lakhs for the period ended March 31, 2017, increased by ₹2,401 lakhs (7.76%) as compared to previous year.

Room Income stood at ₹16,354 lakhs, an increase of ₹1257 lakhs (8.33%) compared to previous year. The F&B Income increased by ₹626 lakhs compared to previous year.

Total expenditure for the period ended as at March 31, 2017 amounted to ₹34,304 lakhs, increased by ₹712 lakhs (2.12%) as compared to previous year.

The Profit (EBITDA) before depreciation, finance cost & Tax for the year ended March 31, 2017 amounted to ₹5,874 lakhs, increased by ₹2,290 lakhs (64%) compared to previous year.

The Profit before exceptional item(s) for the year ended March 31, 2017 amounted to ₹156 lakhs as against a loss of ₹1,965 lakhs of the previous year.

The taxation expense (including deferred tax) for the year ended March 31, 2017 amounted to ₹45 lakhs. The Profit after Tax for the year ended March 31, 2017 stood at ₹153 lakhs as against a loss of ₹1,785 lakhs of the previous year.

NCD redemption reserve for the year ended March 31, 2017 amounted to ₹2007 lakhs after the transfer of ₹153 lakhs to the debenture redemption reserve during the year. No transfer was made to General Reserve during the year ended March 31, 2017.

Dividend

Considering the capital requirement to maintain the Debenture Redemption Reserve to the tune of 25% of value of debentures and due to inadequate profits in the reserves, the Board do not recommend any dividend on equity shares for the period ended on March 31, 2017.

Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2017 was ₹1,759 lakhs comprising of 17,85,99,180 Equity Shares having face value of ₹1 each. The Company has not issued any equity shares during the financial year 2016-17.

Borrowings

The Company's borrowings as at March 31, 2017 on a standalone basis stood at ₹32,232 lakhs as against ₹31,742 lakhs as at March 31, 2016 and on a consolidated basis borrowings stood at ₹32,232 lakhs as on March 31, 2017 as against ₹31,742 lakhs as compared to the previous year.

Non-Convertible Debentures (NCDs)

During the year the Company has neither issued nor redeemed any NCDs. As on March 31, 2017, the outstanding NCDs amounts to ₹20,000 lakhs comprising of 1000, 'Series - A Senior Secured Redeemable Non Convertible Debentures' having of face value ₹10 lakhs aggregating to ₹10,000 lakhs with coupon rate of 10.25% per annum and 1000, 'Series - B Senior Secured Redeemable Non Convertible Debentures' having of face value ₹10 lakhs aggregating to ₹10,000 lakhs with coupon rate of 2% at an yield to maturity rate of 10.25% per annum. The NCDs are listed in the Wholesale Debt Market (WDM) segment at National Stock Exchange of India Ltd.

Fixed Deposits

The Company has not accepted any public deposit and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet. Acceptance and renewal of fixed deposits were discontinued with effect from February 17, 2003 and July 2009 respectively.

Particulars of Loans, Guarantees and Investments of the Company under Section 186 of the Act

The Company has not given any loans or provided any security during the financial year under review. The particulars of existing loans and investments have been disclosed under notes to financial statements.

Dividend Distribution Policy

As per regulation 43A of the SEBI (Listing Obligations and Disclosures) Regulations 2015, top 500 listed companies (based on market capitalization of every financial year) shall formulate a Dividend Distribution Policy, which shall be disclosed in their annual reports and on their website. Your Company has adopted this policy on voluntary basis as part of its corporate governance practices.

The policy is given in the Annexure 2 to this report and is also available on the Company's website, at http://orientalhotels.co.in/wp-content/uploads/2017/05/OHL_Dividend_Distribution_Policy.pdf

Business Overview

The Indian Travel and Tourism Industry has been instrumental to the nation's economic growth. Over the years, it has also emerged as a significant source of foreign exchange and a large employment generator.

India's Travel & Tourism sector ranks 7th in the world in terms of its total contribution to the country's GDP, shows a new report by the World Travel & Tourism Council (WTTC). According to the new data, Travel & Tourism generated INR14.1 trillion (USD208.9 billion) in 2016, which is the world's 7th largest in terms of absolute size, the sum is equivalent to 9.6% of India's GDP. Additionally, the sector supported 40.3 million jobs in 2016, which ranks India 2nd in the world in terms of total employment supported by Travel & Tourism. The sector accounts for 9.3% of the country's total jobs. India's Travel & Tourism sector was also the fastest growing amongst the G20 countries, growing by 8.5% in 2016. A further 6.7% growth is forecast for 2017. India's strong Travel & Tourism figures are predominantly generated by domestic travel, which accounts for 88% of the sector's contribution to GDP in 2016.

Financial information of Subsidiary & Associates

The Consolidated Financial Statements of the Company and its subsidiary/associates, are prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, and form part of the Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the Consolidated Financial Statements and related information of the Company and audited accounts of the subsidiary, may be accessed on Company's website at the link: <http://www.orientalhotels.co.in/investors/financial-results/annual/>. The documents will also be kept at the Registered Office of the Company, and will be available to members seeking information at any time.

The Company is having an overseas subsidiary as on March 31, 2017 and there has been no material change in the nature of business of subsidiary. The Minutes of the Subsidiary Company along with the financial statements were placed and reviewed by the Board of Directors.

Salient features pertaining to Subsidiary / Joint Venture / Associate as required by Sub-Section 3 of Section 129 of the Companies Act, 2013 ('Act') read with Rule 5 of Companies (Accounts) Rules, 2014 is furnished hereto in the Annexure-1.

Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions are placed before the Audit Committee for approval. A statement containing the details of all Related Party Transactions has been placed before the Audit Committee for its review on a quarterly basis.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on Company's website at the link: <http://orientalhotels.co.in/wp-content/uploads/2017/01/RELATED-PARTY-TRANSACTIONS-POLICY.pdf>

Disclosures as required under Ind-AS 24 in respect of Related Party Transactions have been made under Note 43 of the Notes to the standalone financial statements. There were no transactions during the year which would require disclosure in Form AOC 2.

Risk Management

The Company has constituted a Risk Management Committee voluntarily as a measure of good governance and management practice. The policy framework enables the Company to identify and evaluate risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the Company at various levels including documentation and reporting.

The Policy framework enables the Company to evaluate risks, appropriately rate these risks and grade the same in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

The Company has laid down procedures to inform Audit Committee as well as the Board of Directors about the risk assessment and management procedures and status. These procedures are periodically reviewed to ensure that the executive management monitors and controls risks.

Directors and Key Managerial Personnel (KMP)

The Board of Directors based on the recommendations of Nomination and Remuneration Committee (NRC) appointed Mr. Phillie Dara Karkaria as an Additional Director under the category of Independent Director with effect from January 23, 2017. He holds office upto the date of the forthcoming Annual General Meeting and is further proposed to be appointed as Independent Director of the Company for a period of five years commencing from his date of appointment.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with provisions under the Companies Act, 2013 and Articles of Association of the Company, Mr. Rakesh Kumar Sarna retires by rotation and is being eligible for re-appointment.

Mr. Anil P Goel, a Non-Executive Director on the Board of the Company representing Indian Hotels Company Ltd (IHCL) had resigned from the Board with effect from October 15, 2016 due to his retirement from IHCL.

Mr. D R Kaarthikeyan, one of the Independent Directors on the Board of the Company had resigned from the Board, with effect from October 5, 2016.

Mr. Mohan Jayaraman, Chief Financial Officer and one of the Key Managerial Personnel of the Company had resigned with effect from September 16, 2016. Consequent to the resignation of Mr. Mohan Jayaraman, the Board on the recommendation of the Nomination and Remuneration Committee appointed Mr. Rajneesh Jain as Chief Financial Officer with effect from September 17, 2016 and designated him as one of the Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013.

Board and Committee Meetings

The Board of Directors has met four (4) times during the year mainly to review and consider the quarterly financial results of the Company. Details of the composition of the Board and its Committees and of the meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Director's Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016 – 17.

Accordingly, pursuant to Section 134(3) (c) and 134(5) of the Act, the Board of Directors to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. they have selected such accounting policies and applied them consistently made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2017 and of the profit or loss of the Company for that period;
- iii. they have taken proper and sufficient care for 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 fraud and other irregularities;
- iv. they had prepared the annual accounts on a going concern basis;
- v. they have laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Controls Systems and Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems of the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

Internal financial controls means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Vigil Mechanism / Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The provisions of this policy are in line with the provisions of Section 177 (9) of the Act and the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015. The whistle blower policy may be accessed on the Company's website at the link: <http://orientalhotels.co.in/wp-content/uploads/2017/01/WHISTLE-BLOWER-POLICY-AND-VIGIL-MECHANISM.pdf>

Significant and Material Orders passed by the Regulators

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and future operation of the Company.

Corporate Social Responsibility

Your Company is intrinsically associated with the society and environment by upholding its businesses with transparency and commitment. It has evolved an approach to leverage CSR as a potent, long-term goal towards 'Value Creation' for all its stakeholders.

Your Company works towards facilitating sustainable livelihoods by providing adequate opportunities to the youth of rural and less-privileged sectors of society. Your Company's hotel units, which are in smaller cities, are engaged in community initiatives such as education and nutritional awareness. The units have consumed home made local produces from self-help groups, without compromising the product quality.

During the year company has constituted a Corporate Social Responsibility Committee comprising of Mr. Vijay Sankar, Independent Director, Mr. D Vijayagopal Reddy, Non-executive Director and Mr. Pramod Ranjan, Managing Director to administer the CSR activities of the Company.

The Company does not fall under the category of companies required to spend the prescribed amount towards CSR activities due to the losses suffered by the Company. However, the Company had spent ₹34 lakhs during the financial year 2016 – 17 on a voluntary basis, through its various hotel units towards education and other social welfare measures which includes payment of school fees, distributing rice to the fisherman's family during the non-fishing period etc.,

Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website (<http://orientalhotels.co.in/investors/policies>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to the Code of Conduct, key policies that have been adopted by the Company are as follows:

Name of the Policy	Brief Description	Web link
Whistleblower Policy (Policy on vigil mechanism)	The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2016-17.	http://orientalhotels.co.in/wp-content/uploads/2017/01/WHISTLE-BLOWER-POLICY-AND-VIGIL-MECHANISM.pdf
Policy on Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	http://orientalhotels.co.in/wp-content/uploads/2017/01/POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARIES.pdf
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	http://orientalhotels.co.in/wp-content/uploads/2017/01/RELATED-PARTY-TRANSACTIONS-POLICY.pdf
Code of Conduct for Prevention of Insider Trading	The policy provides the framework in dealing with securities of the Company.	http://orientalhotels.co.in/wp-content/uploads/2017/02/CODE-OF-CONDUCT-FOR-PREVENTION-OF-INSIDER-TRADING.pdf
Code of Corporate Disclosure Practices	This provides clear guidelines for timely, adequate and universal dissemination of information and disclosure of Unpublished Price Sensitive Information	http://orientalhotels.co.in/wp-content/uploads/2017/01/CODE-OF-CORPORATE-DISCLOSURE-PRACTICES.pdf

Policy for Determining Materiality for Disclosures	This policy governs the determination of materiality of an event or information for the purpose of disclosures to be made by the Company to the Stock Exchanges. This policy has to be read in conjunction with the code of corporate disclosure practices framed by the company under Insider Trading Regulation	http://orientalhotels.co.in/wp-content/uploads/2017/01/POLICY-ON-MATERIALITY-OF-EVENTS.pdf
Website Archival Policy	The policy deals with the retention and archival of corporate records from the website of the Company.	http://orientalhotels.co.in/wp-content/uploads/2017/02/WEBSITE-ARCHIVAL-POLICY.pdf
Dividend Distribution Policy	Guidelines for the Board and the Management in declaration and distribution of dividend, with a view to ensure fairness, transparency, sustainability and consistency in the decision for distributing profits to shareholders.	http://orientalhotels.co.in/wp-content/uploads/2017/05/OHL_Dividend_Distribution_Policy.pdf

Remuneration Policy

The Company had adopted a Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of the Act.

The key principles governing the Company's Remuneration Policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors (ID) and Non-Independent Non-Executive Directors (NINED) may be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members, and receive commission within regulatory limits, as recommended by the NRC and approved by the Board.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives.
- Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Remuneration for Managing Director (MD)/ Key Managerial Personnel (KMP)/ rest of the Employees

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company also provides all employees with a social security net subject to limits, by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death etc. The Company provides retirement benefits as applicable.
- In addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD, such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section

197 of the Act. The specific amount payable to the MD would be based on performance as evaluated by the NRC and approved by the Board.

- The Company provides the management employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

It is affirmed that the remuneration paid to Directors, KMP and all other employees is as per the Remuneration Policy of the Company.

Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirements of the IEPF rules, details of which are provided on our website, at <http://orientalhotels.co.in/investors/unclaimed-amounts/transfers-to-iepf/>

Evaluation of Board of Directors

The Board of Directors of the Company presently comprises nine (9) Non-Executive Directors and one Executive Director viz., the Managing Director. The Directors appointed on the Board are from diverse fields relevant to the Company's business, having long-standing experience and expertise in their respective fields. They have considerable experience in managing large corporate and have been in public life for decades.

Non-Executive Directors add substantial value through the deliberations at the meetings of the Board and Committees thereof. To safeguard the interests of the investors, they also play a control role in important Committees of the Board such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee etc., the Directors play an important role by contributing to the deliberations of the Committee Meetings. Besides contributing at the meetings of the Board and Committees, the Non-Executive Directors also have off-line deliberations with the Management of the Company and add value through such deliberations.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive and non-executive directors.

Listing

The Equity Shares of your Company are listed at BSE Limited, Mumbai (BSE) and the National Stock Exchange of India Limited, Mumbai (NSE) and the Global Depositary Receipts (GDRs) are listed at Luxembourg Stock Exchange. NCD's issued by the Company are listed at the Wholesale Debt Market (WDM) segment of NSE. The Listing fees to these Stock Exchanges and custodian fees to depositories viz., NSDL and CDSL have been paid by the Company for the financial year 2017-18.

Auditors and Auditor's Report

(i) Statutory Auditors:

The tenure of present statutory auditor of the Company M/s SNB Associates, Chartered Accountants (Firm Registration No: 015682N) shall end at the conclusion of ensuing AGM to be held on July 25, 2017. Taking into account that M/s SNB Associates, Chartered Accountants, have completed the maximum tenure permissible under the Companies Act, 2013, in line with the requirement of rotation of auditors prescribed under Section 139(2) of the Companies Act, 2013, the Board based on the recommendation of Audit Committee and subject to the approval of Members approved the appointment of M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants, (Firm Registration No.: 003990S/S200018) as Statutory Auditors of the Company for a term of 5 years commencing from the conclusion of the ensuing AGM. M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants have confirmed their willingness, to act as statutory auditors and further confirmed that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. The Board recommends the appointment of M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants as Statutory Auditors for the consideration of shareholders in the ensuing AGM to be held on July 25, 2017. The Board of Directors places on record its appreciation for the service rendered by M/s SNB Associates, Chartered Accountants as the statutory auditor of the Company.

The notes on financial statement referred to in the Auditor's Report are self explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer

(ii) Secretarial Auditors:

Pursuant to provisions under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. S Sandeep & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2017. The Secretarial Audit Report is attached as **Annexure 1**.

The Auditors' Report and Secretarial Audit Report for the financial year ended March 31, 2017 do not contain any qualification, reservation, adverse remark or disclaimer.

Corporate Governance Report, Management Discussion & Analysis Report

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report on Management Discussion & Analysis, Corporate Governance as well as the Auditor's certificate on the compliance of Corporate Governance thereon are attached and form part of the Annual Report.

Conservation of Energy, Technology Transfer and Foreign Exchange Earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 is furnished in the Annexure 3 to this report:

Particulars of Employees & Remuneration

The information required under section 197(12) of the Act, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in the Annexure 4 to this report.

The information required under Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in the Annexure forming part of the Report. In terms of the first proviso to section 136 of the Act, the Report and accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at its workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the year under review there were no complaints on sexual harassment reported.

Extract of Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Extract of the Annual Return in Form MGT 9 is attached as Annexure 5 to this report.

Acknowledgement

The Directors thank the Company's employees, customers, vendors, investors and bankers for their continued support during the year.

For and behalf of the Board

Place: Chennai
Date: May 12, 2017

Rakesh Sarna
(DIN:01875340)
Chairman

Annexure – 1

FORM AOC-1

Statement containing the salient features of the financial statement of Subsidiary/Associate/Joint Venture

[Pursuant to Section 129(3) of the Act read with Rule 5 of Companies (Accounts) Rules, 2014]

PART A: Subsidiaries

Name of Subsidiary Company	OHL International (HK) Ltd	
Reporting Currency :	USD	INR Equivalent ₹ in lakhs
Share Capital	150.00	9727.50
Reserves & Surplus	(5.92)	(383.91)
Total Assets	144.08	9343.59
Total Liabilities	144.08	9343.59
Investments	141.53	9178.22
Total Income	4.76	308.69
Profit Before Taxation	6.37	413.09
Provision for Taxation	-	-
Profit After Taxation	6.37	413.09
Interim Dividend	8.00	518.80
% of Shareholding	100%	

Note:- 1.Exchange conversion rate used for USD is ₹64.85

2. Subsidiary accounts include results of its associate, Lanka Island Resorts Ltd.

Part B: Associate & Joint Venture

Entity Name	Taj Madurai Ltd.	TAL Hotels & Resorts Ltd.
Associate/Joint Venture	Associate	Joint Venture
Latest audited Balance Sheet Date	31-Mar-17	31-Mar-17
Shares Held by the Company at the Year end		
No	9,12,000	3,803,718
Investment Held ₹ lakhs	118.60	2005.76
Holding %	26%	21.736%
Significant Influence	Voting Power	Voting Power
Reasons for Not Consolidation	Not Applicable	Not Applicable
Net Worth ₹ lakhs	1,833.77	38648.26
Profit/(Loss) for the Year		
Considered in Consolidation ₹ lakhs	20.03	703.91
Not Considered in Consolidation ₹ lakhs	57.00	2534.54

The Company earned a dividend income from its subsidiary during the financial year amounting to ₹515.60 lakhs.

Mr. Rakesh Sarna
Chariman
(DIN:01875340)

Mr. Vijay Sankar
Director
(DIN:00051093)

Place: Chennai
Date: May 12, 2017

Mr. Rajneesh Jain
Chief Financial Officer

Mr. Tom Antony
Company Secretary

Annexure - 2**Dividend Distribution Policy****1. Objective and Philosophy**

The Dividend Distribution Policy ("the policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

The objective of this Policy is to reward its shareholders by returning a portion of its profits after retaining sufficient funds for growth of the Company thus maximizing shareholders' value.

The Policy set forth the broad principles for guiding the Board and the Management in matters concerning declaration and distribution of dividend, with a view to ensure fairness, transparency, sustainability and consistency in the decision for distributing profits to shareholders.

The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

The Policy shall broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

2. Regulatory Framework

The Securities Exchange Board of India on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in their annual reports and on their website. Further, the listed entities other than top five hundred listed entities based on market capitalization may disclose their dividend distribution policies on a voluntary basis in their annual report and on their websites.

To ensure the highest standards of corporate governance and in line with policy adopted by the Taj Group Companies, Oriental Hotels Limited has adopted this policy on voluntary basis.

This Policy shall be effective and applicable for dividend, if any, declared for the Financial Year 2016-17 and onwards.

3. Parameters for declaration of Dividend

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as may be permitted by the Companies Act, 2013 (the Act). The Board may also declare interim dividends as may be permitted by the Act.

As in the past, subject to the provisions of the applicable law, the Company's dividend pay-out will be determined based on available financial resources, investment requirements and taking into account optimal shareholder return.

Dividend pay-out would also be subject to profitability under Standalone Financial Statements and while determining the nature and quantum of the dividend pay-out, the Board would take into account the following factors:

Financial parameters and Internal Factors:

- Operating cash flow of the Company
- Profit after Tax during the year and Earnings Per Share (EPS)
- Working capital requirements
- Capital expenditure requirement
- Business expansion and growth
- Likelihood of crystallization of contingent liabilities, if any
- Additional investment in subsidiaries and associates of the company
- Up gradation of technology and physical infrastructure
- Debt levels and cost of borrowings
- Past dividend pay-out ratio / trends

External Factors:

- Industry Outlook and Economic environment
- Capital markets
- Global conditions
- Statutory provisions and guidelines
- Dividend pay-out ratio of competitors

4. Circumstances under which the shareholders of the Company may or may not expect dividend

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- Proposed expansion plans requiring higher capital allocation
- Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow
- Requirement of higher working capital for the purpose of business of the Company
- Proposal for buy-back of securities
- In the event of loss or inadequacy of profit

5. Utilization of Retained Earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plans
- Declaration of dividend,
- Repayment of Debt
- Diversification of business
- Long term strategic plans for growth
- Replacement of capital assets
- Such other criterion's as the Board may deem fit from time to time.

6. Parameters to be adopted with regard to various classes of shares

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

7. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at http://orientalhotels.co.in/wp-content/uploads/2017/05/OHL_Dividend_Distribution_Policy.pdf

8. Policy review and amendments

The Board may review, amend, abrogate, modify or revise any or all provisions of this Policy from time to time. However, amendments in the Act or in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be deemed to be incorporated in this Policy and shall be binding.

Annexure – 3**- Conservation of Energy:**

The Company continued to use green energy to its potential through a group captivity scheme and saved considerable cost on power. Apart from the above, the hotel unit(s) reduced the consumption of power (electricity) through alternative energy resources and has also reduced the consumption of fossil fuel by reducing the usage of electricity generators. The Company for effective utilization of alternative energy resource has invested ₹10.98 lakhs as on March 31, 2017 under group captivity scheme in the equity share capital of private power producing companies. Solar lighting and heating panels are being installed by a few hotel units to reduce the consumption of power. Hot water is being generated through heat recovery process from AC plants and Automatic Power factor control panels through Screw chillier and De-super heater are being used to reduce power consumption. The units are using CFL & LED lightings instead of conventional lightings, which also reduced the consumption of energy.

- Water and Waste Management

The water used by the guests and in other areas is recycled by in-house treatment plants and the recycled water is being used for gardening. Rainwater harvesting system is adopted to recharge the wells within unit premises. Wastes are segregated at source, such as de-gradable, non-gradable and hazardous wastages, and disposed off through authorized vendors. A few units have a compost yard, converting the wet garbage and horticultural waste into manure and have also installed bio-mass cooking application. Effective water management gadgets are in place to minimize the usage of water in toilets and other places.

- Environmental Initiatives

Given the relatively low ecological footprint of the hospitality industry vis-à-vis other larger industries, the Group's key objective in environmental responsibility is to increase the sustainability of its hotels & tourism operations and optimize resource efficiency. The Group's internal EARTH vision, which outlines its commitment to renewing and regenerating the environment, conserving natural resources and endeavoring to extend these actions to products, services, partners, associates, vendors and communities. Your Company focuses on implementing responsible energy management practices aimed at reducing its direct and indirect emissions, increasing use of renewable energy in the overall energy mix being used, water conservation through rain water harvesting, recycling & reuse of water and responsible waste management through composting food & horticulture waste as well as ensuring responsible disposal of hazardous & e waste.

- Foreign exchange earnings and outgo:

The information relating to foreign exchange earnings and outgo is furnished below.

Particulars	March 31, 2017 ₹ lakhs
Earnings	7,648.68
Expenditure	646.81
Net foreign exchange earnings (NFE)	7,001.87

Annexure – 4

The information as required under section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial Year:

(Explanation: (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

The ratio of remuneration of Managing Director to the Median Remuneration of all employees who were on the payroll of the Company during the financial year 2016-17 is given below:

Managing Director	Ratio to median remuneration
Mr. Pramod Ranjan	15.03:1

Even though non-executive directors are eligible for a profit linked commission as remuneration, no payment in this regard was made due to the absence of profits. However non-executive directors other than those representing IHCL were paid sitting fee for attending the Board/Committee meetings which was not considered as remuneration.

- The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, if any in the financial year:

Name - Designation	Percentage Increase in Remuneration*
Mr. Pramod Ranjan – Managing Director	Not Applicable
Mr. Mohan Jayaraman – Chief Financial Officer (Till October 16, 2016)	
Mr. Rajneesh Jain – Chief Financial Officer (From October 17, 2016)	
Mr. Tom Antony – Company Secretary	

* Percentage increase in remuneration is not provided as employment is for part of the period, either in current year or in previous year.

3. The percentage increase in the median remuneration of employees in the financial year: 14.77%.
4. The number of permanent employees on the rolls of Company: 987.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase in the salaries of employees other than the managerial personnel during the last financial year was around 7%. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also industry trend.

6. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Annexure – 5

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2017

Of

ORIENTAL HOTELS LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 And
Rule 11(1) of the Companies (Mgt. and Administration) Rules, 2014]

I. Registration and other Details:

i)	CIN :	L55101TN1970PLC005897
	Foreign Company Registration Number/GLN	Not Applicable
	Registration Date	18/09/1970
ii)	Category of the Company	Public Company
iii)	Sub Category of the Company	Company having share capital
iv)	Whether shares listed on recognized Stock Exchange(s) Details of the Stock Exchanges 1. BSE Limited Code: 500314 2. National Stock Exchange of India Code: ORIENTHOT	Yes
	AGM details :	
v)	Whether extension of AGM was granted – Yes / No.	NO
	If Annual General Meeting was not held, specify the reasons	Not Applicable
vi)	Name and Registered office Address :	
	Company Name	ORIENTAL HOTELS LIMITED
	Address Town / City /Country/PIN	“Taj Coromandel”, No. 37 Mahatma Gandhi Road, Nungambakkam, Chennai, Tamil Nadu, India PIN 600034
	Telephone : 044-66002827 Fax No.: 044-28254447 Email address: Ohlshares.mad@tajhotels.com Website: www.orientalhotels.co.in	
	Name of the Police Station having jurisdiction where the registered office is situated : Nugambakkam Police Station	
	Address for correspondence, if different from address of registered office:	Corporate Office : Paramount Plaza, III Floor, No.47 Mahatma Gandhi Road, Nungambakkam, Chennai, Tamilnadu 600 034.

vii)	Name and Address of Registrar & Transfer Agents (RTA):-	
	Registrar & Transfer Agents (RTA):-	Integrated Registry Management Services Private Limited
	Address	Kences Towers, No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai, Tamilnadu, India, 600 017.
	Telephone	044 - 28140801 / 0802 / 0803
	Fax Number	044 - 28147039
	Email Address	Corpserv@integratedindia.in

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 group of Products/services	% to total turnover of the company
1	Hotelierring, including accommodation, restaurants and catering services	5520,5610 & 5621	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (No. of Companies for which information is being filled)

SL. No.	Name & Address of the Company	CIN/GLN	Status	% of Shareholding	Applicable Section
1	OHL International (HK) Ltd.	NA*	Subsidiary	100.000%	2(87)
2	Taj Madurai Ltd.	U55101T-N1990PLC018883	Associate	26.000%	2(6)
3	Lanka Island Resorts Ltd.	NA*	Associate	23.080%	2(6)
4	TAL Hotels & Resorts Ltd.	NA*	Joint Venture	21.736%	

*Incorporated outside India.

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category - wise of Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% Change during the year
A. Promoters								
1. Indian								
a) Individual/ HUF	4071925	0	4071925	2.28	4271925	0	4271925	2.39 0.11
b) Central Govt	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0
d) Bodies Corp.	59961430	0	59961430	33.57	59961430	0	59961430	33.57 0
e) Banks / FI	0	0	0	0	0	0	0	0
f) Any other – Directors & Relatives	31679276	0	31679276	17.74	31652076	0	31652076	17.73 -0.01
Sub Total (A) (1)	95712631	0	95712631	53.59	95885431	0	95885431	53.69 0.10
1. 2. Foreign								
a) NRIs –Individuals	0	0	0	0	0	0	0	0
b) Other –Individuals	6164169	0	6164169	3.45	6164169	0	6164169	3.45 0
c) Bodies Corp.	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0
e) Any Other - Directors & Relatives	8878590	0	8878590	4.97	8878590	0	8878590	4.97 0
Sub-total (A) (2):-	15042759	0	15042759	8.42	15042759	0	15042759	8.42 0
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	110755390	0	110755390	62.01	110928190	0	110928190	62.11 0.10
B. Public Shareholding								
1. Institutions								
a) Mutual Funds	16259872	0	16259872	9.10	16173649	0	16173649	9.06 -0.04
b) Banks / FI	888400	0	888400	0.50	888400	0	888400	0.50 0
c) Central Govt.	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0
f) Insurance Companies	2771313	0	2771313	1.55	2665630	0	2665630	1.49 - 0.06
g) FIs	20000	0	20000	0.01	0	0	0	-0.01
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0
Sub-total (B)(1)	19939585	0	19939585	11.16	19727679	0	19727679	11.05 -0.11

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% Change during the year
2. Non-Institutions								
a) Bodies Corp.								
i) Indian	4507072	5870	4512942	2.53	4269664	5870	4275534	2.39
ii) Overseas	0	0	0	0	0	0	0	0
b) Individuals								
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	20360672	3100963	23461635	13.14	20391313	2892273	23283586	13.04
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7231822	1505350	8737172	4.89	7279310	1505350	8784660	4.92
c) Others (specify)								
Non Resident Indians	389529	16690	406219	0.23	429039	14490	443529	0.25
Overseas Corporate Bodies	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0
Clearing Members	14287	0	14287	0.00	88728	0	88728	0.05
Trusts	5370	0	5370	0.00	5320	0	5320	0.00
Directors & Relatives	17250	0	17250	0.01	17250	0	17250	0.01
HUF	705882	18	705900	0.40	1063474	0	1063474	0.60
Foreign Bodies – DR	0	0	0	0	0	0	0	0
NBSC – RBI Registered	71000	0	71000	0.04	8800	0	8800	0.00
Sub-total (B)(2):-	33302884	4628891	37931775	21.24	33552898	4417983	37970881	21.26
Total Public Shareholding (B)=(B)(1)+(B)(2)	53242469	4628891	57871360	32.41	53280577	4417983	57698560	32.31
C. Shares held by Custodian for GDRs.	9972430	0	9972430	5.58	9972430	0	9972430	5.58
Grand Total (A+B+C)	173970289	4628891	178599180	100.00	174181197	4417983	178599180	100.00

ii. Shareholding of Promoters :

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			Cumulative shareholding during the year			C %
		No. of Shares	A %	B %	No. of Shares	A %	B %	
1	THE INDIAN HOTELS COMPANY LIMITED	33764550	18.91	0	33764550	18.91	0	0
2	TIFCO HOLDINGS LIMITED	17208360	9.64	0	17208360	9.64	0	0
3	TAJ TRADE & TRANSPORT CO LTD	1664090	0.93	0	1664090	0.93	0	0
4	TATA INVESTMENT CORPORATION LTD	1076000	0.60	0	1076000	0.60	0	0
5	PIEM HOTELS LIMITED	3657170	2.05	0	3657170	2.05	0	0
6	TATA CHEMICALS LTD	2523000	1.41	0	2523000	1.41	0	0
7	TAJ MADURAI LIMITED	68260	0.04	0	68260	0.04	0	0
8	D.NAVEEN K. REDDY	1313900	0.74	0	1313900	0.74	0	0
9	PEDDINENIKALVA VIDYA REDDY	162960	0.09	0	0	0	0	-0.09
10	KARTHIK REDDY D	300	0.00	0	300	0.00	0	0
11	PADMAPRIYA REDDY D	20162	0.01	0	20162	0.01	0	0
12	SUDHAKAR REDDY	162200	0.09	0.09	465035	0.26	0	0.17
13	D DEEPTHA	4030	0.00	0	4030	0.00	0	0
14	D USHA REDDY	102835	0.06	0	0	0	0	-0.06
15	D SUNDER NISCHAL	99000	0.06	0	99000	0.06	0	0
16	D PRASANNA REDDY	25000	0.01	0	25000	0.01	0	0
17	DODLA VEERU RAGHAVA REDDY	792890	0.44	0	792890	0.44	0	0
18	PRASAD REDDY D V S	155500	0.09	0.09	155500	0.09	0	0
19	M NITYA REDDY	467300	0.26	0	467300	0.26	0	0
20	LEENAJA REDDY C	311250	0.17	0	311250	0.17	0	0
21	KIRAN REDDY JAKKA	54830	0.03	0	54830	0.03	0	0
22	DODLA ABISHEK	22770	0.01	0	22770	0.01	0	0
23	RAHUL REDDY D	38420	0.02	0	38420	0.02	0	0
24	P VIDYA REDDY	154010	0.09	0	316970	0.18	0	0.09
25	J CHAITANYA REDDY	16820	0.01	0	16820	0.01	0	0
26	RAMALINGA REDDY S	80358	0.04	0	80358	0.04	0	0
27	P DWARAKNATH REDDY	87390	0.05	0	87390	0.05	0	0
28	D. VARADA REDDY	6915687	3.87	0	6888487	3.86	0	-0.02
29	AMITH REDDY D	2140421	1.20	0	2140421	1.20	0	0
30	D. ARUNA REDDY	1283710	0.72	0	1283710	0.72	0	0
31	DODLA KAMESWARI REDDY	5200	0.00	0	5200	0.00	0	0
32	PRAMOD RANJAN	14196140	7.95	0	14196140	7.95	0	0
33	M KALA REDDY	406030	0.23	0	406030	0.23	0	0
34	G V K RANJAN	12000	0.01	0	12000	0.01	0	0
35	PRAVIN RANJAN	366220	0.21	0	366220	0.21	0	0
36	D. LALITHAMMA	620090	0.35	0.09	320090	0.18	0	-0.17
37	P. SHOBA REDDY	1081450	0.61	0	1081450	0.61	0	0
38	DODLA SUDHA REDDY	156630	0.09	0.08	156630	0.09	0.08	0
39	D. VIJAYAGOPAL REDDY	2297060	1.29	0.10	2597060	1.45	0.09	0.17

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			Cumulative shareholding during the year			% C
		No. of Shares	% A	% B	No. of Shares	% A	% B	
40	M.V. SURESH REDDY	130000	0.07	0	130000	0.07	0	0
41	ROHIT REDDY D	2212500	1.24	0	2212500	1.24	0	0
42	D K PAVAN	65850	0.04	0	65850	0.04	0	0
43	D V SHARAN	65850	0.04	0	65850	0.04	0	0
44	JAKKA SUREKHA REDDY	1041398	0.58	0	1041398	0.58	0	0
45	DODLA SHILPA	247520	0.14	0	247520	0.14	0	0
46	KODANDARAMA REDDY JAKKA	5000	0.00	0	5000	0.00	0	0
47	DAULATRAM PRIBHDAS HARIANI	867692	0.49	0	0	0	0	-0.03
48	RAMESH DAULATRAM HARIANI	1938404	1.09	0	3813788	2.14	0	1.05
49	PARMESHWARI D HARIANI	1007692	0.56	0	0	0	0	-0.11
50	CHILAMILIKA LALINI HARIANI	807692	0.45	0	807692	0.45	0	0
51	NEETHA REDDY M	169989	0.10	0	169989	0.10	0	0
52	G V REDDY	1258450	0.70	0	1258450	0.70	0	0
53	DODLA PRAKASH REDDY	1309320	0.73	0	1309320	0.73	0	0
54	DODLA PREMALEELA REDDY	2019980	1.13	0	2019980	1.13	0	0
55	DODLA POORNIMA REDDY	900000	0.50	0	900000	0.50	0	0
56	C HEMALATHA REDDY	506430	0.28	0	506430	0.28	0	0
57	GIRIJA GOLLAMUDI REDDY	2687630	1.50	0	2687630	1.50	0	0

