

ElH Limited

A MEMBER OF THE OBEROI GROUP

Website: www.eihltd.com
CIN:L55101WB1949PLC017981

07th August, 2018

The National Stock Exchange of India Limited Exchange Plaza, 5 th Floor Plot No..C/1, G Block Bandra Kurla Complex Bandra(E) Mumbai – 400 051. Code: EIHOTEL	BSE Limited Corporate Relationship Dept. 1 st Floor, New Trading Ring Rotunda Building Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai-400001 Code:500840	The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700001 Code:05
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SUB: SUBMISSION OF ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL YEAR 2017-18

Dear Sirs / Madam,

Pursuant to provision of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations), please find enclosed herewith the Annual Report of the Company for the Financial Year 2017-18.

Kindly take the above in your records and host in your website.

Thanking you,

Yours faithfully
For **ElH Limited**



Tejasvi Dixit
Asst. Company Secretary



Annual Report 2017-2018



Oberoi Hotels & Resorts

VOTED THE BEST HOTEL GROUP 2017

by the readers of The Telegraph, UK.

VOTED THE WORLD'S BEST HOTEL BRAND

by the readers of Travel + Leisure, USA in the 2015 and 2016
World's Best Awards.

Our endeavour is to create memories for our guest that last a lifetime. We are unrelenting in our quest for perfection in every thing we do – from hotel design and décor to creating an environment for our team that encourages them to provide our guests with warm and intuitive service.

Our commitment to excellence, attention to detail and personalised service has once again been appreciated and recognised by our guests. In 2017 Oberoi Hotels & Resorts was voted the Best Hotel Group by the readers of The Telegraph, UK. In 2016, Oberoi Hotels & Resorts was recognised as the World's Leading Luxury Hotel Brand at the World Travel Awards, for the fifth consecutive year. Also in 2016, at the World's Best Awards, readers of Travel + Leisure, USA voted Oberoi Hotels & Resorts the World's Best Hotel Brand for the second consecutive year.

The recognition that we continue to receive is a testament to the vision of our founder, Rai Bahadur M. S. Oberoi. Taking his legacy forward, our Executive Chairman, Mr. P. R. S. Oberoi continues to inspire our employees to set global benchmarks in service excellence.

The images in the Annual Report showcase the authentic artwork, novel design features and beautiful views that makes each Oberoi hotel lobby special and unique.

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The Late Rai Bahadur M.S. Oberoi
Founder of The Oberoi Group
1898-2002

BOARD OF DIRECTORS

Mr. P.R.S.Oberoi

Executive Chairman

Mr. S.S. Mukherji

Executive Vice Chairman

Mr. Vikram Oberoi

Managing Director & Chief Executive Officer

Mr. Arjun Oberoi

Managing Director – Development

Mrs. Nita M. Ambani

Director

Mr. Manoj Harjivandas Modi

Director

Mr. Anil Nehru

Independent Director

Mr. L.Ganesh

Independent Director

Mr. S.K. Dasgupta

Independent Director

Mr. Sudipto Sarkar

Independent Director

Mr. Rajiv Gupta

Independent Director

Mrs. Renu Sud Karnad

Independent Director – (upto 1st August 2017)

Dr. Chhavi Rajawat

Independent Director – (w.e.f 30th October 2017)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S.N. Sridhar

AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants

7th Floor, Building 10, Tower B

DLF Cyber City Complex

DLF City Phase – II

Gurugram – 122002

Haryana

REGISTERED OFFICE

4, Mangoe Lane

Kolkata 700001

CORPORATE OFFICE

7, Shamnath Marg

Delhi 110054



P.R.S. Oberoi, *Executive Chairman*

The Oberoi Dharma

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

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

The Oberoi Group Mission

Our Guests

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

Our People

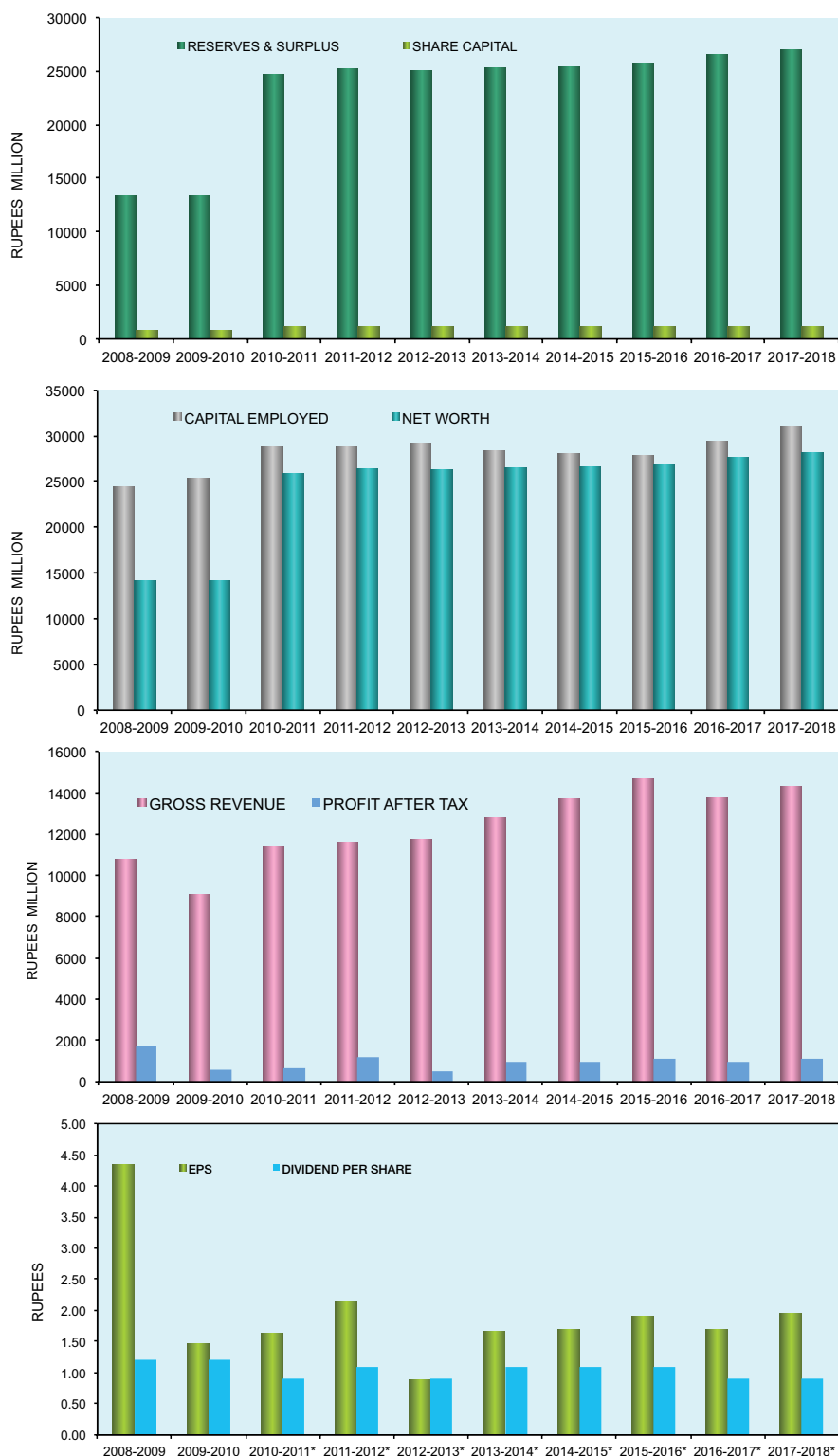
We are committed to the growth, development and welfare of our people upon whom we rely to make this happen.

Our Distinctiveness

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

Our Shareholders

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



* based on the number of Equity Shares subsequent to Rights Issue of Equity Shares on 26th March, 2011

HIGHLIGHTS

Figures in Million except
Serial nos. 14, 15, & 16

(Conversion Rate : INR 100 = US \$1.514)

	2008 - 2009		2009 - 2010		2010 - 2011		2011 - 2012		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	
	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$
FOR THE YEAR																				
1. GROSS REVENUE	10785	163	9073	137	11429	173	11622	176	11770	178	12789	194	13730	208	14696	223	13768	208	14340	217
2. PROFIT BEFORE TAX	2733	41	890	13	855	13	1350	23	718	11	1448	22	1512	23	1649	25	1279	19	1739	26
3. PROFIT AFTER TAX	1704	26	572	9	645	10	1224	19	510	8	950	14	966	15	1090	17	965	15	1123	17
4. TOTAL COMPREHENSIVE INCOME FOR THE YEAR															1025	16	884	13	1051	16
5. DIVIDEND	472	7	472	7	514	8	629	10	514	8	629	10	629	10	629	10	514	8	514	8
6. RETAINED EARNINGS	1696	26	705	11	934	14	1435	22	935	14	1248	19	1492	23	1507	23	1496	23	1592	24
7. FOREIGN EXCHANGE EARNINGS	5009	76	3149	48	4795	73	4630	70	4825	73	5765	87	5148	78	5625	85	4255	64	4355	66
AT YEAR END																				
8. GROSS FIXED ASSETS	24158	366	26606	403	27255	413	28059	425	28658	434	29101	441	29334	444	18993	288	20990	318	24637	373
9. SHARE CAPITAL	786	12	786	12	1143	17	1143	17	1143	17	1143	17	1143	17	1143	17	1143	17	1143	17
10. RESERVES AND SURPLUS	13390	203	13385	203	24735	374	25208	382	25106	380	25333	384	25430	385	25735	390	26538	402	27016	409
11. NET WORTH	14176	215	14171	215	25878	392	26352	399	26249	397	26476	401	26573	402	26878	407	27682	419	28159	426
12. BORROWINGS	10230	155	12595	191	8240	125	2601	39	3754	57	2764	42	2039	31	2449	37	2860	43	4293	65
13. CAPITAL EMPLOYED	24406	370	25384	384	28868	437	28852	437	29249	443	28326	429	28023	424	27828	421	29382	445	31052	470
PER SHARE (₹)																				
14. NET WORTH PER EQUITY SHARE	36.08	0.55	36.06	0.55	45.28*	0.69*	46.10*	0.70*	45.92*	0.70*	46.32*	0.70*	46.49*	0.70*	47.03*	0.71*	48.43*	0.73*	49.27*	0.75*
15. EARNINGS PER EQUITY SHARE	4.34	0.07	1.46	0.02	1.63*	0.02*	2.14*	0.03*	0.89*	0.0*	1.66*	0.03*	1.69*	0.03*	1.91*	0.03*	1.69*	0.03*	1.96*	0.03*
16. DIVIDEND PER EQUITY SHARE	1.20	0.02	1.20	0.02	0.90*	0.01*	1.10*	0.02*	0.90*	0.01*	1.10*	0.02*	1.10*	0.02*	1.10*	0.02*	0.90*	0.01*	0.90*	0.01*
RATIO																				
17. DEBT: EQUITY RATIO	0.72 : 1		0.89 : 1		0.32 : 1		0.10 : 1		0.14 : 1		0.10 : 1		0.08 : 1		0.09 : 1		0.10 : 1		0.15 : 1	

* based on the number of Equity Shares subsequent to Rights Issue of Equity shares on 26th March, 2011 increasing the number of Equity shares from 392,953,972 to 571,569,414.

Notes :

- Serial nos. 8,10,11,13,14 and 17 are inclusive of Revaluation Reserve balance, if any, as at year end.
- Figures have been regrouped / rearranged wherever necessary.
- Figures pertaining to the years 2015-16, 2016-17 and 2017-18 are in accordance with Ind AS while figures pertaining to the years upto 2014-15 are in accordance with previous GAAP

EXECUTIVE CHAIRMAN'S REVIEW

Ladies and Gentlemen,

The Travel and Tourism industry has completed an uncertain year. In spite of several challenges, the industry has shown remarkable resilience. Globally, the industry generated US\$8.3 trillion or 10.4 % of the world's GDP which is a growth of 8.6% over the previous year. In the year 2017, India's Travel and Tourism's total contribution was US\$27.3 billion.

Geopolitical instability has become more mainstream in Europe as evidenced in recent unpredictable electoral outcomes in Germany and Italy. Brexit uncertainty and the possibility of trade wars amongst the world's leading economies will impact investment confidence. Negative outlook for the Travel and Tourism industry could be a natural follow on.

The Reserve Bank of India increased its benchmark rate in June 2018, a first such rate increase since 2014. Higher borrowing costs may affect business confidence.

State elections in 2018 were a mixed bag for the BJP led NDA alliance. As India prepares for the General Elections in May 2019, the incumbent BJP government will, hopefully, focus on growth and jobs. We hope that there will be several bold initiatives by Prime Minister Modi in the coming months.

The Insolvency and the Bankruptcy Code has shown promising signs of resolving distressed loans in the nationalised banking system. The resolution of the debt situation has been welcomed by investors and the capital markets.

The Real Estate Regulation Act (RERA) which was effective May 2017 is being implemented by a large number of States. A large number of ongoing projects are currently outside the purview of RERA. The Central Government's directive to the State governments will, hopefully, ensure full compliance.

Government policies such as demonetisation created significant headwinds for the economy. Gradually, as cash circulated back into the economy, the impact of demonetisation has waned.

The GST for hotels charging ₹ 7,500 or more is 28%. Most international travellers are accustomed to much lower GST in other Asian countries. GST at the rate of 28% will, undoubtedly, affect Travel and Tourism to India. The hospitality industry has made several representations to the Government in this regard to the appropriate authorities. We hope there will be reduction in GST for hotels in the immediate future.

The Supreme Court's ruling that liquor vends within 500 meters of National and State highways was misinterpreted by several State governments. Thus, sale of liquor at several hotels and restaurants within city limits was not allowed for

several months. Fortunately, the Supreme Court clarified that only liquor vends located on State highways would be prohibited from selling liquor and that hotels and restaurants within city limits would not be affected.

As an industry, we must strive to showcase India as the tourism destination of choice for international travellers. Though International travellers to India have increased, we are still lagging behind other Asian countries. In 2017, foreign tourist arrivals to India increased by 15.6% to 10.2 million. By comparison, China received 63.5 million arrivals, Thailand 37.6 million arrivals and Indonesia 14.5 million arrivals. This clearly shows that India has to go a long way to increase international tourist arrivals. According to the World Travel & Tourism Council (WTTC), international visitor spending in India was only US\$27.3 billion as against Thailand at US\$59.6 billion and China at US\$125.3 billion.

The Oberoi Group continues to excel and be a pre-eminent global hospitality company. In December 2017, The Oberoi Group was recognised as the World's Best Hotel Group by readers of the Telegraph, United Kingdom in the largest consumer survey conducted in the United Kingdom. The Oberoi Group was also voted as the World's Leading Luxury Hotel Brand for the sixth consecutive year by the World Travel Awards 2017.

On 1st January, 2018, The Oberoi, New Delhi re-opened after 18 month renovation and restoration. I am happy that our project team did a wonderful job in opening the hotel three months ahead of schedule.

The Oberoi, New Delhi has been very well received by global media and our loyal guests. The hotel is already setting high benchmarks in rates and performance compared to other hotels in New Delhi. I am confident that the hotel will, undoubtedly, be very profitable for many years.

I continue to be optimistic about the future of the hospitality industry. I have faith that the Central Government will pursue policies which will increase tourism potential.

In conclusion, I thank my colleagues on the Board, our employees and other stakeholders for their continued support.

Thank you.



P.R.S. Oberoi
Executive Chairman

1st June, 2018

DIRECTORS' REPORT

The Board presents the Sixty Eighth Annual Report together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31st March 2018.

Financial Highlights

The financial highlights are set out below:

	(₹ in million)			
Particulars	Standalone		Consolidated	
Year	2017-18	2016-17	2017-18	2016-17
Total Revenue	14,340.43	13,767.75	17,048.31	16,182.90
Earnings Before Interest, Depreciation, Taxes, Amortisations and Exceptional items (EBIDTA)	3,024.09	2,910.64	4,049.28	3,506.91
Interest and Finance Charges	195.70	145.04	231.12	178.51
Depreciation	1,089.72	1,104.87	1,173.33	1,281.06
Exceptional Income / (Expenditure)	-	(382.22)	-	(382.22)
Share of Profit of Associate and Joint Venture Companies	-	-	168.54	117.89
Profit Before Tax	1,738.67	1,278.51	2,813.37	1,783.01
Current Tax	589.71	479.45	817.17	711.83
Deferred Tax	26.25	(166.31)	38.13	(111.75)
Net Profit for the year	1,122.71	965.37	1,958.07	1,182.93
Other Comprehensive Income / (Loss) for the year, net of tax	(71.63)	(81.38)	(196.59)	(235.15)
Total Comprehensive Income	1,051.08	883.99	1,761.49	947.78
Less: Share of profit of Non Controlling Interest	-	-	160.04	148.47
Total Comprehensive Income attributable to Group	-	-	1,601.43	799.31
Profit for the Year attributable to the Group	-	-	1,792.03	1,031.13
Balance Brought Forward	3,991.67	3,307.68	3,765.93	3,053.13
Accumulated Balance	5,114.38	4,273.05	5,557.96	4,084.26
Final Dividend paid for the year 2016-17	(514.41)	-	(514.41)	-
Dividend Tax	(59.60)	-	(59.60)	(31.53)
Transfer to General Reserve	-	(200.00)	-	(200.00)
Other Comprehensive Income / (Loss) for the year, net of tax	(71.63)	(81.38)	(73.78)	(86.80)
Balance carried over	4,468.74	3,991.67	4,910.17	3,765.93

Directors' Responsibility Statement

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

- a) in preparing the Annual Accounts, applicable accounting standards have been followed and there are no material departures;
- b) the Directors have selected accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the year;
- c) the Directors have taken proper and sufficient care in maintaining adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts of the Company on a "going concern" basis;
- e) the Directors have laid down internal financial controls to be followed by the Company. These internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws. These systems are adequate and are operating effectively.