Reference: A: i.e of total Shares of the Company

B: i.e of Shares Pledged / encumbered to total shares

C: i.e % of change in share holding during the year

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

Sl. No.	Promoter shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in shareholding		Cumulative shareholding during the year	
		No. of shares	% to total shares of the Company			No. of shares	% to total shares of the Company	No. of shares	% to total shares of the Company
1	D.VARADA REDDY Opening Balance as on 01/04/2016	6915687	3.87						
				21/03/2017	Sale	-17758	-0.01	6897929	3.86
				23/03/2017	Sale	-7242	0.00	6890687	3.86
2	D. VIJAYAGOPAL REDDY Opening Balance as on 01/04/2016			24/03/2017	Sale	-2200	0.00	6888487	3.86
		2297060	1.29						
				18/05/2016	Purchase	300000	0.17	2597060	1.45
3	RAMESH DOULATRAM HARIANI Opening Balance as on 01/04/2016	1938404	1.09						
				3/11/2016	Purchase	60000	0.03	1998404	1.12
				22/11/2016	Purchase	1815384	1.02	3813788	2.14
4	PARMESHWARI DOULATRAM HARIANI Opening Balance as on 01/04/2016							3813788	2.14
		1007692	0.56						
				22/11/2016	Sale	-1007692	-0.56	0	0.00
5	DOULATRAM PRIBHDAS HARIANI Opening Balance as on 01/04/2016							0	0.00
								162200	0.09
		867692	0.49						
6	LALITHAMMA D Opening Balance as on 01/04/2016			3/11/2016	Sale	-60000	-0.03	807692	0.45
				22/11/2016	Sale	-807692	-0.45	0	0.00
								0	0.00
7	SUDHAKAR REDDY Opening Balance as on 01/04/2016	620090	0.35						
				18/05/2016	Sale	-300000	-0.17	320090	0.18
		162200	0.09					320090	0.18
8	D USHA REDDY Opening Balance as on 01/04/2016			7/4/2016	Purchase	200000	0.11	362200	0.20
				5/10/2016	Purchase	102835	0.06	465035	0.26
								465035	0.26
	Closing Balance as on 31/03/2017	102835	0.06						
				5/10/2016	Sale	-102835	-0.06	0	0.00
								0	0.00

iv. Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

SL. NO.	Promoter shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in		Cumulative shareholding during the year		
		No. of shares	% to total shares of the Company			No. of shares	% to total shares of the Company	No. of shares	% to total shares of the Company	
1	RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE M									
	Opening Balance as on 01/04/2016	12990561	7.27							
	Closing Balance as on 31/03/2017							12990561	7.27	
2	DEUTSCHE BANK TRUST COMPANY AMERICAS									
	Opening Balance as on 01/04/2016	9972430	5.58							
	Closing Balance as on 31/03/2017							9972430	5.58	
3	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED									
	Opening Balance as on 01/04/2016	3269311	1.83	12/8/2016	Sale	-8720	-0.01	3260591	1.83	
				4/11/2016	Sale	-6591	0.00	3254000	1.82	
				23/12/2016	Sale	-24000	-0.01	3230000	1.81	
				6/1/2017	Sale	-15400	-0.01	3214600	1.80	
				31/03/2017	Sale	-31512	-0.02	3183088	1.78	
	Closing Balance as on 31/03/2017					-105683	-0.06	2665630	1.49	
4	THE ORIENTAL INSURANCE COMPANY LIMITED									
	Opening Balance as on 01/04/2016	2771313	1.55	10/2/2017	Sale	-42962	-0.02	2728351	1.53	
				17/02/2017	Sale	-27721	-0.02	2700630	1.51	
				31/03/2017	Sale	-35000	-0.02	2665630	1.49	
	Closing Balance as on 31/03/2017					-105683	-0.06	2665630	1.49	
5	MRS NARGESH K PARAKH									
	Opening Balance as on 01/04/2016	1223110	0.69							
	Closing Balance as on 31/03/2017							1223110	0.69	
6	Indian Syntans Investments (P) Ltd									
	Opening Balance as on 01/04/2016	1000000	0.56							
	Closing Balance as on 31/03/2017							1000000	0.56	
7	ALISHA DODLA REDDY									
	Opening Balance as on 01/04/2016	1000000	0.56							
	Closing Balance as on 31/03/2017							1000000	0.56	

SL. NO.	Promoter shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in		Cumulative shareholding during the year	
		No. of shares	% to total shares of the Company			No. of shares	% to total shares of the Company	No. of shares	% to total shares of the Company
8	ASHNA DODLA REDDY								
	Opening Balance as on 01/04/2016	1000000	0.56						
	Closing Balance as on 31/03/2017							1000000	0.56
9	BANK OF INDIA MANEKCHOWK BRANCH DEUTSCHE BANK TRUST COMPANY AMERICAS								
	Opening Balance as on 01/04/2016	888400	0.50	17/12/2016	Sale	-4900	0.00	883500	0.50
	Closing Balance as on 31/03/2017			23/12/2016	Purchase	4900	0.00	888400	0.50
10	VINODCHANDRA MANSUKHLAL PAREKH								
	Opening Balance as on 01/04/2016	787220	0.44						
	Closing Balance as on 31/03/2017							787220	0.44

v. Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	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	Mr. Rakesh Sarna	-	-	-	-
2	Mr. Pramod Ranjan	14196140	7.95	14196140	7.95
3	Mr. D Varada Reddy	6915687	3.87	6888487	3.86
4	Dr. G Sundaram	-	-	-	-
5	Mr. D Vijayagopal Reddy	2297060	1.29	2597060	1.45
6	Mr. S Y Syed Meeran	10500	0.01	10500	0.01
7	Mr. Ramesh D Hariani	1938404	1.09	3813788	2.14
8	Ms. Gita Nayyar	-	-	-	-
9	Mr. Vijay Sankar	-	-	-	-
10	Mr. Phillie D Karkaria	-	-	-	-
11	Mr. Tom Antony – CS	-	-	-	-
12	Mr. Mohan Jayaraman (till September 16, 2016)	-	-	-	-
13	Mr. Rajneesh Jain – CFO (From September 17, 2016)	-	-	-	-

V. Indebtedness

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

₹ lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,816	3,925	-	31,741
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	440	83	-	523
Total (i+ii+iii)	28,256	4,008	-	32,264
Change in Indebtedness during the financial year				
* Addition	9,953	-	-	9,953
* Reduction	5,520	4,008	-	9,528
Net Change	4,433	-4,008	-	425
Indebtedness at the end of the financial year				
i) Principal Amount	32,239	-	-	32,239
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	450	-	-	450
Total (i+ii+iii)	32,689	-	-	32,689

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

(Amount in ₹)

Particulars of Remuneration	Mr. Pramod Ranjan
Salary, Incentive and perquisites	62,49,954
Contribution to Provident and Gratuity Fund	5,48,910
Performance Incentive Payable	Nil
Shares held as on March 31, 2017	1,41,96,140

B. Remuneration to other Directors

Sl. No.	Particulars	Amount in ₹
	Independent Directors	
1	Dr. G. Sundaram	1,20,000
2	Mr. S.Y. Syed Meeran	70,000
3	Mr. D.R. Kaarthikeyan	30,000
4	Ms. Gita Nayyar	70,000
5	Mr. Vijay Sankar	70,000
6	Mr. Phillie D Karkaria	10,000
	Total (a)	3,70,000
	Other Non Executive Directors	
7	Mr. D. Varada Reddy	60,000
8	Mr. D. Vijayagopal Reddy	70,000
9	Mr. Ramesh. D. Hariani	40,000
	Total (b)	1,70,000
	Grand Total (a+b)	5,40,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ lakhs

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		Gross Salary		Performance incentive	Total
		(a)	(b)		
1	Mr. Tom Antony	49.55	-	2.50	52.05
2	Mr. Mohan Jayaraman (Till September 16, 2016)	19.87	-	-	19.87
3	Mr. Rajneesh Jain (w.e.f. September 17, 2016)	26.73	4.08	2.70	33.51

VII. Penalties / Punishment/ Compounding of Offences: No penalty, punishment or compounding of offences under the provisions of the Act, to the Company, its directors and its other officers in default.

FORM No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
Oriental Hotels Limited
CIN: L55101TN1970PLC005897
Taj Coromandel, No.37, Mahatma Gandhi Road,
Nungambakkam, Chennai
Tamil Nadu - 600 034.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of M/s. Oriental Hotels Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2017, has 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 within the prescribed time including certain forms filed delayed with adequate late fees (which are taken as compliance of requirements of the Act for filing) and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
 - e) (The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable for the year under review**

- f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable for the year under review**
 - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable for the year under review**
 - h) The Securities and Exchange Board of India (Delisting of equity shares regulations), 2009; **Not Applicable for the year under review**
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable for the year under review and**
- (vi) Following other laws applicable specifically to the Company:
1. Legal Metrology Act, 2009.
 2. Tamil Nadu Liquor (Licence and Permit) Rules, 1981 issued under the Tamil Nadu Prohibition Act, 1937.
 3. Food Safety and Standards Act, 2006.
 4. Tamil Nadu Public Health Act, 1939.
 5. Tamil Nadu Shops and Establishments Act, 1947.
 6. The Karnataka Shops and Commercial Establishments Act, 1961.
 7. The Kerala Shops and Commercial Establishments Act, 1960.
 8. The Andhra Pradesh Shops and Establishment Act, 1988.
 9. Chennai City Municipal Corporation Act, 1919.
 10. The Kerala Places of Public Resort Act, 1963.
 11. Tamil Nadu Lifts Act, 1997 and Tamil Nadu Lifts Rules, 1997.
 12. The Karnataka Lifts Act, 1974.
 13. The Kerala Lifts and Escalators Act, 2013 and The Kerala Lifts and Escalators Rules, 2012.
 14. Petroleum Rules, 2002 issued under the Petroleum Act, 1934.
 15. Indian Boilers Act, 1923 and Boiler Rules, 1950.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS_2) issued by The Institute of Company Secretaries of India (made mandatory with effect from July 01, 2015)
- (ii) The Listing Agreements entered into by the Company for equity shares listed with BSE Limited and National Stock Exchange of India Limited and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from December 01, 2015.

During the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

BOARDS' REPORT

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

We further report that during the period under review no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc referred to above have taken place.

For S Sandeep & Associates

Place : Chennai
Date : May 1, 2017

S Sandeep
Managing Partner
FCS No.: 5853
C P No.: 5987

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE – A

To
The Members
Oriental Hotels Limited
Taj Coromandel, 37, Mahatma Gandhi Road,
Nungambakkam, Chennai - 600 034.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial and other records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the relevant 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 relevant records and compliances. The verification was done on test basis to verify that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and tax 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 happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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 S Sandeep & Associates

Place : Chennai
Date : May 1, 2017

S Sandeep
Managing Partner
FCS No.: 5853
C P No.: 5987

MANAGEMENT DISCUSSION AND ANALYSIS

Annexure to the Directors' Report**Management Discussion and Analysis**

Your Company has been reporting consolidated results taking into account the results of its subsidiaries, joint ventures and associates. This discussion, therefore, covers the financial results of the Company during April, 2016 to March, 2017. Your Company being part of the Taj Group (Group), this section also includes important developments and initiatives undertaken during the above period at the Group level which has a bearing on the performance and business of your Company. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated, on account of various factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which your Company conducts its business, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints, etc.

GLOBAL ECONOMIC ENVIRONMENT AND OUTLOOK

With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade, world growth is projected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018. But binding structural impediments continue to hold back a stronger recovery, and the balance of risks remains tilted to the downside, especially over the medium term. With persistent structural problems such as low productivity growth and high income inequality, pressures for inward-looking policies are increasing in advanced economies. These threaten global economic integration and the cooperative global economic order that has served the world economy, especially emerging market and developing economies. Against this backdrop, economic policies have an important role to play in staving off downside risks and securing the recovery, and a renewed multilateral effort is also needed to tackle common challenges in an integrated global economy. (Source: IMF: World Economic Outlook, April 2017)

The OECD says governments need to manage risks, enhance economic resilience and strengthen the environment to boost growth, with improvements in both productivity and inclusiveness. Focusing on policies that build structural elements into fiscal initiatives would reduce the burden on monetary policy in the advanced economies and help to boost trade, investment, productivity and wages.

With projected annual growth of 7.5% in 2017-18, India will remain the fastest growing G20 economy. Deregulation and improvement in the ease of doing business have boosted foreign investment. However, investment is still held back by the relatively high corporate income tax rates, slow land acquisition processes, stringent regulations, weak corporate balance sheets, high non-performing loans and infrastructure bottlenecks. Quality job creation has been low, due to complex labour laws. A comprehensive tax reform would promote inclusive growth: implementation of the Goods and Services Tax would support competitiveness, investment and economic growth. India is reforming relations across levels of government to empower the states and make policies more responsive to local conditions. Some states have taken the lead in improving the ease of doing business and now enjoy higher productivity and income. In rural areas, poverty rates are high and access to core public services is often poor. Farm productivity is low owing to small and fragmented land holdings, poor input management, and inefficient market conditions. (Source: OECD Economic Surveys: India 2017)

OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY

Travel & Tourism is an important economic activity in most countries around the world. The total contribution of Travel & Tourism to GDP was USD 7,613.3bn (10.2% of GDP) in 2016, and is forecast to rise by 3.6% in 2017 and to rise by 3.9% pa to USD 11,512.9bn (11.4% of GDP) in 2027 (Source: World Travel and Tourism Council – The Economic Impact Of travel & tourism March 2017)

Demand for international tourism remained robust in 2016 despite challenges. International tourist arrivals grew by 3.9% to reach a total of 1,235 million, according to the latest UNWTO World Tourism Barometer.

2016 was the seventh consecutive year of sustained growth following the 2009 global economic and financial crisis. As a result, 300 million more international tourists travelled the world in 2016 as compared to the pre-crisis record in 2008. By region, Asia and the Pacific (+8%) led growth in international tourist arrivals in 2016, fuelled by strong demand from both intra- and interregional source markets. (Source: World Tourism Organisation Press Release: Jan 2017)

In India, hospitality industry has emerged as one of the key industries driving growth of the services sector in India. It has evolved into an industry that is sensitive to the needs and desires of people. The fortunes of the hospitality industry have always been linked to the prospects of the tourism industry and tourism is the foremost demand driver of the

MANAGEMENT DISCUSSION AND ANALYSIS

industry. The Indian hospitality industry has recorded healthy growth fuelled by robust inflow of foreign tourists as well as increased tourist movement within the country and it has become one of the leading players in the global industry.

The year 2016 witnessed a growth of 10.7% in Foreign Tourist Arrivals (FTAs) in India. FTAs during 2016 were 88.9 lakh (provisional) as compared to the FTAs of 80.3 lakh during 2015. The Foreign Exchange Earnings (FEEs) from tourism in rupee terms during 2016 were Rs.1,55,650 crore (provisional) with a growth of 15.1% (Source: Ministry of Tourism Annual Report 2016-17)

Domestic Tourist Visits (DTV) to the States/Union Territories (UTs) grew by 15.5 per cent y-o-y to 1.65 billion (provisional) during 2016 with the top 10 States/UTs contributing about 84.2 per cent to the total number of DTVs, as per Ministry of Tourism.

As per Ministry of Tourism, foreign tourists' arrival (FTAs) on e-tourist visa increased 56.6 per cent year-on-year in December 2016. In 2016, foreign tourist arrivals on e-visas more than doubled to 10,79,696 from 4,45,300 in 2015, partly because the e-visa facility was extended to 161 countries from 113 previously.

Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. The industry is expected to generate 13.45 million jobs across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers.

India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index.(Source: World Economic Forum –WEF)

The Company is looking at various revenue enhancement and cost containment measures so that it can take advantage of the upswing, as the business and economy recovers and the demand supply imbalance gets corrected.

Future Trends

In 2017, the total contribution of Travel & Tourism to the world's economy is forecast to grow by 3.5%. Continued solid growth at a global level is expected across the main economic indicators of GDP contribution, job creation, investment and visitor exports, with visitor exports making an especially strong contribution.

In addition to outperforming the global economy over the next ten years, Travel & Tourism is also forecast to outpace a range of other major global economic sectors, including communications, financial and business services, manufacturing and retail and distribution.

South Asia is expected to be the fastest growing world region over the next 10 years, with average annual direct Travel & Tourism GDP growth of 6.7% expected, with strong growth in India (6.8%) the driving force.

At country level, the fastest growing larger Travel & Tourism countries are expected to be China, India, Thailand, and Indonesia. India is expected to establish itself as the fourth largest Travel & Tourism economy by 2027, both in terms of direct and total GDP, only behind China, the USA and Germany. (Source: World Travel & Tourism Council – Global Economic Impact & Issues 2017)

India is expected to be a driving force for the global economy in the foreseeable future. It also makes it a ripe market for travel and tourism. The key drivers for international travel demand growth to India include the easier e-visa regime, Swachh Bharat Abhiyan, Make in India and other similar initiatives which are expected to build a positive global image for the country and will thus have a long term impact for the travel and tourism industry. World Travel & Tourism Council predicts that the strong forecast on travel and tourism industry in India will propel it to the 7th spot in terms of travel and tourism GDP by 2026. Domestic travel was strong and remains the demand bedrock of the industry; as the economy improves, domestic business, leisure and Meetings, Incentives, Convention, Exhibition (MICE) travel will grow rapidly, spreading over many cities and towns.

INDIAN HOSPITALITY INDUSTRY LANDSCAPE AND OUTLOOK

A year that otherwise would have ended on a positive note for the hospitality industry in the country went a bit off-track because of demonetisation of currency notes in early November.

While the organised hospitality industry has somewhat come to terms with the situation and shifted their post in terms of demand revival till the second half of 2017, it is expected that the government move would benefit in the long-run.

India's introduction of e-visa to 161 countries arriving at 16 international airports saw that in 2016, a total of 10.79 lakh tourists arrived on the facility as compared to 4.45 lakh in 2015, a growth of 142.5%. (Source: News 18, 11th January 2017) World Travel & Tourism Council (WTTC) predicts that the strong forecast on travel and tourism industry in India will propel it to the 8th spot in terms of travel and tourism GDP by 2027.

MANAGEMENT DISCUSSION AND ANALYSIS

With the travellers becoming more digitally savvy along with an improvement in network and internet connections the industry is gearing up to meet these technical needs. Web and mobile based channels traffic have increased exponentially leading to a lot of companies investing in these related areas. Apart from hotels direct websites and mobile apps online travel agents have also seen a spike in traffic. It has also enabled consumers to seamlessly move across platforms and check other guests' reviews of hotels before confirming any bookings resulting in more power at the hands of the consumer. A bouquet of hotel choices are easily available to the traveller through online travel agents like as Expedia, Priceline, Booking.com and MakeMyTrip.

Both supply and demand are set to increase in the coming times. According to the HVS 2016 Report, in 2015/16, both supply and demand grew by 9.9% YoY and 16.4% YoY respectively nationwide. Thus, the hotel industry in India can expect sustained growth in the coming years due to various infrastructural reforms. (Source: HVS 2016 Report- Hotels in India: Trends & Opportunities)

Demonetisation

In the immediate aftermath of the November demonetization, the tourism and travel industry were among the hardest hit, as consumers held back discretionary expenditure.

Over the short and medium terms, the demonetization drive will have varied effects on the many sections of the hospitality industry in the country, but in the long term will positively impact the growth of the hospitality sector. (Source: Impacts on Demonetization: Organized and Unorganized Sector- IOSR Journals)

STRATEGY

Your Company's strategic initiatives are guided by the Group's Strategy. The portfolio of brands will continue to be the differentiator, delighting our guests, consistently offering unmatched experiences. Going into the future, there will be concerted efforts to raise the guest experience across all our hotels and achieve excellence in service delivery. Further, applying business intelligence and analytics, we can increase its personalization and customer need anticipation manifolds to achieve even higher degrees of service excellence. The digital journey will also continue to build on the mobile platform with the introduction of an app to better engage with loyalty members and new customers. The experience we will curate for the guests shall reflect "Tajness" in everything we do through a high level of personalized offerings unique to the Indian hospitality philosophy. The "Tajness" would be an all pervasive theme at every guest touch point, from the rooms, F&B outlets and service quality.

Improved Return on Invested Capital

Your Company's strategy is to create and deliver profitable growth for all its stakeholders. Your Company's ability to deliver improved returns on capital would be driven through rigorous asset management, revenue maximization, cost control and reduced leverage and exit from non-core underperforming assets.

Human Capital

Your Company's employees are its most valuable asset who deliver a level of service that is among the highest in the hospitality industry. Your Company's culture and reputation as a leader in the hospitality industry will drive the effort to attract and retain the best available talent through a combination of talent management strategy combined with a robust and transparent performance management system which leads to an attractive long term compensation philosophy.

Some of the key initiatives rolled out by the Group towards business promotion includes relaunch of the loyalty program, launch of a new website, implementation of a new organization structure which enables more agility in responding to the customer and market situations, standardization of property management system and implementing revenue management systems in key hotels.

Tata Business Excellence Model

Two focus areas were identified under the guidelines of the Tata Business Excellence Model and in partnership with Tata Quality Managements Services, specially identified teams worked on the following:

1. **Human Resources:** A deep-dive on the Performance Management System. The existing performance management system was revisited and aligned to more sharply drive overall business performance across all locations through systematic implementation.
2. **Customer:** A "Voice of Customer Study" (Qualitative) was conducted for select top accounts of Taj to understand the various elements on how to serve the Customers (Key accounts) better.

Brand Standards and Mystery Shopper Audits

Keeping the guest experience uppermost in mind, your c©ompany has given a deep focus to brand standards through continuous improvement. Competition benchmarks are used effectively to measure performance against best in class hotel brands. Audit mechanisms have been improved to ensure better feedback to hotels.

Guest Feedback

The introduction of Medallia to ensure capture of guest feedback not only during and post stay and but also from online agents and social media. The Net Promoter Scores are carefully monitored and improvement opportunities identified to ensure positive guest experience.

RISKS & CONCERNS

Industry Risk

General economic conditions

The hospitality industry is prone to the impact of changes in global and domestic economies, changes in local market conditions, excess hotel room supply, reduced international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other social factors. Since demand for hotels is affected by the global economic sentiment, a prolonged global recession could also lead to a downturn in the hotel industry.

Socio-political risks

In addition to economic risks, your Company faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities, etc. which may affect the level of travel and business activity.

Company specific Risks

The following are considered as risks specific to the Company:-

Heavy Dependence on India

A significant portion of your Company's revenues are realised from its Indian operations, making it susceptible to domestic socio-political and economic conditions. Moreover, within India, the operations and earnings are primarily concentrated in South India with key properties located in Chennai.

Competition from Global Hotel Chains

The Indian subcontinent, South East Asia and Asia Pacific with high growth rates have become the focus area of major international chains. Several of these chains have announced their plans to be increase their presence in India to take advantage of the demand supply imbalance. These entrants along with the online private accommodation aggregators like Airbnb are expected to intensify the competitive environment. The success of the Taj Group of hotels will be dependent upon its ability to compete in areas such as room rates, quality of accommodation, brand recognition, service level, convenience of location and to a lesser extent, the quality and scope of other amenities, including food and beverage facilities and reduced costs.

Increased outbound travel

Recent competitiveness in international airfares and strengthening financial health of Indian people resulted in destinations like Europe, South East Asia and Australia becoming more affordable to the average Indian traveller. This has increased outbound travel and presents a risk to the domestic segment for leisure resorts.

High Operating Leverage

The industry in general has a high operating leverage which has further increased with on-going renovations, increased staff costs and cost of light, power and fuel.

ORIENTAL HOTELS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Risk Mitigation Initiatives

Your Company employs various policies, processes and methods to counter these risks effectively. By extensively improving its service standards, as also progressively renovating its properties, across the multi brand portfolio, your Company counters the risk from growing competition and new supply.

Internal control systems and their adequacy

Your Company has in place an adequate framework of internal controls, with documented procedures covering all corporate functions and hotel operating units. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies & procedures issued by the Management covering all critical and important activities viz. Revenue Management, Hotel Operations, Purchase, Finance, Human Resources, Safety, etc. These policies & procedures are updated from time to time and compliance is monitored by Group Internal Audit. The Company continues its efforts to align all its processes and controls with global best practices.

The internal audit process, through its unique 'Taj Positive Assurance Model', which is an objective methodology of providing a positive assurance based on the audits of operating units and corporate functions, is a convergence of Process Framework, Risk and Control Matrix and a Scoring Matrix. A framework developed for each functional area identified on the basis of an assessment of risk & control as also providing a score, allowing the Unit to improve on high risk areas.

The effectiveness of internal controls is reviewed through the internal audit process, which is undertaken for every operational unit and all major corporate functions under the direction of the Group Internal Audit department. The focus of these reviews is as follows:

- Identify weaknesses and areas of improvement
- Compliance with defined policies and processes
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes
- Compliance with the Tata Code of Conduct

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them.

Management Discussion and Analysis of Operating Results and Financial Positions

The Annual Report contains Financial Statements of your Company, both on a stand-alone and consolidated basis. An analysis of the financial affairs is discussed below under summarized headings.

Results of operation for the year ended March 31, 2017.

Standalone Financial Results

The following table sets forth financial information for your Company for the year ended March 31, 2017:

MANAGEMENT DISCUSSION AND ANALYSIS

₹ in lakhs

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Income		
Revenue from operations	33,348	30,948
Other Income	1,112	678
Total	34,460	31,626
Expenses		
Cost of Materials Consumed	3,721	3,635
Employee Benefits Expense	9,127	8,911
Depreciation and Amortisation Expense	2,498	2,394
Other Operating and General Expenses	15,739	15,496
Total Expenses	31,085	30,436
Profit/(Loss) before Finance Cost and Tax	3,375	1,190
Finance Costs	3,219	3,156
Profit/(Loss) before Exceptional Items and Tax	156	(1,966)
Exceptional Items	42	(633)
Profit/(Loss) before Tax	198	(2,599)
Provision for Tax (including for earlier years)	45	(814)
Profit/(Loss) after Tax	153	(1,785)

Revenues

The summary of total Income is provided in the table below:

₹ in lakhs

Particulars	Year Ended		% Change
	March 31, 2017	March 31, 2016	
Room Income	16,354	15,097	8.33
Food, Beverage & Banqueting Income	14,094	13,468	4.65
Other Operating Income	2,900	2,383	21.74
Non-Operating Income	1,112	678	64.00
Total Income	34,460	31,626	8.96
Statistical Information			
Average Room Rate (₹)	6,084	5,789	5
Occupancy (%)	66	63	4

Operating Expenses

The operating expenses increased by 2.13% from ₹30,436 lakhs to ₹31,085 lakhs.

Payroll expenses were higher than the previous year due to annual increments.

Repairs and Maintenance expenses were higher due to increased preventive maintenance, adherence to safety and security measures and upkeep undertaken at the hotels.

Finance Costs

Finance costs for the year ended March 31, 2017, amounts to ₹3,219 lakhs.

ORIENTAL HOTELS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Profit Before Tax & Exceptional Item

Profit before Tax & Exceptional Item at ₹156 lakhs.

Exceptional Items

Exceptional items consists of Mark-To-Market Gain/(Losses) on derivative contracts amounting to ₹42 lakhs.

Profit (Loss) before Tax

The profit before tax for the year was at ₹198 lakhs, as compared to the previous year's loss of ₹2,598 lakhs.

Profit (Loss) after Tax

The Profit after Tax for the year was at ₹153 lakhs, as compared to the previous year's loss of ₹1,785 lakhs.

₹ in lakhs

Particulars	Year Ended	
	March 31, 2017	March 31, 2016
Net Cash from operating activities	4,220	2,234
Net Cash used for investing activities	(106)	(416)
Net Cash from /(used for) financing activities	(3,159)	(1,832)
Net Increase/(Decrease) in cash and cash equivalents	955	(14)

Operating Activities

Net cash generated from operating activities was ₹4,220 lakhs compared to ₹2,234 lakhs for the previous year.

Investing Activities

During the year under review, your Company incurred ₹1,034 lakhs towards capital expenditure, as well as the new IT initiatives and renovations at certain hotels.

Financing Activities

During the year, your Company borrowings increased by ₹445 lakhs.

Particulars Financial Ratios for Standalone Financials	Year Ended	
	March 31, 2017	March 31, 2016
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	0.55	0.56
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	1.21	1.26

Consolidated Financial Results

Your Company has consolidated its Financial Statements with those of its Subsidiaries, Joint Ventures and Associates in accordance with Generally Accepted Accounting Principles prevailing in India.

The following table sets forth the Consolidated Financial results for the year ended March 31, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

₹ in lakhs

Particulars	Year Ended	
	March 31, 2017	March 31, 2016
Income		
Revenue from Operations	33,475	31,079
Other Income	499	362
Total Income	33,974	31,441
Expenses		
Cost of Materials Consumed	3,721	3,635
Employee Benefits Expense	9,127	8,911
Depreciation and Amortisation Expense	2,498	2,394
Other Operating and General Expenses	15,750	15,520
Total Expenditure	31,096	30,460
Profit Before Finance Cost and Tax	2,878	981
Finance Costs	3,219	3,156
Profit before Tax and Exceptional Items	(341)	(2,175)
Exceptional Items	42	(633)
Profit / (Loss) before Tax	(299)	(2,808)
Provision for Tax (incl. for earlier years)	45	(814)
Loss after Tax before Minority Interest and Share of Associates	(344)	(1,994)
Share of Profit/(Loss) of Associates	139	222
Share of Profit/(Loss) of Joint Venture	704	538
Profit / (Loss) after Tax, Minority Interest and Share of Associates	499	(1,234)

Consolidated Profits Before Finance Cost and Exceptional Items:

Profit before Finance Costs and Exceptional items amounts to ₹2,878 lakhs as compared to ₹981 lakhs in the previous year

Finance Costs:

Finance costs for the year ended March 31, 2017, amounts to ₹3,219 lakhs as against ₹3,156 lakhs in the previous year.

Profit/ (Loss) after Tax, Minority Interest and Share of Associates:

Profit after tax, Minority Interest and Share of Associates for the year was higher at ₹499 lakhs as compared to ₹(1,234) lakhs for the preceding year.

Cash Flow Data:

The following table sets forth selected items from the consolidated cash flow statements:

₹ in lakhs

Particulars	Year Ended	
	March 31, 2017	March 31, 2016
Net Cash from operating activities	4,230	2,836
Net Cash used in investing activities	(407)	(710)
Net Cash from financing activities	(3,159)	(1,832)
Net Increase/(decrease) in cash and cash equivalents	664	294

ORIENTAL HOTELS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Activities:

Net Cash from operating activities was at ₹4,230 lakhs as compared to ₹ 2,836 lakhs in the previous year.

Financial Ratios for Consolidated Financials:

Particulars Financial Ratios for Consolidated Financials:	Year Ended	
	March 31, 2017	March 31, 2016
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	0.41	0.42
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	0.70	0.71

OUR VISION AND VALUES

VISION :

“To lead and become the international benchmark in the hospitality industry, in India and in key regions of the world.

To dazzle and delight the customer with the highest quality of hotel products, F & B experiences and above all, exceptional service standards.”

TAJ CORE VALUES :

Courage

Excellence

Integrity

Team Work

Respect & concern for others, **R**eliability

Environment & Society Concern

REPORT ON CORPORATE GOVERNANCE**PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance has been in existence in your Company since its inception, even before it was mandated. The Company's philosophy on corporate governance derives from our values of Integrity, Excellence & Responsibility and it continues to oversee our business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

We follow the highest level of ethical standards in all our business transactions guided by our value system. During the year the Board has revised various codes and policies of the Company to align with changing cultural and regulatory norms. These codes and policies are available on the Company's website.

The Company has complied with the requirements of Corporate Governance as mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as detailed below for the year ending March 31, 2017:

The Board of Directors:

1. The Board of Directors comprises Executive, Non-Executive as well as Independent Directors. The Board as on March 31, 2017 comprises of 10 directors out of which five (5) are independent directors (50%) and five (5) represent promoters (50%). The Directors possess experience in fields as varied as banking, finance, real estate, marketing and hoteliering to social service. The Company under the Board of Directors along with the Committees, provides leadership, guidance to the Management, directs and supervises the performance of the Company thereby enhancing stakeholder's value. The Board has fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Company with the help of expertise and knowledge of the Directors have optimized its value in the business. The details of Directors seeking re-appointment are furnished in the Notice of the Annual General Meeting.



2. "Independent Directors" of the Company have been appointed as per the provision of the Companies Act, 2013, Listing Regulations and the Governance Guidelines for Board effectiveness as adopted by the Company. Independent Directors who apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its holding company, its subsidiaries and associates, which may affect the independence of the Director. Formal appointment letters have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed in the website of the Company.
3. The Directors made necessary disclosures with regard to committee positions across all the Companies in which he/she is a Director as per the Regulation 26(1) of the Listing Regulations.
4. None of the Directors of the Board serve as members of more than 10 committees or Chairman of more than 5 Committees, as per the requirements of the Listing Regulations. "Committees" for this purpose mean the Audit Committee and the Shareholder's Relationship Committee. The details of the Board and Committee positions of the Directors form part of this report.
5. Pursuant to Regulation 25(1) of the Listing Regulations all the Directors are in compliance with the limit prescribed to hold Independent Directorship in the listed companies.

6. During the year under review, the Board of Directors of the Company met four times and the period between any two meetings did not exceed four months. The dates of the Board Meetings held during each quarter are as follows:

Sl. No.	For The Quarter	Date of Meeting	Gap between two consecutive meetings (in number of days)
1.	April to June	July 25, 2016	73
2.	July to September	October 26, 2016	92
3.	October to December	January 23, 2017	88
4.	January to March	May 12, 2017	108

7. Independent Directors of the Company separately met twice during the financial year viz., on May 12, 2016 and March 28, 2017 in line with the requirements under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. None of the Non Independent Directors and members of the Management were present at the meeting.
8. Independent Directors at their meeting transacted the following:-
- Reviewed the performance of Non Independent Directors and the Board as a whole;
 - Reviewed the performance of the Chairman of the Company, taking into consideration, the views of Managing Director and Non-Executive Directors; and
 - Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
9. All Independent Directors attended the meeting of Independent Directors and Dr.G.Sundaram, Chaired the meeting.
10. The Independent Directors are familiar with the nature of the Industry, and business model of the Company, considering their expertise no familiarization program was organised during the year.
11. All the relevant information, as recommended by the Securities and Exchange Board of India (SEBI) / Stock Exchanges, had been furnished to the Board from time to time.
12. The details of remuneration including sitting fees paid to the directors have been furnished in this report.
13. All Non-Executive Directors including Independent Directors have affirmed compliance with the Code of Conduct for Non-Executive Directors for the financial year ended March 31, 2017. The said code of Conduct is also displayed on the Company's website.
14. All Board Members and senior management personnel, pursuant to Regulation 26(3) of the Listing Regulation have affirmed compliance with the applicable code of conduct. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.
15. Other than the transactions entered into in the normal course of business, no materially significant related party transactions entered by the Company during the year, which could have potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives. The Company has adopted Policy for Related Party transactions, which is made available at the website of the Company.
16. Due to changes in directorship during the financial year, the Company was required to appoint an Independent Director to comply with Regulation 17 of the Listing Regulations. Mr. Phillie Dara Karkaria (DIN. 00059397) was appointed as an Independent Director with effect from January 23, 2017.
17. The membership of Directors on the Board and Committees of other companies and their attendance at the meetings held during the financial year 2016-17 are given below:-

Name of the Director	DIN No.	Category	No. of Meetings attended							Other Companies			
			Board Meeting	Audit Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee	Ethics Committee	Share Transfer Committee	Whether attended AGM on July 25, 2016	Director ship			Committee Membership
										Indian	Foreign	Chairman	
Mr. Rakesh Kumar Sama	01875340	NN	3	-	-	1	-	-	Y	8	-	1	3
Mr. Pramod Ranjan	00887569	MD	4	-	1	-	1	1	Y	8	-	-	-
Mr. D. Varada Reddy	00052200	NP	4	-	1	-	-	1	Y	1	-	-	-
Dr. G. Sundaram	00051093	NI	4	4	1	1	-	-	Y	-	1	-	-
Mr. Anil P Goel#	00050690	NI	1	1	-	-	-	-	-	-	-	-	-
Mr. D. Vijayagopal Reddy	00051554	NP	4	-	1	-	1	1	Y	5	-	-	-
Mr. S. Y. Syed Meeran	00547775	NI	4	-	-	-	-	1	Y	4	-	-	-
Mr. D. R. Kaarthikeyan@	00327907	NI	1	1	-	-	-	-	-	-	-	-	-
Diwan Arun Nanda*	00034744	NI	-	-	-	-	-	-	-	-	-	-	-
Mr. Ramesh D Hariani	00131240	NP	4	-	-	-	-	-	Y	6	-	-	-
Ms. Gita Nayyar	07128438	NI	3	3	-	-	-	-	Y	4	-	-	-
Mr. Vijay Sankar +	00007875	NI	3	2	-	-	1	-	Y	12	-	-	3
Mr. Phillie D Karkaria**	00059397	NI	-	-	-	-	-	-	-	12	-	-	-

NI → Non Executive – Independent: NN → Non Executive – Non Independent:

NP → Non Executive – Promoter: MD → Managing Director:

+ Mr. Vijay Sankar was appointed as an Independent Director w.e.f. May 12, 2016.

* Diwan Arun Nanda, Director resigned from the Board w.e.f. June 30, 2016

@ Mr. D. R. Kaarthikeyan, Director resigned from the Board w.e.f. October 5, 2016

Mr. Anil P Goel, Director resigned from the Board w.e.f. October 15, 2016

**Mr. Phillie Dara Karkaria was appointed as an Independent Director w.e.f. January 23, 2017

ORIENTAL HOTELS LIMITED

CORPORATE GOVERNANCE

Composition of Committee Membership as on March 31, 2017:

Name of the Member(s)	Name of the Committees of the Board							
	Audit	Nomination & Remuneration	Stakeholders Relationship	Share Transfer	Ethics	CSR Committee	Approval	Risk Management
Mr. Rakesh Sarna	--	M	-	-	-	-	M	-
Mr. Pramod Ranjan	-	-	M	-	M	M	M	M
Mr. D. Varada Reddy	-	-	M	M	-	-	-	-
Dr. G. Sundaram	M	M	C	-	-	-	-	-
Mr. D. Vijayagopal Reddy	-	M	M	C	C	M	M	-
Mr. S Y Syed Meeran	-	-	-	M	-	-	M	-
Ms. Gita Nayyar	M	-	-	-	-	-	-	M
Mr. Vijay Sankar*	C	-	-	-	M	C	-	C
Mr. Phillie Dara Karkaria**	-	C	-	-	-	-	-	-

C – Chairman M - Member

* Mr. Vijay Sankar was appointed as an Independent Director w.e.f. May 12, 2016.

**Mr. Phillie Dara Karkaria was appointed as an Independent Director w.e.f January 23, 2017.

The Mandatory Committees of the Company constituted by the Board are as hereunder inter alia includes “the following:

1. Audit Committee :

The Mandatory Committees of the Company constituted by the Board are as hereunder inter alia includes 'the following

Powers of Audit Committee :

The powers of audit committee shall include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it consider necessary.

Terms of reference of Audit Committee:

The terms of reference of Audit Committee inter alia are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditor(s) for any other services rendered by them.

4. Reviewing; with management, the annual financial statements before submission to the Board for its approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (C) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management, if any.
 - d. Significant adjustments made in the financial statements arising out of audit findings, if any.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of related party transactions, if any.
 - g. Qualifications in the (draft) audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing; with management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors for any significant findings and follow up there on.
15. Reviewing the findings by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditor(s) before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividend(s) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee reviewed the following information:

1. Management discussion and analysis of financial conditions and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review of the Audit Committee;

The Committee met four times during the period under review. Audit Committee meetings were attended by the Internal Auditors and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting.

2. Stakeholders Relationship Committee :

Stakeholders Relationship Committee has been expanded to report the status of members, debenture-holders, deposit-holders and any other security holders in addition to equity shareholders.

The Stakeholders Relationship Committee's roles and powers:

- a. Shall consider and resolve grievances of all classes of investors of the company;
- b. The chairperson of the committee by himself or any person authorized by him shall attend the general meetings of the company;
- c. Ensure proper controls at Registrar and Share Transfer Agent;
- d. Look into the redressing of the shareholders complaints and queries;
- e. Review movement in shareholdings and ownership structure;

Share transfers are processed weekly and approved by the Committee and the Investor grievances are also placed before the Committee. The Committee met on March 28, 2017 to review the various matters related to the Stakeholders during the year under review. There were no pending investor complaints which remained unresolved. The Company has also cleared complaints received through SEBI Complaints Redress System (SCORES). The Company also uploads its Action Taken Reports (ATRs) with respect to the complaints; enable online viewing by investors about the current status. All valid share transfers lodged up to March 31, 2017, have been processed by the Committee. The status of the complaints received (inclusive of SCORES) from members from 01.04.2016 to 31.03.2017 is as under :

Status of Request / Complaints during the period April 01, 2016 to March 31, 2017			
Sl. No.	Subject	Received	Replied/ Resolved
A. Requests			
1	Change/Correction of Address	20	20
2	Change/Correction of Bank Mandate	26	26
3	Change/Correction of Bank Mandate/Name/Damage-DW	5	5
4	Receipt of IB and Affidavit for issue of Duplicate Securities	9	9
5	Request for Transfer/Transmission of Securities	5	5
6	Request for Demat/Remat	2	2
7	Request for Exchange of Securities	8	8
8	Others (Clarification / Acknowledgement / NSDL Operation)	10	10
	Total (A)	85	85
B. Complaints			
1	Non-Receipt of Securities	1	0
	Total (B)	1	0

Amounts Transferred to IEPF

As per the provisions of Section 124 read with Section 125 of the Companies Act, 2013, the Company is required to transfer unpaid dividends, matured deposits, redeemed debentures and interest accrued thereon remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

During the year, the Company made renewed attempts to establish contact with those members/shareholders who had not claimed dividend(s). Periodic reminders were sent to the shareholders having unclaimed dividends to enable them to claim it.

Further, in terms of sub-section (6) of section 124 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend has not been encashed by the Members for a continuous period of seven years is also required to be transferred to the IEPF.

In this regard, a notice is being issued to all the members whose dividends are lying unpaid/ unclaimed against their name for seven consecutive years or more, followed by an advertisement to this effect in leading English and vernacular newspapers.

Members are entitled to claim the unclaimed dividend from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

ORIENTAL HOTELS LIMITED

CORPORATE GOVERNANCE

Given below are the proposed (indicative) dates for transfer of the unclaimed dividend to the IEPF by the Company: -

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF	Amount Outstanding (₹)
2008 - 2009	July 23, 2009	August 21, 2016	11,55,294.00
2009 – 2010	July 27, 2010	August 25, 2017	8,79,082.50
2010 – 2011	July 28, 2011	September 2, 2018	9,61,001.60
2011 – 2012	July 17, 2012	August 22, 2019	5,99,897.70
2012 – 2013	August 6, 2013	September 11, 2020	14,70,585.60
2013 – 2014	July 31, 2014	September 5, 2021	11,25,945.70
2014 – 2015	July 30, 2015	September 4, 2022	9,288,62.00
2015 – 2016	July 25, 2016	August 30, 2023	5,81,095.20

The Company transferred the following amounts to the IEPF of the Central Government of the unclaimed dividend belongs to the financial year 2015 – 16.

Particulars	Amount (₹)
Amounts transferred up to March 31, 2016	59,24,676.05
Amounts transferred during financial year 2016 – 17:	
- Unpaid / unclaimed dividend with the Company	11,55,276.00
- Unpaid / unclaimed matured deposits with the Company	15,000.00
Total	11,70,276.00
Amount transferred up to March 31, 2017	70,94,952.05

Unclaimed Shares

As per the Listing Agreement, the Company had transferred the unclaimed shares for which the certificates remaining undelivered/unclaimed by the shareholders to “Unclaimed Suspense Account” and dematerialized the shares, held in the name of “Unclaimed Suspense Account”. The said demat account as on March 31, 2017 is having 21,34,860 equity shares yet to be claimed.

Opening Balance		No. of Shareholders claimed	No. of shares transferred	Closing Balance	
No. of holders	No. of shares			No. of Holders	No. of shares
1263	21,46,050	4	11,190	1259	21,34,860

3. Nomination and Remuneration Committee:

The Committee consists of 4 members of which 2 are independent directors. The terms of reference of the Committee include inter-alia the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

During the year under review, the Committee held one meeting on January 23, 2017 to recommend the appointment of Mr. Phillie Dara Karkaria as Independent Directors of the Company and also to recommend the appointment of Chief Financial Officer.

Service Contract, Notice Period and Remuneration of the Managing Director:

Mr. Pramod Ranjan's contract as Managing Director and Chief Executive Officer of the Company is for a period of three years from November 11, 2015 up to November 10, 2018 terminable by 6 months' notice on either side.

The remuneration paid during the financial year 2016 – 2017 to the Managing Director is furnished hereunder:

₹ Lakhs

Particulars	Mr. Pramod Ranjan
Salary, Incentive and perquisites	62.50
Contribution to Provident and Gratuity Fund	5.49
Performance Incentive Payable	-
Shares held as on March 31, 2017.	1,41,96,140

The Company does not have any stock option schemes for its employees/directors.

Sitting fee (remuneration) paid to Non-Executive Directors during the financial year 2016-17 and the details of share held by them as on March 31, 2017 are as under:

Name of Director	Amount (₹)	No of Shares held
Dr. G. Sundaram	1,20,000	-
Mr. D. Varada Reddy	60,000	6,888,487
Mr. D. Vijayagopal Reddy	70,000	22,97,060
Mr. S.Y.Syed Meeran	70,000	10,500
Mr. D.R. Kaarthikeyan (till June 30, 2016)	30,000	-
Mr. Ramesh. D. Hariani	40,000	38,13,788
Ms. Gita Nayyar	70,000	-
Mr. Vijay Sankar	70,000	-
Mr. Phillie D Karkaria	10,000	-
Total	5,40,000	1,30,09,835

4. Corporate Social Responsibility (CSR) Committee

Even though Company does not fall under the category of companies which require to constitute a CSR Committee, the Company has constituted the Committee as envisaged under Section 135 of Companies Act, 2013 as a good governance measure and to assist the Board in discharging its social responsibilities.

The Committee consists of three members with an Independent Director as chairman. The broad terms of reference of CSR committee are as follows:

- Formulate and recommend to the board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time;

5. Risk Management Committee

The Company has constituted a Risk Management Committee voluntarily to enhance the risk mitigation framework and also formulated a Risk Management policy, which lays down a vigorous and active process for identification and mitigation of risks.

Details on General Body Meetings:

Location, date and time of the Annual General Meetings held in the last 3 years are as under:

Location	Date & Time	Resolutions passed
Narada Gana Sabha, Chennai - 600 018.	July 31, 2014 at 3.00 p.m.	Ordinary Resolutions : <ul style="list-style-type: none"> - Adoption of accounts - Declaration of Dividend - Appointment of Directors retiring by rotation - Appointment of Auditors
Narada Gana Sabha, Chennai - 600 018.	July 30, 2015 at 2.00 p.m.	Ordinary Resolutions : <ul style="list-style-type: none"> - Adoption of accounts - Declaration of Dividend - Appointment of Directors retiring by rotation - Appointment of Auditors Special Business – Ordinary Resolutions : <ul style="list-style-type: none"> - Appointment of Directors
Narada Gana Sabha, Chennai - 600 018.	July 25, 2016 at 2.30 p.m.	Ordinary Resolutions : <ul style="list-style-type: none"> - Adoption of accounts - Declaration of Dividend - Appointment of Directors retiring by rotation - Appointment of Auditors Special Business – Ordinary Resolutions : <ul style="list-style-type: none"> - Appointment of Directors

The resolutions of 46th Annual General Meeting held on July 25, 2016 were passed by means of E-Voting and the votes cast by the Members of the Company who were present at the meeting. The resolutions were passed with requisite majority.

E-Voting/Postal Ballot:

The postal ballot/e-Voting results were declared on July 27, 2016 based on the report of the scrutinizers M/S.KSM Associates, Practicing Company Secretaries, Chennai with respect to the notice dated May 12, 2016 issued by the Company. During the year under review, no Special Resolution has been passed through the exercise of postal ballot. At the AGM to be held on July 25, 2017 no item being proposed to be passed through postal ballot as a Special Resolution.

Disclosures

The Board of Directors receives, from time to time, disclosures relating to financial and commercial transactions from key managerial personnel of the Company, where they and/ or their relatives have personal interest.

The Company has complied with the requirements of the Stock Exchanges/ Securities and Exchange Board of India/ statutory authorities on all matters relating to capital markets, during the last 3 years. No penalty or strictures were imposed on the Company by these authorities.

Pursuant Part B of Schedule II to the Listing Regulations Managing Director (CEO) and the Chief Financial Officer has issued a certificate to the Board, for the year ended March 31, 2017.

The Company receives continuous disclosure of holdings by the Directors in accordance SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, the Company makes regular disclosure to all the Stock Exchange(s) in which the Company is listed the information.

The Non Executive Chairman has a separate office in his capacity as chairman of the Company and hence a separate office is not maintained.

The Company has adopted necessary guidelines for composition of the Board of Directors, Committees of the Board which are taken into account the provisions of the Listing Regulations, the Companies Act, 2013 and other applicable laws.

The Company has complied with all the mandatory and non mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46 (2) relating to the dissemination of information on the website of the Company. As regard the status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, the financial statements of the Company are with unmodified audit opinion. The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO and the Internal Auditor reports to the Audit Committee

Subsidiary Company

The Company does not have any material unlisted Indian subsidiary and is not required to have an Independent Director of the Company on the Board of such Subsidiary. The financial statements including the investments made by the Company's wholly owned subsidiary, OHL International (HK) Limited were placed before the Board. The minutes of the Board meeting of the subsidiary Company are periodically placed before and reviewed by the Board of Directors of the Company.

Code of Conduct

The Company has adopted a Code of Conduct for prevention of insider trading and Code for fair disclosure in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code, inter-alia, prohibits purchase/ sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

The Company receives continuous disclosure of holdings by the Directors in accordance with Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, the Company makes regular disclosure to all the Stock Exchange(s) in which shares of the Company are listed the information received under the said clause in compliance with the applicable Regulations

Whistle Blower Policy

The Company has adopted the Whistle Blower policy pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest. No employee has been denied access to the Audit Committee in this regard.

Means of Communication

Quarterly, Half-yearly and Annual results of the Company were published in leading English and vernacular newspapers viz. The Indian Express and Dinamani. Additionally, the results and other important information are also periodically updated on the Company's website viz. www.orientalhotels.co.in.

Corporate Filing and Dissemination System

All disclosures and communications to the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are filed electronically to the designated portal.

Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA & the Company has also filed its Annual Accounts on MCA through XBRL.

SEBI Complaints Redress System (SCORES)

A centralized web based complaints redressal system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ARTs) by the concerned companies and the investors can view the actions taken on the complaint and its current status.

General Shareholder Information

Corporate Identification Number	L55101TN1970PLC005897
Registered office	Taj Coromandel 37, Mahatma Gandhi Road Chennai – 600 034 Telephone. No. - 044 66002827 Facsimile no. - 044 66002089
Name, Contact details of Company Secretary & Compliance officer's	Mr. Tom Antony Paramount Plaza, III Floor 47, Mahatma Gandhi Road Chennai – 600 034 Telephone. no.- 044 66172828 Facsimile no.- (044)28254447/28278138 E-mail: ohlshares.mad@tajhotels.com
Registrar and Share Transfer Agent	M/S Integrated Registry Management Pvt Limited Kences Towers, 1 Ramakrishna Street North Usman Road, T Nagar, Chennai 600 017 Facsimile no.- 044 28140801 - 803 E-mail: corpserv@integratedindia.com
Date, Time and venue of AGM	July 25, 2017 at 2:30 pm Sathguru Sri Gnanananda Hall, Narada Gana Sabha, Alwarpet, Chennai 600 018
Financial Calendar	
Financial year	1st April – 31st March
Financial Report for	
Quarter ending 30th June	On or before August 15
Quarter ending 30th September	On or before November 15
Quarter ending 31st December	On or before February 15
Quarter ending 31st March	On or before May 30

Cut Off Date for e-Voting	July 20, 2017
E-Voting window dates	July 22, 2017 9:00 am to July 24, 2017 5:00 pm
Date of book closure	July 21, 2017 to July 25, 2017 (both the days inclusive)
Dividend payment date	Not Applicable
Equity Shares	
Stock Exchanges	Stock Code
The National Stock Exchange of India Ltd BSE Ltd	ORIENTHOT EQ 500314
Global Depository Receipts	Luxembourg Stock Exchange,
ISIN No. (INDIA) Equity	INE750A01020
ISIN No. – NCD Series A	INE750A07027 - Listed in NSE
ISIN No. – NCD Series B	INE750A07035 - Listed in NSE

The Company has paid annual listing fees to the Stock Exchanges in respect of the financial year 2017 – 2018.

Committees of the Board other than the mandatory Committees under the Act and Listing Regulations

The details of the committees of the Board which are not mandatory but constituted as a good governance measure are furnished below:

1. Share Transfer Committee

The Share Transfer Committee inter alia, with matters relating to transfers/transmissions/transposition/consolidation/issue of share certificates in exchange for sub-divided/consolidated/defaced share certificates/issue of duplicate share certificates.

2. Approval Committee

The Board has constituted an Approval Committee with the responsibilities and powers as detailed below:

- To place/accept/renew inter-corporate Deposits, with companies within the specified limits approved by the Board
- To approve regular banking arrangements, avail short term/temporary borrowings
- Appointment of trustees for the company's Gratuity Fund, approval of signatories for operating bank accounts, depository accounts, safe deposit lockers, opening/closure of bank accounts
- During the year all necessary approvals of this committee is being obtained through circular resolutions.

3. Ethics Committee

The Board has constituted the Ethics Committee with the terms of references as detailed below:

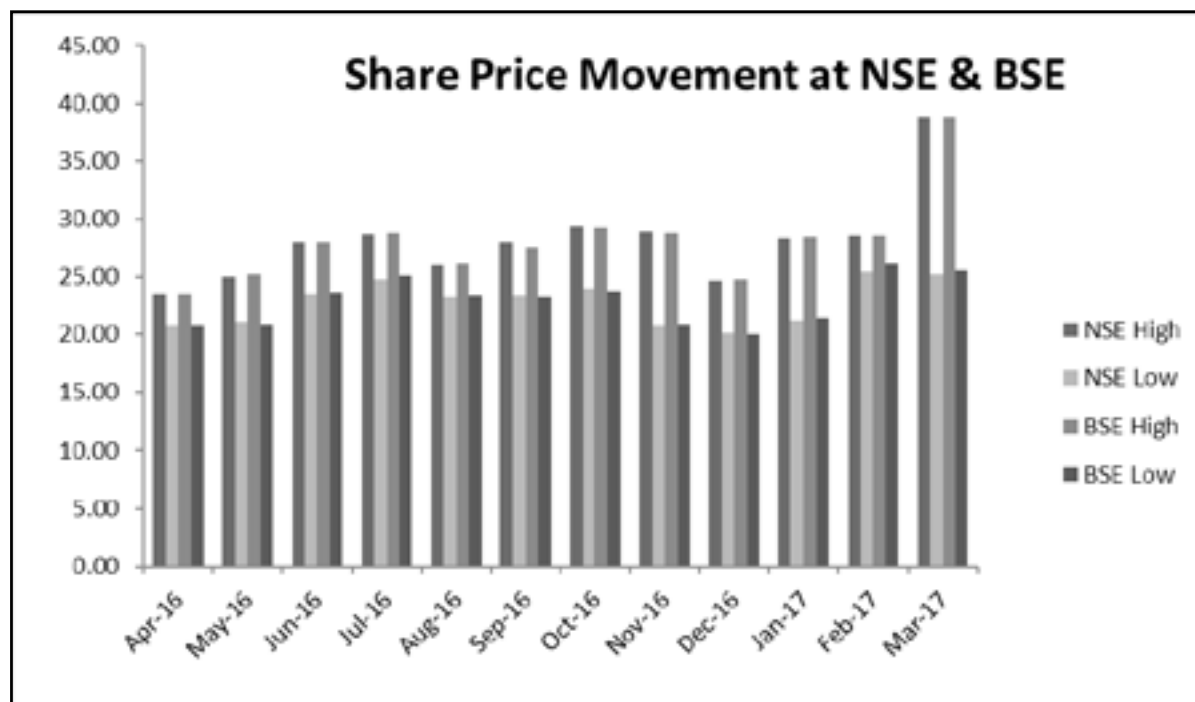
- Set forth the policies relating to and oversee the implementation of the Code of Conduct of the Company
- Consider matters relating to the Insider trading Code
- Take on record the status reports prepared by the Compliance Officer detailing the dealings in securities by the specified persons
- Decide penal action in respect of violation of the Regulations/Code by any person

4. POSH Committee: Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

A Policy on Prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under and constituted Apex POSH Committee, and its unit level committee to provide protection against sexual harassment of women at workplace and redressal of complaints and for the matters connected or incidental thereto.

Market Price Data : High, Low during each month in the financial year 2016-17

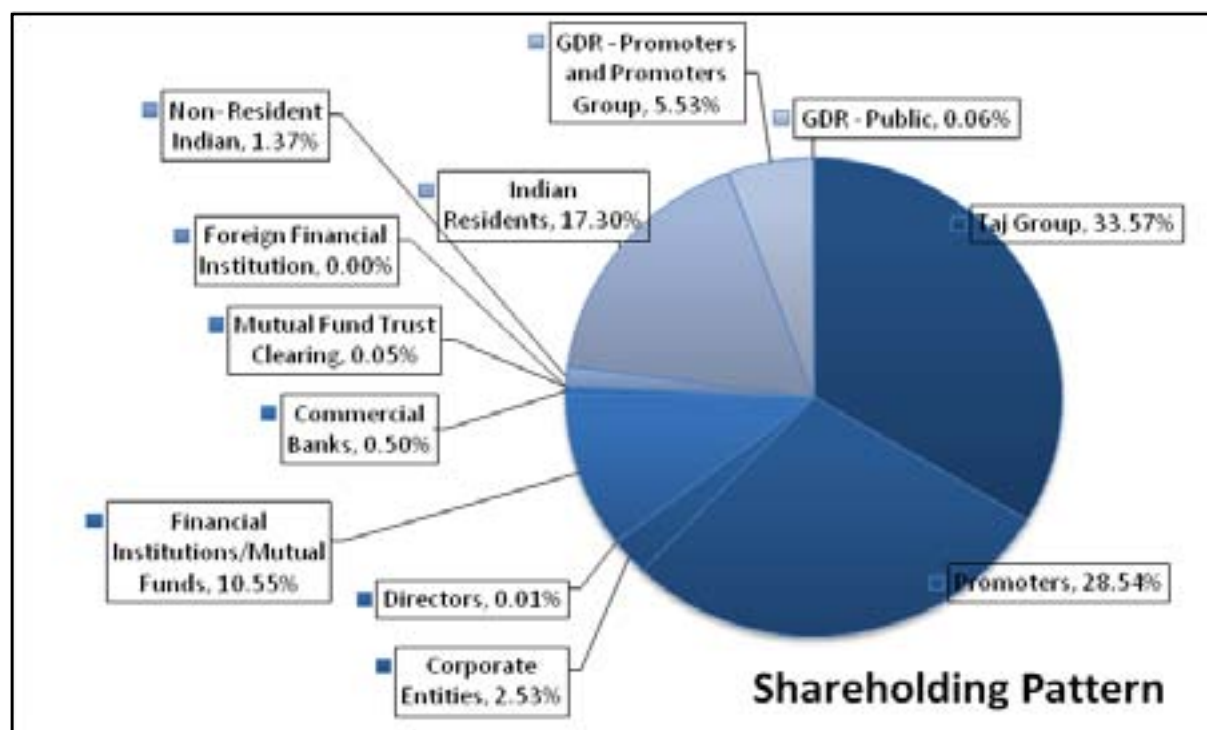
Month	National Stock Exchange Ltd (NSE) - Share price in ₹		Nifty		Bombay Stock Exchange Ltd (BSE) - Share price in ₹		Sensex	
	High	Low	High	Low	High	Low	High	Low
Apr-16	23.45	20.75	7992.00	7516.85	23.45	20.75	26100.54	24523.20
May-16	25.00	21.10	8213.60	7678.35	25.25	20.85	26837.20	25057.93
Jun-16	28.00	23.40	8308.15	7927.05	28.00	23.55	27105.41	25911.33
Jul-16	28.70	24.80	8674.70	8287.55	28.80	25.10	28240.20	27034.14
Aug-16	26.00	23.25	8819.20	8518.15	26.15	23.35	28532.25	27627.97
Sep-16	27.95	23.30	8968.70	8555.20	27.50	23.25	29077.28	27716.78
Oct-16	29.30	24.00	8806.95	8506.15	29.25	23.65	28477.65	27488.30
Nov-16	28.85	20.75	8669.60	7916.40	28.80	20.90	28029.80	25717.93
Dec-16	24.70	20.15	8274.95	7893.80	24.80	20.00	26803.76	25753.74
Jan-17	28.35	21.25	8672.70	8133.80	28.45	21.50	27980.39	26447.06
Feb-17	28.50	25.45	8982.15	8537.50	28.50	26.10	29065.31	27590.10
Mar-17	38.70	25.25	9218.40	8860.10	38.75	25.55	29824.62	28716.21

Source : www.bseindia.com and www.nseindia.com

Shareholding pattern as on 31st March 2017

Sl. No	Particulars	No. of shares	% of Shares
A. Promoters			
1	Taj Group	59,961,430	33.57
2	Promoters	50,966,760	28.54
B. Public			
3	Corporate Entities	45,12,267	2.53
4	Directors	17,250	0.01
5	Financial Institutions/Mutual Funds	18,839,279	10.55
6	Commercial Banks	888,400	0.50
7	Mutual Fund Trust Clearing	88,728	0.05
8	Foreign Financial Institution	4,500	0.00
9	Non- Resident Indian	2,443,529	1.37
10	Indian Residents	30,904,707	17.30
C. GDRs Underlying Equity Shares			
11	Promoters and Promoters Group	9,872,360	5.53
12	Public	100,070	0.06
	Grand Total	178,599,180	100.00

Percentage of Shareholding pattern as on 31.03.2017



ORIENTAL HOTELS LIMITED

CORPORATE GOVERNANCE

List of persons holding more than 1% of the total number of shares as on March 31, 2017

Sl. No	Name of the Shareholders	No. of shares	% of Share Capital
A. Promoter and Promoter Group			
1	The Indian Hotels Company Ltd	33,764,550	18.91
2	TIFCO Holdings Ltd	17,208,360	9.64
3	Mr. Pramod Ranjan	14,196,140	7.95
4	Mr. D. Varada Reddy	6,888,487	3.86
5	Ramesh D Hariani	3,813,788	2.14
6	PIEM Hotels Ltd	3,657,170	2.05
7	Ms. Girija Gollamudi Reddy	2,687,630	1.51
8	Mr. D. Vijayagopal Reddy	2,597,060	1.45
9	Tata Chemicals Ltd	2,523,000	1.41
10	Mr. Rohit Reddy D	2,212,500	1.24
11	Mr. Amith Reddy D	2,140,421	1.20
12	Ms. Dodla Premaleela Reddy	2,019,980	1.13
B. Public			
13	Reliance Capital Trustee Co Ltd (Reliance Long term Equity Fund)	12,990,561	7.27
14	Birla Sun Life Trustee Company Pvt Ltd A/c Birla Sun Life Dividend Yield	3,183,088	1.78
15	The Oriental Insurance Company Ltd	2,665,630	1.49

Note: "Others" include Trusts, Clearing Members, Directors & their Relatives, Global Depository Receipts, Central / State Governments and Foreign Banks.

Distribution Schedule of Share Holding as on March 31, 2017

Sl. No	Category of Shares	No of holders	% to Total no. of shareholders	No of shares	% to Capital
1	Up to 500	12215	70.81	1,277,680	0.72
2	501 - 1000	1427	8.27	1,220,682	0.68
3	1001 - 2000	1064	6.17	1,660,073	0.93
4	2001 - 3000	641	3.72	1,632,797	0.91
5	3001 - 4000	315	1.83	1,112,928	0.62
6	4001 - 5000	485	2.81	2,215,962	1.24
7	5001 - 10000	556	3.22	4,131,924	2.31
8	10001 & Above	547	3.17	16,534,7134	92.58
	Total	17250	100.00	178,599,180	100.00

Reconciliation of Share Capital Audit

In keeping with the requirements of the SEBI and the Stock Exchanges, a Reconciliation of Share Capital Audit by a Practicing Company Secretary is carried out at the end of every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued / paid – up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Dematerialisation of Shares & Liquidity

As of the end of March 31, 2017, shares comprising approximately 97.53% of the Company's Equity Share Capital have been dematerialized.

Status on Dematerialised shares (Equity ISIN No. INE750A01020)

Shares held in	No. of Shares	% of holding
NSDL	163,556,382	91.58
CDSL	10,624,815	5.95
Physical	4,417,983	2.47
TOTAL	178,599,180	100.00

Investor Correspondence

For any queries, investors are requested to get in touch with the Secretarial department at Paramount Plaza, III Floor, 47, Mahatma Gandhi Road, Chennai 600 034. A dedicated e-mail address ohlshares.mad@tajhotels.com is available for investor complaints.

Usage of electronic payment modes of making cash payments to the investors

SEBI vide its Circular No. CIR / MRD/DP/10/2013 dated March 21, 2013 has instructed all Companies for making cash payments to the investors, companies whose securities are listed on Stock Exchange shall use, either directly or through their RTI & STA, any RBI (Reserve Bank of India) approved electronic mode of payment such as ECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS), NEFT etc.

Shareholders are requested to kindly provide their requisite bank account particulars by quoting their reference folio number (s) in case shares are held in physical form.

In case shares are held in dematerialised form, such shareholders may kindly provide the requisite bank account details to their Depository Participant, to ensure that future dividend payments are correctly credited to the respective account.

Location of Hotel Units of the Company :

1. Taj Coromandel, Chennai.
2. Vivanta by Taj, Fisherman's Cove, Chennai.
3. Vivanta by Taj, Malabar, Kochi.
4. Vivanta by Taj, Trivandrum, Thiruvananthapuram.
5. Vivanta by Taj, Surya, Coimbatore.
6. The Gateway Hotel, Vishakhapatnam.
7. The Gateway Hotel, Madurai.
8. The Gateway Hotel, Coonoor.
9. The Gateway Hotel, Mangalore.

**DECLARATION BY THE MANAGING DIRECTOR UNDER PARA D OF SCHEDULE V OF SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,
2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with para D of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2017.

For ORIENTAL HOTELS LIMITED

Place : Chennai
Date : May 12, 2017

Pramod Ranjan
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Oriental Hotels Limited,

We have examined the compliance of the conditions of Corporate Governance by Oriental Hotels Limited ('the Company') for the year ended 31st March 2017, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We 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.

Restrictions on use

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

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N

R.SRIDHAR
Partner
Membership No.028317

Place : Chennai
Date : May 12, 2017

INDEPENDENT AUDITORS' REPORT

To The Members of Oriental Hotels Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Oriental Hotels Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

ORIENTAL HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Cash Flow Statement 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 standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with rule 7 of Companies (Accounts) Rule 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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 B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - **Refer Note 29** to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to December, 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management -Refer Note 45 to the standalone financial statements;

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No: 015682N

R. SRIDHAR
Partner
Membership No.28317

Place : Chennai
Date : May 12, 2017

ANNEXURE "A" TO AUDITORS' REPORT**Referred to in paragraph 1 of our report of even date**

- i). a) The company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the Management during the year based on a phased programme of verifying all the assets over three years, which in our opinion is reasonable having regard to the size of the company and the nature of its Fixed Assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- ii) The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. Accordingly, sub-clauses (a), (b) and (c) of clause (iii) of paragraph 3 of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has not provided any guarantees / security.
- v) The Company has not accepted any deposits from the public.
- vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
- vii) a. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Luxury Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues during the year with the appropriate authorities. There are no outstanding statutory dues as at 31st March 2017 for a period of more than six months from the date they became payable.
- b. According to the records of the company and information and explanations given to us, in respect of duty of customs and duty of excise, there are no outstanding amounts that have not been deposited with the appropriate authorities on account of any dispute. The details of disputed income tax, value added tax, sales tax, luxury tax and service tax that have not been deposited with the appropriate authorities are as follows:

Nature of Dues	Amount (₹ in Lakhs)	Forum where dispute is pending
Income tax		
Income tax demand for the Assessment year 2008-09	0.46	Income tax Appellate tribunal Chennai
Income tax demand for the Assessment year 2009-10	32.36	Commissioner of Income tax (Appeals), Chennai
Sales Tax		
Sales Tax Demand for the Financial Years 1990-91 & 1991-92	23.68	Appellate Tribunal, Chennai
Sales Tax Demand for the Financial Years 1993-94 to 1996-97	16.61	Hon'ble High Court of Madras, Chennai
Sales Tax Demand for the Financial Years 2004-05 & 2005-06	30.76	The Assistant Commissioner (Commercial Taxes), Chennai
Sales Tax Demand for the Financial Years 2009-10	3.41	The Assistant Commissioner, (Commercial Taxes), Special Circle, Thiruvananthapuram
Sales tax Demand for the Financial Years 2013-14	0.78	The Assistant Commissioner-III, Special Circle, Thiruvananthapuram
Sales tax Demand for the Financial Years 2013-14	87.55	Appellate Deputy Commissioner (Commercial Taxes) Chennai
Luxury Tax		
Luxury tax demands for the Financial Years 2004-05 and 2005-06	28.15	Hon'ble Kerala High court, Ernakulum
Luxury tax demands for the Financial Years 2010-11 and 2011-12	14.17	Appellate Tribunal, Ernakulum

ORIENTAL HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT

Luxury tax demands for the Financial Years 2012-13	9.30	Deputy Commissioner (Appeals), Ernakulum
Luxury tax demands for the Financial Years 2012-13, 2013-14 and 2014-15	9.20	Deputy Commissioner (Appeals), Madurai
Luxury tax demands for the Financial Years 2012-13	61.99	High Court, Chennai
Service tax		
Service Tax Demand for the Financial Years 2008-09 to 2009-10	39.68	CESTAT, Bangalore
Service Tax Demand for the Financial Year 2010-11	38.11	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Service Tax Demand for the Financial Years 2004-05 and 2005-06, 2006-07, 2007-08, 2010-11	74.21	Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Service Tax Demand for the Financial Years 2006-07 to 2010-11	6.96	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Service Tax Demand for the Financial Years 2005-06 to 2010-11	88.74	Commissioner of Central excise(Appeals), Mangalore
Service Tax Demand for the Financial Years 2010-11	36.22	Commissioner of Central Excise (Appeals), Cochin
Service Tax Demand for the Financial Years 2009-10 to 2011-12	3.83	Commissioner of Customs, Central Excise & Service Tax (Appeals), Visakhapatnam
Service Tax Demand for the Financial Years 2011-2016	31.22	Commissioner of Central Excise (Appeals), Coimbatore

- viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No: 015682N

R. SRIDHAR, Partner
Membership No.28317

Place: Chennai
Date: May 12, 2017

ANNEXURE “B” TO AUDITORS’ REPORT

Referred to in paragraph 2(g) of our report of even date

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

1. We have audited the internal financial controls over financial reporting of Oriental Hotels Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. 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.