Performance

The annexed Management Discussion and Analysis forms a part of this report and covers, amongst other matters, the performance of the Company during the Financial Year 2017-18 as well as the future outlook.

Corporate Governance Report

In accordance with Regulation 34(3) read with Schedule V(C) of the Listing Regulations, the report on Corporate Governance along with the Auditor's Certificate is attached to this Report.

Dividend

The Board recommends a Dividend of ₹ 0.90 per Equity Share of ₹ 2 each for the Financial Year 2017-18, for approval by the Shareholders at the forthcoming Annual General Meeting. The dividend, if declared at the Annual General Meeting, will be paid on 2nd August 2018 to those Shareholders whose name appear in the Register of Shareholders / Beneficial Owners as on 24th July 2018. In accordance with the Income Tax Act, 1961, the tax on dividend will be borne by the Company.

Board Meetings

During the year, five Board Meetings were held on 30th May 2017, 1st August 2017, 30th October 2017, 30th January 2018 and 27th March 2018 respectively.

Directors

Mrs. Renu Sud Karnad, an Independent Director, resigned from the Board on 2nd August 2017. The Board places on record its deep appreciation of the valuable contributions made by Mrs. Renu Sud Karnad during her tenure as an Independent Director on the Board.

At the Board Meeting held on 30th October 2017, the Board, on the recommendation of the Nomination and Remuneration Committee, appointed Dr. Chhavi Rajawat as an Independent Director on the Board in the casual vacancy caused due to the resignation of Mrs. Renu Sud Karnad. In accordance with Section 161(4) of the Act, the appointment of Dr. Chhavi Rajawat in the casual vacancy is required to be approved by the Shareholders at the ensuing Annual General Meeting of the Company. Notice under Section 160 of the Act has been received from a Shareholder proposing the appointment of Dr. Chhavi Rajawat as an Independent Director, not liable to retire by rotation. Dr. Chhavi Rajawat has given a declaration to the Company that she meets the criteria of Independence prescribed under Section 149(6) of the Act and the Listing Regulations.

The Board, after satisfying itself about the Independence of Dr. Chhavi Rajawat, recommend to the Shareholders, appointment of Dr. Chhavi Rajawat as an Independent Director on the Board.

At the first meeting of the Board for the Financial Year 2017-18 held on 30th May 2017, the Independent Directors have confirmed that they meet the criteria of independence required under sub-section (7) of Section 149 of the Act. The Board was also of the opinion that the Independent Directors meet the criteria of independence under sub-section (6) of Section 149 of the Act.

Mr. Manoj Harjivandas Modi retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Directors recommend re-appointment of Mr. Manoj Harjivandas Modi as a Director on the Board.

Corporate Social Responsibility

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

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2017-18 is given in **Annexure 1** and forms a part of this Report. The Annexure also gives the composition of the CSR Committee.

In addition to the mandatory CSR spend in accordance with the Act, during the year, the Company's Hotels and Service Units have also taken the following CSR initiatives:

- a. **The Oberoi Grand, Kolkata** supports Sasha, an NGO which works with local artisans for the upliftment and self-employment of women by purchasing hand-crafted products made by them. The Hotel also invited Ankur Kala and Aspire, NGO's working for the rehabilitation and empowerment of marginalised and economically challenged women and children to showcase and sell their products viz. batik, tie-n-dye, tailoring, appliqué, block printing, silk-screen, handmade gift packets, candles, bags and stationery products.

Besides this, discarded uniforms, restaurant linen and newspapers were donated to Sarada Seva Sangha and Shrimad Rajchandra Aatma Tatva Research Centre who work with women and children.

- b. **The Oberoi, Udaivilas, Udaipur** employees visited Mother Teresa Orphanage and Asha Dham Ashram for the poor, sick, mentally challenged and old people and supports them by taking care of their needs. Visits were also organised to government primary school and local food stalls at tourist places, where hand hygiene was demonstrated and toiletries was distributed. Collaterals in all the guest rooms are placed and donations given by guests are collected and sent to CRY(Child Relief and You). As green initiative, the Hotel also organised Green Cyclathon, sapling plantation drives at Sajjangarh Biological area and planting of trees in the Hotel on Independence Day.
- c. **The Oberoi and Trident Nariman Point, Mumbai** organised Blood Donation Camps for Thalassemia patients and facilitated the sale of products in the Hotels by NGO's Advitya, Kurprkabi Foundation, National Association of Blind and Women's Trust of India.
- d. **The Oberoi, Bengaluru** nurtures physically challenged girls and economically challenged senior citizens in association with Cheshire Home Trust. The Hotel also works with a NGO which collects used soap from the Hotels, recycle the soap and distribute it to the economically challenged.
- e. **The Oberoi Vanyavilas, Ranthambore** was involved in the welfare of local communities by providing life insurance and basic equipment to forest guards in Ranthambhore. The Hotel had promoted "Dhonk", a socially responsible enterprise that aims at creating sustainable jobs for local villagers through art and crafts. The hotel also contributed to the Ranthambore Tiger Conservation foundation to deal with the water crisis in the jungle.
- f. **The Oberoi and Trident, Gurgaon** took a number of initiatives to provide education, food and basic facilities to women and children from underprivileged backgrounds through a scheme known as "Harmony House" and "Ritanjali". The hotels work with the Concern India Foundation to organise workshops for the underprivileged. In addition to this, the hotels work with Pallavanjali Institute, an NGO that supports education, training and therapy for young adults with special needs.
- g. **Maidens Hotels, Delhi** employees visited Palana and Mother Teresa Home where breakfast and gifts were distributed. Employees also visited Rajkiya Vikas Pratibha Vidhalaya where students were educated on hand hygiene and soaps and sanitizer were distributed.

Business Responsibility Report

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

Audit Committee

The composition of the Audit Committee is as under:

- Mr. Anil Nehru - Independent Director & Chairperson
- Mr. L. Ganesh - Independent Director
- Mr. S.K. Dasgupta - Independent Director
- Mr. Rajeev Gupta - Independent Director
- Mr. S.S. Mukherji - Executive Vice Chairman; and
- Mr. Arjun Oberoi - Managing Director, Development

For other details relating to the Audit Committee, please refer to page nos. 61 to 62.

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

The Company's Policy on Directors' Appointment and Remuneration ("Directors' Policy") was formulated in the year 2014-15 in accordance with Section 178 of the Act. Proviso to sub-section 4 of Section 178 of the Act has been amended by the Companies (Amendment) Act, 2017 with effect from 7th May 2018 and no longer requires the entire policy to be disclosed in the Board Report but only the salient features of the policy and the changes, if any, along with the web address where the policy is placed.

The salient features of the Directors' Policy are as under:

- The Policy aims to engage Directors (including non-executive and independent non-executive directors) who are highly skilled, competent and experienced persons within one or more fields of business, finance, accounting, law, management, sales, marketing, administration, corporate governance, technical operations or other disciplines related to the business of the Company. The Directors shall be able to positively carry out their supervisory role on the management and the general affairs of the Company;
- assessing the individual against a range of criteria including but not limited to industry experience, background, and other qualities required to operate successfully in the position, with due regard to the benefits of diversity of the Board;
- the extent to which the individual is likely to contribute to the overall effectiveness of the Board and work constructively with existing Directors;
- the skills and experience the individual brings to the role and how these will enhance the skill sets and experience of the Board as a whole;
- the nature of positions held by the individual including directorships or other relationships and the impact they may have on the Director's ability to exercise independent judgement;
- the time commitment required from a Director to actively discharge his or her duties to the Company.

The Directors' Policy can be accessed on the Company's website www.eihltd.com.

The Senior Management Appointment and Remuneration Policy ("Senior Management Policy") was formulated in the year 2014-15 and revised in May, 2018 by the Nomination and Remuneration Committee. The Salient features of the "Senior Management Policy" are as under:

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

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

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

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

The Senior Management Policy can be accessed on the Company's website www.eihltd.com

Energy Conservation Measures

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

- replacement of incandescent & CFL lamps with energy efficient LED lamps;
- replacement of old chillers with energy efficient VRF chillers;
- installation of primary & secondary pumps in chilled water systems along with two way energy valves for air handling units;
- installation of variable frequency drives in chilled water systems;
- de-scaling of heat exchangers;
- installation of automatic tube cleaning systems for chillers;
- replacement of DC motors by energy efficient AC – VFD controlled motors in elevators; and
- installation of water conservation devices in taps and showers.

Besides these, conservation measures were continued to control energy consumption by operational control of lighting and other equipment, regulating air conditioning set points based on ambient temperatures, taking guest floors out of order during periods of low occupancy and optimisation of laundry and boiler operations.

Actions planned for the next year are:

- installation of two way valves for fan coil units;
- automatic tube cleaning systems for additional chillers;
- replacement of the remaining incandescent & CFL lamps with energy efficient LED lamps;
- upgrading sewage treatment plants; and
- installation of variable frequency drives for air conditioning & ventilation equipment.

Energy Conservation Committees will continue to closely monitor and control energy consumption. A pilot project initiated for online monitoring for the optimum use of energy has been implemented and is operational.

Foreign Exchange Earnings and Outgo

During the Financial Year 2017-18, the foreign exchange earnings of the Company amounted to ₹ 4,355 million as compared to ₹ 4,255 million in the previous year. The expenditure on foreign exchange during the Financial Year was ₹ 841 million as compared to ₹ 1,160 million in the previous year.

Auditors

At the 67th Annual General Meeting of the Company held in the year 2017, the shareholders had approved the appointment of M/s. Deloitte, Haskins & Sells LLP, Chartered Accountants, (FRN 117366 W/W 100018) ("Deloitte") as the Statutory Auditors of the Company to hold office for 5 (five) consecutive years, subject to ratification by Shareholders in every Annual General Meeting.

Proviso (1) of sub-section (1) of Section 139 of the Act which mandates that the Company shall place matter relating to such appointment for ratification by Shareholders at every Annual General Meeting has been omitted by the Companies (Amendment) Act, 2017 effective 7th May 2018. Therefore, for the Financial Year 2018-19 and thereafter, ratification of Auditors appointment every year at the Annual General Meeting is no longer required.

Secretarial Auditors

In accordance with the provisions of Section 204 of the Act, M/s. JUS & Associates were appointed as the Secretarial Auditors of the Company for the Financial Year ending on 31st March 2018. The Secretarial Audit Report submitted by the Secretarial Auditors does not contain any qualification, reservation or adverse remark. The Secretarial Auditor's Report forms part of the Annual Report.

Secretarial Standards

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

Related Party Transactions

The contracts, arrangements and transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and are on an arm's length basis. During the year, the Company has not entered into any contract, arrangement or transaction with Related Parties that could be considered material in accordance with the Related Party Transaction Policy of the Company. The Policy on

Related Party Transactions approved by the Board can be accessed on the Company's website www.eihltd.com.

The details of Related Party Transactions are set out in Note nos. 40 and 43 to the Standalone and Consolidated Financial Statements respectively.

Extract of Annual Return

The Extract of the Annual Return for the Financial Year ended on 31st March 2018 in Form MGT-9 is annexed as **Annexure 3**.

Loan, Guarantees or Investments

Particulars of loans given, investment made, guarantees given, if any, and the purpose for which the loan, guarantee and investment will be utilised are provided in the Standalone Financial Statement in Note nos. 6 & 7.

Deposits

During the year, the Company did not accept any deposits from the public.

Vigil Mechanism/Whistleblower Policy

In accordance with the Section 177(9) of the Act and rules framed thereunder read with Regulation 22 of the Listing Regulations, the Company has a Whistleblower Policy in place for its Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct, "The Oberoi Dharma". The Policy provides for protected disclosures for the whistle blower. Disclosures can be made through e-mail or letter to the Whistle Officer or to the Chairperson of the Audit Committee. The Whistle blower Policy can be accessed on the Company's website www.eihltd.com.

During the year ended 31st March 2018, one complaint was received from an employee of The Oberoi Mumbai in respect of a suspected irregularity at the Front Office of the Hotel. The Complaint was thoroughly investigated by the Whistle Officer and the Whistle Committee. The Report of the Whistle Officer and the Whistle Committee and its recommendations on the action which the Management proposed to take was placed before the Audit Committee. The Audit Committee deliberated and approved the action proposed by Management where after, necessary action was taken by the Management to the satisfaction of the Audit Committee.

Subsidiaries, Associates and Joint Ventures

The Company has three Indian Subsidiaries which are also Joint Ventures, namely, Mumtaz Hotels Ltd, Mashobra Resort Ltd and Oberoi Kerala Hotels and Resorts Ltd. The Company's overseas Subsidiaries are EIH Flight Services Ltd, Mauritius; EIH International Ltd, BVI; EIH Holdings Ltd, BVI; J&W Hong Kong Ltd, Hongkong (dissolved on 27th November 2017); EIH Investments NV Netherlands; EIH Management Services BV, Netherlands; PT Widja Putra Karya, Indonesia; PT Waka Oberoi Indonesia, Indonesia and PT Astina Graha Ubud, Indonesia.

The Company has two domestic Associate Companies, namely, EIH Associated Hotels Ltd and Mercury Travels Ltd and three Joint Venture Companies, one domestic, namely, Mercury Car Rentals Private Ltd and two foreign, namely, Oberoi Mauritius Ltd and

La Roseraie De L'Atlas.

A Report on the performance and financial position of each of the Subsidiaries, Associate and Joint Venture Companies are provided in the Annexure to the Consolidated Financial Statement and hence are not repeated here for the sake of brevity. The policy on material subsidiaries can be accessed on the Company's website www.eihltd.com.

Directors/Key Managerial Personnel (KMP) Remuneration

- a) The ratio of the remuneration of each Director to the median employees remuneration for the Financial Year is as under:

(₹ Million)

S. No	Name of the Director	Directors' Remuneration	Median Employees Remuneration	Ratio
1.	Mr. P.R.S Oberoi, Executive Chairman	40.05	0.40	100:1
2.	Mr. S.S Mukherji, Executive Vice Chairman	36.89	0.40	92:1
3.	Mr. Vikram Oberoi Managing Director & CEO	44.70	0.40	112:1
4.	Mr. Arjun Oberoi Managing Director- Development	42.16	0.40	105:1

Directors' remuneration includes retirement benefits, wherever applicable

- b) The percentage increase in remuneration of each Executive Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any in the Financial Year:

(₹ Million)

S. No	Name	Total Remuneration 2017-18	Total Remuneration 2016-17	Percentage Increase / Decrease
1.	Mr. P.R.S. Oberoi	40.05	28.95	38
2.	Mr. S.S. Mukherji	36.89	30.99	19
3.	Mr. Vikram Oberoi	44.70	30.54	46
4.	Mr. Arjun Oberoi	42.16	32.38	30
5.	Chief Financial Officer	15.90	14.66	9
6.	Company Secretary	6.59	6.92	-0.5

Total remuneration includes retirement benefits, wherever applicable

- c) The percentage increase in the median remuneration of employees in the Financial Year is 0.50%.
- d) The number of permanent employees on the rolls of the Company at the end of the Financial Year is 4,052.

- e) The average percentage increase already made in the salaries of employees of the Company other than the managerial personnel in the last Financial Year is 9.67%. The average percentage increase in the managerial remuneration is about 30%. The increase in the managerial remuneration is due to increase in the commission of the managerial personnel which is due to increase in Net Profit in the Financial Year 2017-18.

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

Internal Financial Controls and Risk Management Systems

Compliance of the above is given in the Management Discussion & Analysis Report on page nos. 53 to 55.

Board Evaluation

In accordance with the provisions of the Act and Regulation 17(10) of the Listing Regulations, a Board Evaluation Policy is in place. A structured questionnaire by an independent outside agency covering various aspects of the Board's functioning, Board culture, performance of specific duties by Directors and contribution to the Board proceedings was circulated to the members of the Board for the Financial Year 2017-18. Based on the responses received, the Board as a whole, the Committees, the Chairperson and individual Directors were separately evaluated in the meeting of the Independent Directors and at the meeting of the Board of Directors.

The process of review of Non-Independent Directors, the Board as a whole and also its Committees were undertaken in a separate meeting of Independent Directors held on 27th March 2018, without the attendance of Non-Independent Directors and members of management. At the meeting, the performance of the Chairman of the Company was reviewed taking into account the views of the Executive Directors, Non-Executive Directors and Independent Directors. The meeting also assessed the quality, quantity and timeliness of information required for the Board to perform its duties properly.

The entire Board, excluding the Director being evaluated, evaluated the performance of each Independent Director.

The Directors have expressed their satisfaction with the evaluation process.

Based on the findings from the evaluation process, the Board will continue to review its procedures and effectiveness in the Financial Year 2018-19 with a view to practice the highest standards of Corporate Governance.

Significant and Material orders, if any

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

Prevention of Sexual Harassment at Workplace

The Company has a policy for prevention of sexual harassment at the workplace. In accordance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, the Company has constituted an Internal Compliant Committee (ICC) in all its hotels, Oberoi Flight Services (OFS), Oberoi Airport Services (OAS), Printing Press and Corporate Office. During the year, the ICC received two complaints. Both the complaints have been disposed of within the statutory period.

Particulars of Employees

In accordance with Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration) Rules, 2014 the following are annexed and forms part of this Report:

- i) List of top ten employees of the Company in terms of remuneration;
- ii) List of employees employed who received remuneration for the year which in aggregate was not less than ₹ 10.2 million.
- iii) List of employees who were employed for a part of the year and who received remuneration which in the aggregate, was not less than ₹ 0.85 million per month.

Cautionary Statement

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

Acknowledgement

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

For and on behalf of the Board

Gurugram
30th May 2018

VIKRAM OBEROI
Managing Director & Chief Executive Officer

P.R.S. OBEROI
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Annual Report on CSR Activities

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

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

The CSR Policy and the activities of the Company are available on the Company's website www.eihltd.com.

The Board of Directors at its Board Meeting held on 30th October 2017, on the recommendation of the CSR Committee, approved a CSR spend of ₹ 30.38 million. This includes 2% of the average Net Profit of the Company during the three preceding Financial Years aggregating to ₹ 24.34 million for the Financial Year 2017-18 and unspent amount for the Financial Year 2016-17.

- 2. Composition of the CSR Committee**

The CSR Committee comprises of the following Board Members:

- i) Mr. S.S. Mukherji- Chairperson;
- ii) Mr. Vikram Oberoi- Member;
- iii) Mr. Arjun Oberoi- Member; and
- iv) Mr. Rajeev Gupta- Independent Director and Member

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

₹ 1,217 million.

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

₹ 24.34 million.

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

- a) The total amount to be spent for the Financial Year including the previous year's unspent amount : ₹ 30.38 million;
- b) Amount unspent, if any : ₹ 3.93 million

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ Million)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Over-heads : (₹ Million)	Cumulative expenditure up to the reporting period (₹ Million)	Amount spent Direct or through implementing agency
1	Promoting social, economic and educational needs of the marginalised under-privileged children.	Urban/Rural	Kolkata, Mumbai, Delhi, Bhubaneswar, Jaipur, Agra and Udaipur	24.00	23.97	23.97	Through SOS Children's Villages of India
2.	Swachh Bharat Abhiyan sanitation program	Urban	Within 500 meters of the Hotel in the following cities: Delhi, Kolkata, Mumbai, Jaipur, Udaipur, Bengaluru	2.70	2.48	2.48	Direct
TOTAL				26.70	26.45	26.45	

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

The CSR Committee and the Board have approved that the balance unspent amount of ₹ 3.93 million, be carried forward to the next Financial Year 2018-19 to be spent on the ongoing CSR projects and/or any other CSR activity that may be identified by the CSR Committee.

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

VIKRAM OBEROI
Managing Director and Chief Executive Officer

S.S. MUKHERJI
Chairperson - CSR Committee

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of the Company for the Financial Year ended on 31st March 2018 pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in the prescribed format by the Securities and Exchange Board of India (SEBI) is as under:

SECTION 1 : General Information

1	Corporate Identity Number (CIN) of the Company	L55101WB1949PLC017981
2	Name of the Company	EIH Limited
3	Registered address	4, Mangoe Lane, Kolkata-700001 Telephone No.- 91-33-40002200 Fax No.- 91-33-22486785
4	Website	www.eihltd.com
5	E-mail address	isdho@oberoigroup.com invcom@oberoigroup.com
6	Financial Year reported	2017-18
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Hotels- 9963 / 99631110
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	Hotel Services
9	Total number of locations where business activity is undertaken by the Company	i. Number of International Locations – Five countries (through wholly owned subsidiary); ii. Nine directly owned hotels in India – (Delhi, Mumbai, Kolkata, Bengaluru, Udaipur and Ranthambore); iii. Thirteen managed hotels in India.
10	Markets served by the Company	The Company caters to both national and international markets

SECTION 2 : Financial Details

1	Paid up Capital (₹ in Million)	1,143.14
2	Total Turnover (₹ in Million)	14,340.43
3	Total profit after taxes (₹ in Million)	1,122.71

4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	2.36%
5	List of activities in which expenditure in Point 4 above has been incurred:	<ul style="list-style-type: none"> • The Company has been supporting SOS Children's Villages of India under "Project Shaksham" since 2014. Under this project, the Company provides family-based care including education, healthcare, nutrition, and career development needs for children who have been abandoned, orphaned and are homeless. The program extends to 150 children in 15 family homes in Mumbai (Alibaug), Delhi, Bengaluru and Kolkata. • The Company also sponsors higher education programs for 46 young persons at various educational institutes.
Other notable CSR activities:		

SECTION 3 : Other Details

1	Does the Company have any Subsidiary Company / Companies?	The Company has 12 subsidiaries. Of these, three are domestic companies and the rest are overseas body corporates.
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The operative domestic subsidiary companies participate in the Business Responsibility initiatives of the Company. Overseas subsidiaries are also encouraged to follow the BR initiatives of the Company. However, these subsidiaries also adhere to their local regulatory and compliance requirements.

SECTION 4 : BR Information

Details of BR head:

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	00052014
2	Name	Vikram Oberoi
3	Designation	Managing Director and Chief Executive Officer
4	Telephone No.	91 11 23890505
5	Email id	vikram.oberoi@oberoigroup.com

SECTION 5 : Commitment to Responsible Business

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

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

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

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

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

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

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

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

The Policy enables and facilitates an employee and other stakeholders to report instances of misconduct or any disclosure to the Whistle Officer, CEO or Chairperson of the Audit Committee.

The implementation of the Whistleblower Policy is anchored by the Executive Vice President, Human Resources who is the designated "Whistle Officer" and is ultimately overseen by the MD & CEO of the Company.

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

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

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

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

- All laundry chemicals are bio-degradable
- Detergents used require less water to rinse out of the fabric and are therefore water efficient
- Cloth bags are used instead of plastic bags for collecting and delivering guest laundry, dry cleaning and pressing
- Bio-degradable garbage bags are used in most hotels
- Guests are encouraged to adopt environment conscious practices like optimised changing of bed linen and towels during their stay
- All stationery and shopping bags are made of recycled paper
- Some of the hotels have implemented efficient WC systems with dual water flow for saving water
- Garden irrigation is carried out through recycled water
- Compost pits have been created in hotels with large gardens
- Compost machines have been installed in majority of hotels to recycle waste

Water saving was estimated at 9% of total annual consumption in 2017-18.

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

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

PRINCIPLE 3 : Businesses should promote the wellbeing of all employees

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

- "Conduct which demonstrates that people are our key asset, through respect for every employee, and leading from the front regarding performance achievement as well as individual development"

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

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

- For the Company, gender equality is a necessity. The team comprises employees of both genders with increasing emphasis on providing opportunities to women. We are constantly working to improve on the gender diversity ratio. In addition, to ensure we do not lose lady team members, we actively create an ecosystem that supports their personal commitments thereby ensuring the right conditions necessary for their career growth and progression.
- Our teams comprise a diverse mix from different cultures, regions and social backgrounds. The Company has expatriate employees, adding a flavour of diversity to organisational culture.
- Given the varied age and interest of team members, we design events on multi aspects such as entertainment, learning, environment, sports, health and pay back to society.

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

1	Total number of employees (total number of permanent employees).	4,052
2	Total number of employees hired on temporary/contractual/casual basis.	1,977
3	Number of permanent women employees.	697
4	Number of permanent employees with disabilities	1
5	List of employee associations that are recognised by management	The Company's business is spread over several states and comprises of multiple hotels, business units and offices. There are several employees associations recognised by the management depending on the laws of the particular state.
6	Percentage of permanent employees who are members of recognised employee associations	Because of multiple employees associations in various hotels, business units and offices, permanent employees change their membership to the various associations from time to time. Accordingly, the exact percentage keeps on changing. However, recognised associations are always have majority numbers.
7	Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in FY 2017-18.	

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the Financial Year
7.1 Child labor / forced labor / involuntary labour	We do not employ child labour, forced labour or involuntary labour.	
7.2 Sexual harassment	Two	NIL
7.3 Discriminatory employment	We do not discriminate while selecting employees.	
7.4 Number of man-days of executive level training	8,139 (8.47 man-days per executive)	
7.5 Number of man-days of staff level training	147,647 (20.46 man-days per staff)	

The Company ensures continuous improvement of skills and capabilities of our already distinguished talent pool. Several well-rounded training interventions demonstrate our commitment to human capital:

- **Start with Oberoi and Rise (SOAR):** SOAR is the Company's Industrial Training Programme for students of hotel management colleges. It is primarily designed keeping in view students of the institutes of the National Council of Hotel Management and Catering Technology (NCHMCT). It is designed for students who undergo training in our hotels as a mandatory and assessable part of their college curriculum. The objective of the SOAR programme is to interact with students from their second year in college in order to identify and attract the best and brightest students for Operation Assistant positions in various hotels. We also aim to reinforce our positioning as the hotel company that provides the best training across all levels within the hospitality industry.
- **Systematic Training and Education Programme (STEP):** The Systematic Training and Education Programme (STEP), is a three year programme designed for students completing high school. It combines practical on the job training with study towards a graduation degree. STEP offers students the opportunity to acquire all round as well as specialised skills and knowledge in all departments of a hotel. STEP trainees are enrolled for the Bachelor's Degree in Tourism Studies from IGNOU. On completing the programme, STEP graduates may join The Oberoi Group as Operations Assistants. Alternately, STEP graduates are also eligible to apply for admission to the Oberoi Centre of Learning and Developments two year post-graduate management programmes leading to an executive position with The Oberoi Group.
- **OCLD Management Training Programmes:** The role and function of OCLD is to train talented young people to become executives with The Oberoi Group. As they contribute to the growth and development of the company, they also grow and develop in their careers.

OCLD offers four streams: Guest Service Management (GSM) focuses on Front Office and Food and Beverage Service, the Housekeeping Management (HM) has housekeeping as the main focus, the Kitchen Management (KM) develops talent in various sections of the kitchen and Sales Management trains and develops individuals

to work in hotel sales. The Sales programme is for a duration of 18 months whereas all other programmes are for two years.

All four management programmes are highly structured with robust systems for the management, delivery and quality assurance of the programmes. Rigorous evaluations are carried out to periodically to ensure that they is parity across all management programmes.

- **Supervisory Development Programme:** The program is aimed at developing supervisory competences and creating a standard pool of talent across the company. The Supervisory Development Program is supported by Corporate Human Resources and The Oberoi Centre of Learning and Development.
- **Executive Development Programme:** The Executive Development Program (EDP) is designed for supervisors with high potential to grow to the Executive level. The aim of this program is to provide learning opportunities to supervisors which will help them transition smoothly into their new roles and responsibilities as Executives of the Company. The Executive Development Program is supported by Corporate Human Resources and the Oberoi Centre of Learning and Development.

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

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

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

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

Some notable initiatives are:

- The Company's managed hotels The Oberoi and Trident Gurgaon support Pallavanjali which offers education, training and therapy to young adults with special needs. In the last eight years, the hotels have fostered an environment which presents equal opportunities to young adults who do not function optimally in a traditional academic setup to get trained and learn hospitality skills. Students of Pallavanjali get trained at these two hotels, thrice a week, in the uniform room, laundry, flower room, bakery and finance department.
- The company has commenced training and employment of differently abled people with speech and hearing impairment. This initiative has commenced at The Oberoi Cecil, Shimla, Wildflower Hall, Shimla and Trident, Chennai.

PRINCIPLE 5 : Businesses should respect and promote human rights

The Company exercises utmost care to promote and protect Human Rights. As already noted, the Oberoi Dharma sets in stone the Company's central philosophy towards its employees and in its outlook regarding various stakeholders. This approach is reiterated through the statement "conduct which demonstrates that people are our key asset, through respect for every employee, and leading from the front regarding performance achievement as well as individual development".

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

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

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

- Energy efficient building and architectural design:
New construction emphasises on energy efficient building design and materials. The roofs and external walls have high thermal resistance insulation to minimise energy loss. Building fenestration is incorporated with high performance insulated glass to reduce energy loss. Roof tops have reflective tiles or an albedo coating to minimise the impact of heat.
- Use of energy efficient designs and equipment:
Care is taken to ensure that the system design and equipment deployed are energy efficient. Highly efficient chillers are used for air conditioning. Pumps, fans, compressors, blowers and other equipment are selected carefully considering their energy efficiency. Energy recovery systems and variable speed drives are used extensively to save energy. High efficiency boilers and heaters are used with energy recovery systems to recover waste heat. Energy efficient lighting with optimal use of natural light is practised. Building Management Systems are used for monitoring and control.
- Sustainable landscape and water use:
 - Sustainable landscaping and horticulture are essential features of every hotel.
 - The design of new hotels ensures a high percentage of green areas, trees and shrubs.
 - Local plants species are extensively used to encourage biodiversity.
 - The use of natural fertilisers and bio-pesticides support sustainable practices.
 - While building hotels, natural contours of the site are maintained to limit disturbance to natural water flow and increase infiltration of storm water.
 - Rain water harvesting systems are installed in the majority of hotels.

- Hotels have Sewage Treatment Plants (STPs). Treated water from STPs gets recycled for use in horticulture and cooling towers.
- Low water usage plumbing fixtures are used to reduce water consumption. Irrigation systems use automation to control water usage.
- Use of sustainable materials:
 - Fly-ash, a waste product from power plants is used extensively in building structures.
 - Low embedded energy materials (material with recycled content, rapidly renewable wood / composite wood products) are extensively used in developing interiors.
 - FSC certified wood and composite products made from recycled wood scrap are used.
 - Priority is given on use of locally available materials like tiles, granite, marble etc. This reduces transportation and minimises carbon emissions.
 - Biodegradable organic chemicals are used in washing machines.
 - Bathroom amenities are made from natural botanical extracts and herbs.
 - Use of plastics is discouraged and there is preference for renewable and organic products.
 - The refrigerants used have low global warming and low ozone depletion properties.
- Waste Reduction, recycle and reuse:
 - Wet garbage is treated in organic waste converters and recycled in majority of hotels. Alternatively, it is used as animal feed.
 - Metal, plastic and other recyclable waste are segregated and sold as scrap for recycling. Electronic waste is disposed responsibly to authorised agencies as per regulations.
 - Fresh leftover food is given to the needy.
 - Printed stationary is reused.
 - Old linen is recycled.
 - Business kits and cards are made from recycled paper.
- Indoor environmental quality:
 - Hotel designs give attention to indoor environmental quality for maintaining the environment for users, occupants and guests.
 - Good ventilation is provided in all areas and air is treated to give good indoor air quality.
 - Smoking zones are clearly identified and ventilation systems ensure there is no exposure of smoke outside these areas.
 - Low VOC materials like paints, coatings, plywood, timber and fabrics are used to minimise exposure to VOCs.
 - Carpets used are environment friendly and comply with CRI standards.
 - Buildings are carefully treated for acoustic comfort and to minimise ingress of noise from outside.

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

The Company has invested in a local wind generating company and 3.6 million units of electricity per year from wind energy have been contracted on a long term basis for The Oberoi Bengaluru.

The Company and its Associate have invested in a local wind generating company and 1.5 million units of electricity per year from wind energy have been contracted on a long term basis for Oberoi Flight Services, Chennai besides 2.8 million units for the Trident Chennai.

Roof top solar panels have been installed at The Oberoi Gurgaon, Trident Gurgaon, Trident Udaipur, The Oberoi Udaivilas, The Trident Agra, The Oberoi Rajvilas, The Oberoi Vanyavilas, Oberoi Vanyavilas staff accommodation, Maidens, and Trident Hyderabad. The installation is in process at The Oberoi Mumbai, Trident Bhubaneshwar and Trident Chennai.

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

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

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

We would like to specifically highlight our active partnership with SCPwD constituted jointly by Ministry of Social Justice and Empowerment (MSJE) and National Skill Development Corporation (NSDC) under the aegis of Ministry of Skill Development & Entrepreneurship.

PRINCIPLE 8: Businesses should support inclusive growth and equitable development

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

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

The Company has an uncompromising and unrelenting commitment to delivering excellence and value to its guests through efficient, personalised and caring service. This is based on “The Oberoi Dharma”. Our commitment to excellence, attention to detail and personalised service continues to be acknowledged and appreciated globally. Oberoi Hotels and Resorts was voted as the World’s Leading Luxury Hotel brand for the sixth consecutive year by the World Travel Awards, 2017. At the World’s Best Awards, 2016, readers of Travel + Leisure, USA, voted Oberoi Hotels & Resorts as the World’s Best Hotel Brand for the second consecutive year. The many accolades that our hotels receive is recognition of the commitment and dedication of employees at all levels to deliver exceptional guest experiences.