ORIENTAL HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No: 015682N

R. SRIDHAR
Partner
Membership No.28317

Place : Chennai
Date : May 12, 2017

FORTY SEVENTH ANNUAL REPORT 2016-17

BALANCE SHEET

Balance Sheet as at March 31, 2017

₹ in lakhs

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets				
Non-current Assets				
Property, Plant and Equipment	3	38,810.31	40,294.65	44,730.70
Capital work-in-progress		400.49	439.45	459.90
Other Intangible Assets	4	297.59	364.94	233.96
		39,508.39	41,099.04	45,424.56
Financial Assets				
Investments	5	6,351.23	6,183.19	6,590.98
Loans	6	-	-	-
Other financial assets	7	1,906.61	1,844.17	2,087.17
Deferred Tax Assets (Net)	8	493.72	476.45	-
Income Tax Asset (Net)		2,513.57	2,319.15	2,154.42
Other non current assets	9	4,198.42	4,178.91	4,177.46
		54,971.94	56,100.91	60,434.59
Current Assets				
Inventories	11	756.61	775.78	696.68
Financial Assets				
Trade Receivables	12	1,271.39	1,544.62	1,319.26
Cash and Cash Equivalents	13(a)	1,162.92	207.87	221.62
Bank Balances other than Cash and Cash Equivalent	13(b)	132.88	116.15	113.47
Loans	6	560.00	560.00	560.00
Other financial assets	7	769.07	862.62	692.29
Other current assets	9	1,192.45	599.66	684.67
Assets classified as held for sale	42	2,798.21	3,191.50	-
		8,643.53	7,858.20	4,287.99
Total		63,615.47	63,959.11	64,722.58
Equity and Liabilities				
Equity Share capital	14	1,785.99	1,785.99	1,785.99
Other Equity	15	22,134.12	22,199.52	24,799.10
Total Equity		23,920.11	23,985.51	26,585.09
Non-current Liabilities				
Financial Liabilities				
Borrowings	16	30,185.93	22,297.38	22,970.31
Other financial Liabilities	17	186.52	1,520.22	1,962.47
Provisions	19	439.88	456.28	463.06
Deferred Tax Liabilities (net)	8	-	-	327.67
Other non-current Liabilities	20	30.24	35.94	43.57
		30,842.57	24,309.82	25,767.08
Current Liabilities				
Financial Liabilities				
Borrowings	16	-	7,916.55	5,154.76
Trade Payables	18	3,383.41	3,397.57	2,956.55
Other financial Liabilities	17	4,342.95	3,264.93	3,274.21
Provisions	19	72.64	92.33	85.86
Other current liabilities	20	1,053.79	992.40	899.03
		8,852.79	15,663.78	12,370.41
Total		63,615.47	63,959.11	64,722.58
Significant Accounting Policies	2			
The accompanying notes 1 to 45 form an integral part of the financial statements.				

As per our Report attached
For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N
R. Sridhar - Partner
Membership No. 028317
Place: Chennai
Date: May 12, 2017

For and on behalf of the Board of Directors of Oriental Hotels Limited
Rakesh Sarna
Chairman
DIN:01875340
Pramod Ranjan
Managing Director
DIN:00887569
Vijay Sankar
Director
DIN : 00007875

Rajneesh Jain
AVP-Finance & Chief Financial Officer

Tom Antony
AVP-Legal & Company Secretary

ORIENTAL HOTELS LIMITED

PROFIT AND LOSS STATEMENT

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

₹ in lakhs

Particulars	Note	March 31, 2017	March 31, 2016
REVENUE			
Revenue from Operations	21	33,348.82	30,947.78
Other Income	22	1,111.57	678.65
Total		34,460.39	31,626.43
EXPENSES			
Food and Beverages Consumed	23	3,721.36	3,634.56
Employee Benefits Expense and Payment to Contractors	24	9,127.18	8,911.06
Finance Costs	25	3,218.97	3,155.60
Depreciation and Amortization	3 & 4	2,497.97	2,393.78
Other Operating and General Expenses	26	15,738.55	15,496.62
Total		34,304.03	33,591.62
Profit/ (Loss) before Exceptional Items and Tax		156.36	(1,965.19)
Exceptional Items	27	42.15	(633.21)
Profit/ (Loss) Before Tax		198.51	(2,598.40)
Tax Expense			
Current Tax		180.35	105.45
Deferred Tax		(135.09)	(919.11)
Total		45.26	(813.66)
Profit/ (Loss) for the period		153.25	(1,784.74)
Other Comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit and loss			
Remeasurements of defined benefit plans		(51.71)	27.96
Change in fair value of equity instruments designated irrevocably as FVTOCI		172.36	(34.19)
Less : Income tax		(17.90)	9.53
Other Comprehensive income for the period, net of tax		138.55	(15.76)
Total Comprehensive Income for the year		291.80	(1,800.50)
Earnings per equity share :			
Basic & Diluted (Face value ₹1/- per share) (Refer Note: (34))		0.09	(1.00)
Significant Accounting Policies	2		
The accompanying notes 1 to 45 form an integral part of the Financial Statements.			

As per our Report attached

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N

R. Sridhar - Partner
Membership No. 028317

Place: Chennai
Date: May 12, 2017

For and on behalf of the Board of Directors of Oriental Hotels Limited

Rakesh Sarna
Chairman
DIN:01875340

Pramod Ranjan
Managing Director
DIN:00887569

Vijay Sankar
Director
DIN : 00007875

Rajneesh Jain
AVP-Finance & Chief Financial Officer

Tom Antony
AVP-Legal & Company Secretary

FORTY SEVENTH ANNUAL REPORT 2016-17

STANDALONE STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity as at March 31, 2016							₹ Lakhs
Particulars	Reserves and Surplus						TOTAL
	Equity Share Capital Subscribed	Securities Premium Account	General Reserve	Other Reserves	Retained Earnings	Equity Instruments through OCI	
Balance as on 01st April, 2015	1,785.99	10,735.69	10,061.46	1,899.18	2,161.18	(58.41)	26,585.09
Profit for the year	-	-	-	-	(1,784.74)	-	(1,784.74)
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	18.43	(34.19)	(15.76)
Total Comprehensive Income for the year	-	-	-	-	(1,766.31)	(34.19)	(1,800.50)
Dividends	-	-	-	-	(714.40)	-	(714.40)
Tax on Dividend	-	-	-	-	(84.68)	-	(84.68)
Other Adjustments (Refer Foot Note)	-	-	-	-	177.00	(177.00)	-
Balance as on 31st March, 2016	1,785.99	10,735.69	10,061.46	1,899.18	(227.21)	(269.60)	23,985.51

Foot Note: Transfer of fair value portion to retained earnings on disposal of investment.

Statement of Changes in Equity as at March 31, 2017							₹ Lakhs
Particulars	Reserves and Surplus						TOTAL
	Equity Share Capital Subscribed	Securities Premium Account	General Reserve	Other Reserves	Retained Earnings	Equity Instruments through OCI	
Restated balance at the beginning of the reporting period	1,785.99	10,735.69	10,061.46	1,899.18	(227.21)	(269.60)	23,985.51
Profit for the year	-	-	-	-	153.25	-	153.25
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	(33.81)	172.36	138.55
Actuarial Gains/Losses (Not Re-class to P&L)	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	119.44	172.36	291.80
Dividends	-	-	-	-	(357.20)	-	(357.20)
Other Adjustments (Refer Foot Note)	-	-	-	153.25	(153.25)	-	-
Balance at the end of the reporting period	1,785.99	10,735.69	10,061.46	2,052.43	(618.22)	(97.24)	23,920.11

Foot Note: Transfer to Debenture Redemption Reserve.

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

As per our Report attached

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N

R. Sridhar - Partner
Membership No. 028317
Place: Chennai
Date: May 12, 2017

For and on behalf of the Board of Directors of Oriental Hotels Limited

Rakesh Sarna
Chairman
DIN:01875340

Pramod Ranjan
Managing Director
DIN:00887569

Vijay Sankar
Director
DIN : 00007875

Rajneesh Jain
AVP-Finance & Chief Financial Officer

Tom Antony
AVP-Legal & Company Secretary

ORIENTAL HOTELS LIMITED

CASHFLOW STATEMENT

Cashflow Statement for the year ended March 31, 2017

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
A. Cashflow from Operating Activities		
Profit/(Loss) before tax	198.51	(2,598.40)
Depreciation and Amortization	2,497.97	2,393.78
Loss on Sale of Fixed Assets	18.74	6.83
Assets writtten off	13.23	35.65
Allowance for doubtful debts	40.67	87.34
Allowance for doubtful advances	2.91	377.80
Allowance and balances written back	(82.73)	(91.38)
Finance Cost	3,218.97	3,155.60
Interest Income	(220.12)	(205.36)
Dividend received	(617.07)	(319.89)
Changes in Fair valuation of financial liabilities	(42.17)	258.28
Others	(51.71)	27.94
	4,778.69	5,726.59
Operating Profit Before Working Capital change	4,977.20	3,128.19
Adjustments for		
Financial Assets	1.29	(289.79)
Inventories	19.21	(79.13)
Trade receivables	232.56	(267.75)
Other Non current assets	286.69	(1.46)
Other Current Assets	(592.80)	85.00
Trade Payables	68.56	532.41
Changes in Provisions- Non Current	(16.42)	(6.76)
Changes in Provisions- Current	(19.70)	6.47
Changes in Non Current Other Liabilities	(5.71)	(7.61)
Changes in Other Current Liabilities	61.41	93.38
Other Financial Liabilities	(553.74)	(749.08)
	(518.65)	(684.32)
Cash generated from operations	4,458.55	2,443.87
Direct Taxes Paid	(239.05)	(209.67)
Net Cashflow from operating activities	4,219.50	2,234.20

CASHFLOW STATEMENT

Cashflow Statement for the year ended March 31, 2017

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
B. Cashflow from Investing Activities		
Payments for Purchase of Property Plant and Equipment	(1,033.52)	(1,272.11)
Proceeds from sale of Property Plan and Equipment	104.92	15.62
Payments for Purchase of Investments	(2.28)	(2.40)
Proceeds from Sale of Investments	6.60	376.00
Dividend received	617.07	319.89
Interest	201.49	146.95
Net cashflow from investing activities (B)	(105.72)	(416.05)
C. Cashflow from financing activities		
Proceeds from Long term Borrowings	9,000.00	-
Repayment of Long term Borrowings	(1,528.00)	(1,528.00)
Repayment of Short term Borrowings	(7,916.55)	2,761.80
Finance Cost	(2,356.98)	(2,266.56)
Exchange Fluctuation	-	(0.06)
Dividend Paid	(357.20)	(799.08)
Net cashflow from financing activities (C)	(3,158.73)	(1,831.90)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	955.05	(13.75)
Cash as on Opening 01st April	207.87	221.62
Cash as on Closing 31st March	1,162.92	207.87
Net Increase / (Decrease) in cash and cash equivalents	955.05	(13.75)
NOTES TO THE CASHFLOW STATEMENT :		
i) Bank Balances other than Cash and Cash Equivalent	As at March 31, 2017	As at March 31, 2016
	₹ Lakhs	₹ Lakhs
Margin Money Deposits	53.48	42.54
Earmarked balances for un paid dividends	79.40	73.61
Cash and Cash Equivalents as restated	132.88	116.15
The accompanying notes 1 to 45 form an integral part of the financial statements.		

As per our Report attached

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N

R. Sridhar - Partner
Membership No. 028317

Place: Chennai
Date: May 12, 2017

For and on behalf of the Board of Directors of Oriental Hotels Limited

Rakesh Sarna
Chairman
DIN:01875340

Pramod Ranjan
Managing Director
DIN:00887569

Vijay Sankar
Director
DIN : 00007875

Rajneesh Jain
AVP-Finance & Chief Financial Officer

Tom Antony
AVP-Legal & Company Secretary

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements for the year ended March 31, 2017**Note 1. Corporate Information**

Oriental Hotels Limited (the "Company"), is a listed public limited company incorporated and domiciles in India and has its registered office at No. 37, Taj Coromandel Mahatma Gandhi Road, Nungambakkam, Chennai-600 034. The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

The company business operation is mainly in India.

The Company has primary listing in Bombay Stock Exchange and National Stock Exchange. The GDR are listed in Luxembourg Stock Exchange.

Note 2. Significant Accounting Policies**(a) Statement of compliance :**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendment with Companies (Amendment rules) 2016. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP which includes accounting standards notified under the Accounting Standard rules, 2006. These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards, the transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 28. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

All amounts included in financial statements are reported in Indian Rupees Lakhs and have been rounded off to nearest decimal of ₹ lakhs.

Refer Note 28. B for the details of first-time adoption exemptions availed by the Company.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost convention on accrual basis unless otherwise stated.

The Company's financial statements are prepared in Indian Rupees, which is also Company's functional currency.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Loyalty program:** The Company estimates the fair value of points awarded under the Loyalty Program by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.
- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

All assets and liabilities are classified into current and non-current generally on the criteria of realization /settlement within 12 months period from balance sheet date.

(d) Revenue recognition :

Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management fees.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, allowances and discounts.

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract.

Interest

Interest income from financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measure reliably

Interest income is accrued on a time basis by reference to principle outstanding using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(e) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner.

ii. Gratuity Fund

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. Post-Retirement Pension Scheme and Medical Benefits

The net present value of the Company's obligation towards post retirement pension scheme for certain retired directors and their dependents and Post employment medical benefits to qualifying persons is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

iv. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

v. Long Service Awards

The Company has a scheme for long service awards for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

vi. Other employee termination benefits

Payment to employees on termination along with the additional liability towards retirement benefits arising pursuant to termination are charged off in the Statement of Profit and Loss in the year it is incurred.

vii. Other Employee Benefits

Other benefits, comprising of Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

(f) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives or expected lease period whichever is lower.

The estimated useful lives of the depreciable assets are as follows:

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
Buildings	60 to 80 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Assets costing less than ₹ 5000	4 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(g) Intangible Fixed Assets:

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

NOTES TO FINANCIAL STATEMENTS

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment is done only if indicators of impairment exist.

Class of Asset**Estimated Useful Life**

Software and Licences :

6 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(h) Impairment of Property plant and equipment and intangible assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount so that, the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(i) Foreign Currency Translation :**Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

(j) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only

NOTES TO FINANCIAL STATEMENTS

when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(k) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

(l) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(m) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(n) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities

NOTES TO FINANCIAL STATEMENTS

and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(o) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

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

Contingent assets are not recognized in the financial statements.

(p) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(q) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(r) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(s) Share capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(t) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the share holders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

(u) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(v) Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

(w) Financial Instruments:

Financial Assets:

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In

that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate(EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company uses derivative financial instruments, such as cross currency swaps, interest rate swaps, etc. to manage its exposure to interest rate and foreign exchange risks. Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in Exceptional items. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(x) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the statement of profit and loss account.

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ Lakhs

Particulars	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	TOTAL
Deemed Cost							
As at April 1, 2015	8,888.82	16,843.09	13,068.40	5,484.92	333.59	111.88	44,730.70
Additions	-	101.06	677.66	187.79	138.00	13.69	1,118.20
Adjustment (Refer Footnote-iii)	(3,191.50)	-	-	-	3.05	-	(3,188.45)
Less: Net Disposals	-	-	23.11	11.95	8.22	0.27	43.55
At March 31, 2016	5,697.32	16,944.15	13,722.95	5,660.76	466.42	125.30	42,616.90
Depreciation							
As at April 1, 2015	-	-	-	-	-	-	-
Charge for the year	-	440.62	1,179.98	551.93	129.95	26.91	2,329.39
Less: Disposals	-	-	(3.87)	(0.98)	(2.29)	-	(7.14)
At March 31, 2016	-	440.62	1,176.11	550.95	127.66	26.91	2,322.25
Net Block							
At March 31, 2016	5,697.32	16,503.53	12,546.84	5,109.81	338.76	98.39	40,294.65

Footnotes :

- (i) Buildings includes WDV on improvements to buildings constructed on leasehold land - ₹1,097.25 lakhs (Previous Year ₹1,099.13 lakhs).
- (ii) Assets pledged as security (Refer Note 16: Borrowings)
- (iii) ₹3191.50 lakhs towards transfer to assets held for sale.

Note 4 : Intangible Assets (Acquired)

₹ Lakhs

Particulars	Website Development Cost	Software	Service Operating Rights	Total	Intangible assets under development
Deemed Cost					
As at April 1, 2015	-	233.96	-	233.96	-
Additions	-	216.72	-	216.72	-
Adjustment	-	(3.05)	-	(3.05)	-
Disposals	-	24.84	-	24.84	-
At March 31, 2016	-	422.79	-	422.79	-
Amortisation					
As at April 1, 2015	-	-	-	-	-
Charge for the year	-	64.39	-	64.39	-
Disposals	-	(6.54)	-	(6.54)	-
At March 31, 2016	-	57.85	-	57.85	-
Net Block					
At March 31, 2016	-	364.94	-	364.94	-

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ Lakhs

Particulars	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	TOTAL
Gross Block at Cost							
As at April 1, 2016	5,697.32	16,944.15	13,722.95	5,660.76	462.42	125.30	42,616.90
Additions	-	12.98	781.38	103.15	83.13	0.33	980.97
Less: Net Disposals	-	2.41	38.86	6.14	0.12	2.02	49.55
At March 31, 2017	5,697.32	16,954.72	14,465.47	5,757.77	549.43	123.61	43,548.32
Depreciation							
As at April 1, 2016	-	440.62	1,176.10	550.95	127.63	26.91	2,322.21
Charge for the year	-	447.26	1,272.91	546.24	129.94	19.45	2,415.80
At March 31, 2017	-	887.88	2449.01	1,097.19	257.57	46.36	4,738.01
Net Block							
At March 31, 2017	5,697.32	16,066.84	12,016.46	4,660.58	291.86	77.25	38,810.31

Footnotes :

- (i) Buildings includes WDV on improvements to buildings constructed on leasehold land - ₹1,078.21 lakhs (Previous Year ₹1,097.25 lakhs).
- (ii) Assets pledged as security (Refer Note 16: Borrowings)

Note 4 : Intangible Assets (Acquired)

₹ Lakhs

Particulars	Website Development Cost	Software	Service Operating Rights	Total	Intangible assets under development
Gross Block at Cost					
As at April 1, 2016	-	422.79	-	422.79	-
Additions	-	42.46	-	42.46	-
Less: Disposals	-	27.64	-	27.64	-
At March 31, 2017	-	437.61	-	437.61	-
Amortisation					
As at April 1, 2016	-	57.85	-	57.85	-
Charge for the year	-	82.17	-	82.17	-
At March 31, 2017	-	140.02	-	140.02	-
Net Block					
At March 31, 2017	-	297.59	-	297.59	-

NOTES TO FINANCIAL STATEMENTS

Note 5 : Investments							
	Face Value	March 31, 2017		March 31, 2016		April 1, 2015	
		Holdings		Holdings		Holdings	
		As at	₹ Lakhs	As at	₹ Lakhs	As at	₹ Lakhs
Fully Paid Unquoted Equity Instruments							
Investments in Subsidiary Companies (At Cost)							
OHL International (HK) Limited							
- (Refer Footnote (iii))	US\$10	1,500,000	4,683.00	1,500,000	4,683.00	1,500,000	4,683.00
			4,683.00		4,683.00		4,683.00
Investments in Joint Ventures (At Cost)							
TAL Hotels & Resorts Limited	US\$1	919,104	437.68	919,104	437.68	919,104	437.68
			437.68		437.68		437.68
Investments in Associate Companies (At Cost)							
Taj Madurai Limited-Equity Shares	₹10	912,000	118.60	912,000	118.60	912,000	118.60
			118.60		118.60		118.60
Investments in Other Companies Equity Shares(Fair Value Through OCI)							
Taj Kerala Hotels and Resorts Limited	₹10	1,515,000	167.56	1,515,000	167.56	1,515,000	154.53
Taj Karnataka Hotels and Resorts Limited	₹10	300,000	38.16	300,000	38.16	300,000	33.75
Taj Air Limited (Refer Footnote iv)	₹10	6,250,000	-	6,250,000	-	6,250,000	-
Taj Trade & Transport Company Limited.	₹10	100,500	40.56	100,500	40.56	100,500	48.94
Lands End Properties Private Limited (Refer Footnote v)	₹10	-	-	-	-	1,990,000	376.00
Green Infra Wind Farms Limited	₹10	45,000	4.50	45,000	4.50	45,000	4.50
Green Infra Wind Generation Limited (Refer Footnote vi)	₹10	42,000	4.20	108,000	10.80	84,000	8.40
Citron Ecopower Private Limited (acquired during the year)	₹10	22,750	2.28	-	-	-	-
			257.26		261.58		626.12
Fully Paid Quoted Equity Investments :							
Investment in Other Companies (Fair value through OCI)							
The Indian Hotels Company Limited (Refer Footnote vii)	₹1	626,999	796.29	626,999	622.61	511,836	598.08
Hotel Leela Venture Limited	₹2	500	0.08	500	0.09	500	0.09
EIH Limited	₹2	1,125	1.35	1,125	1.18	1,125	1.21
Asian Hotels (West) Limited	₹10	70	0.16	70	0.08	70	0.09
Asian Hotels (East) Limited	₹10	70	0.15	70	0.11	70	0.14
Asian Hotels (North) Limited	₹10	70	0.08	70	0.08	70	0.07
Jaiprakash Associates Limited	₹2	150	0.02	150	0.01	150	0.04

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

	Face Value	March 31, 2017		March 31, 2016		April 1, 2015	
		Holdings		Holdings		Holdings	
		As at	₹ Lakhs	As at	₹ Lakhs	As at	₹ Lakhs
Thomas Cook (I) Limited	₹1	600	1.39	600	1.13	600	1.25
Apollo Sindoori Hotels Limited	₹10	100	-	100	-	100	-
Tulip Star Hotels Limited	₹10	29,600	15.41	29,600	22.84	29,600	23.68
Elh Associated Hotels Limited	₹10	4,314	15.10	4,314	12.51	4,314	9.58
Benares Hotels Limited	₹10	50	0.63	50	0.49	50	0.64
Velan Hotels Limited	₹10	4,000	0.28	4,000	0.26	4,000	0.27
ICICI Bank Limited	₹2	7,730	21.42	7,730	18.29	7,730	24.37
Apollo Hospital Enterprises Limited	₹5	200	2.33	200	2.65	200	2.73
			854.69		682.33		662.24
Debentures							
Compulsory Convertible Debentures in Indian Hotels Company Limited (Refer Footnote (vii)).	₹55	-	-	-	-	115,163	63.34
Others- Non-Trade Unquoted Equity Shares							
Chennai Willingdon Corporate Foundation	₹10	5	-	5	-	5	-
Indian Dairy Entrepreneurs Agricultural Company Limited. (Refer footnote (viii))	₹1	86,302	-	86,302	-	86,302	-
Total			6,351.23		6,183.19		6,590.98

Footnotes :

(i) Aggregate of Quoted Investments - Gross

: Cost	375.78	375.78	375.78
: Market Value	854.69	682.33	662.24

(ii) Aggregate of Unquoted Investments - Gross

: Cost	6,073.90	6,077.00	6,273.60
--------	----------	----------	----------

(iii) Stated at the exchange rate prevailing on the date of initial deposit of loan which was converted into Shares.

(iv) In terms of an undertaking, transfer of this shareholding is restricted to Taj / TATA group Companies.

(v) Sold during the year 2015-16.

(vi) 24,000 shares @ ₹10 per share acquired during the year 2015-16. 66000 shares transferred during the year.

(vii) 1,15,163 Compulsory convertible debentures of ₹55 each converted in to equity shares of ₹1 each during the year 2015-16.

(viii) Equity Shares of ₹10/- each have been reduced to ₹1/- each as confirmed by the order of the court and provision for diminution in value has been made in the earlier years.

NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
Note 6 : Loans			
A) Non Current	-	-	-
	-	-	-
B) Current			
(Unsecured, considered good unless stated otherwise)			
Related Parties	560.00	560.00	560.00
	560.00	560.00	560.00
Note 7 : Other Financial Assets			
A) Non Current			
Long-term security deposits placed for Hotel Properties at amortised costs			
Related parties	389.51	352.50	319.00
External parties	23.58	21.21	19.08
	413.09	373.71	338.08
Less : Provision for Doubtful advances	-	-	-
	413.09	373.71	338.08
Deposits with Public Bodies and Others at amortised costs			
Public Bodies and Others	642.45	634.21	505.99
Less : Provision for Doubtful advances	2.45	2.45	-
	640.00	631.76	505.99
Amounts Recoverable (Net of provisions)	777.65	777.65	1,152.58
(Refer Foot Note (i) & (ii))			
Other Advances	75.87	61.05	90.52
	1,906.61	1,844.17	2,087.17
Foot Note:			
(i) The company had a property in Coimbatore whose title was found to be defective by a Court order. The Company sued the original seller of the property and obtained partial settlement. The balance unrecovered amount amounting to ₹374.93 lakhs (Previous Year ₹374.93 lakhs) has been provided in the books of account as on 31st March 2016. The company is however pursuing the legal process for recovery.			
(ii) The company entered into a long term agreement for development of hotel at Bannerghatta in Bengaluru in the year 2007. During the year 2013-14, the Company decided to terminate the lease agreement and recover the amount spent on the project along with the deposits made. As per the agreement the termination will take effect when the lessor fulfills the conditions laid in the termination agreement. In view of the above agreement an amount of ₹777.65 lakhs lying in long term deposits placed for hotel properties and capital work in progress have been transferred to amounts recoverable. The company has taken adequate steps for recovery of amounts.			
B) Current			
Deposit with public bodies and others	76.92	88.11	85.49
Other advances			
Considered good	350.14	480.23	364.21
Considered doubtful	9.83	8.27	7.85
	359.97	488.50	372.06
Less: Allowance for Advances doubtful of recovery	9.83	8.27	7.85
	350.14	480.23	364.21

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
Interest receivable			
Others	117.62	138.36	115.57
On Current Account dues :			
Related Parties	199.29	102.66	67.24
Others	25.10	53.26	59.78
	224.39	155.92	127.02
	769.07	862.62	692.29
Note 8 : Deferred Tax Assets (Net)			
Deferred Tax Assets :			
Provision for Employee Benefits	153.02	129.89	-
Loss u/s 35AD of Income Tax Act, 1961 (Refer Footnote)	6,032.24	5,991.31	-
MAT Credit Entitlement	53.39	189.12	-
Receivables, Financial Assets at amortised cost	59.40	44.79	-
FVTOCI-Provision for Employee Benefits	17.90	-	-
Others	77.85	67.36	-
Total (A)	6,393.80	6,422.47	-
Deferred Tax Liabilities :			
Property, Plant and equipment & Intangible Assets	5,900.08	5,946.02	-
Total (B)	5,900.08	5,946.02	-
Net Deferred Tax Assets (A-B)	493.72	476.45	-
Foot note : Losses u/s 35AD of the Income Tax Act, 1961 have an indefinite carry forward period.			
Note 8 : Deferred Tax Liabilities (Net)			
Deferred Tax Liabilities :			
Property, Plant and equipment & Intangible Assets	-	-	5,987.36
Total (A)	-	-	5,987.36
Deferred Tax Assets :			
Provision for Employee Benefits	-	-	117.00
Loss u/s 35AD of Income Tax Act, 196	-	-	5,149.29
MAT Credit Entitlement	-	-	294.57
Provisions - Others	-	-	30.80
Others	-	-	68.03
Total (B)	-	-	5,659.69
Net Deferred Tax Liabilities (A-B)	-	-	327.67
Note 9 : Other assets			
A) Non current			
Capital Advances	43.95	78.56	115.66
Prepaid Expenses	3,755.34	4,049.98	4,046.95
Deposits with Government Authorities	92.92	50.37	14.85
Others Refer (Foot Note (ii))	306.21	-	-
	4,198.42	4,178.91	4,177.46

Foot Note :

- (i) A portion of land Measuring 1.071 acres costing ₹393.29 lakhs was compulsorily acquired by State Highway Department, for which ₹87.08 lakhs received towards compensation based on old guideline value. However, Company has filed an appeal for enhanced compensation based on new guideline value. Accordingly, the cost of land less compensation received has been shown under others as recoverable.

	₹ Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
B) Current			
Prepaid Expenses	499.94	322.77	409.03
Indirect tax recoverable	176.06	178.63	119.27
Advance to Suppliers	108.65	66.61	131.67
Advance to Employees	7.82	31.65	24.70
Others			
Export Incentive Receivable	399.98	-	-
	1,192.45	599.66	684.67

Note 10: Financial Instruments**Table 1: Financial instruments by category**

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows :

Particulars	Financial Assets/liabilities as fair value through profit or loss	Financial Assets/liabilities as fair value through OCI	Amortised cost	Total
Financial assets :				
Investments				
Equity Investment	-	-	-	-
Subsidiaries, JVs and Associates	-	-	5,239.28	5,239.28
External Companies	-	1,111.95	-	1,111.95
Trade Receivables	-	-	1,271.39	1,271.39
Cash and Cash Equivalents & Bank balances	-	-	1,295.80	1,295.80
Short Term Loans & Advances	-	-	560.00	560.00
Other Financial Assets	-	-	2,675.68	2,675.68
Total - Financial Assets	-	1,111.95	11,042.15	12,154.10
Financial Liabilities :				
Borrowings	-	-	32,231.93	32,231.93
Derivative Financial Liabilities	-	528.99	-	528.99
Trade Payables including Capital Creditors	-	-	3,456.08	3,456.08
Other Financial Liabilities	-	-	1,881.81	1,881.81
Total - Financial Liabilities	-	528.99	37,569.82	38,098.81

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows :

Particulars	Financial Assets/liabilities as fair value through profit or loss	Financial Assets/liabilities as fair value through OCI	Amortised cost	Total
Financial assets :				
Investments				
Equity Investment in Subsidiaries				
JVs and Associates	-	-	5,239.28	5,239.28
External Companies	-	943.91	-	943.91
Trade Receivables	-	-	1,544.62	1,544.62
Cash and Cash Equivalents & Bank balances	-	-	324.02	324.02
Long Term Loans & Advances	-	-	-	-
Short Term Loans & Advances	-	-	560.00	560.00
Other Financial Assets	-	-	2,706.79	2,706.79
Total - Financial Assets	-	943.91	10,374.71	11,318.62
Financial liabilities :				
Borrowings	-	-	31,741.94	31,741.94
Derivative Financial Liabilities	-	1,366.67	-	1,366.67
Trade Payables including Capital Creditors	-	-	3,581.24	3,581.24
Deposits	-	-	-	-
Other Financial Liabilities	-	-	1,706.81	1,706.81
Total - Financial Liabilities	-	1,366.67	37,029.99	38,396.66

The carrying value and fair value of financial instruments by categories as of April 01, 2015 were as follows

Particulars	Financial Assets/liabilities as fair value through profit or loss	Financial Assets/liabilities as fair value through OCI	Amortised cost	Total
Financial assets :				
Investments				
Equity Investment in Subsidiaries				
JVs and Associates	-	-	5,239.28	5,239.28
External Companies	-	1,351.71	-	1,351.71
Trade Receivables	-	-	1,319.26	1,319.26
Cash and Cash Equivalents & Bank balances	-	-	335.09	335.09
Short Term Loans & Advances	-	-	560.00	560.00
Other Financial Assets	-	-	2,779.46	2,779.46
Total - Financial Assets	-	1,351.71	10,233.09	11,584.80
Financial liabilities :				
Borrowings	-	-	29,653.06	29,653.06
Derivative Financial Liabilities	-	1,832.07	-	1,832.07
Trade Payables including Capital Creditors	-	-	3,131.57	3,131.57
Other Financial Liabilities	-	-	1,701.58	1,701.58
Total - Financial Liabilities	-	1,832.07	34,486.21	36,318.28

Table 2: Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017 :

Particulars	As of March 31, 2017	Fair value measurement at end of the reporting period/year using.			
Financial assets:	Total	Level 1	Level 2	Level 3	
Cash & Cash Equivalents	-	-	-	-	
Equity shares	1,111.95	854.69	-	257.26	
Liquid Mutual Funds	-	-	-	-	
Long Term Loans & Advances	-	-	-	-	
Short Term Loans & Advances	-	-	-	-	
Total	1,111.95	854.69	-	257.26	
Financial liabilities :					
Liability on Derivative Contracts	528.99	-	528.99	-	
Total	528.99	-	528.99	-	

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016 :

Particulars	As of March 31, 2016	Fair value measurement at end of the reporting period/year using.			
Financial assets:	Total	Level 1	Level 2	Level 3	
Cash & Cash Equivalents	-	-	-	-	
Equity shares	943.92	682.33	-	261.58	
Liquid Mutual Funds	-	-	-	-	
Long Term Loans & Advances	-	-	-	-	
Short Term Loans & Advances	-	-	-	-	
Total	943.92	682.33	-	261.58	
Financial liabilities :					
Liability on Derivative Contracts	1,366.67	-	1,366.67	-	
Total	1,366.67	-	1,366.67	-	

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 01, 2015:

Particulars	As of March 31, 2015	Fair value measurement at end of the reporting period/year using.			
Financial assets:	Total	Level 1	Level 2	Level 3	
Equity shares	1,288.38	662.25	-	626.12	
Total	1,288.38	662.25	-	626.12	
Financial liabilities :					
Liability on Derivative Contracts	1,832.07	-	1,832.07	626.12	
Total	1,832.07	-	1,832.07	-	

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

₹ Lakhs

Note 11 : Inventories	March 31, 2017	March 31, 2016	April 1, 2015
Food and Beverages	428.73	463.13	380.71
Stores and Operating Supplies	327.88	312.65	315.97
	756.61	775.78	696.68

Footnote : The inventories have been classified as per the nomenclature used in the hotel industry.

Note 12. Trade receivables			
Unsecured			
Considered good	1,271.39	1,544.62	1,319.26
Considered doubtful	161.83	121.16	81.15
	1,433.22	1,665.78	1,400.41
Less : Allowances for doubtful debts	161.83	121.16	81.15
	1,271.39	1,544.62	1,319.26

Note 13(a). Cash and Cash Equivalent			
Cash and cash equivalents			
Cash on hand	15.43	32.09	31.60
Cheques, Drafts on hands	45.85	99.07	117.65
Balances with bank in current account	601.64	76.71	72.37
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	500.00	-	-
	1,162.92	207.87	221.62

Note 13(b). Bank Balances other than Cash and Cash Equivalent Other Balances with banks			
Margin money deposits	53.48	42.54	36.54
Earmarked balances (Refer Foot Note (i))	79.40	73.61	76.93
	132.88	116.15	113.47
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/ Pledged deposits classified as Non-Current	-	-	-
	132.88	116.15	113.47

Footnote :

(i) Include amounts in unpaid dividend accounts ₹76.99 lakhs (Previous year ₹71.21 lakhs)

Note 14 : Share Capital			
1 Authorised Share capital			
a) Equity Shares			
24,50,00,000 - Equity Shares of ₹1 each			
(Previous year 24,50,00,000 Equity Shares of ₹1 each)	2,450.00	2,450.00	2,450.00
b) Redeemable Cumulative Preference Shares			
50,50,000 - Redeemable Cumulative Preference Shares of ₹100 each	5,050.00	5,050.00	5,050.00
Total	7,500.00	7,500.00	7,500.00

NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
2 Issued, Subscribed and Paid up			
17,85,99,180 - Equity Shares of ₹1 each fully paid			
(Previous year 17 85,99,180 Equity Shares of ₹1 each)	1,785.99	1,785.99	1,785.99
Total	1,785.99	1,785.99	1,785.99

(a) The company has one class of equity shares having a par value of ₹1/- share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Reconciliation of Equity Shares

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	₹Lakhs	No. of shares	₹Lakhs	No. of shares	₹Lakhs
Shares outstanding at the beginning of the year	178,599,180	1,785.99	178,599,180	1,785.99	178,599,180	1,785.99
Add : Shares Issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	178,599,180	1,785.99	178,599,180	1,785.99	178,599,180	1,785.99

(c) Shareholders holding more than 5% Equity Shares in the Company (Excluding GDR holdings)

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
The Indian Hotels Company Limited	33,764,550	18.91%	33,764,550	18.91%	33,764,550	18.91%
TIFCO Holdings Limited	17,208,360	9.64%	17,208,360	9.64%	17,208,360	9.64%
Reliance Capital Trustee Co Ltd- Reliance Mid & Small Cap Fund	12,990,561	7.27%	12,990,561	7.27%	13,335,961	7.47%
Pramod Ranjan	14,196,140	7.95%	14,196,140	7.95%	14,196,140	7.95%

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs		
Note 15 : Other Equity	March 31, 2017	March 31, 2016	April 1, 2015
Securities Premium Account			
Opening & Closing Balance	10,735.69	10,735.69	10,735.69
Debenture redemption reserve			
Opening Balance	1,853.00	1,853.00	1,853.00
Add : Transfer during the year	153.25	-	-
Closing Balance	2,006.25	1,853.00	1,853.00
Investment allowance utilised reserve			
Opening and Closing Balance	45.75	45.75	45.75
Export profits reserve			
Opening and Closing Balance	0.43	0.43	0.43
General Reserve			
Opening and Closing Balance	10,061.46	10,061.46	10,061.46
Retained Earning			
Surplus/Deficit in the Profit And Loss b/f	(227.21)	2,161.18	2,392.83
Add: Current Year profits	153.25	(1,784.74)	(299.38)
Less: Final Dividend	357.20	714.40	-
Less: Tax on Final dividend distributed	-	84.68	(67.73)
Transfer to Debenture Redemption Reserve	153.25	-	-
Ind AS- Transfer of OCI Equity Inst. Realised to retained earning	-	(177.00)	-
Less: Ind AS- OCI Movements - Net Defined Benefit Plans	51.71	(27.96)	-
Add: Ind AS- OCI Movements - Tax on Net Defined Benefit Plans	(17.90)	9.53	-
Closing retained earning	(618.22)	(227.21)	2,161.18
Total Reserves and Surplus	22,231.36	22,469.12	24,857.51
Other Comprehensive Income			
OCI - Equity Instruments (Not Reclass to P&L)	(97.24)	(269.60)	(58.41)
Total	22,134.12	22,199.52	24,799.10

NOTES TO FINANCIAL STATEMENTS

								₹ Lakhs
Note 16 : Borrowings		March 31, 2017		March 31, 2016		April 1, 2015		
	Effective Rate of Interest(%)	Maturity Date	Face Value	Amortised cost	Face Value	Amortised cost	Face Value	Amortised cost
A) Long term borrowings								
Non Convertible Debentures (NCDs) (Refer Foot Note (ii))								
1000 Series A Debentures	10.25	21/11/2019	1,000,000	10,000.00	1,000,000	10,000.00	1,000,000	10,000.00
1000 Series B Debentures								
with YTM rate of 10.25%	2.00	21/11/2019	1,000,000	12,093.29	1,000,000	11,151.38	1,000,000	10,296.31
				22,093.29		21,151.38		20,296.31
Term Loan from Banks								
Secured ((ReferFoot Note (iii))								
				10,146.00		2,674.00		4,202.00
Less: Unamortised Borrowing Cost								
				(7.36)		-		-
				10,138.64		2,674.00		4,202.00
Total Long term borrowings				32,231.93		23,825.38		24,498.31
Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)								
				2,046.00		1,528.00		1,528.00
Total Long term borrowings				30,185.93		22,297.38		22,970.31
B) Short term borrowings								
Loans repayable on demand from Bank								
Secured (Refer Foot Note (iv))								
				-		2,000.00		700.00
Unsecured								
				-		-		-
				-		2,000.00		700.00
Other short term loans and advances from Bank								
Secured (Refer Foot Note (iv))								
				-		1,991.55		154.76
Unsecured								
				-		1,991.55		154.76
From Others: (Refer Foot Note (iv))								
Related parties (Unsecured)								
				-		2,525.00		4,300.00
Others (Unsecured)								
				-		1,400.00		-
				-		3,925.00		4,300.00
Total Short term borrowings				-		7,916.55		5,154.76
Total Borrowings (includes current maturity of long term borrowings)								
				32,231.93		31,741.93		29,653.07
Foot Notes to Borrowings:								
(i) Details of Borrowings as at:								
		March 31, 2017		March 31, 2016		March 31, 2015		
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	
		Non - Current	Current	Non - Current	Current	Non - Current	Current	
Particulars								
Debentures		22,093.29	-	21,151.38	-	20,296.31	-	
Term Loans from Banks		8,100.00	2,046.00	1,146.00	1,528.00	2,674.00	1,528.00	
		30,193.29	2,046.00	22,297.38	1,528.00	22,970.31	1,528.00	

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

Particulars	Loan Outstanding	No of Installments	Security	Repayment Terms
(ii) Non - Convertible Debentures (NCDs)				
1000, 10.25% Series A Debentures of ₹10 lakhs each	10,000		Secured by Mortgage of Buildings and other fixed assets of Taj Coromandel, Chennai	Reedeembale at par at the end of the 5th year from the date of allotment
1000, 2% Series B Debentures of ₹10 lakhs each	10,000		Secured by Mortgage of Buildings and other fixed assets of Taj Coromandel, Chennai	Reedeembale (at par) at the end of the 5th year from the date of allotment along with redemption premium of ₹506610 per debentures.
(iii) Rupee Term Loan From:				
HDFC Bank Limited: Secured	1,146	3	Rupee Term Loan are secured by way of mortgage by deposit of title deeds in respect of immovable properties of Fisherman's Cove and Coonoor Hotel & additionally secured by way of exclusive first charge of credit card receivables of the Company.	19 Quarterly Installments of ₹382 lakhs commencing from April 2013 carrying interest rate of 10.8% p.a
Kotak Mahindra Bank Limited: Secured	9,000	20	Secured by Equitable Mortgage of Movable and Immovable Fixed Assets at The Gateway Hotel, Visakhapatnam.	20 quarterly equal instalments of ₹450 lakhs commencing from October 2017 carrying interest rate of 9.2% p.a

(iv) Short term loan from related parties consisted of inter corporate deposits for a period of 90 days with an option of prepayment carrying interest @ 11% p.a

₹ Lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Note 17 : Other financial liabilities			
A) Non Current financial liabilities			
Liability on derivative contracts	-	1,366.67	1,832.07
Deposits from related parties			
Unsecured	124.81	112.95	102.22
Deposits from others			
Unsecured	61.71	40.60	28.18
	186.52	1,520.22	1,962.47
B) Current financial liabilities			
Current maturities of long term borrowings			
Term loans from Banks	2,046.00	1,528.00	1,528.00
Liability on derivative contracts	528.99	-	-
Payables on Current Account dues :			
Related Parties	119.63	26.04	2.65
Others	11.46	150.00	6.14
	131.09	176.04	8.79

NOTES TO FINANCIAL STATEMENTS

₹ Lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Deposits from others			
Unsecured	19.06	20.28	7.64
Interest accrued but not due on borrowings at amortised costs	10.58	79.78	49.18
Interest accrued and due on borrowings at amortised costs	439.66	443.01	439.66
Creditors for capital expenditure	72.67	183.67	175.02
Unclaimed dividend (Refer Footnote (i))	76.99	71.21	74.52
Unclaimed Matured Deposits and interest accrued thereon	0.71	1.01	1.16
Employee related liabilities	738.53	560.34	688.17
Others	278.67	201.59	302.07
	4,342.95	3,264.93	3,274.21

Footnote :

(i) The amount reflects the position as on 31st March 2017, the actual amount to be transferred to the "Investor Education & Protection Fund" shall be determined and paid to the credit of the fund on due dates.

Note 18: Trade Payables**Trade Payables**

Micro and Small Enterprises (Refer Footnote)	3.18	29.22	67.55
Vendor Payables	2,164.46	2,307.81	2,100.60
Accrued expenses and others	1,215.77	1,060.54	788.40
	3,383.41	3,397.57	2,956.55

Footnote : Amounts due to Micro, Small and Medium Enterprises:

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent of such parties have been identified on the basis of information available with the Company. No amount is outstanding over a period of 45 days.

Particulars	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3.18	29.22	67.55
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.01	0.22	0.43
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	0.01	0.22	0.43
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.01	0.22	0.43
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Note 19 : Provisions**A) Long term provisions**

Provision for Employee Benefits	397.12	418.89	379.82
Provision for Pension liability for retired directors and their relatives	42.76	37.39	83.24
	439.88	456.28	463.06

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

₹ Lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
B) Short term provisions			
Provision for Employee Benefits	72.64	92.33	85.86
Total	72.64	92.33	85.86

Note 20 : Other non financial Liabilities

A) Non current			
Others	30.24	35.94	43.57
	30.24	35.94	43.57
B) Current			
Income received in advance	99.54	11.94	7.61
Advances collected from customers	363.54	306.37	276.84
Statutory dues	590.71	674.09	614.58
Total	1,053.79	992.40	899.03

₹ Lakhs

Note 21 : Revenue from Operations	March 31, 2017	March 31, 2016
Room Income	16,354.23	15,096.79
Food, Restaurants and Banquet Income (Refer Foot Note (i))	14,093.93	13,467.92
Shop rentals	163.17	144.98
Membership fees	70.78	47.16
Management and operating fees	394.17	449.41
Others (Refer note (ii))	2,272.54	1,741.52
Total	33,348.82	30,947.78

Foot Note:

- (i) Includes excise duty of ₹11.43 lakhs (Previous Year ₹8.84 lakhs)
- (ii) Others include Car hire income of ₹601.99 lakhs (Previous Year ₹517.76 lakhs) and Service Exports from India Scheme(SEIS) income of ₹398.99 lakhs includes previous year claims amounting to ₹189.93 lakhs (Previous year Nil).

Note 22 : Other Income

Interest Income at amortised cost		
Inter-corporate deposits	56.90	57.22
Deposits with banks	7.20	-
Others	132.45	81.80
	196.55	139.02
Interest on Income Tax Refunds	23.57	66.33
Total	220.12	205.35
Dividend Income	617.07	319.89
Exchange Gain (Net)	7.87	2.96
Others	266.51	150.45
Total	1,111.57	678.65

NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs	
	March 31, 2017	March 31, 2016
Note 23 : Food and Beverages Consumed (Including smokes)		
Opening Stock	463.13	380.71
Add : Purchases	3,686.96	3,716.98
	4,150.09	4,097.69
Less : Closing Stock	428.73	463.13
Food and Beverages Consumed	3,721.36	3,634.56
Note 24 : Employee Benefit Expense and Payment to Contractors		
Salaries, Wages, Bonus etc.	4,870.33	4,719.32
Company's Contribution to Provident and Other Funds	387.67	515.98
Reimbursement of Expenses on Personnel Deputed to the Company	1,764.19	1,729.26
Payment to Contractors	1,053.09	1,021.03
Staff Welfare Expenses	1,051.90	925.47
Total	9,127.18	8,911.06
Note 25 : Finance costs		
Interest Expense at effective interest rate on financial liabilities	3,218.97	3,155.60
Total	3,218.97	3,155.60
Note 26 : Other Operating and General Expenses		
(i) Operating expenses consist of the following :		
Linen and Room Supplies	599.89	571.30
Catering Supplies	281.50	348.30
Other Supplies	69.59	71.38
Fuel, Power and Light	3,425.24	3,615.04
Repairs to Buildings	516.73	644.82
Repairs to Machinery	1,008.88	1,069.32
Repairs to Others	234.26	263.53
Linen and Uniform Washing and Laundry Expenses	364.15	323.19
Payment to Orchestra Staff, Artistes and Others	69.14	57.08
Communication Charges	318.17	298.78
Guest Transportation	477.56	438.94
Travel Agents' Commission	443.18	367.37
Discount to Collecting Agents	295.49	323.94
Fees to Consultants	1,409.12	1,297.77
Other Operating Expenses	589.13	610.07
Total	10,102.03	10,300.83

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs	
	March 31, 2017	March 31, 2016
(ii) General expenses consist of the following :		
Rent	334.01	399.84
Licence Fees	992.71	969.07
Rates and Taxes	645.76	652.45
Insurance	90.02	80.27
Advertising and Publicity	1,504.49	1,178.76
Printing and Stationery	147.79	132.82
Passage and Travelling	57.97	75.74
Allowances for Doubtful Debts	40.67	87.34
Expenditure on Corporate Social Responsibility	33.50	37.31
Professional Fees	410.66	393.47
Loss on Sale of Fixed Assets (Net)	18.74	42.48
Payment made to Statutory Auditors (Refer Footnote)	68.04	62.89
Directors' Fees and Commission	5.52	5.05
Reservation & Other Services	735.51	681.99
Other Expenses	551.13	396.31
Total	5,636.52	5,195.79
	15,738.55	15,496.62

Foot Note:

Payment made to Statutory Auditors

i) As auditors	25.74	25.74
ii) For taxation matters	9.65	9.65
iii) For other services	26.80	21.78
iv) For reimbursement of expenses & service tax	5.85	5.72
Total payment made to Statutory Auditors	68.04	62.89

	₹ Lakhs	
	March 31, 2017	March 31, 2016
Note 27 : Exceptional Items		
MTM Gain/(losses) on derivative contracts	42.15	(258.28)
Provisions towards amounts recoverable in respect of hotel project	-	(374.93)
Total	42.15	(633.21)

28.

A Transition to Ind AS

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards' along with the reconciliations of equity, total comprehensive income and cash flows in accordance with Previous GAAP to Ind AS are explained below.

B Exemptions from retrospective application:

The Company has applied the following exemptions:

i. Business combinations exemption

The Company has elected not to apply Ind AS 103, Business Combinations, to business combinations occurred before the transition date.

ii. Property, plant and equipment, investment properties and intangible assets - Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (para D7AA of Appendix D).

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

iii. Recognition of Financial Instruments

INDAS allows entity to designate investment in equity instruments at fair value through FVTPL or FVTOCI on the basis of facts and circumstances at the date of transition to INDAS. The Company has elected to apply this exemption for the investment in equity.

Reconciliations between Previous GAAP and Ind AS:

Particulars	As at March 31, 2016	As at April 1, 2015
	₹ lakhs	₹ lakhs
Equity under Previous GAAP	22251.51	23413.74
Adjustment on account of transition		
Effects on account of adoption of INDAS 109 *	2559	3959.35
Proposed dividend (including tax on dividend) reversed	429	860
Tax adjustments	-1254	-1648
Equity under Ind AS	23985.51	26585.09

* The above item includes effect of fair valuation, amortised cost adjustments, derivative adjustment and reclassification effect of financial instrument under INDAS109.

Total Comprehensive income reconciliations	As at March 31, 2016 ₹ lakhs
Profit after tax under Previous GAAP	(793.06)
Adjustments on account of transition	
Effects on account of adoption of INDAS 109*	(1,367.27)
Actuarial loss on employee defined benefit funds recognized in Other comprehensive income	(27.96)
Tax adjustments	403.55
Profit after tax under Ind AS	(1,784.74)
Other comprehensive income	(15.76)
Total comprehensive income as per Ind AS	(1,800.50)

* The above item includes effect of fair valuation, amortised cost adjustments, derivative adjustment and reclassification effect of financial instrument under INDAS109.

Reconciliation of Cash Flows between IGAAP and INDAS

There are no major changes in cash flow statement except for an adjustment of an amount of ₹716.16 lakhs resulting in net cash flow from investing activity increase by ₹716.16 lakhs and consequent reduction in net operating cash flow by ₹716.16 lakhs. This is due to adoption of IND AS 109.

29. Contingent Liabilities and Commitments

Contingent Liabilities to the extent not provided for :

The appeals mainly relate to part/full disallowance of certain deductions claimed by the company. The said amounts have been paid/pending adjustment and will be recovered as refund if the matters are decided in favour of the company. Based on the facts presently known, the Management believes that outcome of these appeals will not result in any material impact on the financial statements.

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
a) In respect of Income tax matters for which appeals are pending amounting to	721.75	675.20	1,076.14
b) On account of other disputes:			
- Luxury Tax	143.21	76.69	53.42
- Sales Tax	197.11	85.17	113.53
- Urban Land Tax	-	7.30	7.30
- Property Tax	204.68	-	-
- Provident Fund	41.35	-	-
- Electricity Tax and Adjustment Charges	470.09	404.89	311.06
- Service Tax	371.24	297.99	260.93

The company is a defendant/party to claims (plus interest thereon) in various legal actions as listed above which arose during the ordinary course of business. Based on the facts presently known, the Management believes that the results of these actions will not have material impact on the company's financial statements.

c) Bank Guarantee/Bond executed by the Company	245.34	174.82	150.66
d) Letter of credits opened by bankers	29.96	-	1.00
e) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	292.01	181.78	119.35

30. The Company has not made any remittance in foreign currencies on account of dividends during the year and does not have any information as to the extent of which remittances in foreign currencies on account of dividends have been made by or on behalf of Non-Resident Shareholders. The particulars of dividends declared during the year and paid to Non-Resident Shareholders are as follows :

a) Number of Non-resident Shareholders	201	122	134
b) Number of Equity Shares held by them	21,267,758	27,501,007	34,331,820
c) Gross amount of Dividend (₹ in Lakhs)	42.54	110.00	188.83

31. The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

	₹ Lakhs	
	March 31, 2017	March 31, 2016
32. Disclosure Under INDAS19 Employee Benefits :		
Staff Costs include the following		
Defined Contribution Schemes		
Company's contribution to Provident Fund & Other Funds	342.88	309.21
i) Defined Benefit Schemes (Gratuity - Funded Scheme)		
Liability Recognised in the Balance Sheet		
Present value of Obligation -		
At the beginning of the period	1,862.24	1,686.03
Interest cost	138.08	135.12
Service Cost	152.82	96.12
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	5.81
Benefits Paid	(121.90)	(135.29)
Actuarial (gain) /loss on obligations	6.20	74.45
At the end of the period	2,037.44	1,862.24

NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs	
	March 31, 2017	March 31, 2016
Less :		
Fair Value of Assets		
At the beginning of the period	1,701.47	1,444.23
Expected return on plan assets less loss on investments	123.92	109.82
Actuarial gain /(loss) on Investments	66.42	0.63
Employers' Contribution	19.84	282.08
Benefits Paid	(121.90)	(135.29)
ii) At the end of the period	1,789.75	1,701.47
Expense during the year		
Interest Cost	138.08	135.12
Service Cost	152.82	96.12
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	5.81
Expected Return on Plan assets	(123.92)	(109.82)
Actuarial (Gain) /Loss	(60.21)	73.82
iii) Expense recognised in the profit and loss account * (Total)	106.77	201.05
Principal Actuarial Assumptions		
Discount Rate	7.45%	7.55%
Expected Return on Plan Assets	8%	8%
Rate of increase in Salaries	5%	5%
iv) Amount to be recognised in the Balance Sheet		
Present Value of Funded Obligations	2,037.44	1,862.24
Fair Value of Plan Assets	1,789.75	1,701.47
Net Liability	247.68	160.77
Amount in Balance Sheet		
Liability / (Asset)	247.68	193.84
i) Defined Benefit Schemes (Pension Non Funded Scheme)		
Liability Recognised in the Balance Sheet		
i) Present value of Obligation		
At the beginning of the period	45.07	95.97
Interest cost	3.11	7.17
Service Cost	-	-
Benefits Paid	(8.87)	(23.80)
Actuarial (gain) /loss on obligations	12.33	(34.27)
ii) At the end of the period	51.64	45.07
Expense during the year		
Interest Cost	3.11	7.17
Service Cost	-	-
Expected Return on Plan assets	-	-
Actuarial (Gain) /Loss	12.33	(34.27)
iii) Expense recognised in the profit and loss account *	15.44	(27.10)

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs	
	March 31, 2017	March 31, 2016
Principal Actuarial Assumptions		
Discount Rate	7.45%	7.55%
Pension Increase rate	5%	5%
Medical Inflation Rate	6.5%	6.5%
iv) Amount to be recognised in the Balance Sheet		
Present Value of Funded Obligations	51.64	45.07
Fair Value of Plan Assets	-	-
Net Liability	51.64	45.07
Amount in Balance Sheet		
Liability	51.64	45.07
* Disclosure relating to only "post employment defined benefits plan".		
Expenses recognised in Other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside profit and loss account	27.96	-
Remeasurements due to actuarial loss/ (gain) arising from:		
Changes in financial assumptions	28.91	56.41
Changes in demographic assumptions	-	-
Experience adjustments	(11.34)	(27.82)
Actual return on plan assets less interest on plan assets	(69.28)	(0.63)
Closing amount recognised in OCI outside profit and loss account	(51.71)	27.96
Adjustment to recognise the effect of asset ceiling		
(i) Disaggregation of Plan Assets (Managed by an Insurance Company)		
Insurer Managed Fund		
In Bonds		
Government Securities	330.30	735.61
Corporate Bonds	683.47	339.84
Unit Funds	-	107.53
Certificate of Deposit/Commercial Paper	-	65.68
Cash Bank & Others	339.90	67.52
In Equity		
Equity	48.19	42.28
Unit Funds	-	-
Cash Bank & Others	1.95	2.82
Bank Balance-Trust Books	4.43	2.97
Special Deposit Scheme	7.49	7.49
Funds With LIC	374.02	329.73
Total	1,789.75	1,701.47

Sensitivity Analysis defined benefit plan - Gratuity Funded

Particulars		Period Ended	
		March 31, 2017	March 31, 2016
Managed by LIC	Discount Rate	-3.85%	-3.81%
Impact of increase in 50 bps on DBO	Salary Escalation Rate	4.18%	4.15%
Impact of decrease in 50 bps on DBO	Discount Rate	4.11%	4.07%
	Salary Escalation Rate	-3.95%	-3.92%

Particulars		Period Ended	
		March 31, 2017	March 31, 2016
Impact of increase in 50 bps on DBO	Discount Rate	-3.73%	-4.15%
Impact of decrease in 50 bps on DBO	Salary Escalation Rate	4.05%	4.52%
	Discount Rate	3.97%	4.43%
	Salary Escalation Rate	-3.83%	-4.27%

Sensitivity Analysis defined benefit plan - Non Funds

Particulars		Period Ended March 31, 2017	
		Pension	Medical Benefits
Discount Rate	Impact of increase in 50 bps on DBO	-1.60%	-1.65%
	Impact of decrease in 50 bps on DBO	1.65%	1.71%
Pension Increase rate	Impact of increase in 100 bps on DBO	3.40%	3.48%
	Impact of decrease in 100 bps on DBO	-3.24%	-3.31%
Life expectancy	Impact of increase by 1 year on DBO	4.76%	4.97%
	Impact of decrease by 1 year on DBO	-4.76%	-4.96%

33. DISCLOSURE REQUIREMENT UNDER INDAS 17-LEASE/LICENSE TRANSACTION

The Company has taken certain vehicles and immovable properties on operating lease. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses (Refer note no 26 (ii)). The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

Particulars	March 31, 2017	March 31, 2016
	₹ lakhs	₹ lakhs
a) The total of future minimum license payments under non cancellable operating license for each of the following periods		
i. not later than one year	400.35	400.35
ii. later than one year and not later than five years	1,627.05	1,627.05
iii. later than five years	9,338.80	9,688.80
b) License payments recognized in the profit and loss account	631.77	604.31

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

34. Earning Per Share :

Earning per share is computed based on the following :

	March 31, 2017 ₹ Lakhs	April 1, 2016 ₹ Lakhs
Profit after Tax (₹ in Lakhs)	153.25	(1,784.74)
Nominal Value of share (₹)	1.00	1.00
Weighted Average Number of Equity Shares	178599180	178599180
Earning Per Share ₹ (Basic and Diluted)	0.09	(1.00)

35. The company has presented Consolidated Financial Statements separately, including that of its subsidiary, associates and joint venture entities in this annual report.

36. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk

i. Risk management framework

The Oriental Hotels Limited is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

ii. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

iii. Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

Financial instruments that are subject to concentrations of credit risk principally consist of investments classified as loans and receivables, trade receivables, loans and advances, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the group result in material concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹3,336.25 lakhs and ₹2,731.27 lakhs as of March 31, 2017 and March 31, 2016, respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments excluding equity and preference investments.

Oriental Hotels Limited exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2017 and March 31, 2016.

Trade and other receivables:-

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company does not require collateral in respect of trade and other receivables.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

Cash and bank balance:

The Company held cash and bank balance of ₹1,295.80 at March 31, 2017 (March 31, 2016, ₹324.03 lakhs).

The cash and bank balances are held with bank and financial institution counterparties.

Derivatives

The derivatives are entered into with bank and financial institution counter parties.

iii. Liquidity Risk

"Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation."

March 31, 2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year
Non-derivative financial liabilities:				
Trade and other payables	3,456.08	-	-	-
Borrowings*	2,046.00	1,800.00	30,466.00	900.00
Other financial liabilities	1,881.81	-	-	-
Total	7,383.89	1,800.00	30,466.00	900.00

* The maturity amount for borrowings is inclusive of redemption premium payable ₹5066 lakhs at the time of maturity of 2% Coupon Debentures

Derivative financial liabilities	528.99	-	-	-
Total	528.99	-	-	-

The Company's Cash and bank balance and Trade receivable as at March 31, 2017 aggregating ₹2,567.19 lakhs. The balance exposure will be met by asset held for sale, internal accruals and overdraft facilities available with the banks. Accordingly, Company does not perceive any non manageable liquidity risk.

March 31, 2016	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year
Non-derivative financial liabilities:				
Trade and other payables	3,581.24	-	-	-
Borrowings*	9,444.55	1,146.00	25,066.00	-
Other financial liabilities	1,706.81	-	-	-
Total	14,732.60	1,146.00	25,066.00	-

* The maturity amount for borrowings is inclusive of redemption premium payable ₹5066 lakhs at the time of maturity of 2% Coupon Debentures

Derivative financial liabilities	-	1,366.67	-	-
Total	-	1,366.67	-	-

NOTES TO FINANCIAL STATEMENTS

April 1, 2015	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year
Trade and other payables	3,131.56	-	-	-
Borrowings*	6,682.76	1,528.00	26,212.00	-
Other financial liabilities	1,701.58	-	-	-
Total	11,515.90	1,528.00	26,212.00	-
* The maturity amount for borrowings is inclusive of redemption premium payable ₹5066 lakhs at the time of maturity of 2% Coupon Debentures				
Derivative financial liabilities	-	-	1,832.07	-
Total	-	-	1,832.07	-

iv. Market Risk :

"Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus Company's exposure to market risk is a fund, on of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs."

v. Currency Risk :

"The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The foreign exchange loan is covered by a derivative and the amount of other payables is not material and hence Company does not perceive any major foreign currency risk."

37. Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2017:

The company uses forward exchange contracts, interest rate swaps, currency swaps and options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:

	₹ Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
i) Derivative instruments that are outstanding			
- Interest Swaps with embedded options - in US\$	-	-	-
- in ₹	-	-	-
- Principle only swaps- in US\$	25.90	60.44	94.98
- in ₹	1,146.00	2,674.00	4,202.00
ii) Unhedged Foreign Currency Exposure/the Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise			
Receivables/(Payables) Outstanding - in US\$	(1.42)	(0.06)	1.17
- in ₹	(91.96)	(4.16)	72.88

38. Interest Rate Risk

"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio."

39. Exposure to Interest Rate Risk

Company's interest rate risk arises from borrowings and finance lease obligations. Borrowings issued at fixed rates and finance lease obligations exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Effective Interest Rate
Debentures	
1000 Series A Debentures	10.25%
1000 Series B Debentures with YTM rate of 10.25%	2.00%
Rupee Term Loan	
HDFC Bank Limited	10.80%
Kotak Mahindra Bank Limited	9.20%

40. Capital Management

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and bank balance.

Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

The Company's policy is to keep the ratio below 1.50 times. The Company's adjusted gearing ratio at March 31, 2017 was as follows.

Particulars	₹ Lakhs
Loans and Borrowings	32,231.93
Less: Cash and bank balance	1,162.92
Net Debt	31,069.01
Equity	23,920.11
Gearing Ratio	1.30

41. Fair value Sensitivity Analysis for fixed-rate instruments

A change of 100 basis points in interest rates would have increased or decreased equity by ₹68.52 lakhs after tax (March 31, 2016 : ₹70.32 lakhs).

42. Asset held for sale represents free hold lands which Company has decided to dispose off.

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

43. As per IND AS 24 "Related Parties Disclosure" notified by the Companies (Accounting Standards) Rules, 2006 the required information is given below :

List of Related parties with whom transactions have taken place during the year.

A.	Subsidiary Companies	OHL International (HK) Limited.
B.	Trust	Oriental Hotels Employees Gratuity Trust
C.	Associate Companies	Taj Madurai Limited Lanka Island Resorts Ltd.
D.	Joint Venture	TAL Hotels & Resorts Ltd
E.	Significant Influence	The Indian Hotels Company Ltd (IHCL)
	Subsidiary of The Indian Hotels Company Ltd. Roots Corporation Ltd. TIFCO Holdings Ltd. PIEM Hotels Limited Taj Trade and Transport Company Limited United Hotels Limited Indi Travels Limited Taj SATS Air Catering Ltd ELEL Hotels & Investments Limited Benares Hotels Limited	Country of Incorporation India India India India India India India India India India
	Jointly Controlled Entities of The Indian Hotels Company Limited - Domestic Taj Madras Flight Kitchen Pvt. Ltd Taj Karnataka Hotels & Resorts Ltd. Taj Kerala Hotels & Resorts Ltd Taj GVK Hotels & Resorts Ltd. Kaveri Retreats and Resorts Ltd. International TAL Hotels & Resorts Ltd. TAL Maldives Resorts Private Ltd	India India India India India Hong Kong Maldives
F.	Key Management Personnel	Mr. Pramod Ranjan-Managing Director Mr. Tom Antony- Associate Vice President- Legal & Company Secretary & Mr. Ra- jneesh Jain- Associate Vice President-Fi- nance & Chief Financial Officer.
G.	Enterprises influenced by Relatives of Key Management Personnel	Kaveri Retreats and Resorts Ltd.

NOTES TO FINANCIAL STATEMENTS

₹ lakhs

	Particulars	Associate Companies /Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total
	Sales of Goods / Services				
	The Indian Hotels Co Limited		431.83		431.83
			(750.30)		(750.30)
	PIEM Hotels Limited		22.61		22.61
			(27.65)		(27.65)
	Taj Trade & Transport Company Limited		12.80		12.80
			(12.19)		(12.19)
	United Hotels Limited		3.56		3.56
			(0.92)		(0.92)
	Inditravel Limited		-		-
			(0.86)		(0.86)
	Benaras Hotels Limited		4.96		4.96
			(8.57)		(8.57)
	Kaveri Retreats and Resorts Limited			28.63	28.63
				(22.67)	(22.67)
	Taj karnataka Hotels & Resorts Limited		11.48		11.48
			(11.06)		(11.06)
	Taj Kerala Hotels & Resorts Limited		62.86		62.86
			(66.84)		(66.84)
	Taj GVK Hotels		48.71		48.71
			(14.55)		(14.55)
	Sale of Investments				
	Lands End Properties Pvt. Ltd.		-		-
			(376.00)		(376.00)
	Purchase of Goods / Services				
	The Indian Hotels Co Limited		762.85		762.85
			(399.06)		(399.06)
	PIEM Hotels Limited		5.01		5.01
			(1.76)		(1.76)
	Taj Karnataka Hotels & Resorts limited		0.10		0.10
			-		-
	Taj Kerala Hotels & Resorts Limited		9.89		9.89
			-		-
	Taj GVK Hotels & resorts Limited		0.30		0.30
			-		-
	Benaras Hotels Limited		1.50		1.50
			-		-
	Kaveri Retreats & Resorts Limited			0.64	0.64
				-	-
	Dodla International Limited**			0.73	0.73
				(1.07)	(1.07)
	Interest Paid				
	TIFCO Holdings Limited		90.86		90.86
			(140.69)		(140.69)
	PIEM Hotels Limited		-		-
			(306.35)		(306.35)
	Taj SATS Air Catering Limited		49.79		49.79
			-		-

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

					₹ lakhs
	Particulars	Associate Companies /Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total
	ELEL Hotels & Investments Limited		30.80		30.80
	Reimbursement of deputed staff salaries				
	The Indian Hotels Co Limited		1,593.80 (1,637.89)		1,593.80 (1,637.89)
	PIEM Hotels Limited		48.64 (22.33)		48.64 (22.33)
	Benaras Hotels Limited		13.67 (10.77)		13.67 (10.77)
	Taj Kerala Hotels & Resorts Limited		82.07 (63.05)		82.07 (63.05)
	Taj GVK Hotels & Resorts Limited		53.59 (41.69)		53.59 (41.69)
	Interest Received				
	Taj Karnataka Hotels & Resorts Limited		56.00 (56.00)		56.00 (56.00)
	Dividend Received				
	The Indian Hotels Co Limited	22.80 (18.24)	1.88 -		1.88 -
	Taj Madurai Limited				22.80 (18.24)
	Taj Trade & Transport Company Limited		2.51 (2.51)		2.51 (2.51)
	Benaras Hotels Limited		0.01 (0.01)		0.01 (0.01)
	OHL International (HK) Limited	61.28 -	528.16 (298.43)		528.16 (298.43)
	TAL Hotels & Resorts Limited				61.28 -
	Dividend Paid	0.14 (0.27)			
	Taj Madurai Limited				0.14 (0.27)
	The Indian Hotels Co Limited		67.53 (135.06)		67.53 (135.06)
	TIFCO Holdings Limited		34.42 (68.83)		34.42 (68.83)
	PIEM Hotels Limited		7.32 (14.63)		7.32 (14.63)
	Taj Trade & Transport Company Limited		3.33 (6.66)		3.33 (6.66)
	Operating/License Fees Paid/ Provided				
	The Indian Hotels Co Limited		1,409.11 (1,296.99)		1,409.11 (1,296.99)

NOTES TO FINANCIAL STATEMENTS

					₹ lakhs
	Particulars	Associate Companies /Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total
	Lease Rentals for Hotel Premises				
	Taj Madurai Limited	171.78 (173.53)			171.78 (173.53)
	Dodla International Limited			301.49 (279.18)	301.49 (279.18)
	Sale & Marketing, Reservation & Other Service Costs				
	The Indian Hotels Co Limited		1369.00 (1320.38)		1369.00 (1320.38)
	Operating/Management/License Fees Received/Accrued				
	TAL Hotels & Resorts Ltd	394.17 (449.41)			394.17 (449.41)
	Intercompany Deposits Raised During the Year				
	TIFCO Holdings Limited		750.00 (2600.00)		750.00 (2600.00)
	ELEL Hotels & Investments Limited		1750.00 -		1750.00 -
	Loans outstanding as on 31st March 2017				
	TIFCO Holdings Limited		- (2525.00)		- (2525.00)
	Intercompany Deposits Repaid During the year				
	TIFCO Holdings Limited		3275 (375)		3275 (375)
	PIEM Hotels Limited		- (4000)		- (4000)
	ELEL Hotels Limited		1750 -		1750 -
	Taj SATS Air Catering Limited		1400 -		1400 -
	Payables				
	TAL Hotels & Resorts Ltd	91.96 (4.16)			91.96 (4.16)
	Receivables				
	The Indian Hotels Co Limited		211.98 (48.25)		211.98 (48.25)
	Piem Hotels Limited		7.04 -		7.04 -

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

					₹ lakhs
	Particulars	Associate Companies /Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total
	United Hotels Limited		0.49		0.49
			-		-
	Benaras Hotels Limited		0.59		0.59
			-		-
	Kaveri Retreats and Resorts Limited			3.41	3.41
				(3.05)	(3.05)
	Taj GVK Hotels & Resorts Limited		16.92		16.92
			(19.34)		(19.34)
	Taj Madras Flight Kitchen Pvt Ltd		1.67		1.67
			-		-
	Taj Karnataka Hotels & Resorts Limited		40.05		40.05
			(7.11)		(7.11)
	Taj Kerala Hotels & Resorts Limited		5.32		5.32
			(24.96)		(24.96)
	Payables				
	Taj Madurai Limited	53.63			53.63
		(51.60)			(51.60)
	The Indian Hotels Co Limited		998.35		998.35
			(1338.88)		(1338.88)
	Dodla International Limited			132.07	132.07
				(97.60)	(97.60)
	Kaveri Retreats and Resorts Limited			0.66	0.66
				(0.23)	(0.23)
	TIFCO Holdings Limited		-		-
			(18.23)		(18.23)
	PIEM Hotels Limited		10.61		10.61
			(0.51)		(0.51)
	Benars Hotels Limited		2.09		2.09
			-		-
	Taj Kerala Hotels & Resorts Limited		6.02		6.02
			-		-
	Taj GVK Hotels & Resorts Limited		4.62		4.62
			-		-
	Taj Madras Flight Kitchen Private Limited		1.07		1.07
			-		-
	Interest Receivable				
	Taj Karnataka Hotels & Resorts Limited		46.34		46.34
			(60.98)		(60.98)
	Short Term Deposit				
	Taj Karnataka Hotels & Resorts Limited		560.00		560.00
			(560.00)		(560.00)
	Long Term Licence Deposit Receivable				
	Dodla International Limited**			4750.00	4750.00
				(4750.00)	(4750.00)

** Ceased to be related party from 10th November 2015.

Key Management Personnel:

Key managerial personnel comprise of Managing Director who has the authority and the responsibility for planning, directing and controlling the activities of the Company. The remuneration paid to such directors is ₹67.99 lakh (Previous Year ₹93.04 lakhs). Mr. Varada Reddy up to 10th November 2015 and from 11th November 2015. Mr. Pramod Ranjan as Managing Director.