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

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

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

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

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

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

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

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

For and on behalf of the Board

Gurugram
30th May 2018

VIKRAM OBEROI
Managing Director & Chief Executive Officer

P.R.S. OBEROI
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As at the Financial Year ended on 31st March 2018**

**Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

CIN	L55101WB1949PLC017981
Registration Date	26th May 1949
Name of the Company	ElH Limited
Category / Sub-category of the Company	Public Limited
Address of the Registered office & contact details	4, Mangoe Lane, Kolkata – 700 001 Telephone No. : 91-33-4000 2200 Fax Nos.: 91-33-2248 6785 / 91-33-2242 0957 E-mail : isdho@oberoigroup.com : invcom@oberoigroup.com
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Investors Services Division 7, Sham Nath Marg Delhi – 110 054

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hotel Services	9963 / 99631110	94.61

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Mumtaz Hotels Limited 4, Mangoe Lane, Kolkata – 700 001	U55101WB1990PLC095270	Subsidiary	60.00	2(87)
2	Mashobra Resort Limited Wildflower Hall Chharabra, Shimla – 171012	U55101HP1995PLC017440	Subsidiary	78.79	2(87)
3	Oberoi Kerala Hotels and Resorts Limited XXIV / 1289, Bristow Road, Willingdon Island, Cochin-682 003	U55101KL1994PLC007951	Subsidiary	80.00	2(87)

S. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
4	ElH International Limited Romasco Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Island	Foreign Company	Subsidiary	100.00	2(87)
5	ElH Holdings Limited Romasco Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Island	Foreign Company	Subsidiary	100.00	2(87)
6	ElH Investments N.V. Chuchubiweg 17, Curacao, Netherlands Antilles	Foreign Company	Subsidiary	100.00	2(87)
7	ElH Management Services B.V. Locatellikade 1, Parnassustoren, 1076 AZ Amsterdam, The Netherlands	Foreign Company	Subsidiary	100.00	2(87)
8	PT Widja Putra Karya Jl. Kayu Aya- Seminyk Beach, Kuta, Denpasar 80033, Bali, Indonesia	Foreign Company	Subsidiary	70.00	2(87)
9	PT Waka Oberoi Indonesia Patai Medana, Tanjung 83352, Lonbok Utara-Nusa, Tenggara Barat (NTB) Indonesia	Foreign Company	Subsidiary	83.23	2(87)
10	PT Astina Graha Ubud Dsn/Br. Jambangan Singekerta, Ubud-Gianyar, Indonesia	Foreign Company	Subsidiary	60.00	2(87)
11	ElH Flight Services Limited The Oberoi Mauritius, Baie aux Tortues Pointe aux Piments Mauritius	Foreign Company	Subsidiary	100.00	2(87)
12	ElH Associated Hotels Limited 1/24, G.S.T. Road, Meenambakkam Chennai-600 027	L92490TN1983PLC009903	Associate	36.81	2(6)
13	Mercury Car Rentals Private Limited 4, Mangoe Lane, Kolkata – 700 001	U63011WB1995PTC068029	Associate	40.00	2(6)
14	Mercury Travels Limited Everest House, Ground Floor 46-C Chowringhee Road, Kolkata- 700071	U63040WB1948PLC016503	Associate	25.10	2(6)
15	Oberoi Mauritius Limited Romasco Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Island	Foreign Company	Associate	50.00	2(6)
16.	La Rosearaie De L'Atlas, Rhemena Tribe, Fraction Touihina Ghezoula, Marrakech, Morrocco	Foreign Company	Associate	30.00	2(6)

IV) SHAREHOLDING PATTERN: (Equity Share Capital as percentage of Total Equity)

A) Category-wise Share Holding										
Category Code	Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) PROMOTER AND PROMOTER GROUP										
(1) INDIAN										
(a)	Individual/HUF	29,989,233	-	29,989,233	5.25	29,989,233	-	29,989,233	5.25	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	171,469,006	-	171,469,006	30	171,469,006	-	171,469,006	30	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	201,458,239	-	201,458,239	35.25	201,458,239	-	201,458,239	35.25	-
(2) FOREIGN										
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	201,458,239	0	201,458,239	35.25	201,458,239	0	201,458,239	35.25	-
(B) PUBLIC SHAREHOLDING										
(1) INSTITUTIONS										
(a)	Mutual Funds /UTI	28,380,774	37,575	28,418,349	4.97	44,053,220	37,425	44,090,645	7.71	55.15
(b)	Financial Institutions/ Banks	690,418	14,098	704,516	0.12	59,898	11,114	71,012	0.01	-89.92
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	53,629,876	-	53,629,876	9.38	43,837,383	-	43,837,383	7.67	-18.25
(f)	Foreign Institutional Investors	20,167,055	6,379	20,173,434	3.53	23,308,007	-	23,308,007	4.08	15.53
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	102,868,123	58,052	102,926,175	18.01	111,258,508	48,539	111,307,047	19.47	8.14
(2) NON-INSTITUTIONS										
(a)	Bodies Corporate	207,198,103	24,948	207,223,051	36.26	204,170,047	24,111	204,194,158	35.73	-1.46
(b)	Individuals									
	(i) Individual share-holders holding nominal share capital upto ₹ 1 lakh	40,568,049	9,032,461	49,600,510	8.68	36,717,825	7,183,215	43,901,040	7.68	-11.49
	(ii) Individual share-holders holding nominal share capital in excess of ₹ 1 lakh	8,828,016	51,030	8,879,046	1.55	6,458,856	-	6,458,856	1.13	-27.26

A) Category-wise Share Holding (Contd...)

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Non Resident Indians	1,055,558	112,885	1,168,443	0.2	856,931	91,635	948,566	0.17	-18.81
	Trusts	12,524	-	12,524	-	10,650	-	10,650	-	-14.96
	Foreign Nationals	-	38,953	38,953	0.01	-	35,699	35,699	0.01	-8.35
	Directors Relatives	859	1,579	2,438	-	859	1,579	2,438	-	-
	Clearing Members	260,035	-	260,035	0.05	683,618	-	683,618	0.12	162.89
	Investor Education and Protection Fund	-	-	-	-	2,569,103	-	2,569,103	0.45	-
	Sub-Total B(2) :	257,923,144	9,261,856	267,185,000	46.75	251,467,889	7,336,239	258,804,128	45.28	-3.14
	Total Public Shareholding B = B(1)+B(2) :	360,791,267	9,319,908	370,111,175	64.75	362,726,397	7,384,778	370,111,175	64.75	-
	Total (A+B) :	562,249,506	9,319,908	571,569,414	100	564,184,636	7,384,778	571,569,414	100	-
(C) SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED										
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C) :	562,249,506	9,319,908	571,569,414	100	564,184,636	7,384,778	571,569,414	100	-

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Oberoi Hotels Private Limited	83,646,328	14.63	-	83,646,328	14.63	-	-
2	Oberoi Holdings Private Limited	33,438,993	5.85	-	33,438,993	5.85	-	-
3	Oberoi Investments Private Limited	28,150,008	4.93	-	28,150,008	4.93	-	-
4	Oberoi Buildings & Investments Private Ltd	18,061,376	3.16	-	18,061,376	3.16	-	-
5	Shib Sanker Mukherji	9,092,363	1.59	-	9,092,363	1.59	-	-
6	Deepak Madhok	9,011,677	1.58	-	9,011,677	1.58	-	-
7	Arjun Singh Oberoi	6,450,258	1.13	-	6,450,258	1.13	-	-
8	Vikramjit Singh Oberoi	5,127,325	0.9	-	5,127,325	0.9	-	-
9	Oberoi Properties Private Limited	3,114,340	0.54	-	3,114,340	0.54	-	-
10	Oberoi Leasing & Finance Company Pvt Ltd	2,152,365	0.38	-	2,152,365	0.38	-	-
11	Bombay Plaza Private Limited	1,913,190	0.33	-	1,913,190	0.33	-	-
12	Oberoi Plaza Private Ltd	710,391	0.12	-	710,391	0.12	-	-
13	P R S Oberoi	307,610	0.05	-	307,610	0.05	-	-
14	Aravali Polymers LLP	282,015	0.05	-	282,015	0.05	-	-

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

SN	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		Date of change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Oberoi Hotels Private Limited	No Change	83,646,328	14.63	83,646,328	14.63
2	Oberoi Holdings Private Limited	No Change	33,438,993	5.85	33,438,993	5.85
3	Oberoi Investments Private Limited	No Change	28,150,008	4.93	28,150,008	4.93
4	Oberoi Buildings & Investments Private Ltd	No Change	18,061,376	3.16	18,061,376	3.16
5	Shib Sanker Mukherji	No Change	9,092,363	1.59	9,092,363	1.59
6	Deepak Madhok	No Change	9,011,677	1.58	9,011,677	1.58
7	Arjun Singh Oberoi	No Change	6,450,258	1.13	6,450,258	1.13
8	Vikramjit Singh Oberoi	No Change	5,127,325	0.9	5,127,325	0.9
9	Oberoi Properties Private Limited	No Change	3,114,340	0.54	3,114,340	0.54
10	Oberoi Leasing & Finance Company Pvt Ltd	No Change	2,152,365	0.38	2,152,365	0.38
11	Bombay Plaza Private Limited	No Change	1,913,190	0.33	1,913,190	0.33
12	Oberoi Plaza Private Ltd	No Change	710,391	0.12	710,391	0.12
13	P R S Oberoi	No Change	307,610	0.05	307,610	0.05
14	Aravali Polymers LLP	No Change	282,015	0.05	282,015	0.05

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		Date of change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ITC Limited	No Change	85,621,473	14.98	85,621,473	14.98
2	Reliance Industrial Investments and Holdings Ltd.*	No Change	84,592,273	14.8	84,592,273	14.8
3	Reliance Industrial Investments and Holdings Ltd.*	No Change	21,315,000	3.73	21,315,000	3.73
4	General Insurance Corporation of India	No Change	10,015,795	1.75	10,015,795	1.75
5	Russell Credit Limited	No Change	6,556,551	1.15	6,556,551	1.15
6	Franklin Templeton Mutual Fund A/C Franklin India High Growth Companies Fund		5,225,000	0.91		
		31/03/2017			5,225,000	0.91
		21/04/2017			5,000,000	0.87
		15/12/2017			7,200,000	1.26
		22/12/2017			7,500,000	1.31
		19/01/2018			6,890,000	1.21
		02/02/2018			6,654,638	1.16
		16/02/2018			6,521,496	1.14
		23/03/2018			4,514,478	0.79
	At The End of the Year		4,514,478	0.79		

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) - Contd...

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Date of change	No. of shares % of total shares of the company	No. of shares % of total shares of the company	
7	Life Insurance Corporation of India		31,741,260 5.55		
		31/03/2017		31,741,260	5.55
		02/06/2017		31,486,848	5.51
		09/06/2017		31,438,092	5.5
		16/06/2017		31,301,758	5.48
		23/06/2017		31,069,469	5.44
		23/02/2018		30,846,310	5.4
		02/03/2018		30,123,782	5.27
		09/03/2018		29,992,661	5.25
		16/03/2018		26,704,520	4.67
		23/03/2018		25,278,016	4.42
		31/03/2018		24,600,145	4.3
	At The End of the Year		24,600,145 4.3		
8	Reliance Capital Trustee Co. Ltd A/C Reliance Equity Opportunities Fund		16,872,568 2.95		
		31/03/2017		16,872,568	2.95
		09/06/2017		15,788,568	2.76
		16/06/2017		14,752,568	2.58
		23/06/2017		13,752,568	2.41
		14/07/2017		13,002,568	2.27
		27/10/2017		13,102,568	2.29
		01/12/2017		13,152,568	2.3
		08/12/2017		13,202,568	2.31
		31/03/2018		13,277,568	2.32
	At The End of the Year		13,277,568 2.32		
9	The New India Assurance Company Limited		9,745,543 1.71		
		31/03/2017		9,745,543	1.71
		16/06/2017		9,695,351	1.7
		25/08/2017		9,573,787	1.68
		01/09/2017		9,179,834	1.61
		17/11/2017		9,040,264	1.58
		24/11/2017		8,833,966	1.55
		01/12/2017		8,682,823	1.52
		08/12/2017		8,485,660	1.48
		15/12/2017		8,472,071	1.48
		22/12/2017		8,201,868	1.44
		29/12/2017		8,034,134	1.41
		05/01/2018		7,984,134	1.4
	At The End of the Year		7,984,134 1.4		
10	JP Morgan Indian Investment Company (Mauritius) Ltd.		4,607,248 0.81		
		31/03/2017		4,607,248	0.81
		17/11/2017		4,730,477	0.83
		24/11/2017		4,950,510	0.87
	At The End of the Year		4,950,510 0.87		
11	J P Morgan Funds		0 0		
		31/03/2017		3,991,007	0.7
		07/04/2017		4,219,276	0.74
		14/04/2017		4,285,408	0.75
		26/05/2017		4,356,268	0.76
		16/06/2017		4,646,868	0.81
	At The End of the Year		4,646,868 0.81		

*Holding shares in two different Demat Accounts

E) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		Date of change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Arjun Singh Oberoi	No Change	6,450,258	1.13	6,450,258	1.13
2	Vikramjit Singh Oberoi	No Change	5,127,325	0.9	5,127,325	0.9
3	P R S Oberoi	No Change	307,610	0.05	307,610	0.05
4	Shib Sanker Mukherji	No Change	9,092,363	1.59	9,092,363	1.59
5	Sudipto Sarkar	No Change	1,144	-	1,144	-

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year*				
i) Principal Amount	2,309.69	550.00	-	2,859.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.25	-	-	8.25
Total (i+ii+iii)	2,317.94	550.00	-	2,867.94
Change in Indebtedness during the Financial Year				
• Addition	1,509.09	1,250.00	-	2,759.09
• Reduction	775.36	550.00	-	1,325.36
Net Change	733.73	700.00	-	1,433.73
Indebtedness at the end of the Financial Year				
i) Principal Amount	3,042.58	1,250.00	-	4,292.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.09	-	-	9.09
Total (i+ii+iii)	3,051.67	1,250.00	-	4,301.67

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

						(₹ Million)
S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		PRS Oberoi	SS Mukherji	Vikram Oberoi	Arjun Oberoi	
	Gross salary					
1	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	-	9.40	18.55*	16.94*	44.89
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	4.48	0.81	3.92	2.99	12.20
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission as % of profit	35.57 2.00%	26.68 1.50%	22.23 1.25%	22.23 1.25%	106.71 6.00%
5	Others, please specify					
	Total (A)	40.05	36.89	44.70	42.16	163.80
	Ceiling as per the Act	10% of the Net Profits				

*include Retirement benefits.

B. Remuneration to other directors

										(₹ Million)
S. No	Particulars of Remuneration	Name of Directors							Total Amount	
		S.K. Dasgupta	Anil Nehru	Sudipto Sarkar	L Ganesh	Renu Sud Karnad	Rajeev Gupta	Chhavi Rajawat		
1	Independent Directors	1.35	0.75	0.25	0.70	0.05	0.85	0.15	4.10	
	Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-	-	
	Total (1)	1.35	0.75	0.25	0.70	0.10	0.85	0.15	4.10	
2	Other Non-Executive Directors		Nita Ambani				Manoj H Modi			
	Fee for attending board/ committee meetings			0.20			0.25		0.45	
	Commission			-			-		-	
	Others, please specify			-			-		-	
	Total (2)			0.20			0.25		0.45	
	Total (B)=(1+2)									4.55*
	Total Managerial Remuneration									
	Overall Ceiling as per the Act	11% of the Net Profit								

*Sitting fee paid to Non-Executive Directors does not form part of Total Managerial Remuneration.

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

(₹ Million)

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
	Gross Salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	15.90*	6.46	22.36
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	0.13	0.13
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit	-	-	-
5	others, please specify			
	Total	15.90	6.59	22.49

* include Retirement benefits

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Gurugram
30th May 2018

VIKRAM OBEROI
Managing Director & Chief Executive Officer

P.R.S. OBEROI
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure, Developments and Outlook

The Global Economy

As we step away from the Financial Year 2017-18 and assess the current and future outlook for travel and tourism, it is necessary to evaluate the global economic climate.

The global economy grew by 3% during 2017 compared to 2.4% in the previous year. This is estimated to increase to 3.1% in the coming year before averaging out at 3% in 2019 and 2020.

Looking towards the world's largest economy, the United States, GDP growth was 2.3% in 2017 compared to 1.5% in the year before. GDP is forecasted to grow to 2.9% in 2018 and 2.7% in 2019, assuming that the new Administration does not make any changes to the economic policy.

The Eurozone achieved GDP growth of 2.3% in 2017 but is expected to slow to 2.1% in 2018 and 1.9% in 2019. Consumer spending, which has been the driver of Eurozone recovery, is expected to continue to grow in 2018 and onwards, but at a slower pace.

Meanwhile China, recorded a growth of 6.9% in 2017, 0.2% higher than last year. This was attributed to a strong recovery of exports as well as continued fiscal support. However, GDP is expected to dip to 6.4% in the coming year and is expected to average out to 6.3% thereafter due to rising geopolitical tensions and concerns in the financial sector.

The India Economy

The latest Economic Survey of India, estimates a slowdown in GDP growth in comparison to previous years. The advance estimates released by the Central Statistics Office (CSO) anticipates GDP growth for 2017-18 to be 6.5%, compared to the 7.1% growth achieved in 2016-17. Growth for the first six months of the Financial Year was negatively impacted by the continuing effects of demonetisation from November 2016 as well as to the economy adjusting to structural tax reform with the introduction of the Goods & Services Tax (GST). This impacted exporters and small and medium enterprises, forcing companies to trim production and stocks, leading to a decline in manufacturing activity. However, GST after the initial transition has stimulated economic growth as it transforms indirect taxes with the free flow of goods and services. It has also eliminated the cascading effects of indirect taxes.

Inflation continued to be moderate during the Financial Year. The Consumer Price Index (CPI) inflation dropped to 3.3%, from April to December 2017, as compared to the 4.8% recorded during the same period last year. This decline could be attributed to lower food inflation, which hovered around 1% from April to December 2017. This is a significant decline as compared to the corresponding period in the previous year, where food inflation stood at 5.1%.

Looking ahead, the International Monetary Fund estimates that India will be the fastest growing major economy in 2018, with a growth rate of 7.4 per cent rising to 7.8 per cent in 2019. The IMF's Asia and Pacific Regional Economic Outlook report said that India was recovering from the effects of demonetisation and the introduction of the Goods and Services Tax and "the recovery is expected to be underpinned by a rebound from transitory shocks as well as robust private consumption."

The Travel & Tourism Global Scenario

Growing international awareness, the desire to travel, improving flight connectivity and expanding disposable income continue to positively impact travel and tourism. The Travel & Tourism industry generated US\$ 8.3 trillion or 10.4% of global GDP in 2017. This reflects 8.6% growth over 2016 and is anticipated to further grow steadily through 2018.

Travel and tourism globally is a key driver of employment. The industry generated 313 million jobs of total global employment. This contribution is anticipated to grow to 413 million jobs by 2028 and represent 11.6% of total employment.

India Travel & Tourism

The Indian Travel & Tourism industry contributes significantly to employment, economic development and growth. The industry has been a major growth engine for the Indian economy. Over the past few years, the rising purchasing power of the expanding middle class has aided the development of domestic tourism. This has led to an increase in the emphasis being given to the domestic market.

In 2017, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry was 42 million. This is expected to rise to 52 million jobs by 2028 and will represent 8.4% of total employment. Furthermore, Travel & Tourism's contribution to GDP was 9.4% in 2017. This is forecast to rise to 9.9% of GDP by 2028.

International travel to India contributes significantly to the country's foreign exchange earnings. This grew in 2017 by 20.8% over 2016 to reach US\$ 27.2 billion based on the provisional estimates by the Ministry of Tourism. 2017 also saw 10.2 million Foreign Tourist Arrivals (FTA) to the country, a growth of 15.6% over 2016. Of these, 1.7 million FTAs arrived on e-Tourist visas as compared to 1.1 million in 2016, representing a growth of 57.1%. The ease of obtaining an e-Tourist visa will continue to drive FTAs to the country. Domestic tourist visits (DTVs) to the States and Union Territories grew by 15.5% to reach 1.6 billion during 2016. With disposable incomes increasing and people's appetite for travel, domestic tourism will play an increasingly important role for the Travel & Tourism industry.

₹ 13 trillion of India's direct Travel & Tourism GDP was generated by leisure travel spending, both international and domestic, representing 94.6% of the direct Travel & Tourism GDP of the country. This is anticipated to reach ₹ 28 trillion in 2028 and indicate the significant potential for the Industry from both domestic and international leisure travel.

Although the long-term prospects for Travel and Tourism looks positive, GST at 28% for published tariffs for hotel rooms of ₹ 7,500 and above is likely to negatively impact higher spending travel in the country. To put this further into perspective, China, Thailand and Malaysia in comparison have a GST rate on hotel rooms of 10%, 7% and 6% respectively. With Foreign Tourist Arrival (FTA) having grown by 16% over the last year and independent travellers not having the advantage of claiming input credits, GST has played a key role in negatively impacting the international competitiveness of Indian hotels. The hospitality industry has through various forums highlighted this to the Government. The industry hopes that the GST Council, which has reduced rates for many goods and services will consider a similar reduction for hotel room tariffs to make it competitive with countries in the region.

Tourism & Hospitality - Trends and Opportunities for Growth

During 2016-2017, the Indian Hospitality Industry entered its second year of the much-

awaited upward cycle. While branded supply grew, the growth in demand considerably outpaced the growth in supply. As a result, hotel occupancies crossed 65% for the first time in nine years. The Average Room Rates at ₹ 5,658 too witnessed an increase of 2.4% over the previous year.

In 2017, the Indian Hospitality Industry saw capital investments of ₹ 2.71 trillion representing 18.4% growth over last year. This contributes 6.3% towards the total capital invested in the Indian sub-continent. However, the industry has suffered from high debt and sluggish demand between 2008 and 2015 as a result of which there are up to ₹ 68 billion worth of assets for sale today. More hotels with distressed balance sheets are likely to join this pool with the new insolvency laws introduced in June 2016.

Looking ahead, improved hotel performance across most major cities over the past two years is expected to continue. This coupled with diminishing new supply in the pipeline will have a positive impact on the hospitality industry.

Financial and Operating Performance

After undergoing major renovations starting in April 2016, The Oberoi, New Delhi opened its doors on 1st January 2018. This was three months ahead of its scheduled opening date of 1st April, 2018.

Despite the closure of The Oberoi New Delhi during 9 months of the Financial Year and the negative impact of GST on some segments of business, the Financial Year 2017-18 was encouraging.

The Company's Total Revenue was ₹ 14,340 million in 2017-18 as compared to ₹ 13,768 million in the previous year. The revenue growth of the Company for the year with reference to other properties, after factoring the closure of The Oberoi, New Delhi was 4% as compared to the previous year.

The Profit before Exceptional Items and Tax was ₹ 1,739 million as compared to ₹ 1,661 million in the previous year. Similarly, the Profit before Tax was ₹ 1,739 million as compared to ₹ 1,279 million in the previous year.

The Net Profit for the year was ₹ 1,123 million as compared to ₹ 965 million in the previous year.

Total comprehensive income was ₹ 1,051 million as against ₹ 884 Million in the previous year.

Subject to the approval of the Shareholders, the Board has recommended the declaration of a dividend of ₹ 0.90 per share, each with a face value of ₹ 2.

The Company continues to be largely engaged in hospitality and related businesses.

Internal Control Mechanism and Adequacy

The Company's commitment to internal controls flows from *The Oberoi Dharma*. This states that we, as members of The Oberoi Group are committed to a conduct which is of the highest intellectual, financial, moral and ethical standards. In keeping with this, adequate internal control processes have been laid down to provide an assurance on the orderly and efficient conduct of operations, safeguarding of assets, prevention and detection of frauds and errors, maintenance of accurate and timely accounting records and the timely preparation of reliable financial information.

Appropriate checks and balances have been built in the internal control mechanisms to safeguard the principle of governance while at the same time ensuring the ease of operations and their management.

Internal Financial Controls (IFC)

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

Further, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (4) of the Companies Act, 2013, the independent directors have satisfied themselves on the integrity of financial information and ensured that financial controls and systems of risk management are robust and defensible.

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

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

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

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

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

Internal Audit Mechanism and Review Systems

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

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

of risk and the yearly Internal Audit Plan approved by the Audit Committee. All reported observations of audits are maintained on an online databases for comprehensiveness, ease of accessibility and structured follow up.

The Company has a structured follow-up team of Senior Executives who meet periodically under the aegis of the Managing Director & Chief Executive Officer to address and resolve pending audit issues. The Chief Internal Auditor is responsible to and presents findings to the Audit Committee every quarter, in the order of the impact of risks involved, the probabilities of their occurrence and the pendency of issues in various units together with the periodicity and status thereof.

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

During the Financial Year 2017-18, separate presentations on internal audit findings and internal financial controls were shared with the Audit Committee in its meetings on four occasions. The Audit Committee was satisfied with the adequacy of the internal control systems and procedures of the Company and the performance of the Internal Audit Department in respect of its monitoring of such systems.

Risk Management

Risk Management is an integral and important component of Corporate Governance. Robust risk management ensures adequate controls and monitoring mechanisms for the smooth and efficient running of the business. A risk-aware organisation is better equipped to maximise shareholder value.

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

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

During the year, the Risk Management Committee comprising the Managing Director & Chief Executive Officer and Senior Executives of the Company presented to the Board of Directors, Risk Reports in October 2017 and in March 2018. The Risk Management Committee identified potential risks associated with the Company's business and assigned responsibility to various Risk Owners who were responsible for monitoring and addressing the risks with commensurate mitigating plans. Based on data received from Risk Owners, the organisational criteria of Critical, Watch and Good were applied to each Risk. The Board was apprised of the performance of the Company against each risk parameter and the measures taken to mitigate these risks. On the whole, the Board was satisfied with the Company's performance against each identified risk parameter.

Business consolidation and expansion

The following hotels and resorts are currently under planning and development:

The Oberoi, Marrakech is in the final phase of completion. This luxury hotel consisting of rooms and suites, all with private swimming pools, is scheduled to open in the first quarter of 2019. Oberoi branded villas for sale are planned within the development.

Construction of The Oberoi, Casablanca, located on a prime ocean front site overlooking the Atlantic Ocean, is presently on temporary hold as the master plan of the development is undergoing a review by the Government of Morocco.

The Oberoi, Marrakech and The Oberoi, Casablanca will both be managed by a wholly owned subsidiary of the Company.

Construction of The Oberoi, Doha is currently underway. The hotel and service apartments are located on a prime site in the central business district of the city. This hotel is scheduled to open in the first quarter of 2020. The property will be managed by a wholly owned overseas subsidiary of the Company.

Planning and design of The Oberoi luxury service apartments in Lusail, Qatar is progressing. The project is expected to be completed in the first quarter of 2021 and will be managed by a wholly owned overseas subsidiary of the Company.

A luxury Wildlife Resort on the edge of Maasai Mara National Reserve, Kenya will be managed by a wholly owned overseas subsidiary of the Company. The Oberoi Resort will be located on a 5,000 acre site overlooking the Mara valley which offers guests unrivalled views of the Mara Triangle and the annual migration. The accommodation consists of luxury tents, two restaurants, a bar and a spa. The project is in the planning phase and scheduled to open in first quarter of 2020.

Work has commenced on The Oberoi Rajgarh Palace located near Khajuraho, Madhya Pradesh. The hotel will offer luxury accommodation on a 62 acre site overlooking the Panna Forest Reserve. Construction of the Resort is in progress.

Planning consent for the Company's 55 acre beach front site at Goa is awaited. Government and environmental approvals are in the process of being obtained.

Planning in respect of The Oberoi Hotel and luxury branded residences in Bengaluru is under review due to major frequent changes by Bengaluru Development Authorities.

The Oberoi Gir, a Luxury Wildlife Resort on a 50 acre site, is located on the periphery of Gir National Park in Gujarat. Gir National Park is the sole home of the Asiatic Lion and also supports a variety of wildlife, flora and fauna. The Resort shall consist of luxury air-conditioned tents. This resort is scheduled to open in the second quarter of 2020 and will be managed by ElH Limited.

The Oberoi Wildlife Resort Bandhavgarh, is located on a 22 acre site five kilometers from Bandhavgarh National Park in Madhya Pradesh, India. The jungle resort will consist of luxury tents, a restaurant and a spa. The construction of the resort is underway and is scheduled to open in the third quarter of 2020 and will be managed by ElH Limited.

An overseas subsidiary of the Company will operate two resorts, i.e., The Oberoi and Trident, on the island of Koh Tan located five kilometers south west of Koh Samui, Thailand. The lush green one hundred acre site, overlooks a two kilometre pristine beach. The plan incorporates an Oberoi Resort and a Trident Resort with multiple restaurants, meeting and

recreation facilities, nature walks spas and wellness centers. Planning of both resorts are in progress. Both resorts are scheduled to open in the first quarter of 2021.

The Oberoi Kathmandu will be developed on a greenfield site measuring six acres. The proposed luxury hotel will be in close proximity to important tourist attractions of the Royal Palace, Thamel and other important business locations. The hotel will incorporate 80 keys and shall be developed as a low rise garden hotel with multiple restaurants, meeting facilities, Spa, wellness centre and recreational facilities. Construction is expected to begin by March 2019. The Oberoi Kathmandu is scheduled to open in the first quarter of 2022. The hotel will be managed by wholly owned subsidiary of the Company.

Awards

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

Oberoi Hotels and Resorts was voted the best Hotel Group by Telegraph Travel Awards 2017, UK.

Oberoi Hotels and Resorts was voted as the World's Leading Luxury Hotel brand for the sixth consecutive year by the World Travel Awards, 2017.

Oberoi Hotels & Resorts was voted the World's Best Hotel Brand for the second consecutive year in the Travel + Leisure, World's Best Awards Readers' Survey, 2016.

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

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

HOTEL	AWARD	AWARDED BY
The Oberoi, Mumbai, India	10 Best City Hotels in Asia (Ranked 5th)	Travel + Leisure USA, World's Best Awards Readers' Survey 2017
The Oberoi Vanyavilas, Ranthambhore Rajasthan, India	The Best Resort Hotels in India (Ranked 1st)	Travel + Leisure USA, World's Best Awards Readers' Survey 2017
	Top 25 Small Hotels in the World (Ranked 1st)	Trip Advisor, Travellers' Choice Awards 2017
	Top 25 Luxury Hotels in the World (Ranked 2nd)	Trip Advisor, Travellers' Choice Awards 2017
	Top 25 Small Hotels in India (Ranked 1st)	Trip Advisor, Travellers' Choice Awards 2016
	Best Luxury Wildlife Lodge in India	The Outlook Traveller Awards, 2016
The Oberoi Udaivilas, Udaipur, Rajasthan, India	Best Luxury Resort in India	Travel + Leisure, India & South Asia India's Best Awards, 2016
	Top 10 Resorts in Asia (Ranked 2nd)	Travel + Leisure, World's Best Awards, Readers' Survey 2016
	Top 5 Resorts in India (Ranked 1st)	Travel + Leisure, World's Best Awards, Readers' Survey 2016
The Oberoi Rajvilas, Jaipur, Rajasthan, India	India's Leading Resort (4th consecutive year)	World Travel Awards 2017
	Top 10 Resorts in Asia (Ranked 7th)	Travel + Leisure, World's Best Awards, Readers' Survey 2016
The Oberoi Amarvilas, Agra, Uttar Pradesh, India	Top 25 Hotels for Romance (Ranked 2nd)	Trip Advisor, Travellers' Choice Awards 2016
Wildflower Hall, Shimla in the Himalayas, Himachal Pradesh, India	Top 25 Hotels for Service in India (Ranked 1st)	Trip Advisor, Travellers' Choice Awards 2016
The Oberoi, Gurgaon, Delhi National Capital Region	Favourite Indian Business Hotel (2nd Consecutive Year)	Condé Nast Traveller, India, Readers' Travel Awards 2017

Trident, Gurgaon, Delhi National Capital Region	India's Leading Business Hotel (3rd consecutive year)	World Travel Awards 2017
	India's Leading Business Hotel	World Travel Awards, 2016
The Oberoi, Sukhvilas & Spa, Siswan Forest Range, Near Chandigarh	Hot List 2017	Cande Nast Trveller, Middle East Travel + Leisure, US, IT List 2017
	Best New and Renovated Hotels	Travel + Leisure, India and South Asia, IT List 2017
	The Best New Hotels in the World	Travel + Leisure, US, IT List 2016
Trident, Hyderabad	India's Leading Hotel	World Travel Awards, 2017
	India's Leading Hotel	World Travel Awards, 2016
The Oberoi, Mauritius	Top 25 Hotels in Africa (Ranked 1st)	TripAdvisor, Travellers' Choice Awards 2017
	Top 25 Hotels in Mauritius (Ranked 1st)	TripAdvisor, Travellers' Choice Awards 2017
	Top 10 Hotels for Service in Mauritius (Ranked 1st)	TripAdvisor, Travellers' Choice Awards 2016
The Oberoi, Sahl Hasheesh, Red Sea, Egypt	Top 25 Hotels in Egypt (Ranked 1st)	TripAdvisor, Travellers' Choice Awards 2017
	Top 25 Hotels in Egypt (Ranked 1st)	TripAdvisor, Travellers' Choice Awards 2016
The Oberoi, Dubai United Arab Emirates	Middle East's Leading Luxury City Hotel (4th consecutive year)	World Travel Awards 2017
	Middle East's Leading Luxury City Hotel	World Travel Awards 2016
The Oberoi Beach Resort, Al Zorah, Ajman	The Hot List 2017	Conde Nast Traveller, UK
	Ajman's Leading Luxury Resort	World Travel Awards, Middle East, 2017
	Middle East's Leading Luxury Villa Resort	World Travel Awards, Middle East, 2017

Development in Human Resources and Industrial Relations

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

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

In another independent study conducted by the Great Place to Work Institute, India, in partnership with The Economic Times, The Oberoi Group was featured in the Top 25 companies to work for in India, 2017. The Oberoi Group has also found a place among the Best Employers in Asia 2017 by the Great Place to Work Institute.

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

1. The Oberoi Group Employee Engagement Survey – Employee engagement has always been a strong focus at The Oberoi Group. In Financial Year 2017-18, The Oberoi Group achieved an overall engagement score in the top quartile of Global and India Best Employers. During the year, the Organisation will work on the improvement areas based on the findings of the Engagement Survey in its efforts to continue to improve the engagement levels of employees.

2. We have an integrated talent management system comprising of the Balanced Score Card and an assessment of Leadership competencies.
3. Industrial relations remained stable through the year. We were also able to reduce the number of on-going labour litigations by reaching fair and equitable settlements.
4. The Company continues to focus on its policy of zero tolerance of any non-compliance with labour and other statutory requirements. We continue to further streamline our processes to ensure data sanctity and to strengthen our compliance, governance and reporting.
5. The Internal Committee for dealing with Sexual Harassment cases under the Act is well established with adequate presence in our hotels, units and at the corporate office. A process has been established to report cases centrally for better governance.

Learning and Development

1. The Oberoi Centre of Learning and Development (OCLD) continued to be focused on its core programmes. These are the Post Graduate Management Programmes in Guest Service, Housekeeping and Kitchen Management and the three-year Undergraduate Systematic Training and Education Programme (STEP).
2. OCLD had its first Sales Management Programme commence in July 2017. This 18-month programme is designed to train graduates for a long term career in hospitality sales. The first batch will graduate in January 2019.
3. As part of the Corporate Learning and Development initiatives, several programs were organised in the Financial Year 2017-18 for executives across all levels. These Management Development Programs were based on individual needs identified during the appraisal process. Each training program whether run by OCLD or in partnership with leading business universities in India or overseas were individually curated to ensure that both content and delivery were tailored to the needs of the executive and the Organisation.

Industrial relations remained stable throughout the year.

As on 31st March, 2018, the number of people employed by the Group was 9,719.

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

For and on behalf of the Board

Gurugram
30th May 2018

VIKRAM OBEROI
Managing Director & Chief Executive Officer

P.R.S. OBEROI
Executive Chairman

REPORT ON CORPORATE GOVERNANCE

1. The Company's philosophy on Code of governance

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

The texts of "*The Oberoi Dharma*" and the "Mission Statement" appear on page nos. 11 and 12 of this Annual Report.

2. Board of Directors

As on 31st March 2018, the Company had twelve Directors on the Board. Four Directors are Executive Directors and eight Directors are Non-Executive Directors. Six of the Non-Executive Directors are Independent Directors.

The Board met five times during the Financial Year on 30th May 2017, 1st August 2017, 30th October 2017, 30th January 2018 and 27th March 2018.

Details of attendance of Directors at Board Meetings during the Financial Year and at the Company's Sixty seventh Annual General Meeting together with the number of other Directorships and Committee memberships held by them are as follows:

Name	Designation	Category	Attendance		No. of other Directorships*	@No. of other Board Committees in which he is a member or Chairperson (other than ElH)
			Board Meeting	Last AGM		
Mr. P.R.S. Oberoi	Executive Chairman	Executive	5	Yes	5	1**
Mr. S.S. Mukherji	Executive Vice Chairman	Executive	5	Yes	2	2
Mr. Vikram Oberoi	Managing Director & Chief Executive Officer	Executive	5	Yes	3	1
Mr. Arjun Oberoi	Managing Director – Development	Executive	4	No	2	-
Mr. S.K. Dasgupta	Director	Non-Executive Independent	5(3)	Yes	1	-
Mr. Sudipto Sarkar	Director	Non-Executive Independent	4	Yes	4	5**
Mr. Anil Nehru	Director	Non-Executive Independent	5	Yes	3	3**
Mr. L. Ganesh	Director	Non-Executive Independent	5	Yes	5	6
Mrs. Nita Mukesh Ambani	Director	Non-Executive Non-Independent	4(4)	No	2	-
Mrs. Renu Sud Karnad#	Director	Non-Executive Independent	1	No	8	6
Mr. Manoj Harjivandas Modi	Director	Non-Executive Non-Independent	5(4)	Yes	2	2

Mr. Rajeev Gupta	Director	Non-Executive Independent	5(1)	No	6	4
Dr. Chhavi Rajawat##	Director	Non-Executive Independent	2	NA	-	-

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

** Chairperson of one Committee

() The numbers in bracket represents meetings attended through video conference out of the total number of meetings attended.