Mr. Tom Antony salary ₹52.05 lakhs (Previous Year ₹17.31 lakhs from November 2015) and Mr. Rajneesh Jain from September 2016 ₹33.51 lakhs & Mr. Mohan Jayraman up to August 2016 ₹19.87 lakhs (Previous Year ₹50.01 lakhs

NOTE : Figures in brackets are in respect of Previous Year.

44. Income Taxes :

Income tax expense in the statement of profit and loss comprises :		₹ Lakhs
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	180.35	105.45
Deferred tax	(135.09)	(919.11)
Total	45.26	(813.66)
Income tax recognised in other comprehensive income		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	-	-
Deferred tax	-	-
(a) Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(17.90)	9.53
Total	(17.90)	9.53
(b) Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(17.90)	9.53
Total	(17.90)	9.53

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes and tax rate reconciliation is summarized below:

Particulars	₹ lakhs	Tax Rate	₹ lakhs	₹ lakhs	Tax Rate	₹ lakhs
Profit before income tax	198.51	33.06%	65.63	(2,598.40)	33.06%	(859.11)
Disallowance u/s 14 A of Income Tax Act, 1961			1.91			1.71
Amortised cost of financial assets - Net			36.12			83.94
Provision for Doubtful Debts / Advances - Net			-			123.95
Others			11.09			-
Dividend exempted			(9.14)			(7.10)
Foreign Dividend taxed at concessional rate			(87.31)			(49.33)
Profit on Sale of Investments *			-			(58.52)
Creation of DTL for previous year difference of PPE			34.52			-
Correction in opening Deferred Tax Asset and			-7.57			-49.20
Change in effective rate for Deferred Tax						
Effective Tax		22.79%	45.25		31.31%	(813.66)

* Due to adjustment of brought forward capital loss for which no deferred tax asset has been created in previous years.

NOTES TO FINANCIAL STATEMENTS

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows :

	2015			2016		
	IGAAP	INDAS adjustments	INDAS	IGAAP	INDAS adjustments	INDAS
Total (A)	17,300.51	-	17,300.51	17,181.06	-	17,181.06
Deferred tax assets :						
Provision for Doubtful Debts	88.99	-	88.99	129.42	-	129.42
Retirement Benefits	338.08	-	338.08	375.32	-	375.32
Others	-	-	-	-	-	-
Others (43 B etc.)	195.69	-	195.69	193.75	-	193.75
Loss for the year U/s 35AD of Income tax Act, 1961	14,878.89	-	14,878.89	17,053.65	-258.28	17,311.93
Premium on redemption of Debentures	4,761.84	4,761.84	-	3,881.59	3,881.59	-
Total (B)	20,263.49	4,761.84	15,501.65	21,633.73	3623.31	18,010.42
Net Deferred Tax Liability (A + B)	(2,962.98)	(4,761.84)	1,798.86	(4,452.67)	(3623.31)	(829.36)
Tax Rate	34.61%	34.61%	34.61%	34.61%	34.61%	34.61%
Deferred Tax Liability / (Asset)	(1,025.43)	(1,647.98)	622.24	(1,540.98)	(1,253.95)	(287.33)
Mat Credit Entitlement			294.57			189.12
Deferred Tax Liability / (Asset)			327.67			(476.45)

Note : i. Applicable tax rates for the Company is 34.61%. However, the total taxable income for the Company is less than ₹10 Crores in any year the rate applied is 33.06%

ii. Income tax Asset consists of

	Year ended March 31	
	₹ lakhs 2017	₹ lakhs 2016
Advance tax	19,391.99	19,152.94
Provision for tax	(16,878.42)	(16,833.79)
Income Tax Asset (Net)	2,513.57	2,319.15

45. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	27,07,000	14,74,206	4,18,1206
(+) Permitted receipts	11,34,000	2,45,88,411	2,57,22,411
(-) Permitted payments	-	-62,17,282	-62,17,282
(-) Amount deposited in Banks	-38,41,000	-1,60,00,028	-1,98,41,028
Closing cash in hand as on December 30, 2016	-	38,45,307	38,45,307

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

As per our Report attached

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N

R. Sridhar - Partner
Membership No. 028317

Place: Chennai
Date: May 12, 2017

For and on behalf of the Board of Directors of Oriental Hotels Limited

Rakesh Sarna
Chairman
DIN:01875340

Pramod Ranjan
Managing Director
DIN:00887569

Vijay Sankar
Director
DIN : 00007875

Rajneesh Jain
AVP-Finance & Chief Financial Officer

Tom Antony
AVP-Legal & Company Secretary

(₹ in lakhs)

CAPITAL ACCOUNTS							REVENUE ACCOUNTS								
Year	Capital	Reserves & Surplus	Borrowings	Gross Block	Net Block	Investments	Gross Revenue	Expenditure (Including Interest)	Depreciation	Profit before Tax	Taxes	Profit after Tax	Net Transfer to Reserves	Dividends	Rate of Dividend (on Equity Shares %)
1973-74	137.03	8.76	177.69	354.97	348.56	-	10.27	20.55	6.39	-25.43	-	-25.43	8.76	-	-
1974-75	142.03	21.00	286.34	423.45	401.24	-	101.24	124.77	15.79	-51.56	-	-51.56	12.24	-	-
1975-76	152.46	21.00	325.54	427.87	405.69	-	136.95	145.55	-	-8.60	-	-8.60	-	-	-
1976-77	155.00	21.18	333.72	428.30	406.12	-	158.35	158.26	-	0.08	-	0.08	0.18	-	-
1977-78	155.00	21.23	294.32	428.18	389.87	-	205.22	165.68	*16.15	23.29	-	23.29	0.05	-	-
1978-79	155.00	21.44	219.54	431.69	367.47	-	250.32	185.96	25.95	38.41	-	38.41	0.21	-	-
1979-80	155.00	32.89	192.43	453.58	374.67	13.71	292.06	214.18	14.92	62.96	-	62.96	11.45	\$27.54	15
1980-81	155.00	65.74	182.56	477.16	381.84	18.13	364.31	284.13	16.42	63.76	-	63.76	32.84	\$29.95	20
1981-82	155.00	112.82	143.29	496.07	383.25	19.64	422.73	324.33	17.50	80.90	-	80.90	47.09	\$32.85	22
1982-83	155.00	130.09	123.46	547.51	408.06	24.59	479.18	368.82	27.13	83.23	32.15	51.08	17.27	\$32.85	22
1983-84	155.00	1358.57	110.25	570.34	402.79	26.59	557.40	435.12	29.99	92.29	50.00	42.29	17.24	\$32.85	22
1984-85	155.00	154.65	146.23	625.86	412.41	26.59	692.00	548.34	46.76	96.90	47.00	49.90	28.32	\$32.85	22
1985-86	155.00	206.49	225.85	825.16	595.57	26.59	908.29	792.47	16.17	72.17	14.00	58.17	51.84	\$32.85	22
1986-87	155.00	269.11	344.24	966.34	688.39	17.96	1173.26	985.18	54.30	133.78	33.00	100.78	62.62	\$37.20	25
1987-88	155.00	334.39	411.39	1289.51	959.66	17.96	1397.99	1206.49	58.05	133.45	30.00	103.45	65.28	\$37.20	25
1988-89	#203.00	373.30	382.80	1457.32	1069.48	6.56	1256.93	1044.17	59.05	153.71	15.00	138.71	96.91	\$40.84	20
1989-90	£252.02	577.39	419.90	1625.06	1157.87	6.51	1865.64	1569.51	85.53	210.60	23.17	187.43	95.55	56.88	25
1990-91	252.02	719.02	783.59	1942.23	1382.58	16.51	2048.32	1702.49	100.98	244.86	40.22	204.64	127.32	63.01	25
1991-92	252.02	965.36	1207.10	2449.15	1780.95	32.89	2820.57	2321.93	121.68	376.95	55.00	321.95	250.00	75.61	30
1992-93	\$352.83	1067.51	1920.91	3452.86	2635.79	155.25	3506.32	2996.08	167.56	342.68	16.24	326.44	215.00	123.49	35
1993-94	~575.1	2741.69	1354.59	4033.13	3022.60	432.24	4542.82	3703.99	210.35	628.48	90.50	537.98	320.00	197.40	40
1994-95	¶1097.95	11729.02	1871.11	5311.47	4048.77	755.17	5290.02	4208.35	248.96	832.71	50.00	782.71	340.00	512.04	55
1995-96	1097.95	13119.15	1196.25	6284.42	4739.09	1519.56	8091.95	5289.34	348.82	2453.79	350.00	2103.79	1320.00	713.67	65
1996-97	@1646.92	14163.30	1615.07	8593.57	6727.38	1744.84	9311.24	5851.05	450.70	3009.52	420.00	2589.52	1580.27	905.81	55
1997-98	1646.92	16381.42	1723.93	10251.02	7847.77	1970.60	11504.06	7355.77	543.79	3604.50	390.00	3214.50	2133.00	905.81	55
1998-99	c1646.93	18451.69	1842.57	10656.45	7642.74	2413.60	10988.65	6745.10	627.93	3615.62	540.00	3075.62	2020.00	905.81	55
1999-00	1646.93	19201.58	1592.60	13313.65	9712.51	7409.40	9055.29	6194.94	680.00	2180.35	425.00	1755.35	480.00	905.81	55
2000-01	1646.93	19297.51	2688.53	15207.52	11062.52	7606.57	9498.40	6964.24	795.13	1738.97	410.00	1328.97	155.00	823.47	50
2001-02	1785.99	18553.33	866.15	19401.88	13494.53	6596.72	10286.34	7455.31	1124.79	1706.24	865.63	840.61	-295.00	803.70	45
2002-03	1785.99	18551.94	745.42	19943.29	12927.61	6570.00	9903.68	7785.84	1188.64	929.19	391.08	538.11	-31.00	604.45	30
2003-04	1785.99	18679.96	640.18	20456.72	12409.38	6563.70	11525.43	8753.30	1232.24	1557.89	623.94	933.95	-58.00	805.93	40
2004-05	1785.99	19091.81	645.93	21454.83	12253.50	6561.60	13527.13	9787.11	1262.77	2477.25	943.50	1533.75	140.00	1121.89	55
2005-06	1785.99	20473.44	458.03	21937.81	11672.27	7953.17	16847.37	1032.55	1189.83	4324.99	1716.00	2608.99	547.00	1527.36	75
2006-07	1785.99	22091.25	375.10	24087.79	12853.09	6946.60	19541.91	12511.84	1170.26	5859.81	2068.09	3791.72	846.13	1985.04	95
2007-08	1785.99	24246.61	304.82	28341.20	16181.95	6946.60	22004.60	14087.05	1259.95	6657.60	2308.24	4349.36	475.00	2194.00	105
2008-09	1785.99	26098.42	6766.42	34617.63	21424.98	12048.96	21836.08	14754.45	1323.79	5757.84	2025.46	3732.38	410.00	1880.57	90
2009-10	1785.99	26851.01	19065.95	42549.24	29648.96	12252.46	20216.69	15308.39	1371.31	3536.99	1222.43	2314.56	375.00	1561.97	75
2010-11	1785.99	27419.00	21667.90	50635.47	38623.68	7252.46	23904.11	19155.40	1542.72	3205.99	977.42	2228.57	500.00	1660.58	80
2011-12	1785.99	27702.99	29036.85	59196.37	43608.11	7215.81	27020.53	23184.42	1955.15	1880.96	617.76	1263.20	130.00	934.08	45
2012-13	1785.99	27983.56	28340.45	63872.33	46265.05	6583.64	29662.62	27092.06	2616.79	1390.01	-39.80	1429.81	250.00	1149.24	55
2013-14	1785.99	26114.76	30755.82	66480.93	46304.41	6583.64	30234.02	28483.72	2794.43	-1044.13	-324.57	-719.56	-	1149.24	55
2014-15	1785.99	21627.75	31096.83	67938.90	45438.19	6649.38	30671.52	28269.66	2547.50	-602.82	-303.45	-299.37	-	859.83	40
2015-16 (IND AS)	1785.99	22199.52	31741.93	43039.69	40659.59	6183.19	31626.43	31197.84	2393.78	-2598.40	-813.66	-1784.74	-	429.92	20
2016-17 (IND AS)	1785.99	22134.12	32231.93	43985.92	39107.89	6351.23	34460.39	31806.06	2497.97	198.51	45.26	153.25	-	-	-

* Includes adjustment for depreciation written back ₹0.15 lakhs

~ includes adjustment for depreciation written back ₹14.36 lakhs and arrears of depreciation for earlier year ₹26.62 lakhs. Depreciation for 1975-76 and 1976-77 provided in 1978-79

\$ Preference and equity dividends.

^ includes adjustments for depreciation written back to the extent of ₹27.48 lakhs.

After issue of Bonus Shares in the ratio 2:5

£ After issue of Rights Shares in the ratio 1:5

\$ After issue of Bonus Shares in the ratio 2:5

~ Issue of Rights Shares in the ratio 3:5 after Bonus Issue.

¶ Issue of Bonus shares in the ratio 1:2 and 23,52,941 underlying Equity Shares Propriante to Global Depository Receipts.

@ Issue of Bonus Shares in the ratio 1:2

c 162 Equity Shares withheld for allotment on rights basis pursuant to a Court Order were allotted during the year 1998-99

d 13,90,536 Equity Shares of ₹10/- each issued on amalgamation of Covelong Beach Hotel (I) Ltd. With the Company, in the ratio 2:5.

THIS PAGE IS INTENTIONALLY LEFT BLANK

ORIENTAL HOTELS LIMITED

CONSOLIDATED
FINANCIAL STATEMENTS
2016 - 2017

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report to the Members of
Oriental Hotels Limited on the Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT**To the Members of Oriental Hotels Limited****Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Oriental Hotels Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), its associate and a joint venture, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (herein after referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and jointventure are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the over all presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at 31st March, 2017, their consolidated loss (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Other Matters

8. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹15151.21 Lakhs and net assets of ₹13583.14 Lakhs as on 31st March 2017, total revenue of ₹319.07 Lakhs, total profit after tax of ₹426.46 Lakhs, total comprehensive income of ₹(519.18) Lakhs and total cash inflows amounting to ₹290.61 Lakhs for the year ended on that date and financial statements of one joint venture in which group's share of total profit after tax of ₹703.91 lakhs and total comprehensive income of ₹577.78 Lakhs as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and the jointly venture and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the subsidiary and the joint venture, is solely based on the reports of the other auditors.
9. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the holding company is disqualified as on 31st March, 2017 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", and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company, its subsidiary, its associate and a joint venture - Refer Note 29 of the consolidated financial statements.
 - (ii) The Group, its subsidiary and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company
 - (iv) In consolidated financial statements, holdings as well as dealings in Specific Bank Notes during the period from 8th November 2016 to 30th December 2016, by the Holding Company and its associate company incorporated in India has been requisitely disclosed on the basis of information available with the company, Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Holding company and its associate company incorporated in India- Refer Note 45 of consolidated financial statements.

For SNB AS2SOCIATES
Chartered Accountants
Firm Registration No: 015682N

R. SRIDHAR, Partner
Membership No.28317

Place : Chennai
Date : May 12, 2017

ORIENTAL HOTELS LIMITED

ANNEXURE TO AUDITOR'S REPORT

ANNEXURE “A” TO AUDITORS’ REPORT

Referred to in paragraph 10 of our report of even date

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting Oriental Hotels Limited (hereinafter referred to as “the Holding Company”) and its associate company which is a company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its associate company, which is a company incorporated in India, have, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SNB ASSOCIATES

Chartered Accountants

Firm Registration No: 015682N

R. SRIDHAR

Partner

Membership No.28317

Place: Chennai

Date: May 12, 2017

ORIENTAL HOTELS LIMITED

CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet as at March 31, 2017

₹ in lakhs

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets				
Non-current Assets				
Property, Plant and Equipment	3	38,810.31	40,294.65	44,730.70
Capital work-in-progress		400.49	439.45	459.90
Other Intangible Assets	4	297.59	364.94	233.96
		39,508.39	41,099.04	45,424.56
Financial Assets				
Investments	5	23,495.10	23,799.88	22,735.88
Loans	6	-	-	-
Other financial assets	7	1,906.61	1,844.17	2,087.17
Deferred Tax Assets (Net)	8	493.72	476.45	-
Income Tax Asset (Net)		2,513.57	2,319.15	2,154.42
Other non current assets	9	4,198.42	4,178.91	4,177.46
		72,115.81	73,717.60	76,579.49
Current Assets				
Inventories	11	756.61	775.78	696.68
Financial Assets				
Trade Receivables	12	1,390.61	1,563.01	1,807.23
Cash and Cash Equivalents	13(a)	1,213.36	546.96	247.34
Bank Balances other than Cash and Cash Equivalent	13(b)	132.88	116.15	113.47
Loans	6	560.00	560.00	560.00
Other financial assets	7	769.07	862.62	692.29
Other current assets	9	1,192.45	599.66	684.67
Assets classified as held for sale	41	2,798.21	3,191.50	-
		8,813.19	8,215.68	4,801.68
Total		80,929.00	81,933.28	81,381.17
Equity and Liabilities				
Equity				
Equity Share capital	14	1,785.99	1,785.99	1,785.99
Other Equity	15	39,443.26	40,169.91	41,454.24
Total Equity		41,229.25	41,955.90	43,240.23
Non-current Liabilities				
Financial Liabilities				
Borrowings	16	30,185.93	22,297.38	22,970.31
Other financial Liabilities	17	186.52	1,520.22	1,962.47
Provisions	19	439.88	456.28	463.06
Deferred Tax Liabilities (net)	8	-	-	327.67
Other non-current Liabilities	20	30.24	35.94	43.57
		30,842.57	24,309.82	25,767.08
Current Liabilities				
Financial Liabilities				
Borrowings	16	-	7,916.55	5,154.76
Trade Payables	18	3,383.41	3,397.57	2,956.55
Other financial Liabilities	17	4,347.34	3,268.71	3,277.66
Provisions	19	72.64	92.33	85.86
Other current liabilities	20	1,053.79	992.40	899.03
		8,857.18	15,667.56	12,373.86
Total		80,929.00	81,933.28	81,381.17
Significant Accounting Policies	2			
The accompanying notes form an integral part of the consolidated financial statements.				

As per our Report attached

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N

R. Sridhar - Partner
Membership No. 028317
Place: Chennai
Date: May 12, 2017

For and on behalf of the Board of Directors of Oriental Hotels Limited

Rakesh Sarna
Chairman
DIN:01875340

Pramod Ranjan
Managing Director
DIN:00887569

Vijay Sankar
Director
DIN : 00007875

Rajneesh Jain
AVP-Finance & Chief Financial Officer

Tom Antony
AVP-Legal & Company Secretary

FORTY SEVENTH ANNUAL REPORT 2016-17

CONSOLIDATED PROFIT AND LOSS STATEMENT

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

₹ in lakhs

Particulars	Note	March 31, 2017	March 31, 2016
Revenue			
Revenue from Operations	21	33,474.71	31,078.61
Other Income	22	499.34	361.98
Total		33,974.05	31,440.59
Expenses			
Food and Beverages Consumed	23	3,721.36	3,634.56
Employee Benefits Expense and Payment to Contractors	24	9,127.18	8,911.06
Finance Costs	25	3,218.97	3,155.60
Depreciation and Amortisation	3 & 4	2,497.97	2,393.78
Other Operating and General Expenses	26	15,749.65	15,519.89
Total		34,315.13	33,614.89
Profit / (Loss) before exceptional items and tax		(341.08)	(2,174.30)
Exceptional Items	27	42.15	(633.21)
Profit/ (Loss) Before Tax		(298.93)	(2,807.51)
Tax Expense			
Current Tax		180.35	105.45
Deferred Tax		(135.09)	(919.11)
Total		45.26	(813.66)
Profit/ (Loss) for the period		(344.19)	(1,993.85)
Add : Share of Profit / (Loss) of Associates		138.52	221.75
Add : Share of Profit / (Loss) of Joint ventures		703.91	538.40
Profit/ (Loss) After Tax and share of associates and joint ventures		498.24	(1,233.70)
Other Comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit and loss			
Remeasurements of defined benefit plans		(51.71)	27.96
Change in fair value of equity instruments designated irrevocably as FVTOCI		(464.50)	(215.03)
Share of other comprehensive income of associates		72.85	(14.98)
Less :- Income tax		(17.90)	9.53
		(425.46)	(211.58)
Items that will be reclassified subsequently to profit and loss			
Currency translation difference (net)		(311.46)	776.13
Share of other comprehensive income of associates		(126.13)	183.91
Less :-income tax expense		-	-
		(437.59)	960.04
Other Comprehensive income for the period, net of tax		(863.05)	748.46
Total Comprehensive Income for the year		(364.81)	(485.24)
Earnings per equity share :			
Basic & Diluted (Face value ₹1/- per share) (Refer Note: (34))		0.28	(0.69)
Significant Accounting Policies	2		
The accompanying notes form an integral part of the consolidated financial statements.			

As per our Report attached

For and on behalf of the Board of Directors of Oriental Hotels Limited

For SNB ASSOCIATES

Chartered Accountants

Firm Registration No. 015682N

R. Sridhar - Partner

Membership No. 028317

Place: Chennai

Date: May 12, 2017

Rakesh Sarna

Chairman

DIN:01875340

Pramod Ranjan

Managing Director

DIN:00887569

Vijay Sankar

Director

DIN : 00007875

Rajneesh Jain

AVP-Finance & Chief Financial Officer

Tom Antony

AVP-Legal & Company Secretary

ORIENTAL HOTELS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity as at March 31, 2016 ₹ Lakhs

Particulars	Reserves and Surplus							
	Equity Share Capital Subscribed	Securities Premium Account	General Reserve	Other Reserves	Retained Earnings	Equity Instruments through OCI	Foreign currency Transalation Reserve	TOTAL
Balance as on 1st April, 2015	1,785.99	10,735.69	10,543.41	1,899.18	12,933.22	5,342.74	-	43,240.23
Profit for the year	-	-	-	-	(1,233.70)	-	-	(1,233.70)
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	18.43	(230.01)	960.00	748.42
Total Comprehensive Income for the year	-	-	-	-	(1,215.27)	(230.01)	960.00	(485.28)
Dividends	-	-	-	-	(714.40)	-	-	(714.40)
Tax on Dividend	-	-	-	-	(84.65)	-	-	(84.65)
Other Adjustments (Refer Foot Note)	-	-	-	-	177.00	(177.00)	-	-
Balance as on 31st March, 2016	1,785.99	10,735.69	10,543.41	1,899.18	11,095.90	4,935.73	960.00	41,955.90

Foot Note : Transfer to retained earnings on disposal of investment.

Consolidated Statement of Changes in Equity as at March 31, 2017 ₹ Lakhs

Particulars	Reserves and Surplus							
	Equity Share Capital Subscribed	Securities Premium Account	General Reserve	Other Reserves	Retained Earnings	Equity Instruments through OCI	Foreign currency Transalation Reserve	TOTAL
Restated balance at the beginning of the reporting period	1,785.99	10,735.69	10,543.41	1,899.18	11,095.90	4,935.73	960.00	41,955.90
Profit for the year	-	-	-	-	498.24	-	-	498.24
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses Actrurial Gain / Losses (Not Reclass to P&G)	-	-	-	-	(31.14)	(394.33)	(437.58)	(863.05)
Total Comprehensive Income for the year	-	-	-	-	467.10	(394.33)	(437.58)	(364.81)
Dividends	-	-	-	-	(714.40)	-	-	(714.40)
Tax on Dividend	-	-	-	-	(84.65)	-	-	(84.65)
Other Adjustments								
Transfer to debenture redumption reserve	-	-	-	153.25	(153.25)	-	-	-
Balance at the end of the reporting period	1,785.99	10,735.69	10,543.41	2,052.43	11,047.91	4,541.40	522.42	41,229.25

The accompanying notes form an integral part of the Consolidated Financial Statment.

As per our Report attached

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N

R. Sridhar - Partner
Membership No. 028317

Place: Chennai
Date: May 12, 2017

For and on behalf of the Board of Directors of Oriental Hotels Limited

Rakesh Sarna
Chairman
DIN:01875340

Pramod Ranjan
Managing Director
DIN:00887569

Vijay Sankar
Director
DIN : 00007875

Rajneesh Jain
AVP-Finance & Chief Financial Officer

Tom Antony
AVP-Legal & Company Secretary

CONSOLIDATED CASHFLOW STATEMENT

Consolidated Cashflow Statement for the year ended March 31, 2017

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
A. Cashflow from Operating Activities		
Profit/(Loss) before tax	(298.93)	(2,807.51)
Adjustments for		
Depreciation and Amortisation	2,497.97	2,393.78
Loss on Sale of Fixed Assets	18.74	6.83
Assets written off	13.23	35.65
Allowances for doubtful debts	40.67	87.34
Allowances for doubtful advances	2.91	377.80
Provisions and balances written back	(82.73)	(91.38)
Finance Cost	3,218.97	3,155.60
Interest Income	(220.12)	(205.36)
Dividend received	(4.84)	(3.22)
Changes in Fair valuation of financial liabilities	(42.17)	258.28
Others	(51.71)	27.96
Exchange Loss/(Gain)	2.76	-
	5,393.68	6,043.28
Operating profit before working capital changes	5,094.75	3,235.77
Adjustments for		
Financial Assets	1.29	(289.79)
Inventories	19.21	(79.13)
Trade receivables	125.26	225.84
Other Non current assets	286.69	(1.46)
Other Current Assets	(592.80)	85.00
Trade Payables	69.29	532.49
Changes in Provision Non Current	(16.42)	(6.76)
Changes in Provision- Current	(19.70)	6.47
Changes in Non Current Other Liabilities	(5.71)	(7.61)
Changes in Other Current Liabilities	61.41	93.38
Other Financial Liabilities	(553.74)	(749.08)
	(625.22)	(190.65)
Cash generated from operations	4,469.53	3,045.12
Direct Taxes Paid	(239.05)	(209.67)
Net Cash Flow from operating activities	4,230.48	2,835.45
B. Cashflow from investing activities		
Payments for Purchase of Property Plant and Equipment	(1,033.52)	(1,272.11)
Proceeds from sale of Property Plant and Equipment	104.92	15.62
Payments for Purchase of Investments	(2.28)	(2.40)
Proceeds from Sale of Investments	6.60	376.00
Dividend received	315.47	25.94
Interest	201.50	146.93
Net cashflow from investing activities (B)	(407.31)	(710.02)

ORIENTAL HOTELS LIMITED

CONSOLIDATED CASHFLOW STATEMENT

Consolidated Cashflow Statement for the year ended March 31, 2017

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
C. Cashflow from financing activities		
Proceeds from Long term Borrowings	9,000.00	-
Repayment of Long term Borrowings	(1,528.00)	(1,528.00)
Repayment of Short term Borrowings	(7,916.55)	2,761.80
Finance Cost	(2,356.98)	(2,266.56)
Dividend Paid	(357.20)	(799.08)
Net cashflow from financing activities (C)	(3,158.73)	(1,831.84)
Net Increase / (Decrease) in cash and cash equivalents(A+B+C)	664.44	293.59
Cash as on Opening 1st April	546.96	247.34
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(1.96)	(6.03)
Cash as on Closing 31st March	1,213.36	546.96
Net Increase / (Decrease) in cash and cash equivalents	664.44	293.59
NOTES TO THE CASH FLOW STATEMENT :		
i) Bank Balances other than Cash and Cash Equivalent		
Margin Money Deposits	53.48	42.54
Earmarked balances	79.40	73.61
Cash and Cash Equivalents as restated	132.88	116.15

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

As per our Report attached
For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N
R. Sridhar - Partner
Membership No. 028317
Place: Chennai
Date: May 12, 2017

For and on behalf of the Board of Directors of Oriental Hotels Limited

Rakesh Sarna
Chairman
DIN:01875340

Pramod Ranjan
Managing Director
DIN:00887569

Vijay Sankar
Director
DIN : 00007875

Rajneesh Jain
AVP-Finance & Chief Financial Officer

Tom Antony
AVP-Legal & Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to Consolidated Financial Statements for the year ended March 31, 2017**Note 1. Corporate Information**

Oriental Hotels Limited (the "Company"), is a listed public limited company incorporated and domiciles in India and has its registered office at No. 37 Taj Coromandel Mahatma Gandhi Road, Nungambakkam Chennai 600 034. The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

The company's business operation is mainly in India.

The Company has primary listing in Bombay Stock Exchange and National Stock Exchange. The GDR are listed in Luxembourg Stock Exchange.

The consolidated financial statements relate to Oriental Hotels Limited ('the Company'), its wholly owned subsidiary company, Associates and Joint Venture Entities.

Particulars of the Subsidiary Companies, Associates and Joint ventures Entities at the end of the reporting period are as follows.

Name of the Company	Category	Country of incorporation	% of shares held
OHL International (HK) Ltd.*	Subsidiary	Hong Kong	100
Taj Madurai Ltd.	Associate	India	26
Lanka Island Resorts Ltd.	Associate of OHL International (HK) Ltd.	Sri Lanka	23.08
TAL Hotels & Resorts Ltd.	Joint Venture	Hong Kong	21.74

* The consolidated financial results of OHL International (HK) Ltd includes the results of Lank Island Resorts Ltd., an Associate.

Note 2. Significant Accounting Policies**(a) Statement of compliance:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendment with Companies (Amendment rules) 2016. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP which includes accounting standards notified under Companies Accounting Standards rules 2006. These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 28. This note includes reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS.

All amounts included in financial statements are reported in Indian Rupees Lakhs and have been rounded off to nearest decimal of ₹ lakhs.

Refer Note 28. B for the details of first-time adoption exemptions availed by the Company.

(b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost convention on accrual basis unless otherwise stated.

The Company's financial statements are prepared in Indian Rupees, which is also Company's functional currency.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(c) Principles of Consolidation and equity accounting**i. Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

ii. Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

iii. Joint ventures

Interest in joint ventures are accounted for using the equity method after initially being recognized at cost in the consolidated balance sheet. Under the previous GAAP Joint ventures were consolidated using proportionate consolidation method.

iv. Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the entity including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of other entity.

Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transactions provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

v. Change in ownership interest

The group treats transactions with non-controlling interest that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustments to non-controlling interest and any considerations paid or received is recognized within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

In the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(d) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and there the tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Loyalty program:** The Company estimates the fair value of points awarded under the Loyalty Program by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.
- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- **Litigation :** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans :** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

All assets and liabilities are classified into current and non-current generally on the criteria of realization / settlement within 12 months period from balance sheet date.

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(e) Revenue recognition :

Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management fees.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue from sales of goods or rendering of services is net of Indirect taxes, allowances and discounts.

Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract.

Interest

Interest income from financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measure reliably.

Interest income is accrued on a time basis by reference to principle outstanding using the effective interest rate method.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established.

(f) Employee Benefits (other than for persons engaged through contractors):

- i. **Provident Fund:** The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner.

ii. **Gratuity Fund**

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

iii. **Post-Retirement Pension Scheme and Medical Benefits**

The net present value of the Company's obligation towards post retirement pension scheme for certain retired directors and their dependents and Post employment medical benefits to qualifying persons is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognized immediately in the Other Comprehensive Income and reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

iv. **Compensated Absences**

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

v. **Long Service Awards**

The Company has a scheme for long service awards for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

vi. **Other employee termination benefits**

Payment to employees on termination along with the additional liability towards retirement benefits arising pursuant to termination are charged off in the Statement of Profit and Loss in the year it is incurred.

vii. **Other Employee Benefits**

Other benefits, comprising of Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

(g) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate shall also include costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives or expected lease period whichever is lower.

The estimated useful lives of the depreciable assets are as follows:

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
Buildings	60 to 80 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Assets costing less than ₹ 5000	4 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

(h) Intangible Fixed Assets:

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment is done only if indicators of impairment exist.

<u>Class of Asset</u>	<u>Estimated Useful Life</u>
Software and Licences	6 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(i) Impairment of Property plant and equipment and intangible assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

(j) Foreign Currency Translation :**i. Functional and presentation currency.**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statement are prepared in Indian rupees (INR), which is Oriental Hotels Limited's functional and presentation currency.

ii. Initial Recognition

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions.

iii. Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

iv. Group Companies

The results and financial position of foreign operations (None of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows.