@ Only Audit Committee & Stakeholders Relationship Committee has been considered as per Listing Regulations.

Resigned from the Directorship w.e.f 2nd August 2017

Appointed as Director in the casual vacancy on 30th October 2017

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

All Directors and members of Senior Management have, as on 31st March 2018, affirmed their compliance with:-

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

3. Audit Committee

Composition, Meetings and Attendance

The Audit Committee comprises of six Board Members, namely, Mr. L. Ganesh, Mr. S.K. Dasgupta, Mr. Anil Nehru, Mr. Rajeev Gupta, Mr. S.S. Mukherji and Mr. Arjun Oberoi. Mr. Anil Nehru is the Chairperson of the Audit Committee.

The members of the Audit Committee except Mr. Arjun Oberoi and Mr. S.S. Mukherji are Non-Executive Independent Directors. The quorum for an Audit Committee Meeting is two members.

Mr. Anil Nehru, Chairperson of the Audit Committee has studied Business Management from IIM, Ahmedabad, Harvard University and Columbia University. Mr. Rajeev Gupta is a Management Graduate from IIM, Ahmedabad and an Investment Banker, Mr. S.S. Mukherji is a Chartered Accountant, Mr. L. Ganesh is a Chartered Accountant and holds a Masters degree in Business Administration and Mr. S.K. Dasgupta is a Chartered Accountant and past President of the Institute of Chartered Accountants of India. Accordingly, Chairman and all the members of the committee are financially literate within the meaning of explanation under regulation 18(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Audit Committee met four times during the Financial Year on 29th May 2017, 1st August 2017, 30th October 2017 and 30th January 2018.

Attendance of the members of the Audit Committee during the Financial Year 2017-18 is given below:

Name of the Member	Number of Meetings attended
Mr. Anil Nehru, Chairperson	4
Mr. S.K. Dasgupta	4(2)
Mr. L. Ganesh	4
Mr. S.S. Mukherji	4
Mr. Arjun Oberoi	3
Mr. Rajeev Gupta	4(1)

() The numbers in bracket represents meetings attended through video conference out of the total number of meetings attended.

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

Terms of Reference

The Terms of reference of the Audit Committee is in accordance with Regulation 18, part C of Schedule II to the Listing Regulations and Section 177 of the Companies Act, 2013.

4. Stakeholders Relationship Committee

Composition, Meetings & Attendance

The Stakeholders Relationship Committee ("SRC") comprises of five Board Members, namely, Mr. S.K. Dasgupta, Mr. P.R.S. Oberoi, Mr. S.S. Mukherji, Mr. Vikram Oberoi and Mr. Arjun Oberoi. Mr. S.K.Dasgupta is the Chairperson of the SRC. Mr. S. N. Sridhar, Company Secretary, who is also the Compliance Officer of the Company, acts as Secretary to the Committee.

The quorum for a meeting of SRC is two members.

The SRC met twelve times during the Financial Year on 24th April 2017, 29th May 2017, 19th June 2017, 31st July 2017, 5th September 2017, 3rd October 2017, 30th October 2017, 28th November 2017, 27th December 2017, 30th January 2018, 28th February 2018 and 27th March 2018.

Attendance of the members of the SRC during the Financial Year 2017-18 is given below:

Name of the Member	Number of Meetings attended
Mr. S.K. Dasgupta, Chairperson	12(7)
Mr. P.R.S. Oberoi	4
Mr. S.S. Mukherji	12(4)
Mr. Vikram Oberoi	9(1)
Mr. Arjun Oberoi	10(4)

() The numbers in bracket represents meetings attended through video conference out of the total number of meetings attended.

Terms of Reference

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

Pursuant to Regulation 40(2) of the Listing Regulations, the power to approve transfers, transmissions, etc. of shares in their physical form has been delegated to a Committee of Executives of the Company.

As on 31st March, 2018, there were no pending demat and physical transfer requests.

14 complaints were received from investors during the Financial Year. These complaints mainly related to dividends and Annual Reports not received by Shareholders. All complaints were resolved. There were no complaints pending as at the end of the Financial Year.

5. Nomination and Remuneration Committee

Composition, Meetings & Attendance

The Nomination and Remuneration Committee ("NRC") comprises of five Board Members, four Non-Executive Independent Directors, namely, Mr. Anil Nehru, Mr. L. Ganesh, Mr. S.K. Dasgupta, Mr. Rajeev Gupta and Mr. P.R.S. Oberoi, Executive Chairman.

Mr. Anil Nehru is the Chairperson of the NRC.

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

The NRC met five times during the Financial Year on 29th May 2017, 31st July 2017, 30th October 2017, 30th January 2018 and 27th March 2018.

Attendance of the members of the NRC during the Financial Year 2017-18 is given below:

Name of the Member	Number of Meetings attended
Mr. Anil Nehru, Chairperson	5
Mr. L. Ganesh	4
Mr. S.K. Dasgupta	5(3)
Mr. P.R.S. Oberoi	3
Mr. Rajeev Gupta	5(1)

() The numbers in bracket represents meetings attended through video conference out of the total number of meetings attended.

Terms of Reference

The Terms of Reference of the NRC and its role are in accordance with regulation 19 and part D of Schedule II to the Listing Regulations and sub-section (2), (3) and (4) of Section 178 of the Companies Act, 2013.

The NRC has formulated the following policies in accordance with the aforesaid provisions:

- i) Directors' Appointment and Remuneration Policy;
- ii) Senior Management Personnel (excluding Executive Directors') Appointment and Remuneration Policy.

The aforesaid policies are available on the Company's website www.eihltd.com

6. Corporate Social Responsibility Committee

Composition, Meetings and Attendance

The Corporate Social Responsibility Committee ("CSR Committee") comprises of four Board Members, namely, Mr. Rajeev Gupta (Independent Director), Mr. S.S. Mukherji, Mr. Vikram Oberoi and Mr. Arjun Oberoi. Mr. S.S. Mukherji, Executive Vice Chairman is the Chairperson of the Committee.

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

The CSR Committee met two times during the Financial Year on 5th September 2017 and 27th March 2018.

Attendance of members of the CSR Committee during the Financial Year 2017-18 is given below:

Name of the member	Number of Meetings attended
Mr. S.S. Mukherji, Chairperson	2
Mr. Vikram Oberoi	1
Mr. Arjun Oberoi	2(1)
Mr. Rajeev Gupta	2(1)

() The numbers in bracket represents meetings attended through video conference out of the total number of meetings attended.

Terms of Reference

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

7. Subsidiary Companies

The names of the Company's Subsidiary Companies appear on page no. 77 of this report.

None of the Subsidiary Companies qualify as a "Material Subsidiary" as defined under Regulation 16(C) of the Listing Regulations. The Company is complying with the provisions of regulation 24(2)(3) & (4) of the listing regulations. "The Policy on Material Subsidiaries" can be accessed on the Company's website www.eihltd.com.

8. General Body Meetings

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

Financial Year ended	Location	Date	Time	Special Resolutions Passed
31st March 2015	The Oberoi Grand, Kolkata	5th August 2015	11.30 A.M	None
31st March 2016	The Oberoi Grand, Kolkata	3rd August 2016	11.30 A.M	None
31st March 2017	The Oberoi Grand, Kolkata	2nd August 2017	11.30 A.M	None

(ii) Special Resolution passed through postal ballot:

During the year, two special resolutions were passed by postal ballot with the requisite majority on 24th May 2017. The details of voting pattern are as under:

a) Special Resolution for Re-appointment of Mr. P.R.S. Oberoi (DIN-0051894) as Executive Chairman

e-voting		Ballot-voting		Total voting	
Cast in favour (No of shares)	Cast against (No of shares)	Cast in favour (No of shares)	Cast against (No of shares)	Cast in favour (No of shares & %)	Cast against (No of shares & %)
37,60,38,542	8,183	99,10,734	23,338	38,59,49,276 (99.99)	31,521 (0.01)

b) Special Resolution for Re-appointment of Mr. S.S. Mukherji (DIN-00103770) as Executive Vice Chairman

e-voting		Ballot-voting		Total voting	
Cast in favour (No of shares)	Cast against (No of shares)	Cast in favour (No of shares)	Cast against (No of shares)	Cast in favour (No of shares & %)	Cast against (No of shares & %)
37,60,20,053	26,709	99,20,987	13,078	38,59,41,040 (99.99)	39,787 (0.01)

(iii) Person who conducted the postal ballot exercise

Mr. Ajay Jain, Advocate and Consultant of Jurisprudent Consulting Partners, Advocates & Corporate Legal Advisors, appointed as the Scrutinizer, had conducted the postal ballot voting process.

(iv) Procedure for postal ballot

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

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

None

9. Remuneration of Executive Directors

(₹ Million)

Name	Salary	Perquisites	Commission on Profits (Accrued)	Total
Mr. P.R.S. Oberoi	-	4.48	35.57	40.05
Mr. S.S. Mukherji	9.40	0.81	26.68	36.89
Mr. Vikram Oberoi	18.55*	3.92	22.23	44.70
Mr. Arjun Oberoi	16.94*	2.99	22.23	42.16
TOTAL	44.89	12.20	106.71	163.80

*Includes retirement benefits

Apart from the sitting fee, no remuneration is paid to Non-Executive Directors. Non-Executive Directors who attend Board or Committee Meetings are paid a sitting fee of ₹ 50,000 per meeting. During the Financial Year, the total amount paid to Non-Executive Directors for attending Board and Committee Meetings amounted to ₹ 4.55 Million. No stock option was given to Directors of the Company.

Service Contracts of Executive Director

Name	Tenure	Notice Period	Severance Fees
Mr. P.R.S. Oberoi	27.06.2017- 26.06.2022	6 months	As per Agreement
Mr. S.S. Mukherji	27.06.2017-26.06.2022	6 months	As per Agreement
Mr. Vikram Oberoi	01.07.2014- 30.06.2019	6 months	As per Agreement
Mr. Arjun Oberoi	01.07.2014- 30.06.2019	6 months	As per Agreement

10. General Disclosures

- (i) A summary of transactions with related parties, in the ordinary course of business and at arm's length is placed before the Audit Committee;
- (ii) there were no material individual transactions with related parties that were not in the ordinary course of business and at arm's length during the Financial Year ended 31st March 2018;
- (iii) there were no materially significant transactions during the Financial Year with related parties such as the Promoters, Directors, Key Managerial Personnel, Relatives or Subsidiaries that could have potential conflict of interest with the Company;
- (iv) the mandatory disclosure of transactions with related parties, in compliance with the Indian Accounting Standard (IndAS-24), forms part of this annual report;
- (v) none of the Non-Executive Directors hold any shares in the company except Mr. Sudipto Sarkar who holds 1,144 shares in the Company;
- (vi) in preparing the Annual Accounts for the Financial Year ended 31st March 2018, no accounting treatment was different from that prescribed in the Indian Accounting Standards;

- (vii) there were no instance of non-compliance on any matter relating to the capital markets during the past three years;
- (viii) the Company has a Code of Conduct for Prevention of Insider Trading in the shares of the Company for Directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (ix) the Company has a Whistle blower Policy which can be accessed on the Company's website www.eihltd.com. It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee in terms of the policy. During the Financial Year, the MD & CEO received 1(one) complaint which was duly investigated by the whistle committee. Action recommended by the whistle committee has been implemented by the management.
- (x) the Company has a policy on Related Party Transactions. The policy can be accessed on the Company's website www.eihltd.com.
- (xi) the Company has a Policy on Distribution of Dividend to Shareholders. The Policy can be accessed on the Company's website www.eihltd.com.
- (xii) the Company has a policy on Determination and Disclosure of Material Events. The policy can be accessed on the Company's website www.eihltd.com.
- (xiii) the Company has a policy on Preservation and Archival of Documents. The policy can be accessed on the Company's website www.eihltd.com
- (xiv) the familiarisation program for Independent Directors is provided as part of the Director's Appointment and Remuneration policy. The policy and details of the familiarisation program is given on the Company's website www.eihltd.com.
- (xv) Independent Directors met on 27th March 2018 to review the performance of the Non-Independent Directors and the Board as a whole, performance of the Chairperson and quality, quantity and timeliness of information exchange between the Company Management and the Board.
- (xvi) The Company has put in place a Board Evaluation process. A note on this is provided in the Directors' Report.
- (xvii) The Company has put in place adequate Internal Control Systems and Procedures including adequate financial controls with reference to the financial statement.
- (xviii) The Company has put in place a Risk Management Committee comprising of Executive Directors and Senior Executives of the Company which identifies potential risks associated with the Company's business and take steps to mitigate such risks. The Company is not required to constitute a Board Committee on Risk Management. The Risk Management Policy formulated by the Company is available on the Company's website www.eihltd.com.
- (xix) The Company is complying with the non-mandatory requirement of a separate post of Chairperson and Managing Director and Chief Executive Officer.

11. Means of Communication

The Annual Report for each Financial Year is mailed to all shareholders in the month of July of each calendar year. Each report contains standalone and consolidated financial statement of the Company for the Financial Year along with the Directors' and Auditor's Reports and its annexures. Also included in each Annual Report is the notice convening the Annual General Meeting and the Corporate Governance Report.

The financial results or the extract of the financial results, as the case may be, of the company were officially released or will be released in accordance with the following schedule:

Sl. No.	Nature of Communication	Media used for Publication	Dates of Publication	Forwarded/to be forwarded to Stock Exchanges on
1	Quarterly unaudited financial statement (first quarter 2017-18)	Newspapers	03.08.2017	02.08.2017
2	Half-yearly unaudited financial statement (second quarter 2017-18)	Newspapers	31.10.2017	30.10.2017
3	Quarterly unaudited financial statement (third quarter 2017-18)	Newspapers	31.01.2018	30.01.2018
4	Annual audited financial statements 2017-18	Newspapers	On or before 01.06.2018	30.05.2018

The financial results are published in The Economic Times, The Times of India, Mint, The Financial Express, The Indian Express and *Eai Samay* (Bengali).

All corporate information filed by the Company with the stock exchanges are uploaded on www.connect2nse.com/LISTING/ (NSE) and www.listing.bseindia.com (BSE) and can be viewed on the website of stock exchanges i.e www.nseindia.com, www.bseindia.com and www.cse-india.com. The information is also available on the Company's website www.eihltd.com.

The Management Discussion and Analysis and Business Responsibility Report for the Financial Year forms part of the Directors' Report.

12. General Shareholder Information

- a. The Sixty Eighth Annual General Meeting will be held at 11.30 A.M. on Wednesday, 1st August, 2018, at The Oberoi Grand, Kolkata.

b. The tentative financial calendar is as follows:

Audited Financial Statement for 2017-18	Wednesday	30th May 2018
Mailing of Annual Report for 2017-18	On or before	6th July 2018
Unaudited First Quarter Financial Result 2018-19	Tuesday	31st July 2018
Sixty Eighth Annual General Meeting	Wednesday	1st August 2018
Payment of Dividend for 2017-18	Thursday	2nd August 2018
Unaudited Second Quarter Financial Result 2018-19	Tuesday	30th October 2018

c. Register of Shareholders

The Register of Shareholders will remain closed from 25th July 2018 to 27th July, 2018, both days inclusive.

d. Payment of dividend

Dividend through ECS and warrants in respect of Dividend for the Financial Year 2017-18, if declared by the Company at the Sixty Eighth Annual General Meeting, will be paid on 2nd August 2018 to those shareholders whose name appear in the Register of members/list of beneficial owners as on 24th July 2018.

e. Listing of Shares on Stock Exchanges

The Stock Exchanges with their respective stock codes are as follows:

Name & Address of the Stock Exchange	Stock Code
The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata-700001	05
BSE Limited Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001	500840
The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai – 400 051	EIHOTEL

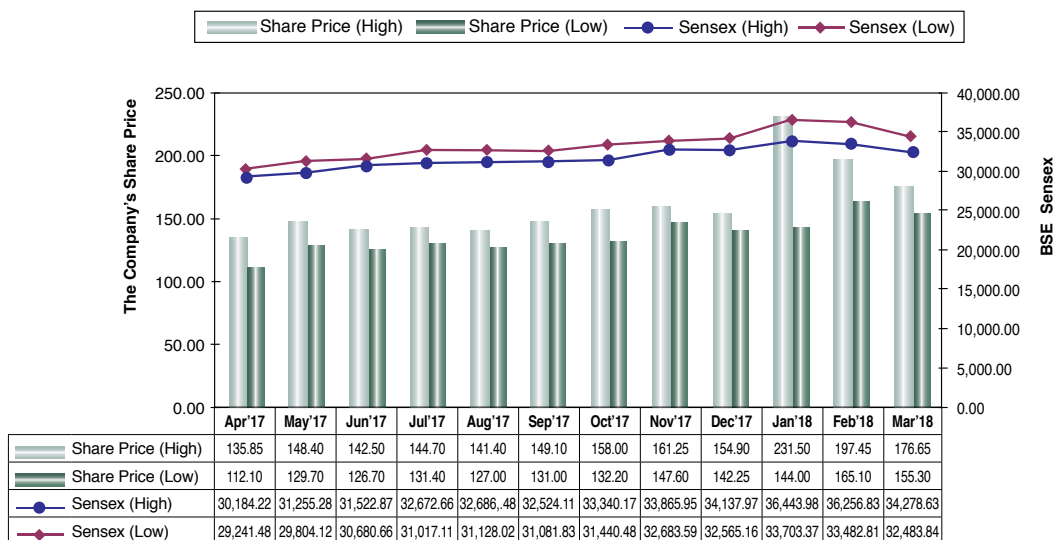
The ISIN Number of the company's shares in the dematerialised mode is INE 230A01023.

There are no arrears of listing fees.

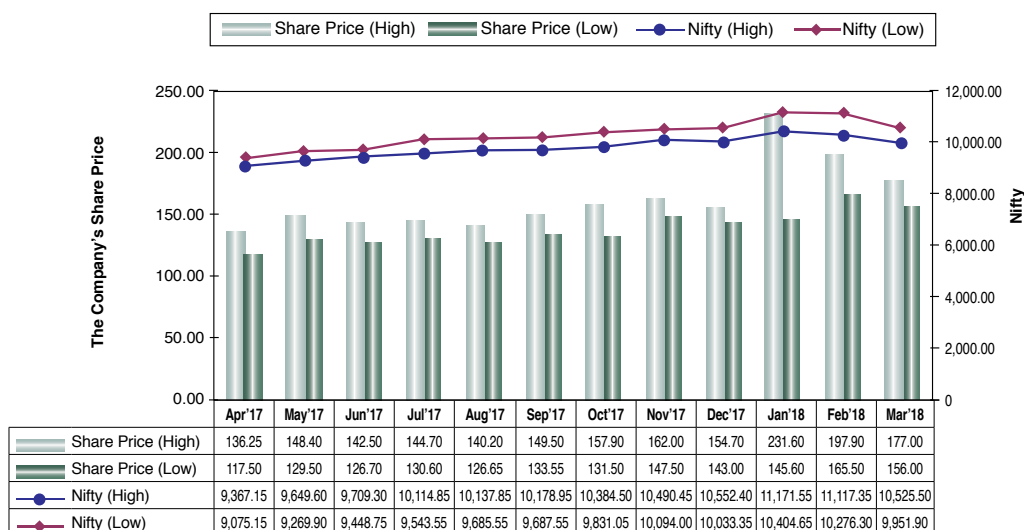
f. Market Price of the Company's share versus Sensex and Nifty (in Rupees)

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

A. The Company's Share Price versus Sensex



B. The Company's Share Price versus Nifty



- g. The Company has a demat account namely “EIH Ltd-Unclaimed Suspense A/c” with ICICI Bank Limited. The Shares remaining unclaimed as on 31st March 2018 in the said Suspense Account are as under:

Particulars	No. of Shareholders	No. of Shares	% of Shares capital
Aggregate number of Shareholders and outstanding shares as on 1st April 2017	3,011	13,95,185	0.24
Shareholders who had approached the Company and whose shares were transferred from the suspense account during the year	15	8,983	-
Shareholders whose shares were transferred to Investor Education and Protection Fund	2,609	12,16,060	0.21
Aggregate number of Shareholders and outstanding shares lying as on 31st March 2018	387	1,70,142	0.03

Note: voting rights on these shares will remain frozen till the rightful owner claim these shares

- h. In accordance with Section 20,101 and 136 of the Companies Act, 2013 and rules made there under, the Annual Report, Notices of the Annual General Meeting, Postal Ballot notice, circulars etc, are being sent by electronic means to those shareholders whose e-mail addresses are made available to the Company by the shareholders and the depository. Documents e-mailed to Shareholders are also available on the Company’s website www.eihltd.com to enable shareholders to read and download a copy, if required. Physical copies of the documents are sent to those shareholders who have made a specific request in writing for the same. For the Financial Year 2017-18, the Company will follow the same procedure.

13. Share Transfers

The Company is a SEBI recognised Category-II Share Transfer Agent. Requests for dematerialisation and re-materialisation should be sent to the Company’s Investors Services Division, (“ISD”), 7, Shamnath Marg, Delhi - 110 054.

The Company’s Shares are traded on the Stock Exchanges in the compulsory dematerialised form. Shareholders are requested to ensure that their Depository Participants (“DPs”) promptly send physical documents, i.e. Dematerialization Request Form (“DRF”), Share Certificates, etc. to the ISD by providing the Dematerialization Request Number (“DRN”). Documents for transfer in the physical form, i.e., the Transfer Deeds, Share Certificates, etc., should similarly be sent to the ISD.

As on 31st March 2018, 564.18 million shares of the Company (representing 98.71% of the total Shares issued) were held in the dematerialised form and 7.39 million shares (representing 1.29% of the total shares) were held in the physical form. As on 31st March 2018, the total number of shareholders were 64,360 out of which 52,374 (81.38%) were holding shares in a dematerialised form. The balance 11,986 (18.62%) Shareholders continued to hold shares in the physical form.

14. Distribution of Shareholding as on 31st March 2018

Shareholding Range	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
Upto – 1000	52,471	81.53	1,18,59,930	2.07
1001 – 5000	10,377	16.12	2,13,43,658	3.73
5001 – 10000	966	1.50	66,82,813	1.17
10001 – 50000	421	0.65	78,41,778	1.37
50001 – 100000	30	0.05	20,09,332	0.35
100001 and above	95	0.15	52,18,31,903	91.30
Total	64,360	100	57,15,69,414	100

15. Pattern of Shareholding as on 31st March 2018

Category of Shareholders	No of Shareholders	Total No. of Shares	Percentage
PROMOTER AND PROMOTER GROUP			
INDIAN			
Individual/HUF	5	2,99,89,233	5.25
Central Government/State Government(s)	-	-	-
Bodies Corporate	9	17,14,69,006	30.00
Financial Institutions / Banks	-	-	-
Others	-	-	-
Sub-Total A(1) :	14	20,14,58,239	35.25
FOREIGN			
Individuals (NRIs/ Foreign Individuals)	-	-	-
Bodies Corporate	-	-	-
Institutions	-	-	-
Qualified Foreign Investor	-	-	-
Others (specify)	-	-	-
Sub-Total A(2) :	-	-	-
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) :	14	20,14,58,239	35.25

Category of Shareholders	No of Shareholders	Total No. of Shares	Percentage
PUBLIC SHAREHOLDING			
INSTITUTIONS			
Mutual Funds / UTI	25	4,4,090,645	7.71
Financial Institutions / Banks	28	71,012	0.01
Central Government/State Government(s)	-	-	-
Venture Capital Funds	-	-	-
Insurance Companies	6	43,837,383	7.67
Foreign Institutional Investors	71	23,308,007	4.08
Foreign Venture Capital Investors	-	-	-
Qualified Foreign Investor	-	-	-
Others (specify)	-	-	-
Sub-Total B(1) :	130	111,307,047	19.47
NON-INSTITUTIONS			
Bodies Corporate	939	204,194,158	35.73
Individuals			
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	62,405	44,788,869	7.83
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	15	5,571,027	0.97
Qualified Foreign Investor	-	-	-
Others			
Non Resident Indians	786	948,566	0.17
Trusts	3	10,650	-
Foreign Nationals	3	35,699	0.01
Directors Relatives	3	2,438	-
Clearing Members	61	683,618	0.12
Investor Education and Protection Fund	1	2,569,103	0.45
Sub-Total B(2) :	64,216	258,804,128	45.28
Total Public Shareholding B = B(1)+B(2) :	64,346	370,111,175	64.75
Total (A+B) :	64,360	571,569,414	100.00
Shares held by custodians, against which Depository Receipts have been issued			
Promoter and Promoter Group	-	-	-
Public	-	-	-
GRAND TOTAL (A+B+C) :	64,360	571,569,414	100.00

16. Unclaimed Dividends

All Unclaimed Dividends upto and including the Financial Year ended on 31st March 2010, have been transferred to the Investor Education and Protection Fund ("IEPF") as mandated under law.

In accordance with Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules), the Company has uploaded a Statement of Unclaimed Dividend amounts as on the date of the last Annual General Meeting in Form IEPF-2 on the website of Ministry of Corporate Affairs, www.mca.gov.in. This statement and details of Unclaimed Dividends have also been uploaded on the Company's website, www.eihltd.com. The year wise Unclaimed Dividend position as on 31st March 2018 are 2011- ₹ 3.47 Million, 2012- ₹ 4.38 Million, 2013- ₹ 3.73 Million, 2014- ₹ 4.81 Million, 2015- ₹ 4.99 Million, 2016 - ₹ 4.95 Million and 2017- ₹ 3.01 Million.

Shareholders who have not encashed their Dividend Warrants relating to the subsequent Financial Years are reminded by the Investors Services Division (ISD) of the Company, from time to time, to claim their Dividends before transfer to the IEPF. Shareholders who have not encashed their Dividend Warrants relating to the Financial Year ended on 31st March 2011 and subsequent years are requested to contact the ISD.

17. Transfer of Shares held by Shareholders if their dividend remained unclaimed for seven consecutive years to Investor Education and Protection Fund Authority (IEPF)

In accordance with the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) (as amended), the Company is required to statutorily transfer the shares held by the Shareholders whose Dividend has remained unclaimed for a consecutive period of seven years or more to IEPF.

The Company had sent Notices by Registered Post to those Shareholders who have not claimed their Dividend for the past seven years or more to claim their Dividend. Notices were also published in the Newspapers on 18th November 2016 and 11th April 2017 requesting Shareholders to claim their Dividend failing which their Shares will be transferred to IEPF. As per IEPF Rules, the cut-off date for drawing the list of Shareholders was 31st October 2017 and Transfer of shares to IEPF was within 1 month of the cut-off date i.e by 30th November 2017.

The Company had also published an advertisement on 23rd November 2017 in the newspapers informing that the Company proposes to transfer the shares to IEPF on or before 30th November 2017.

Shareholders who have responded to the Notice have been paid the dividend amount. The Shareholders from whom no response was received, the Company had transferred their shareholding to the demat account of the IEPF on 29th November 2017. The details of shares transferred to IEPF are as under:

No. of Shareholders	No. of shares transferred
4,449	25,69,103

The Company has also filed form IEPF-4 with the IEPF authority giving the details of shares transferred. The details of shares transferred are also available on the

Company's website www.eihltd.com. Shareholders are requested to follow the below mentioned procedure for claiming their shares/unclaimed dividend from IEPF:

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

18. Location of Hotels

A list of hotels and other business units owned as well as managed by the Company appears as an Annexure to this Report.

19. Address for Correspondence

The Company's Registered Office is located at 4, Mangoe Lane, Kolkata - 700 001.

Correspondence from Shareholders on all matters should be addressed to:

Investors Services Division (ISD)

EIH Limited

7, Shamnath Marg,

Delhi-110 054

Telephone No. :

91-11-2389 0505

Fax Nos. :

91-11-2389 0605

e-mail :

isdho@oberoigroup.com

e-mail for Investors Grievances

invcom@oberoigroup.com

20. Information as per Regulation 36(3) of the Listing Regulations

Information pursuant to Regulation 36(3) of the Listing Regulations pertaining to particulars of Directors to be reappointed at the forthcoming Annual General Meeting is enclosed as an annexure to the notice convening the Annual General Meeting.

21. Compliance Certificate of the Auditors

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

For and on behalf of the Board

Gurugram
30th May 2018

VIKRAM OBEROI
Managing Director & Chief Executive Officer

Declaration by the Managing Director & Chief Executive Officer under Regulation 34(3) and Schedule V (D) of Listing Regulation regarding adherence to the Code of conduct.

In accordance with Regulation 34(3) and Schedule V(D) of the Listing Regulations, I hereby confirm that all Directors and Senior Management Personnel of the Company have affirmed compliance with *The Oberoi Dharma*, the Code of Conduct, as applicable to them, for the Financial Year ended 31st March 2018.

Gurugram
30th May 2018

VIKRAM OBEROI
Managing Director & Chief Executive Officer

List of Subsidiary Companies

A. Companies Incorporated in India

- (1) Mumtaz Hotels Limited
- (2) Mashobra Resort Limited
- (3) Oberoi Kerala Hotels and Resorts Limited

B. Companies Not Incorporated in India

- (1) EIH Flight Services Ltd.
- (2) EIH International Ltd.
- (3) EIH Holdings Ltd.
- (4) J&W Hong Kong Ltd.* (up to 26th November 2017)
- (5) EIH Investments NV
- (6) EIH Management Services BV
- (7) PT Widja Putra Karya
- (8) PT Waka Oberoi Indonesia
- (9) PT Astina Graha Ubud

**Dissolved w.e.f 27th November 2017*

Locations of the Various Hotels and Other Business Units

- A. Hotels owned and operated by ElH Limited
- | | |
|---------------------------|-------------------------------------|
| The Oberoi, Mumbai | The Oberoi Udaivilās, Udaipur |
| The Oberoi, New Delhi | The Oberoi Vanyavilās, Ranthambhore |
| The Oberoi, Bengaluru | Trident, Nariman Point, Mumbai |
| The Oberoi Grand, Kolkata | Trident, Bandra Kurla, Mumbai |
- B. Hotels in which ElH Limited has ownership interest directly or through Subsidiary and managed directly or through a Subsidiary
- | | |
|---|----------------------|
| The Oberoi Amarvilās, Agra | Trident, Chennai |
| The Oberoi Rajvilās, Jaipur | Trident, Agra |
| Wildflower Hall, Shimla
(An Oberoi Resort) | Trident, Jaipur |
| The Oberoi Cecil, Shimla | Trident, Udaipur |
| The Oberoi, Bali | Trident, Cochin |
| The Oberoi, Lombok | Trident, Bhubaneswar |
| The Oberoi, Mauritius | Trident, Hyderabad |
| The Oberoi, Sahl Hasheesh, Egypt | |
| The Oberoi, Al Zohra, Ajman (UAE) | |
- C. Hotels managed by ElH Limited or a Subsidiary
- | |
|---------------------------------------|
| The Oberoi, Gurgaon |
| The Oberoi, Dubai |
| The Oberoi Zahra, Nile Cruiser |
| Trident, Gurgaon |
| The Oberoi Sukhvilās, Near Chandigarh |
- D. Other Business Units owned and operated by ElH Limited
- | | | |
|---|--------------------------|--|
| Motor Vessel Vrinda, Cochin
(A Luxury Cruiser) | Oberoi Flight Services, | Mumbai,
Delhi,
Chennai,
Kolkata |
| | Oberoi Airport Services, | Mumbai |
| Maidens Hotel, Delhi | | |
| Printing Press, Manesar, Gurgaon | | |
| Business Aircraft Charters | | |
- E. Other Business owned and operated through Jointly Controlled Entity Luxury car hire and car leasing

Note:

ElH Limited has strategic/substantial investments in hotels owned by subsidiary/associate companies. Overseas hotels are managed through a foreign subsidiary.

**TO THE MEMBERS OF
EIH LIMITED**

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated September 4, 2017.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of EIH Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Place: Gurugram
Date: 30th May 2018

MANJULA BANERJI
Partner
(Membership No. 086423)

SECRETARIAL AUDIT REPORT
(for the financial year ended March 31, 2018)

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

To
The Members
EIH Limited
4, Mangoe Lane
Kolkata- 700001

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2018, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made there under read with notifications, exemptions and clarifications thereto;
- ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.
- iv) Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made there under, to the extent applicable to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - (a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time. However, the regulations are not applicable to the Company during the audit period since the Company has not raised any money from the public and hence, these regulations have not been considered for the purpose of this report.
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. However, the regulations are not applicable to the Company during the audit period since the Company does not have any such scheme in operation and hence, these regulations have not been considered for the purpose of this report.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time. However, the regulations are not applicable to the Company during the audit period since the Company has not raised any money through debt securities from the public and hence, these regulations have not been considered for the purpose of this report.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended from time to time, since the Company has obtained registration with SEBI under these regulations.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time. However, the regulations are not applicable to the Company during the audit period.
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended from time to time. However, the regulations are not applicable to the Company during the audit period since the Company has not bought back any of its securities and hence, these regulations have not been considered for the purpose of this report.
- vi) Other significant policies and regulations specifically applicable to the Company, including:
- a) Tourism Policy of Government of India and Classification of Hotels.
 - b) Food Safety and Standards Act, 2006 and Rules made there under.
 - c) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made there under.
 - d) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made there under.
 - e) Phonographic and Performance License.
 - f) Indian Explosives Act, 1884 and Rules made there under.
 - g) The Apprentices Act, 1961 and Rules made there under.
 - h) India Boiler Act, 1923

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with The National Stock Exchange of India Limited, BSE Limited, and The Calcutta Stock Exchange Limited
- (iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, read with circular issued.

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

We further report that:

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director in terms of Companies Act, 2013 and Regulation 17 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2. Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review; agenda and detailed notes on agenda were sent properly before the scheduled meeting; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3. All the decisions were carried out unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the financial year under review.
- 4. The Company has obtained approval of shareholders under Sections 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013, through postal ballot in respect Re-appointment of Mr. P.R.S. Oberoi as Executive Chairman and Re-appointment of Mr. S.S. Mukherji as Executive Vice Chairman, after complying with the relevant provisions of the Companies Act, 2013.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For the purpose of examining adequacy of compliances with other applicable laws including industry / sector specific laws, under both Central and State legislations, reliance has been placed on the Compliance Certificate issued by the Company Secretary at each Board meeting, based on the report received by the Company from its hotels, resorts and service units etc. as part of the Company's Compliance Management and Reporting System. Based on the aforesaid internal compliance certificates, we are of the opinion that the Company has generally complied with the following:

- i) Deposit of Provident Fund, Employee State Insurance, Employee Deposit Linked Insurance and other employee related statutory dues.

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

For JUS & Associates
Company Secretaries

Place: New Delhi
Date: 30th May 2018

Jyoti Upmanyu
FCS- 7985
CP No.- 8987

INDEPENDENT AUDITOR'S REPORT

To
The Members
EIH Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **EIH Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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 Ind AS 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 obtained by us 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 30, 2017 expressed an unmodified opinion.