Assets and liabilities are translated at the closing rate at the date of that balance sheet.

Income and expenses are translated at average exchange rates and all resulting exchange differences are recognized in other comprehensive income.

(k) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(l) Assets taken on lease:

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

(m) Inventories

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

(n) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(o) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(p) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

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

Contingent assets are not recognized in the financial statements.

(q) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

(r) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(s) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(t) Share capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(u) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(v) Earnings Per Share :

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(w) Segment Reporting :

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the committee that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets/liabilities".

(x) Financial Instruments :**Financial Assets:**Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial Recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to loans and advances, deposits, trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate(EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company uses derivative financial instruments, such as cross currency swaps, interest rate swaps, etc. to manage its exposure to interest rate and foreign exchange risks. Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in Exceptional items. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(y) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the statement of profit and loss account.

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ Lakhs

Particulars	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	TOTAL
Deemed Cost							
As at April 1, 2015	8,888.82	16,843.09	13,068.40	5,484.92	333.59	111.88	44,730.70
Additions	-	101.06	677.66	187.79	138.00	13.69	1,118.20
Adjustment (Refer Footnote iii)	(3,191.50)	-	-	-	3.05	-	(3,188.45)
Transitions Disposals	-	-	23.11	11.95	8.22	0.27	43.55
At March 31, 2016	5,697.32	16,944.15	13,722.95	5,660.76	466.42	125.30	42,616.90
Depreciation							
As at April 1, 2015	-	-	-	-	-	-	-
Charge for the year	-	440.62	1,179.98	551.93	129.95	26.91	2,329.39
Disposals	-	-	(3.87)	(0.98)	(2.29)	-	(7.14)
At March 31, 2016	-	440.62	1,176.11	550.95	127.66	26.91	2,322.25
Net Block At March 31, 2016	5,697.32	16,503.53	12,546.84	5,109.81	338.76	98.39	40,294.65

Footnotes :

- (i) Buildings includes improvements to buildings constructed on leasehold land ₹1097.25 lakhs; (Previous year ₹1099.13 Lakhs).
- (ii) Assets pledged as security (Refer Note 16: Borrowings)
- (iii) ₹3191.50 lakhs is towards transfer to assets held for sale.

Note 4 : Intangible Assets (Acquired)

₹ Lakhs

Particulas	Website Development Cost	Software	Service Operating Rights	Total	Intangible assets development
Deemed Cost					
As at April 1, 2015	-	233.96	-	233.96	-
Additions	-	216.72	-	216.72	-
Adjustment	-	(3.05)	-	(3.05)	-
Disposals	-	24.84	-	24.84	-
At March 31, 2016	-	422.79	-	422.79	-
Amortisation					
As at April 1, 2015	-	-	-	-	-
Charge for the year	-	64.39	-	64.39	-
Adjustments	-	-	-	-	-
Disposals	-	(6.54)	-	(6.54)	-
At March 31, 2016	-	57.85	-	57.85	-
Net Block At March 31, 2016	-	364.94	-	364.94	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3 : Property, Plant and Equipment (Owned, unless otherwise stated)

₹ Lakhs

Particulars	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	TOTAL
Gross Block at Cost							
As at April 1, 2016	5,697.32	16,944.15	13,722.95	5,660.76	466.42	125.30	42,616.90
Additions	-	12.98	781.38	103.15	83.13	0.33	980.97
Disposals	-	2.41	38.86	6.14	0.12	2.02	49.55
At March 31, 2017	5,697.32	16,954.72	14,465.47	5,757.77	549.43	123.61	43,548.32
Depreciation							
As at April 1, 2016	-	440.62	1,176.10	550.95	127.63	26.91	2,322.21
Charge for the year	-	447.26	1,272.91	546.24	129.94	19.45	2,415.80
At March 31, 2017	-	887.88	2449.01	1,097.19	257.57	46.36	4,738.01
Net Block At March 31, 2017	5,697.32	16,066.84	12,016.46	4,660.58	291.86	77.25	38,810.31

Footnotes :

- (i) Buildings includes improvements to buildings constructed on leasehold land ₹ 1078.21 lakhs; (Previous year ₹1097.25 Lakhs).
- (ii) Assets pledged as security (Refer Note 16: Borrowings)

Note 4 : Intangible Assets (Acquired)

₹ Lakhs

Particulars	Website Development Cost	Software	Service Operating Rights	Total	Intangible assets development
Gross Block at Cost					
As at April 1, 2016	-	422.79	-	422.79	-
Additions	-	42.46	-	42.46	-
Disposals	-	27.64	-	27.64	-
At March 31, 2017	-	437.61	-	437.61	-
Amortisation					
As at April 1, 2016	-	57.85	-	57.85	-
Charge for the year	-	82.17	-	82.17	-
At March 31, 2017	-	140.02	-	140.02	-
Net Block At March 31, 2017	-	297.59	-	297.59	-

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5 : Investments							
	Face Value	March 31, 2017		March 31, 2016		April 1, 2015	
		Holdings		Holdings		Holdings	
		As at	₹ Lakhs	As at	₹ Lakhs	As at	₹ Lakhs
Investments in Joint Ventures(At Cost)							
TAL Hotels & Resorts Limited	US\$1	3,803,718	8,473.81	3,803,718	8,150.48	3,803,718	7,428.17
			8,473.81		8,150.48		7,428.17
Investments in Associate Companies							
Taj Madurai Limited-Equity Shares	₹10	912,000	491.51	912,000	428.75	912,000	433.16
Lanka Island Resorts Limited	LKR10	18,690,000	2,420.57	18,690,000	2,410.25	18,690,000	2,194.90
(refer foot note viii)			2,912.08		2,839.00		2,628.06
Investments in Other Companies Equity Shares (Fair Value Through OCI)							
Taj Kerala Hotels and Resorts Limited	₹10	1,515,000	167.56	1,515,000	167.56	1,515,000	154.53
Taj Karnataka Hotels and Resorts Limited	₹10	300,000	38.16	300,000	38.16	300,000	33.75
Taj Air Limited (Refer Footnote iii)	₹10	6,250,000	-	6,250,000	-	6,250,000	-
Taj Trade & Transport Company Limited.	₹10	100,500	40.56	100,500	40.56	100,500	48.94
St. James Court Limited	GBP1	6,000,000	10,997.26	6,000,000	11,866.49	6,000,000	11,327.95
Lands End Properties Private Limited	₹10	-	-	-	-	1,990,000	376.00
(Refer Footnote iv)							
Green Infra Wind Farms Limited	₹10	45,000	4.50	45,000	4.50	45,000	4.50
Green Infra Wind Generation Limited	₹10	42,000	4.20	108,000	10.80	84,000	8.40
(Refer Footnote v)							
Citron Ecopower Private Limited	₹10	22,750	2.28	-	-	-	-
(Acquired during the year)			11,254.52		12,128.07		11,954.07
Fully Paid Quoted Equity Investments :							
Investment in Other Companies (Fair value through OCI)							
The Indian Hotels Company Limited	₹1	626,999	796.29	626,999	622.61	511,836	598.08
(Refer Footnote vi)							
Hotel Leela Venture Limited	₹2	500	0.08	500	0.09	500	0.09
ElH Limited	₹2	1,125	1.35	1,125	1.18	1,125	1.21
Asian Hotels (West) Limited	₹10	70	0.16	70	0.08	70	0.09
Asian Hotels (East) Limited	₹10	70	0.15	70	0.11	70	0.14
Asian Hotels (North) Limited	₹10	70	0.08	70	0.08	70	0.07
Jaiprakash Associates Limited	₹2	150	0.02	150	0.01	150	0.04
Thomas Cook (I) Limited	₹1	600	1.39	600	1.13	600	1.25
Apollo Sindoori Hotels Limited	₹10	100	-	100	-	100	-
Tulip Star Hotels Limited	₹10	29,600	15.41	29,600	22.84	29,600	23.68
ElH Associated Hotels Limited	₹10	4,314	15.10	4,314	12.51	4,314	9.58
Benares Hotels Limited	₹10	50	0.63	50	0.49	50	0.64
Velan Hotels Limited	₹10	4,000	0.28	4,000	0.26	4,000	0.27
ICICI Bank Limited	₹2	7,730	21.42	7,730	18.29	7,730	24.37
Apollo Hospital Enterprises Limited	₹5	200	2.33	200	2.65	200	2.73
			854.69		682.33		662.24

FORTY SEVENTH ANNUAL REPORT 2016-17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Debentures :

Compulsory Convertible Debentures

in Indian Hotels Company Limited

(Refer Footnote (vi)). ₹55 - - - - 115,163 63.34

Others- Non-Trade Unquoted Equity Shares

Chennai Willingdon Corporate Foundation ₹10 5 - 5 - 5 -

Indian Dairy Entrepreneurs Agricultural Company Limited.

(Refer footnote (vii)) ₹1 86,302 - 86,302 - 86,302 -

Total **23,495.10** **23,799.88** **22,735.88**

Footnotes :

(i) Aggregate of Quoted Investments

: Cost 375.78 375.78 375.78

: Market Value 854.69 682.33 662.24

(ii) Aggregate of Unquoted Investments

: Cost 6,073.90 6,077.00 6,273.60

(iii) In terms of an undertaking, transfer of this shareholding is restricted to Taj / TATA group Companies.

(iv) Sold during the year 2015-16.

(v) 24,000 shares @ ₹10 per share acquired during the year 2015-16. 66000 shares transferred during the year.

(vi) 1,15,163 Compulsory convertible debentures of ₹55 each converted in to equity shares of ₹1 each during the year 2015-16.

(vii) Equity Shares of ₹10/- each have been reduced to ₹1 /- each as confirmed by the order of the court and provision for diminution in value has been made in the earlier years.

(viii) Wholly owned Subsidiary OHL International HK Limited together with a related party and a third party (collectively, the "Promoters") entered in to an agreement with a bank(Lender), in consideration for the Lender providing a credit facility of up to US\$9 million to Lanka Island Resorts Limited, (Borrower), an associate of the Company. The Promoters executed a shortfall undertaking and a non-disposal undertaking for shares in the Borrower in favour of the Lender as security for the repayment of the credit facilities and any and all monies payable by Borrower to the Lender under the Facility Agreement and performance and observance by the Lender of all its obligations and covenants under the Facility Agreement.

₹ Lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Note 6 : Loans			
A) Non Current	-	-	-
B) Current			
(Unsecured, considered good unless stated otherwise)			
Others	-	-	-
Related Parties	560.00	560.00	560.00
	560.00	560.00	560.00

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
Note 7 : Other Financial Assets			
A) Non Current			
Long-term security deposits placed for Hotel Properties at amortised costs			
Related parties	389.51	352.50	319.00
External parties	23.58	21.21	19.08
	413.09	373.71	338.08
Less : Provision for Doubtful advances	-	-	-
	413.09	373.71	338.08
Deposits with Public Bodies and Others at amortised costs			
Public Bodies and Others	642.45	634.21	505.99
Less : Provision for Doubtful advances	2.45	2.45	-
	640.00	631.76	505.99
Amounts Recoverable (Net of provisions) (Refer Foot Note (i) & (ii))	777.65	777.65	1,152.58
Other Advances	75.87	61.05	90.52
	1,906.61	1,844.17	2,087.17
Foot Note:			
(i) The company had a property in Coimbatore whose title was found to be defective by a Court order. The Company sued the original seller of the property and obtained partial settlement. The balance unrecovered amount of ₹374.93 lakhs (Previous Year ₹374.93 lakhs) has been provided in the books of account as on 31st March 2016. The company is however pursuing the legal process for recovery.			
(ii) The company entered into a long term agreement for development of hotel at Bannerghatta in Bengaluru in the year 2007. During the year 2013-14, the Company decided to terminate the lease agreement and recover the amount spent on the project along with the deposit made. As per the agreement the termination will take effect when the lessor fulfills the conditions laid in the termination agreement. In view of the above agreement an amount of ₹777.65 lakhs lying in long term deposits placed for hotel properties and capital work in progress have been transferred to amounts recoverable. The company has taken adequate steps for recovery of amounts.			
B) Current			
Deposit with public bodies and others	76.92	88.11	85.49
Other advances			
Considered good	350.14	480.23	364.21
Considered doubtful	9.83	8.27	7.85
	359.97	488.50	372.06
Less: Allowance for Advances doubtful of recovery	9.83	8.27	7.85
	350.14	480.23	364.21
Interest receivable			
Others	117.62	138.36	115.57
	117.62	138.36	115.57
On Current Account dues :			
Related Parties	199.29	102.66	67.24
Others	25.10	53.26	59.78
	224.39	155.92	127.02
Total	769.07	862.62	692.29

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Note 8 : Deferred Tax Assets (Net)			
Deferred Tax Assets :			
Provision for Employee Benefits	153.02	129.89	-
Loss u/s 35AD of Income Tax Act, 1961 (Refer Footnote)	6,032.24	5,991.31	-
MAT Credit Entitlement	53.39	189.12	-
Receivables, Financial Assets at amortised cost	59.40	44.79	-
FVTOCI-Provision for Employee Benefits	17.90	-	-
Others	77.85	67.36	-
Total (A)	6,393.80	6,422.47	-
Deferred Tax Liabilities :			
Property, Plant and equipment & Intangible Assets	5,900.08	5,946.02	-
Total (B)	5,900.08	5,946.02	-
Net Deferred Tax Assets (A-B)	493.72	476.45	-

Foot note : Losses u/s 35AD of the Income Tax Act, 1961 have an indefinite carry forward period.

Note 8 : Deferred Tax Liabilities (Net)			
Deferred Tax Liabilities :			
Property, Plant and equipment & Intangible Assets	-	-	5,987.36
Total (A)	-	-	5,987.36
Deferred Tax Assets :			
Provision for Employee Benefits	-	-	117.00
Loss u/s 35AD of Income Tax Act, 1961 (Refer Footnote)	-	-	5,149.29
MAT Credit Entitlement	-	-	294.57
Provisions - Others	-	-	30.80
Others	-	-	68.03
Total (B)	-	-	5,659.69
Net Deferred Tax Liabilities (A-B)	-	-	327.67

Note 9 : Other assets			
A) Non current			
Capital Advances	43.95	78.56	115.66
Prepaid Expenses	3,755.34	4,049.98	4,046.95
Deposits with Government Authorities	92.92	50.37	14.85
Others Refer (Foot Note (i))	306.21	-	-
	4,198.42	4,178.91	4,177.46

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

March 31, 2017 March 31, 2016 April 1, 2015

Foot Note :

- (i) A portion of land Measuring 1.071 acres costing ₹393.29 lakhs was compulsorily acquired by State Highway Department, for which ₹87.08 lakhs received towards compensation based on old guideline value. However, Company has filed an appeal for enhanced compensation based on new guideline value. Accordingly, the cost of land less compensation received has been shown under others as recoverable.

B) Current

Prepaid Expenses	499.94	322.77	409.03
Indirect tax recoverable	176.06	178.63	119.27
Advance to Suppliers	108.65	66.61	131.67
Advance to Employees	7.82	31.65	24.70
Others			
Export Incentive Receivable	399.98	-	
	1,192.45	599.66	684.67

Note 10: Financial Instruments**Table 1 : Financial instruments by category**

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows :

Particulars	Financial Assets/liabilities as fair value through profit or loss	Financial Assets/liabilities as fair value through OCI	Amortised cost	Total
Financial assets :				
Investments				
Equity Investment in Subsidiaries, JVs and Associates	-	-	11,385.88	11,385.88
External Companies	-	12,109.21	-	12,109.21
Trade Receivables	-	-	1,390.61	1,390.61
Cash and Cash Equivalents & bank balances	-	-	1,346.24	1,346.24
Short Term Loans & Advances	-	-	560.00	560.00
Other Financial Assets	-	-	2,675.67	2,675.67
Total - Financial Assets	-	12,109.21	17,358.40	29,467.61
Financial liabilities :				
Borrowings	-	-	32,231.93	32,231.93
Derivative Financial Liabilities	-	528.99	-	528.99
Trade Payables including Capital Creditors	-	-	3,456.08	3,456.08
Other Financial Liabilities	-	-	1,886.20	1,886.20
Total - Financial Liabilities	-	528.99	37,574.29	38,103.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows :

Particulars	Financial Assets/liabilities as fair value through profit or loss	Financial Assets/liabilities as fair value through OCI	Amortised cost	Total
Financial assets :				
Investments				
Equity Investment in Subsidiaries, JVs and Associates	-	-	10,989.47	10,989.47
External Companies	-	12,810.41	-	12,810.41
Trade Receivables	-	-	1,563.01	1,563.01
Cash and Cash Equivalents & Bank balances	-	-	663.11	663.11
Short Term Loans & Advances	-	-	560.00	560.00
Other Financial Assets	-	-	2,706.79	2,706.79
Total - Financial Assets	-	12,810.41	16,482.38	29,292.79
Financial liabilities :				
Borrowings	-	-	31,741.94	31,741.94
Derivative Financial Liabilities	-	1,366.67	-	1,366.67
Trade Payables including Capital Creditors	-	-	3,581.24	3,581.24
Other Financial Liabilities	-	-	1,719.58	1,719.58
Total - Financial Liabilities	-	1,366.67	37,033.76	38,400.43

The carrying value and fair value of financial instruments by categories as of April 1, 2015 were as follows

Particulars	Financial Assets/liabilities as fair value through profit or loss	Financial Assets/liabilities as fair value through OCI	Amortised cost	Total
Financial assets :				
Investments				
Equity Investment in Subsidiaries, JVs and Associates	-	-	10,056.22	10,056.22
External Companies	-	12,679.65	-	12,679.65
Trade Receivables	-	-	1,807.23	1,807.23
Cash and Cash Equivalents & Bank balances	-	-	360.81	360.81
Short Term Loans & Advances	-	-	560.00	560.00
Other Financial Assets	-	-	2,779.46	2,779.46
Total - Financial Assets	-	12,679.65	15,563.72	28,243.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Financial Assets/liabilities as fair value through profit or loss	Financial Assets/liabilities as fair value through OCI	Amortised cost	Total
Financial liabilities :				
Borrowings	-	-	29,653.06	29,653.06
Derivative Financial Liabilities	-	1,832.07	-	1,832.07
Trade Payables including Capital Creditors	-	-	3,131.57	3,131.57
Other Financial Liabilities	-	-	1,705.05	1,705.05
Total - Financial Liabilities	-	1,832.07	34,489.68	36,321.75

Table 2 : Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	As of March31, 2017	Fair value measurement at end of the reporting period/year using.		
Financial assets:	Total	Level 1	Level 2	Level 3
Cash & Cash Equivalents	-	-	-	-
Equity shares	12,109.21	854.69	-	11,254.52
Liquid Mutual Funds	-	-	-	-
Long Term Loans & Advances	-	-	-	-
Short Term Loans & Advances	-	-	-	-
Total	12,109.21	854.69	-	11,254.52
Financial liabilities :				
Liability on Derivative Contracts	528.99	-	528.99	-
Total	528.99	-	528.99	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016 :

Particulars	As of March31, 2016	Fair value measurement at end of the reporting period/year using.		
Financial assets:	Total	Level 1	Level 2	Level 3
Cash & Cash Equivalents	-	-	-	-
Equity shares	12,810.40	682.33	-	12,128.07
Liquid Mutual Funds	-	-	-	-
Long Term Loans & Advances	-	-	-	-
Short Term Loans & Advances	-	-	-	-
Total	12,810.40	682.33	-	12,128.07

FORTY SEVENTH ANNUAL REPORT 2016-17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 01, 2015:

Particulars	As of March 31, 2015	Fair value measurement at end of the reporting period/year using.		
Financial assets:	Total	Level 1	Level 2	Level 3
Cash & Cash Equivalents	-	-	-	-
Equity shares	12,616.32	662.25	-	11,954.07
Liquid Mutual Funds	-	-	-	-
Long Term Loans & Advances	-	-	-	-
Short Term Loans & Advances	-	-	-	-
Total	12,616.32	662.25	-	11,954.07
Financial liabilities:				
Liability on Derivative Contracts	1,832.07	-	1,832.07	-
Total	1,832.07	-	1,832.07	-

₹ Lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
Note 11 : Inventories			
Food and Beverages	428.73	463.13	380.71
Stores and Operating Supplies	327.88	312.65	315.97
	756.61	775.78	696.68

Foot note : The inventories have been classified as per the nomenclature used in the hotel industry.

Note 12: Trade receivables

Unsecured

Considered good	1,390.61	1,563.01	1,807.23
Considered doubtful	161.83	121.16	81.15
	1,552.44	1,684.17	1,888.38
Less : Allowances for doubtful debts	161.83	121.16	81.15
	1,390.61	1,563.01	1,807.23

Note 13(a). Cash and Cash Equivalent Cash and cash equivalents

Cash on hand	15.43	32.09	31.59
Cheques, Drafts on hands	45.85	99.07	117.63
Balances with bank in current account	652.08	415.80	98.12
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	500.00	-	-
	1,213.36	546.96	247.34

Note 13(b). Bank Balances other than Cash and Cash Equivalent

Other Balances with banks

Margin money deposits	53.48	42.54	36.54
Earmarked balances (Refer Foot Note (i))	79.40	73.61	76.93
	132.88	116.15	113.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/
Pledged deposits classified as Non-Current

-	-	-
132.88	116.15	113.47

Footnote :

(i) Include amounts in unpaid dividend accounts ₹76.99 lakhs (Previous year ₹71.21 lakhs)

Note 14 : Share Capital	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
1 Authorised Share capital			
a) Equity Shares			
24,50,00,000 - Equity Shares of ₹1 each			
(Previous year 24,50,00,000 Equity Shares of ₹1 each)	2,450.00	2,450.00	2,450.00
b) Redeemable Cumulative Preference Shares			
50,50,000 - Redeemable Cumulative Preference Shares of ₹100 each	5,050.00	5,050.00	5,050.00
Total	7,500.00	7,500.00	7,500.00

2 Issued, Subscribed and Paid up

17,85,99,180 - Equity Shares of ₹1 each fully paid

(Previous year 17,85,99,180 Equity Shares of ₹1 each)

Total **1,785.99** 1,785.99 1,785.99

(a) The company has one class of equity shares having a par value of ₹1/- share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Reconciliation of Equity Shares

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	₹Lakhs	No. of shares	₹Lakhs	No. of shares	₹Lakhs
Shares outstanding at the beginning of the year	178,599,180	1,785.99	178,599,180	1,785.99	178,599,180	1,785.99
Add : Shares Issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	178,599,180	1,785.99	178,599,180	1,785.99	178,599,180	1,785.99

(c) Shareholders holding more than 5% Equity Shares in the Company (Excluding GDR holdings)

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
The Indian Hotels Company Limited	33,764,550	18.91%	33,764,550	18.91%	33,764,550	18.91%
TIFCO Holdings Limited	17,208,360	9.64%	17,208,360	9.64%	17,208,360	9.64%
Reliance Capital Trustee Co Ltd- Reliance						
Mid & Small Cap Fund	12,990,561	7.27%	12,990,561	7.27%	13,335,961	7.47%
Pramod Ranjan	14,196,140	7.95%	14,196,140	7.95%	14,196,140	7.95%

FORTY SEVENTH ANNUAL REPORT 2016-17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

Note 15 : Other Equity	March 31, 2017	March 31, 2016	April 1, 2015
Securities Premium Account			
Opening and Closing Balance	10,735.69	10,735.69	10,735.69
Debenture redemption reserve			
Opening Balance	1,853.00	1,853.00	1,853.00
Add : Transfer during the year	153.25	-	-
Closing Balance	2,006.25	1,853.00	1,853.00
Investment allowance utilised reserve			
Opening and Closing Balance	45.75	45.75	45.75
Export profits reserve			
Opening and Closing Balance	0.43	0.43	0.43
Foreign Currency Translation Reserve			
Opening Balance	960.00	-	4,396.35
Add : Currency translation difference arising transferred during the year	-	960.00	-
Less : Currency translation difference arising transferred during the year	437.58	-	4,396.35
Closing Balance	522.42	960.00	-
General Reserve			
Opening and Closing Balance	10,543.41	10,543.41	10,543.41
Retained Earning			
Surplus/Deficit in the Profit And Loss b/f	11,095.90	12,933.22	13,259.65
Add: Current Year profits	498.24	(1,233.70)	(394.16)
Less: Final Dividend	357.20	714.40	-
Less: Tax on Final dividend distributed	-	84.65	(67.73)
Tax on Dividend	4.64	-	-
Transfer to Debenture Redemption Reserve	153.25	-	-
Ind AS- Transfer of OCI Equity Inst. Realised to retained earning	-	(177.00)	-
Less: Ind AS- OCI Movements - Net Defined Benefit Plans	49.04	(27.96)	-
Add: Ind AS- OCI Movements - Tax on Net Defined Benefit Plans	(17.90)	9.53	-
Closing retained earning	11,047.91	11,095.90	12,933.22
Total Reserves and Surplus	34,901.86	35,234.18	36,111.50
Other Comprehensive Income			
OCI - Debt Instruments (Reclass to P&L)	-	-	-
OCI - Equity Instruments (Not Reclass to P&L)	4,486.21	4,950.71	5,342.74
OCI - Share of Investment in Associate	55.19	(14.98)	-
	4,541.40	4,935.73	5,342.74
Total	39,443.26	40,169.91	41,454.24

Note 16 : Borrowings

	Effective Rate of Interest(%)	Maturity Date	Face Value	Amortised cost	Face Value	Amortised cost	Face Value	Amortised cost
A) Long term borrowings								
Non Convertible Debentures (NCDs) (Refer Foot Note (ii))								
1000 Series A Debentures	10.25	21/11/2019	1,000,000	10,000.00	1,000,000	10,000.00	1,000,000	10,000.00
1000 Series B Debentures								
with YTM rate of 10.25%	2.00	21/11/2019	1,000,000	12,093.29	1,000,000	11,151.38	1,000,000	10,296.31
				22,093.29		21,151.38		20,296.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Term Loan from Banks

Secured ((Refer Foot Note (iii))	10,146.00	2,674.00	4,202.00
Unsecured	-	-	-
Less: Unamortised Borrowing Cost	(7.36)	-	-
	<u>10,138.64</u>	<u>2,674.00</u>	<u>4,202.00</u>
Total Long term borrowings	<u>32,231.93</u>	<u>23,825.38</u>	<u>24,498.31</u>
Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)	2,046.00	1,528.00	1,528.00
Total Long term borrowings	<u>30,185.93</u>	<u>22,297.38</u>	<u>22,970.31</u>

B) Short term borrowings**Loans repayable on demand from Bank**

Secured (Refer Foot Note (iv))	-	2,000.00	700.00
Unsecured	-	-	-
	-	<u>2,000.00</u>	<u>700.00</u>

Other short term loans and advances from Bank

Secured (Refer Foot Note (iv))	-	1,991.55	154.76
Unsecured	-	-	-
From Others: (Refer Foot Note (iv))	-	-	-
Related parties (Unsecured)	-	2,525.00	4,300.00
Others (Unsecured)	-	1,400.00	-
	-	<u>3,925.00</u>	<u>4,300.00</u>

Total Short term borrowings

Total Borrowings (includes current maturity of long term borrowings)	<u>32,231.93</u>	<u>31,741.93</u>	<u>29,653.07</u>
--	------------------	------------------	------------------

Foot Notes to Borrowings:

(i) Details of Borrowings as at:	March 31, 2017		March 31, 2016		April 1, 2015	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
	Non - Current	Current	Non - Current	Current	Non - Current	Current
Debentures	22,093.29	-	21,151.38	-	20,296.31	-
Term Loans from Banks	8100.00	2046.00	1146.00	1528.00	2674.00	1528.00
	<u>30193.29</u>	<u>2046.00</u>	<u>22297.38</u>	<u>1528.00</u>	<u>22970.31</u>	<u>1528.00</u>

(ii) Non - Convertible Debentures (NCDs)

Particulars	Loan Outstanding	No of Installments	Security	Repayment Terms
1000, 10.25% Series A Debentures of ₹10 lakhs each	10,000		Secured by Mortgage of Buildings and other fixed assets of Taj Coromandel, Chennai	Reedeembale at par at the end of the 5th year from the date of allotment
1000, 2% Series B Debentures of ₹10 lakhs each	10,000		Secured by Mortgage of Buildings and other fixed assets of Taj Coromandel, Chennai	Reedeembale (at par) at the end of the 5th year from the date of allotment along with redemption premium of ₹506610 per debentures.

(iii) Rupee Term Loan From:

HDFC Bank Limited: Secured	1,146	3	Rupee Term Loan are secured by way of mortgage by deposit of title deeds in respect of immovable properties of Fisherman's Cove and Coonoor Hotel & additionally secured by way of exclusive first charge of credit card receivables of the Company.	19 Quarterly Installments of ₹382 lakhs commencing from April 2013 carrying interest rate of 10.8% p.a
Kotak Mahindra Bank Limited: Secured	9,000	20	Secured by Equitable Mortgage of Movable and Immovable Fixed Assets at The Gateway Hotel, Visakhapatnam.	20 quarterly equal instalments of ₹450 lakhs commencing from October 2017 carrying interest rate of 9.2% p.a

(iv) Short term loan from related parties consisted of inter corporate deposits for a period of 90 days with an option of prepayment carrying interest @ 11% p.a

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ Lakhs		
Note 17 : Other financial liabilities	March 31, 2017	March 31, 2016	April 1, 2015
A) Non Current financial liabilities			
Liability on derivative contracts	-	1,366.67	1,832.07
Deposits from related parties			
Unsecured	124.81	112.95	102.22
Deposits from others			
Unsecured	61.71	40.60	28.18
	186.52	1,520.22	1,962.47
B) Current financial liabilities			
Current maturities of long term borrowings			
Term loans from Banks	2,046.00	1,528.00	1,528.00
Liability on derivative contracts	528.99	-	-
Payables on Current Account dues :			
Related Parties	119.63	26.04	2.65
Others	15.85	153.76	9.59
	135.48	179.80	12.24
Deposits from others			
Unsecured	19.06	20.28	7.64
Interest accrued but not due on borrowings at amortised costs	10.58	79.78	49.18
Interest accrued and due on borrowings at amortised costs	439.66	443.01	439.66
Creditors for capital expenditure	72.67	183.67	175.02
Unclaimed dividend (Refer Footnote (i))	76.99	71.21	74.52
Unclaimed Matured Deposits and interest accrued thereon	0.71	1.01	1.16
Employee related liabilities	738.53	560.34	688.17
Others	278.67	201.61	302.07
	4,347.34	3,268.71	3,277.66

Footnote :

- (i) The amount reflects the position as on 31st March 2017, the actual amount to be transferred to the "Investor Education & Protection Fund" shall be determined and paid to the credit of the fund on due dates.

Note 18: Trade Payables	March 31, 2017	March 31, 2016	April 1, 2015
Trade Payables			
Micro and Small Enterprises (Refer Footnote)	3.18	29.22	67.55
Vendor Payables	2,164.46	2,307.81	2,100.60
Accrued expenses and others	1,215.77	1,060.54	788.40
	3,383.41	3,397.57	2,956.55

Footnote : Amounts due to Micro, Small and Medium Enterprises:

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent of such parties have been identified on the basis of information available with the Company. No amount is outstanding over a period of 45 days.

Particulars	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3.18	29.22	67.55
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.01	0.22	0.43
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	0.01	0.22	0.43
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.01	0.22	0.43
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
Note 19 : Provisions			
A) Long term provisions			
Provision for Employee Benefits	397.12	418.89	379.82
Provision for Pension liability for retired directors and their relatives	42.76	37.39	83.24
	439.88	456.28	463.06
B) Short term provisions			
Provision for Employee Benefits	72.64	92.33	85.86
Total	72.64	92.33	85.86
Note 20 : Other non financial Liabilities			
A) Non current			
Others	30.24	35.94	43.57
	30.24	35.94	43.57
B) Current			
Income received in advance	99.54	11.94	7.61
Advances collected from customers	363.54	306.37	276.84
Statutory dues	590.71	674.09	614.58
Total	1,053.79	992.40	899.03
	₹ lakhs		
	March 31, 2017	March 31, 2016	
Note 21 : Revenue from Operations			
Room Income	16,354.23	15,096.79	
Food, Restaurants and Banquet Income (Refer Foot Note (i))	14,093.93	13,467.92	
Shop rentals	163.17	144.98	
Membership fees	70.78	47.16	
Management and operating fees	520.05	580.24	
Others (Refer note (ii))	2,272.55	1,741.52	
Total	33,474.71	31,078.61	
Foot Note:			
(i) Includes excise duty of ₹11.43 lakhs (Previous Year ₹8.84 lakhs)			
(ii) Others include Car hire income of ₹601.99 lakhs (Previous Year ₹517.76 lakhs) and Service Exports from India Scheme(SEIS) income of ₹398.99 lakhs includes previous year claims amounting to ₹189.93 lakhs (Previous year Nil).			
Note 22 : Other Income			
Interest Income at amortised cost			
Inter-corporate deposits	56.90	57.22	
Deposits with banks	7.20	-	
Others	132.45	81.81	
	196.55	139.03	
Interest on Income Tax Refunds	23.57	66.33	
Total	220.12	205.36	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ lakhs	
	March 31, 2017	March 31, 2016
Dividend Income	4.84	3.22
Exchange Gain	7.87	2.96
Others	266.51	150.44
Total	499.34	361.98
Note 23 : Food and Beverages Consumed (Including smokes)		
Opening Stock	463.13	380.71
Add : Purchases	3,686.96	3,716.98
	4,150.09	4,097.69
Less : Closing Stock	428.73	463.13
Food and Beverages Consumed	3,721.36	3,634.56
Note 24 : Employee Benefit Expense and Payment to Contractors		
Salaries, Wages, Bonus etc.	4,870.33	4,719.32
Company's Contribution to Provident and Other Funds	387.67	515.98
Reimbursement of Expenses on Personnel Deputed to the Company	1,764.19	1,729.26
Payment to Contractors	1,053.09	1,021.03
Staff Welfare Expenses	1,051.90	925.47
Total	9,127.18	8,911.06
Note 25 : Finance costs		
Interest Expense at effective interest rate on financial liabilities	3,218.97	3,155.60
Total	3,218.97	3,155.60
Note 26 : Other Operating and General Expenses		
(i) Operating expenses consist of the following :		
Linen and Room Supplies	599.89	571.30
Catering Supplies	281.50	348.30
Other Supplies	69.59	71.38
Fuel, Power and Light	3,425.24	3,615.04
Repairs to Buildings	516.73	644.82
Repairs to Machinery	1,008.88	1,069.32
Repairs to Others	234.26	263.53
Linen and Uniform Washing and Laundry Expenses	364.15	323.19
Payment to Orchestra Staff, Artistes and Others	69.14	57.08
Communication Charges	318.17	298.78
Guest Transportation	477.56	438.94
Travel Agents' Commission	443.18	367.37
Discount to Collecting Agents	295.49	323.94
Fees to Consultants	1,409.12	1,297.77
Other Operating Expenses	589.13	610.07
Total	10,102.03	10,300.83

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ lakhs

	March 31, 2017	March 31, 2016
(ii) General expenses consist of the following :		
Rent	334.01	399.84
Licence Fees	992.71	969.07
Rates and Taxes	645.76	652.45
Insurance	90.02	80.27
Advertising and Publicity	1,504.49	1,178.76
Printing and Stationery	147.97	132.82
Passage and Travelling	57.97	75.74
Allowances for Doubtful Debts	40.67	87.34
Expenditure on Corporate Social Responsibility	33.50	37.31
Professional Fees	413.06	397.59
Exchange Loss	4.48	14.96
Loss on Sale of Fixed Assets	18.74	42.48
Payment made to Statutory Auditors (Refer Footnote)	71.92	66.78
Directors' Fees and Commission	5.52	5.05
Reservation & Other Services	735.51	681.99
Other Expenses	551.29	396.61
Total	5,647.62	5,219.06
	15,749.65	15,519.89

Foot Note:

Payment made to Statutory Auditors

i) As auditors	29.62	29.62
ii) For taxation matters	9.65	9.65
iii) For other services	26.80	21.79
iv) For reimbursement of expenses & service tax	5.85	5.72
Total payment made to Statutory Auditors	71.92	66.78

Note 27 : Exceptional Items

MTM Gain/(losses) on derivative contracts	42.15	(258.28)
Provisions towards amounts recoverable in respect of hotel project	-	(374.93)
Total	42.15	(633.21)

28.

A. Transition to Ind AS

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards' along with the reconciliations of equity, total comprehensive income and cash flows in accordance with Previous GAAP to Ind AS are explained below.

B. Exemptions from retrospective application:

The Company has applied the following exemptions:

i. Business combinations exemption

The Company has elected not to apply Ind AS 103, Business Combinations, to business combinations occurred before the transition date.

ii. Property, plant and equipment, investment properties and intangible assets - Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities included in the cost of property, plant and equipment (para D7AA of Appendix D).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

iii. Recognition of Financial Instruments

INDAS allows entity to designate investment in equity instruments at fair value through FVTPL or FVTOCI on the basis of facts and circumstances at the date of transition to INDAS. The Company has elected to apply this exemption for the investment in equity.

iv. Cumulative Translation Differences

INDAS 101 allows cumulative translation gain and losses to be reset to zero at the transition date. The group elected to reset all cumulative transition gain and losses to zero by transferring it to opening retained earnings at its translation date.

Reconciliations between Previous GAAP and Ind AS:

Particulars	As at March 31, 2016	As at April 1, 2015
	₹ lakhs	₹ lakhs
Equity under Previous GAAP	34,596	34,652
Adjustment on account of transition		
Effects on account of adoption of INDAS 109 *	7,764	9,360
Proposed dividend (including tax on dividend) reversed	429	860
Foreign Currency Translation Differences on IND AS adjustments	405	—
Tax adjustments	(1,238)	(1,632)
Equity under Ind AS	41,956	43,240

* The above item includes effect of fair valuation, amortised cost adjustments, derivative adjustment and reclassification effect of financial instrument under INDAS109.

Total Comprehensive income reconciliations	As at March 31, 2016 ₹ lakhs
Profit after tax under Previous GAAP	(124)
Adjustments on account of transition	
Effects on account of adoption of INDAS 109*	
Actuarial loss on employee defined benefit funds recognized in Other comprehensive income	(1,367)
Others	(28)
Tax adjustments	(119)
Profit after tax under Ind AS	404
Other comprehensive income	(1,234)
Total comprehensive income as per Ind AS	749
	(485)

* The above item includes effect of fair valuation, amortised cost adjustments, derivative adjustment and reclassification effect of financial instrument under INDAS109.

Cash flow statement reconciliation from previous IGAAP to IND AS

There are no major changes in cash flow statement except for an adjustment of an amount of ₹723.65 lakhs resulting in net cash flow from investing activity increase by such amount and consequent reduction in net operating cash flow by ₹723.65 lakhs. This is due to adoption of IND AS 109.

29. Contingent Liabilities and Commitments

Contingent Liabilities to the extent not provided for :

The appeals mainly relate to part/full disallowance of certain deductions claimed by the company. The said amounts have been paid/pending adjustment and will be recovered as refund if the matters are decided in favour of the company. Based on the facts presently known, the Management believes that outcome of these appeals will not result in any material impact on the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs	April 1, 2015 ₹ Lakhs
a) In respect of Income tax matters for which appeals are pending amounting to	721.76	675.20	1,076.14
b) On account of other disputes:			
- Luxury Tax	143.21	76.69	53.42
- Sales Tax	197.11	85.17	113.53
- Urban Land Tax	-	7.30	7.30
- Property Tax	204.68	-	-
- Provident Fund	41.35	-	-
- Electricity Tax and Adjustment Charges	470.09	404.89	311.06
- Service Tax	371.24	297.99	260.93

The company is a defendant/party to claims (plus interest thereon) in various legal actions as listed above which arose during the ordinary course of business. Based on the facts presently known, the Management believes that the results of these actions will not have material impact on the company's financial statements.

c) Bank Guarantee/Bond executed by the Company	245.34	174.82	150.66
d) Letter of credits opened by bankers	29.96	-	1.00
e) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	292.01	181.78	119.35
f) Contingent liability pertaining to wholly owned subsidiary OHL International (HK) Ltd., refer footnote No. viii under note no. 5, investments. Amount not ascertainable.			

30. The Company has not made any remittance in foreign currencies on account of dividends during the year and does not have any information as to the extent of which remittances in foreign currencies on account of dividends have been made by or on behalf of Non-Resident Shareholders. The particulars of dividends declared during the year and paid to Non-Resident Shareholders are as follows :

a) Number of Non-resident Shareholders	201	122	134
b) Number of Equity Shares held by them	21,267,758	27,501,007	34,331,820
c) Gross amount of Dividend (₹ in Lakhs)	42.54	110.00	188.83

31. The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Ind AS108 - 'Operating Segments' (Ind AS-108). There is no geographical segment to be reported since all the operations are undertaken in India.

₹ Lakhs

	March 31, 2017	March 31, 2016
32. Disclosure Under INDAS19 Employee Benefits :		
Staff Costs include the following		
Defined Contribution Schemes		
Company's contribution to Provident Fund & Other Funds	342.88	309.21
i) Defined Benefit Schemes (Gratuity - Funded Scheme)		
Liability Recognised in the Balance Sheet		
Present value of Obligation -		
At the beginning of the period	1,862.24	1,686.03
Interest cost	138.08	135.12
Service Cost	152.82	96.12
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	5.81
Benefits Paid	(121.90)	(135.29)
Actuarial (gain) /loss on obligations	6.20	74.45
At the end of the period	2,037.44	1,862.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ Lakhs	
	March 31, 2017	March 31, 2016
Less :		
Fair Value of Assets		
At the beginning of the period	1,701.47	1,444.23
Expected return on plan assets less loss on investments	123.92	109.82
Actuarial gain /(loss) on Investments	66.42	0.63
Employers' Contribution	19.84	282.08
Benefits Paid	(121.90)	(135.29)
ii) At the end of the period	1,789.75	1,701.47
Expense during the year		
Interest Cost	138.08	135.12
Service Cost	152.82	96.12
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	5.81
Expected Return on Plan assets	(123.92)	(109.82)
Actuarial (Gain) /Loss	(60.21)	73.82
iii) Expense recognised in the profit and loss account * (Total)	106.77	201.05
Principal Actuarial Assumptions		
Discount Rate	7.45%	7.55%
Rate of increase in Salaries	5%	5%
iv) Amount to be recognised in the Balance Sheet		
Present Value of Funded Obligations	2,037.44	1,862.24
Fair Value of Plan Assets	1,789.74	1,701.47
Net Liability	247.69	160.77
Amount in Balance Sheet		
Liability / (Asset)	247.69	193.84
i) Defined Benefit Schemes (Pension Non Funded Scheme)		
Liability Recognised in the Balance Sheet		
i) Present value of Obligation		
At the beginning of the period	45.07	95.97
Interest cost	3.11	7.17
Service Cost	-	-
Benefits Paid	(8.87)	(23.80)
Actuarial (gain) /loss on obligations	12.33	(34.27)
ii) At the end of the period	51.64	45.07
Expense during the year		
Interest Cost	3.11	7.17
Service Cost	-	-
Expected Return on Plan assets	-	-
Actuarial (Gain) /Loss	12.33	(34.27)
iii) Expense recognised in the profit and loss account *	15.44	(27.10)
Principal Actuarial Assumptions		
Discount Rate	7.45%	7.55%
Pension Increase rate	5%	5%
Medical Inflation Rate	6.5%	6.5%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ Lakhs	
	March 31, 2017	March 31, 2016
iv) Amount to be recognised in the Balance Sheet		
Present Value of Funded Obligations	51.64	45.07
Fair Value of Plan Assets	-	-
Net Liability	51.64	45.07
Amount in Balance Sheet		
Liability	51.64	45.07
* Disclosure relating to only "post employment defined benefits plan".		
Expenses recognised in Other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside profit and loss account	27.96	-
Remeasurements due to actuarial loss/ (gain) arising from:		
Changes in financial assumptions	28.91	56.41
Changes in demographic assumptions	-	-
Experience adjustments	(11.34)	(27.82)
Actual return on plan assets less interest on plan assets	(69.29)	(0.63)
Closing amount recognised in OCI outside profit and loss account	(51.71)	27.96
Adjustment to recognise the effect of asset ceiling		
(i) Disaggregation of Plan Assets (Managed by an Insurance Company)		
Insurer Managed Fund		
In Bonds		
Government Securities	330.30	735.61
Corporate Bonds	683.47	339.84
Unit Funds	-	107.53
Certificate of Deposit/Commercial Paper	-	65.68
Cash Bank & Others	339.90	67.52
In Equity		
Equity	48.19	42.28
Unit Funds	-	-
Cash Bank & Others	1.95	2.82
Bank Balance-Trust Books	4.44	2.98
Special Deposit Scheme	7.49	7.49
Funds With LIC - to get details from LIC	374.02	329.73
Total	1,789.76	1,701.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Sensitivity Analysis defined benefit plan - Gratuity Funded

Particulars		Period Ended	
		March 31, 2017	March 31, 2016
Managed by LIC	Discount Rate	-3.85%	-3.81%
Impact of increase in 50 bps on DBO	Salary Escalation Rate	4.18%	4.15%
Impact of decrease in 50 bps on DBO	Discount Rate	4.11%	4.07%
	Salary Escalation Rate	-3.95%	-3.92%

Particulars		Period Ended	
		March 31, 2017	March 31, 2016
Impact of increase in 50 bps on DBO	Discount Rate	-3.73%	-4.15%
	Salary Escalation Rate	4.05%	4.52%
Impact of decrease in 50 bps on DBO	Discount Rate	3.97%	4.43%
	Salary Escalation Rate	-3.83%	-4.27%

Sensitivity Analysis defined benefit plan - Non Funded

Particulars		Period Ended March 31, 2017	
		Pension	Medical Benefits
Discount Rate	Impact of increase in 50 bps on DBO	-1.60%	-1.65%
	Impact of decrease in 50 bps on DBO	1.65%	- 1.71%
Pension Increase rate	Impact of increase in 100 bps on DBO	3.40%	3.48%
	Impact of decrease in 100 bps on DBO	-3.24%	-3.31%
Life expectancy	Impact of increase by 1 year on DBO	4.76%	4.97%
	Impact of decrease by 1 year on DBO	-4.76%	-4.96%

33. DISCLOSURE REQUIREMENT UNDER INDAS 17 - LEASE/LICENSE TRANSACTION

The Company has taken certain vehicles and immovable properties on operating lease. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses (Refer note no 26 (ii)). The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

Particulars	March 31, 2017	March 31, 2016
	₹ lakhs	₹ lakhs
a) The total of future minimum license payments under non cancellable operating license for each of the following periods		
i. not later than one year	400.35	400.35
ii. later than one year and not later than five years	1,627.05	1,627.05
iii. later than five years	9,338.80	9,688.80
b) License payments recognized in the profit and loss account	631.77	604.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

34. Earning Per Share :

Earning per share is computed based on the following :

	March 31, 2017 ₹ Lakhs	March 31, 2016 ₹ Lakhs
Profit after Tax (including share of associates and Joint venture) (₹ in Lakhs)	498.24	(1,233.70)
Nominal Value of share (₹)	1.00	1.00
Weighted Average Number of Equity Shares	178599180	178599180
Earning Per Share ₹ (Basic and Diluted)	0.28	(0.69)

35. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

Credit risk

Liquidity risk

Market risk

Currency risk

Interest rate risk

i. Risk management framework

The Oriental Hotels Limited is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity and interest rate risks, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

ii. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

iii. Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks.

Financial instruments that are subject to concentrations of credit risk principally consist of investments classified as loans and receivables, trade receivables, loans and advances, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the group result in material concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹3,505.92 lakhs and ₹3,088.74 lakhs as of March 31, 2017 and March 31, 2016, respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments excluding equity and preference investments.

Oriental Hotels Limited exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2017 and March 31, 2016.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Trade and other receivables:-

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company does not require collateral in respect of trade and other receivables.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

Cash and bank balance:

The Company held cash and bank balance of ₹1,346.24 at March 31, 2017 (March 31, 2016, ₹663.11 lakhs).

The cash and bank balances are held with bank and financial institution counterparties.

Derivatives

The derivatives are entered into with bank and financial institution counter parties.

iii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

March 31, 2017	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year
Non-derivative financial liabilities:				
Trade and other payables	3,456.08	-	-	-
Borrowings*	2,046.00	1,800.00	30,466.00	900.00
Other financial liabilities	1,886.20	-	-	-
Total	7,388.28	1,800.00	30,466.00	900.00

* The maturity amount for borrowings is inclusive of redemption premium payable ₹ 5066 lakhs at the time of maturity of 2% Coupon Debentures

Derivative financial liabilities	528.99	-	-	-
Total	528.99	-	-	-

The Company's Cash and bank balance and Trade receivable as at March 31, 2017 aggregating ₹2,736.85 lakhs. The balance exposure will be met by asset held for sale, internal accruals and overdraft facilities available with the banks. Accordingly, Company does not perceive any non manageable liquidity risk.

March 31, 2016	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year
Non-derivative financial liabilities:				
Trade and other payables	3,581.24	-	-	-
Borrowings*	9,444.55	1,146.00	25,066.00	-
Other financial liabilities	1,710.58	-	-	-
Total	14,736.37	1,146.00	25,066.00	-

* The maturity amount for borrowings is inclusive of redemption premium payable ₹5066 lakhs at the time of maturity of 2% Coupon Debentures

Derivative financial liabilities	-	1,366.67	-	-
Total	-	1,366.67	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 1, 2015	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year
Trade and other payables	3,131.57	-	-	-
Borrowings*	6,682.76	1,528.00	26,212.00	-
Other financial liabilities	1,705.05	-	-	-
Total	11,519.38	1,528.00	26,212.00	-
* The maturity amount for borrowings is inclusive of redemption premium payable ₹5066 lakhs at the time of maturity of 2% Coupon Debentures				
Derivative financial liabilities	-	-	1,832.07	-
Total	-	-	1,832.07	-

iv. Market Risk :

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus Company's exposure to market risk is a fund, on of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

v. Currency Risk :

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The foreign exchange loan is covered by a derivative and the amount of other payables is not material and hence Company does not perceive any major foreign currency risk.

36. Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2017:

The company uses forward exchange contracts, interest rate swaps, currency swaps and options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
i) Derivative instruments that are outstanding			
- Interest Swaps with embedded options - in US\$	-	-	-
- in ₹	-	-	-
- Principle only swaps- in US\$	25.90	60.44	94.98
- in ₹	1,146.00	2,674.00	4,202.00
ii) Unhedged Foreign Currency Exposure/the Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise			
Receivables/(Payables) Outstanding - in US\$	(1.42)	(0.06)	1.17
- in ₹	(91.96)	(4.16)	72.88

37. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

38. Exposure to Interest Rate Risk

Company's interest rate risk arises from borrowings and finance lease obligations. Borrowings issued at fixed rates and finance lease obligations exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Effective Interest Rate
Debentures	
1000 Series A Debentures	10.25%
1000 Series B Debentures with YTM rate of 10.25%	2.00%
Rupee Term Loan	
HDFC Bank Limited	10.80%
Kotak Mahindra Bank Limited	9.20%

39. Capital Management

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and bank balance.

Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

The Company's policy is to keep the ratio below 1.50 times. The Company's adjusted gearing ratio at March 31, 2017 was as follows.

Particulars	₹ Lakhs
Loans and Borrowings	32,231.93
Less: Cash and bank balance	1,346.24
Net Debt	30,885.69
Equity	41,229.25
Gearing Ratio	0.75

40. Fair value Sensitivity Analysis for fixed-rate instruments

A change of 100 basis points in interest rates would have increased or decreased equity by ₹68.52 lakhs after tax (March 31, 2016 : ₹70.32 lakhs).

41. Asset held for sale represents free hold lands which Company has decided to dispose off.**42. As per IND AS 24 "Related Parties Disclosure" notified by the Companies (Accounting Standards) Rules, 2006 the required information is given below :**

List of Related parties with whom transactions have taken place during the year.

A.	Subsidiary Companies	OHL International (HK) Limited.
B.	Trust	Oriental Hotels Employees Gratuity Trust
C.	Associate Companies	Taj Madurai Limited Lanka Island Resorts Ltd.
D.	Joint Venture	TAL Hotels & Resorts Ltd
E.	Significant Influence	The Indian Hotels Company Ltd (IHCL)
	Subsidiary of The Indian Hotels Company Ltd Domestic	Country of Incorporation
	Roots Corporation Ltd.	India
	TIFCO Holdings Ltd.	India
	PIEM Hotels Limited	India
	Taj Trade and Transport Company Limited	India
	United Hotels Limited	India
	Lands End Properties Private Limited	India

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Indi Travels Limited Taj SATS Air Catering Ltd ELEL Hotels & Investments Limited Benares Hotels Limited Taj International (HK) Ltd.	India India India India Hong Kong
	Jointly Controlled Entities of The Indian Hotels Company Ltd. Domestic Taj Madras Flight Kitchen Pvt. Ltd Taj Karnataka Hotels & Resorts Ltd. Taj Kerala Hotels & Resorts Ltd Taj GVK Hotels & Resorts Ltd. Kaveri Retreats and Resorts Ltd. International TAL Hotels & Resorts Ltd. TAL Maldives Resorts Private Ltd	India India India India India India Hong Kong Maldives
F.	Key Management Personnel	Mr. Pramod Ranjan-Managing Director
		Mr. Tom Antony - Associate Vice President-Legal & Company Secretary & Mr. Rajneesh Jain- Associate Vice President-Finance & Chief Financial Officer.
G.	Enterprises influenced by Relatives of Key Management Personnel	Kaveri Retreats and Resorts Ltd. Dodla International Pvt. Ltd.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

					₹ lakhs
	Particulars	Associate Companies /Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total
	Sales of Goods / Services				
	The Indian Hotels Co Limited		431.83		431.83
			(750.30)		(750.30)
	PIEM Hotels Limited		22.61		22.61
			(27.65)		(27.65)
	Taj Trade & Transport Company Limited		12.80		12.80
			(12.19)		(12.19)
	United Hotels Limited		3.56		3.56
			(0.92)		(0.92)
	Inditravel Limited		-		-
			(0.86)		(0.86)
	Benaras Hotels Limited		4.96		4.96
			(8.57)		(8.57)
	Kaveri Retreats and Resorts Limited			28.63	28.63
				(22.67)	(22.67)
	Taj karnataka Hotels & Resorts Limited		11.48		11.48
			(11.06)		(11.06)
	Taj Kerala Hotels & Resorts Limited		62.86		62.86
			(66.84)		(66.84)
	Taj GVK Hotels & Resorts Limited		48.71		48.71
			(14.55)		(14.55)
	Sale of Investments				
	Lands End Properties Pvt. Ltd.		-		-
			(376.00)		(376.00)
	Purchase of Goods / Services				
	The Indian Hotels Co Limited		762.85		762.85
			(399.06)		(399.06)
	PIEM Hotels Limited		5.01		5.01
			(1.76)		(1.76)
	Taj Karnataka Hotels & Resorts limited		0.10		0.10
			-		-
	Taj Kerala Hotels & Resorts Limited		9.89		9.89
			-		-
	Taj GVK Hotels & Resorts Limited		0.30		0.30
			-		-
	Benaras Hotels Limited		1.50		1.50
			-		-
	Kaveri Retreats & Resorts Limited			0.64	0.64
				-	-
	Dodla International Limited**			0.73	0.73
				(1.07)	(1.07)
	Interest Paid				
	TIFCO Holdings Limited		90.86		90.86
			(140.69)		(140.69)
	PIEM Hotels Limited		-		-
			(306.35)		(306.35)
	Taj SATS Air Catering Limited		49.79		49.79
			-		-
	ELEL Hotels & Investments Limited		30.80		30.80
			-		-

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

					₹ lakhs
	Particulars	Associate Companies /Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total
	Reimbursement of deputed staff salaries				
	The Indian Hotels Co Limited		1,593.80 (1,637.89)		1,593.80 (1,637.89)
	PIEM Hotels Limited		48.64 (22.33)		48.64 (22.33)
	Benaras Hotels Limited		13.67 (10.77)		13.67 (10.77)
	Taj Kerala Hotels & Resorts Limited		82.07 (63.05)		82.07 (63.05)
	Taj GVK Hotels & Resorts Limited		53.59 (41.69)		53.59 (41.69)
	Interest Received				
	Taj Karnataka Hotels & Resorts Limited		56.00 (56.00)		56.00 (56.00)
	Dividend Received				
	The Indian Hotels Co Limited		1.88 -		1.88 -
	Taj Madurai Limited	22.80 (18.24)			22.80 (18.24)
	Taj Trade & Transport Company Limited		2.51 (2.51)		2.51 (2.51)
	Benaras Hotels Limited		0.01 (0.01)		0.01 (0.01)
	OHL International (HK) Limited		528.16 (298.43)		528.16 (298.43)
	TAL Hotels & Resorts Limited	61.28 -			61.28 -
	Dividend Paid				
	Taj Madurai Limited	0.14 (0.27)			0.14 (0.27)
	The Indian Hotels Co Limited		67.53 (135.06)		67.53 (135.06)
	TIFCO Holdings Limited		34.42 (68.83)		34.42 (68.83)
	PIEM Hotels Limited		7.32 (14.63)		7.32 (14.63)
	Taj Trade & Transport Company Limited		3.33 (6.66)		3.33 (6.66)
	Operating/License Fees Paid/ Provided				
	The Indian Hotels Co Limited		1,409.11 (1,296.99)		1,409.11 (1,296.99)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

					₹ lakhs
	Particulars	Associate Companies /Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total
	Lease Rentals for Hotel Premises				
	Taj Madurai Limited	171.78			171.78
		(173.53)			(173.53)
	Dodla International Limited			301.49	301.49
				(279.18)	(279.18)
	Sale & Marketing, Reservation & Other Service Costs				
	The Indian Hotels Co Limited		1,369.00		1,369.00
			(1,320.38)		(1,320.38)
	Operating/Management/License Fees Received/Accrued				
	TAL Hotels & Resorts Ltd	394.17			394.17
		(449.41)			(449.41)
	Taj International (HK) Ltd.		125.88		125.88
			(130.83)		(130.83)
	Intercompany Deposits Raised During the Year				
	TIFCO Holdings Limited		750.00		750.00
			(2600.00)		(2600.00)
	ELEL Hotels & Investments Limited		1750.00		1750.00
			-		-
	Loans outstanding as on 31st March 2017				
	TIFCO Holdings Limited		-		-
			(2525.00)		(2525.00)
	Intercompany Deposits Repaid During the year				
	TIFCO Holdings Limited		3275		3275
			(375)		(375)
	PIEM Hotels Limited		-		-
			(4000)		(4000)
	ELEL Hotels Limited		1750		1750
			-		-
	Taj SATS Air Catering Limited		1400		1400
			-		-
	Payables				
	TAL Hotels & Resorts Ltd	91.96			91.96
		(4.16)			(4.16)
	Receivables				
	The Indian Hotels Co Limited		211.98		211.98
			(48.25)		(48.25)
	Taj International (HK) Ltd.		119.23		119.23
			(20.22)		(20.22)

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ lakhs

	Particulars	Associate Companies /Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total
	PIEM Hotels Limited		7.04		7.04
	United Hotels Limited		-		-
	Benaras Hotels Limited		0.49		0.49
	Benaras Hotels Limited		-		-
	Benaras Hotels Limited		0.59		0.59
	Kaveri Retreats and Resorts Limited		-		-
	Kaveri Retreats and Resorts Limited			3.41	3.41
	Taj GVK Hotels & Resorts Limited		16.92	(3.05)	(3.05)
	Taj GVK Hotels & Resorts Limited		(19.34)		(19.34)
	Taj Madras Flight Kitchen Pvt Ltd		1.67		1.67
	Taj Madras Flight Kitchen Pvt Ltd		-		-
	Taj Karnataka Hotels & Resorts Limited		40.05		40.05
	Taj Karnataka Hotels & Resorts Limited		(7.11)		(7.11)
	Taj Kerala Hotels & Resorts Limited		5.32		5.32
	Taj Kerala Hotels & Resorts Limited		(24.96)		(24.96)
	Payables				
	Taj Madurai Limited	53.63			53.63
	Taj Madurai Limited	(51.60)			(51.60)
	The Indian Hotels Co Limited		998.35		998.35
	The Indian Hotels Co Limited		(1338.88)		(1338.88)
	Dodla International Limited			132.07	132.07
	Dodla International Limited			(97.60)	(97.60)
	Kaveri Retreats and Resorts Limited			0.66	0.66
	Kaveri Retreats and Resorts Limited			(0.23)	(0.23)
	TIFCO Holdings Limited		-		-
	TIFCO Holdings Limited		(18.23)		(18.23)
	PIEM Hotels Limited		10.61		10.61
	PIEM Hotels Limited		(0.51)		(0.51)
	Benars Hotels Limited		2.09		2.09
	Benars Hotels Limited		-		-
	Taj Kerala Hotels & Resorts Limited		6.02		6.02
	Taj Kerala Hotels & Resorts Limited		-		-
	Taj GVK Hotels & Resorts Limited		4.62		4.62
	Taj GVK Hotels & Resorts Limited		-		-
	Taj Madras Flight Kitchen Private Limited		1.07		1.07
	Taj Madras Flight Kitchen Private Limited				
	Interest Receivable				
	Taj Karnataka Hotels & Resorts Limited		46.34		46.34
	Taj Karnataka Hotels & Resorts Limited		(60.98)		(60.98)
	Short Term Deposit				
	Taj Karnataka Hotels & Resorts Limited		560.00		560.00
	Taj Karnataka Hotels & Resorts Limited		(560.00)		(560.00)
	Long Term Licence Deposit Receivable				
	Dodla International Limited**			4750.00	4750.00
	Dodla International Limited**			(4750.00)	(4750.00)

** Ceased to be related party from 10th November 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Key Management Personnel:

Key managerial personnel comprise of Managing Director who has the authority and the responsibility for planning, directing and controlling the activities of the Company. The remuneration paid to such directors is ₹67.99 lakhs (Previous Year ₹93.04 lakhs). Mr. Varada Reddy up to 10th November 2015 and from 11th November 2015. Mr. Pramod Ranjan as Managing Director.

Mr. Tom Antony salary ₹52.05 lakhs (Previous Year ₹17.31 lakhs from November 2015) and Mr. Rajneesh Jain from September 2016 ₹33.51 lakhs & Mr. Mohan Jayraman up to August 2016 ₹19.87 lakhs (Previous Year ₹50.01 lakhs

NOTE : Figures in brackets are in respect of Previous Year.

43. Income Taxes :

Income tax expense in the statement of profit and loss comprises :		₹ Lakhs
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	180.35	105.45
Deferred tax	(135.09)	(919.11)
Total	45.26	(813.66)
Income tax recognised in other comprehensive income		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	-	-
Deferred tax		
(a) Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(17.90)	9.53
Total	(17.90)	9.53
(b) Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(17.90)	9.53
Total	(17.90)	9.53

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes and tax rate reconciliation is summarized below:

Particulars	Year ended March 31, 2017			Year ended March 31, 2016		
	₹ lakhs	Tax Rate	Tax Amt ₹	₹ lakhs	Tax Rate	Tax Amount ₹ Lakhs
Profit before income tax	(298.93)	33.06%	(98.84)	(2,807.51)	33.06%	(928.25)
Disallowance u/s 14 A of Income Tax Act, 1961			1.91			1.71
Amortised cost of financial assets - Net			36.12			83.94
Provision for Doubtful Debts / Advances - Net			-			123.95
Others			11.09			-
Dividend exempted			(9.14)			(7.10)
Foreign Dividend taxed at concessional rate			(87.31)			(49.33)
Profit on Sale of Investments *			-			(58.52)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2017			Year ended March 31, 2016		
	₹ lakhs	Tax Rate	Tax Amt ₹	₹ lakhs	₹ lakhs	Tax Amount ₹ Lakhs
Creation DTL for previous year differences PPE			34.52			-
Effect on profits of Foreign Subsidiary and consolidation adjustments having no tax impact			164.47			69.13
Correction in opening Deferred Tax Asset and Change in effective rate for Deferred Tax			(7.57)			(49.20)
			45.26			(813.66)

* Due to adjustment of brought forward capital loss for which no deferred tax asset has been created in previous years.

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

	2015			2016		
	IGAAP	INDAS adjustments	INDAS	IGAAP	INDAS adjustments	INDAS
Deferred tax liability :						
Property, Plant and equipment & Intangible Assets	17,300.51	-	17,300.51	17,181.06	-	17,181.06
Total (A)	17,300.51	-	17,300.51	17,181.06	-	17,181.06
Deferred tax assets :						
Provision for Doubtful Debts	88.99	-	88.99	129.42	-	129.42
Retirement Benefits	338.08	-	338.08	375.32	-	375.32
Others						
Others (43 B etc.)	195.69	-	195.69	193.75	-	193.75
Loss for the year U/s 35AD of Income tax Act, 1961	14,878.89	-	14,878.89	17,053.65	-258.28	17,311.93
Premium on redemption of Debentures	4,761.84	4,761.84	-	3,881.59	3,881.59	-
Total (B)	20,263.49	4,761.84	15,501.65	21,633.74	3,623.32	18,010.42
Net Deferred Taxable Liability (A + B)	(2,962.98)	(4,761.84)	1,798.86	(4,452.68)	(3,623.32)	(829.36)
Tax Rate	34.61%	34.61%	34.61%	34.61%	34.61%	34.61%
Deferred Tax Liability / (Asset)	(1,025.43)	(1,647.98)	622.24	(1,540.98)	(1,253.96)	(287.33)
Mat Credit Entitlement			294.57			189.12
Deferred Tax Liability / (Asset)	(1,025.43)	(1,647.98)	327.67	(1,540.98)	(1,253.96)	(476.45)
Deferred Tax liability /(Asset) (Net) pertaining to joint venture (refer note ii. below)	69.14	69.14	-	46.29	46.29	-
Total Deferred Tax Liability / (Asset)	(956.29)	(1,578.84)	327.67	(1,494.69)	(1,207.67)	(476.45)

Foot Note : i. Applicable tax rates for the Company is 34.61%. However, the total taxable income for the Company is less than ₹10 Crores in any year the rate applied is 33.06%.

ii. Adjustments on account of change in method of consolidation from line by line to equity method for joint venture.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

iii Income tax Asset consists of

₹ lakhs

	Year ended March 31, 2017	Year ended March 31, 2016
Advance tax	19391.99	19152.94
Provision for tax	(16878.42)	(16833.79)
Income tax Asset(Net)	2513.57	2319.15

Note : 44 Additional information as required by Schedule III

₹ Lakhs

Name of the Entity in the Group	Net Assets (Total Assets minus total liabilities)		Share in profit or loss		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	As % of Consolidated net Assets	Amount ₹ Lakhs	As % of Consolidated profit or loss	Amount ₹ Lakhs	As % of Consolidated other Compre- hensive Income	Amount ₹ Lakhs	As % of Consolidated Total Compre- hensive Income	Amount ₹ Lakhs
Parent : Oriental Hotels Limited								
31-Mar-17	45.31	18,680.80	(130.89)	(652.16)	(16.05)	138.55	140.79	(513.61)
31-Mar-16	44.68	18,746.20	170.33	(2,101.44)	(2.11)	-15.76	436.30	(2117.20)
Subsidiary-Foreign								
OHL International (HK) Ltd								
31-Mar-17	27.07	11,162.55	61.81	307.97	109.88	-948.32	175.53	(640.35)
31-Mar-16	29.13	12,220.21	-8.72	107.59	79.53	595.28	(144.84)	702.86
Associate -Indian								
Taj Madurai Limited								
31-Mar-17	1.19	491.51	4.02	20.03	(8.13)	70.17	(24.72)	90.20
31-Mar-16	1.02	428.75	(2.33)	28.81	(2.00)	(14.98)	(2.85)	13.83
Associate -Foreign								
Lanka Island Resorts Limited								
31-Mar-17	5.87	2,420.59	23.78	118.49	-0.31	2.68	(33.21)	121.17
31-Mar-16	5.74	2,410.26	(15.64)	192.94	-	-	(39.76)	192.94
Joint Venture-Foreign								
Tal Hotels and Resorts Limited								
31-Mar-17	20.55	8,473.81	141.28	703.91	14.61	-126.13	(158.38)	577.78
31-Mar-16	19.43	8,150.48	(43.64)	538.40	24.57	183.91	(148.85)	722.31
Total								
31-Mar-17	100.00	41,229.25	100.00	498.24	100.00	(863.05)	100.00	(364.81)
31-Mar-16	100.00	41,955.90	100.00	(1,233.71)	100.00	748.45	100.00	(485.26)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

45. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

			(Amount in ₹)
Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	27,07,000	14,74,206	41,81,206
(+) Permitted receipts	11,34,000	2,45,88,411	2,57,22,411
(-) Permitted payments	-	-62,17,282	-62,17,282
(-) Amount deposited in Banks	-38,41,000	-1,60,00,028	-1,98,41,028
Closing cash in hand as on December 30, 2016	-	38,45,307	38,45,307

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

As per our Report attached

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N

R. Sridhar - Partner
Membership No. 028317

Place: Chennai
Date: May 12, 2017

For and on behalf of the Board of Directors of Oriental Hotels Limited

Rakesh Sarna
Chairman
DIN:01875340

Pramod Ranjan
Managing Director
DIN:00887569

Vijay Sankar
Director
DIN : 00007875

Rajneesh Jain
AVP-Finance & Chief Financial Officer

Tom Antony
AVP-Legal & Company Secretary



Oriental Hotels Limited

CIN: L55101TN1970PLC005897

Reg. Office: Taj Coromandel, 37 M. G. Road, Chennai-600 034.

Phone No. : (044) 66002827 Fax No. : (044) 28254447

E-mail: ohlshares.mad@tajhotels.com / Website: www.orientalhotels.co.in

BALLOT PAPER

Serial No.

Sl. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	EQUITY

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sl. No.	Resolution	OR	No. of shares held by me	I Assent to the resolution	I Dissent from the resolution
Ordinary Business					
1.	Adoption of a. Audited financial statements for the year ended March 31, 2017. b. Audited consolidated financial statements for the year ended March 31, 2017.	OR			
2.	Appointment of Director in place of Mr. Rakesh Kumar Sarna, (DIN:01875340) who retires by rotation and is eligible for reappointment.	OR			
3.	Appointment of Statutory Auditors and fixing remuneration.	OR			
Special Business					
4	Appointment of Mr. Phillie Dara Karkaria, (DIN:00059397) as a Director.	OR			
5	Aproval of Hotel Operating agreements entered into between the Company and Indian Hotels Company Ltd.	OR			

OR – Ordinary Resolution

Place:

Date:

Signature of the Shareholder:

Route Map to AGM Venue



NOTES



HOTELS • PALACES • RESORTS • SAFARIS