Our opinion on the financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the 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;

- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 41(a) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 38(b) to the financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer Note 47 to the financial statements.
2. 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 B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place : Gurugram
Date : 30th May, 2018

Manjula Banerji
Partner
Membership No. 086423

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of **ElH Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Place: Gurugram
Date: 30th May, 2018

Manjula Banerji
Partner
Membership No. 086423

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Fixed Assets and other assets-non current / current in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Luxury Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Luxury Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax and Luxury Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Rupees Million					
S. No.	Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates ⁽¹⁾	Amount unpaid ⁽²⁾
1.	Income Tax Act, 1961	Income Tax	Assessing Officer	2009-10 and 2011-12	-
			Appellate Authority up to Commissioner of Income Tax Appeals	2000-01, 2007-08, 2008-09, 2010-11, 2011-12, 2014-15, 2015-16	-
			Income Tax Appellate Authority	2012-13 and 2013-14	-
Total					-
2.	Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellant Tribunal	2004 to 2006	1.05
			-do-	2002-03 to 2005-06 and 2008-09 to 2011-12	2.74
			-do-	2004-05 to 2006-07, 2008-10 to 2013-14	73.85
			-do-	2012 to 2013	32.28
			Commissioner of Central Excise (Appeals)	2007-08 to 2015-16	22.68
			Supreme Court	2004 to 2005	3.86
Total					136.46
3.	Sales Tax	Sales Tax and Value Added Tax	Appellate Authority upto Commissioner level	2005-06, 2008-09 to 2010-11, 2013-14	21.30
			Tribunal, Haryana	2011-12	0.16
			Rajasthan Tax Board	2011-12 to 2013-14	-
			West Bengal Appellate and Revisional Board	2008-09, 2009-10, 2011-12, 2014-15	3.28
			Mumbai High Court	1999-00	1.23
Total					25.98
4.	Customs Act, 1962	Customs Duty	Commissioner of Customs (Preventive)	2008-09	429.66
Total					429.66

5.	Rajasthan Tax on Luxuries (In Hotel and Lodging Houses) Act, 1990	Luxury Tax	Rajasthan High Court	2010-11 to 2013-14	1.11
Total					1.11

(1) Period in respect of income tax represent assessment year.

(2) Net of INR 558.28 Million paid under protest.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to bank. The Company has neither taken any loans or borrowings from financial institutions and government nor has issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-10018

Manjula Banerji
Partner
Membership No. 086423

Place: Gurugram
Date: 30th May 2018

Balance Sheet as at March 31, 2018

	Notes	As at March 31, 2018	Rupees Million As at March 31, 2017
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	4	20,120.68	15,591.12
CAPITAL WORK-IN-PROGRESS		1,340.83	3,134.36
INTANGIBLE ASSETS	5	87.34	88.51
FINANCIAL ASSETS			
(i) Investments	6	7,630.06	7,636.80
(ii) Other non-current financial assets	7	1,693.41	1,439.20
TAX ASSETS (NET)	8	691.24	807.01
OTHER NON-CURRENT ASSETS	9	3,021.57	2,734.09
TOTAL NON-CURRENT ASSETS		34,585.13	31,431.09
CURRENT ASSETS			
INVENTORIES	10	428.03	413.33
FINANCIAL ASSETS			
(i) Trade receivables	11	2,036.90	1,692.10
(ii) Cash and cash equivalents	12	45.80	67.90
(iii) Bank balances other than (ii) above	13	32.83	30.10
(iv) Other current financial assets	14	38.07	511.89
OTHER CURRENT ASSETS	15	656.75	645.20
TOTAL CURRENT ASSETS		3,238.38	3,360.52
TOTAL ASSETS		37,823.51	34,791.61
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	16	1,143.14	1,143.14
OTHER EQUITY	17	27,015.53	26,538.42
TOTAL EQUITY		28,158.67	27,681.56
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
(i) Borrowings	18	2,537.18	1,519.41
(ii) Other non-current financial liabilities	19	28.50	25.62
Provisions	20	238.01	209.96
OTHER NON-CURRENT LIABILITIES	21	4.64	2.33
DEFERRED TAX LIABILITIES (NET)	22	1,761.48	1,741.20
TOTAL NON-CURRENT LIABILITIES		4,569.81	3,498.52
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
(i) Borrowings	23	1,399.72	1,159.69
(ii) Trade payables	24	1,607.77	1,295.12
(iii) Other current financial liabilities	25	1,190.36	427.35
PROVISIONS	26	210.84	150.71
OTHER CURRENT LIABILITIES	27	686.34	578.66
TOTAL CURRENT LIABILITIES		5,095.03	3,611.53
TOTAL LIABILITIES		9,664.84	7,110.05
TOTAL EQUITY AND LIABILITIES		37,823.51	34,791.61

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2018

For and on behalf of the Board

P.R.S. OBEROI
Executive Chairman
(DIN No. :00051894)

ANIL NEHRU
Director
(DIN No. :00038849)

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. :00052014)

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Profit and Loss For the year ended March 31, 2018

		Rupees Million	
		Year ended March 31	
	Notes	2018	2017
I REVENUE FROM OPERATIONS	28	13,502.79	12,775.49
II OTHER INCOME	29	837.64	992.26
III TOTAL INCOME (I+II)		14,340.43	13,767.75
IV EXPENSES			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	30	1,939.44	1,917.53
EXCISE DUTY		3.85	18.14
EMPLOYEE BENEFITS EXPENSE	31	4,043.58	3,792.93
FINANCE COSTS	32	195.70	145.04
DEPRECIATION AND AMORTISATION EXPENSE	33	1,089.72	1,104.87
OTHER EXPENSES	34	5,329.45	5,128.51
TOTAL EXPENSES		12,601.74	12,107.02
V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)		1,738.69	1,660.73
VI EXCEPTIONAL ITEMS - PROFIT / (LOSS)	35	-	(382.22)
VII PROFIT BEFORE TAX (V-VI)		1,738.69	1,278.51
VIII TAX EXPENSE			
CURRENT TAX	36	589.70	479.45
DEFERRED TAX	36	26.24	(166.31)
IX PROFIT FOR THE YEAR (VII-VIII)		1,122.75	965.37
X OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		(109.63)	(124.45)
- Tax relating to these items		38.00	43.07
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR, NET OF TAX		(71.63)	(81.38)
XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)		1,051.12	883.99
EARNINGS PER EQUITY SHARE (in INR) face value INR 2	45		
(1) Basic		1.96	1.69
(2) Diluted		1.96	1.69

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S.N. SRIDHAR
Company Secretary

Statement of Cash Flows

For the year ended March 31, 2018

	Rupees Million	
	Year ended March 31	
	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,738.69	1,278.51
Adjustments for		
Depreciation and amortisation expense	1,089.72	1,104.87
(Gain)/loss on disposal of property, plant and equipment	13.68	403.50
Bad Debts & advances written off	43.57	23.98
Provision for doubtful debts / advances	67.31	26.21
Provisions/Liabilities Written Back	(103.71)	(9.31)
Fair value changes on equity investments measured at fair value through profit or loss	(1.74)	(6.10)
Provision for impairment in value of investments	21.76	-
Dividend income classified as investing cash flows	(62.64)	(238.93)
Interest income classified as investing cash flows	(215.08)	(167.63)
Finance costs	195.70	145.04
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(455.68)	118.00
(Increase)/Decrease in inventories	(14.70)	1.90
Increase/(Decrease) in trade payables	416.36	116.69
Increase/ (Decrease) in employee benefit obligations	(21.45)	(56.16)
(Increase)/ Decrease in other current / non-current financial assets	219.73	60.83
(Increase)/Decrease in other current / non-current assets	(464.05)	(455.52)
Increase/(Decrease) in other current / non-current financial liabilities	14.14	(35.38)
Increase/(Decrease) in other current / non-current liabilities	109.99	11.94
Cash generated from operations	2,591.60	2,322.44
Income taxes paid (net of refund)	(441.89)	(339.68)
Net cash inflow from operating activities	2,149.71	1,982.76
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(2,959.13)	(2,585.09)
(Purchase)/ Sale of Investments	(0.24)	0.06
Proceeds from sale of property, plant and equipment	12.71	57.09
Changes in Other bank balances	(2.73)	7.61
Dividends received	62.64	238.93
Interest received	215.20	167.39
Net cash outflow from investing activities	(2,671.55)	(2,114.01)

Statement of Cash Flows

For the year ended March 31, 2018 - *Contd.*

	Rupees Million	
	Year ended March 31	
	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
Non-current borrowings	1,501.53	1,500.00
Current borrowings	700.00	-
Repayment of borrowings		
Non-current borrowings	(307.14)	(403.25)
Current borrowings	(459.97)	(688.81)
Interest paid	(364.19)	(264.96)
Dividends paid	(510.89)	(1.73)
Tax on Dividend	(59.60)	-
Net cash inflow from financing activities	499.74	141.25
Net increase / (decrease) in cash and cash equivalents	(22.10)	10.00
Cash and cash equivalents at the beginning of the year	67.90	57.90
Cash and cash equivalents at the end of the year	45.80	67.90

Note :

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2018

For and on behalf of the Board

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Managing Director and Chief Executive Officer
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BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Changes in Equity For the year ended March 31, 2018

Rupees Million

A. Equity share capital

As at April 1, 2016	1,143.14
Changes in equity share capital during the year	-
As at March 31, 2017	1,143.14
Changes in equity share capital during the year	-
As at March 31, 2018	1,143.14

B. Other equity

	Reserves and surplus					Total
	Capital Redemption Reserve	Securities premium reserve	Revaluation Reserve	General Reserve	Retained earnings (Surplus)	
Balance at April 1, 2016	1,024.21	12,373.41	2,187.19	6,842.72	3,307.68	25,735.21
Profit for the year	-	-	-	-	965.37	965.37
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	(81.38)	(81.38)
Total comprehensive income for the year	-	-	-	-	883.99	883.99
Adjustment to Revaluation Reserve on building of The Oberoi, New Delhi	-	-	(80.78)	-	-	(80.78)
Allocations/Appropriations:						
Transferred (to)/ from General Reserve	-	-	(19.84)	219.84	(200.00)	-
	-	-	(100.62)	219.84	(200.00)	(80.78)
Balance as at March 31, 2017	1,024.21	12,373.41	2,086.57	7,062.56	3,991.67	26,538.42
Balance at April 1, 2017	1,024.21	12,373.41	2,086.57	7,062.56	3,991.67	26,538.42
Profit for the year	-	-	-	-	1,122.75	1,122.75
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	(71.63)	(71.63)
Total comprehensive income for the year	-	-	-	-	1,051.12	1,051.12
Allocations/Appropriations:						
Final dividend paid for the year 2016-17	-	-	-	-	(514.41)	(514.41)
Dividend distribution tax	-	-	-	-	(59.60)	(59.60)
Transferred (to)/ from General Reserve	-	-	(2,086.57)	2,086.57	-	-
	-	-	(2,086.57)	2,086.57	(574.01)	(574.01)
Balance as at March 31, 2018	1,024.21	12,373.41	-	9,149.13	4,468.78	27,015.53

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2018

For and on behalf of the Board

P.R.S. OBEROI
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Company Secretary

Notes to Accounts

General Information

EIH LIMITED ("the Company") is a public Company limited by shares, incorporated and domiciled in India having its Registered Office at 4, Mangoe Lane, Kolkata – 700 001. The company is primarily engaged in owning and managing premium luxury hotels and cruisers under the luxury 'Oberoi' and 'Trident' brands. The Company is also engaged in flight catering, airport restaurants, project management and corporate air charters.

1 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements of the Company. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Basis of preparation

- (i) Compliance with Indian Accounting Standard (Ind AS)
The standalone financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, and other accounting principles generally accepted in India, as a going concern on accrual basis.
- (ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
 - equity investments in entities other than subsidiary, joint ventures and associate which are measured at fair value;
 - defined benefit plans – plan assets measured at fair value;
 - customer loyalty programs
- (iii) Use of estimates
In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.

b) Revenue recognition

- (i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes, Goods and Service Tax and amounts collected on behalf of third parties.
- (ii) Interest income from debt instruments is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.
- (iii) Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

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

Timing of revenue recognition from major business activities

- Hospitality Services: Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable or when collectability is certain.
- Sale of printed material: Revenue from sale of printed and other materials is recognised when the significant risks and rewards of ownership of the materials have been passed on to the buyer which usually coincides with the dispatch of materials.
- Others: Revenue from Shop License Fee, Management and Marketing Fee included under "Other Services" is recognised on accrual basis as per terms of the contract.
- Revenue in respect of customer loyalty program are recognised when loyalty points are redeemed by the customers.

Notes to Accounts — *Contd.*

c) **Foreign currencies**

(i) **Presentation Currency**

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

(ii) **Transactions and balances**

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

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

Revenue expenditure of all the overseas sales offices are converted at the average exchange rate for the year. Assets and liabilities other than Fixed Assets are converted at the exchange rate prevailing at the close of the accounting year and Fixed Assets are converted at the month-end exchange rate of the month of acquisition.

Foreign currency loans covered by forward contracts are realigned at the forward contract rates, while those not covered by forward contracts are realigned at the rates ruling at the year end. The differences on realignment is accounted for in the Statement of Profit and Loss.

d) **Income tax**

Current income tax is recognised based on the taxable profit for the year, using tax rates and tax laws that have been enacted or made applicable on the date of balance sheet.

e) **Deferred Tax**

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements, using tax rates and tax laws that have been enacted or prescribed on the date of balance sheet.

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

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

Current and deferred tax are recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case, the taxes are also recognised in other comprehensive income or directly in equity respectively.

f) **Segment reporting**

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

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

g) **Leases**

As a lessee:

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Notes to Accounts — *Contd.*

As a lessor:

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

h) Impairment of tangible and intangible assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

i) Cash and cash equivalents

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

j) Trade receivables

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

k) Inventories

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

l) Investments and other financial assets

(i) Classification

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

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

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

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

(ii) Measurement

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

(a) Debt instruments

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

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

Notes to Accounts — *Contd.*

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

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

(b) Equity instruments

The Company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

(iii) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

(v) Income recognition

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

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

m) Financial Liabilities

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

Notes to Accounts — *Contd.*

n) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than land, hotel buildings, certain buildings on leasehold land and leased vehicles and machinery is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013.

Leased vehicles and machinery and buildings on leasehold land (other than perpetual lease) are depreciated over the lives of the respective asset or over the remaining lease period from the date of installation whichever is shorter.

Long term leasehold land (other than perpetual lease) is depreciated over the balance period of the lease, commencing from the date the land is put to use for commercial purposes.

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which ranges between 27 years and 57 years with effect from March 31, 2018 and the total useful life of the buildings are higher than those specified by Schedule II to the Companies Act; 2013. The management believes that the balance useful lives so assessed best represent the periods over which the hotel buildings are expected to be in use. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

o) Intangible assets

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

Transition to Ind AS

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

p) Trade and other payables

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

q) Borrowing costs

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

Notes to Accounts — *Contd.*

r) **Provisions, contingent liabilities and contingent assets**

Provisions are recognised when there is a present legal or statutory obligation or constructive obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

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

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

s) **Employee benefits**

(i) **Short-term obligations**

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

(ii) **Post-employment obligations**

The Company operates the following post-employment schemes:

Gratuity obligations –

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

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

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

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

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

Leave encashment on termination of service –

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

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

Provident Fund –

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

t) **Dividends**

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

Notes to Accounts — *Contd.*

u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

v) Government grants/incentives

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

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

w) Investment in Subsidiaries, joint ventures and associates

Investment in Subsidiaries: A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Investment in joint ventures and associates: A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An Associate is an entity over which the company has significant influence.

The investment in joint ventures are carried at cost. The investment in associates are carried at cost except for those investments which were required to be fair valued until the investee had not become an associate. The carrying amount of such investments is the sum of fair value of the investment until the time the investee had not become an associate and the cost of investment as a result of which the investee became an associate entity. Any further investments made in that associate thereafter are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment in subsidiaries, joint ventures and associates recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the investment in subsidiaries, joint ventures and associates.

x) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million with two decimals as per the requirement of Schedule III, unless otherwise stated.

Notes to Accounts — *Contd.*

2 RECENT ACCOUNTING PRONOUNCEMENTS

Introduction of Ind AS 115, Revenue from Contracts with Customers

Ministry of Corporate Affairs has notified Ind AS 115 'Revenue from Contracts with Customers', which is effective from April 1, 2018, early adoption of which is not permitted. The new standard outlines the principle that revenue should be recognised when an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

This note provides information about the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

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

A. Significant estimates :

i) Useful life of the Hotel Building

The Company has adopted useful life of fixed assets as stipulated by Schedule II to the Companies Act, 2013 except for the hotel buildings for computing depreciation. In the case of the hotel building of the Company, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificates of the technical expert, the balance useful life of the hotel buildings ranges between 27 years and 57 years with effect from March 31, 2018 and the total useful life of the buildings are higher than those specified by Schedule II to the Companies Act, 2013. The carrying amount of the hotel building is being depreciated over its residual life.

ii) Recognition of Revenue (customer loyalty programs)

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

iii) Claims, Provisions and Contingent Liabilities:

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

B. Significant judgements :

Advance towards Equity Shares

In the case of Mashobra Resort Limited ("MRL"), several disputes with the Government of Himachal Pradesh, the joint venture partner, were referred by the High Court of Himachal Pradesh by an order dated 17th December, 2003 to an Arbitral Tribunal consisting of a single Arbitrator. The Arbitrator's award dated 23rd July, 2005 was challenged both by the Company and MRL, amongst others, before the High Court of Himachal Pradesh. The operation of the Arbitration Award was stayed pending substantive hearing of the applications by the High Court. Consequently, the status quo ante of the entire matter was restored to the position as on 17th December, 2003 and the hotel is being operated by MRL accordingly. The Company vide its letter dated 4th April, 2012 requested MRL to account for the entire amount of INR 1,361.93 million provided to MRL upto 31st March, 2012 as 'Advance Towards Equity', including INR 130.00 Million being the opening balance of 'Advance Towards Equity'. In view of the above, the Company has shown the said amount of INR 1,361.93 Million as 'Advance Towards Equity' under Other non-current financial assets in its books of account.

The High Court, by virtue of an order dated 25th February, 2016 which was made available to the Company in May 2016, decided not to interfere with the order of the Arbitrator. The Company amongst others, have preferred an appeal before the Division Bench of the High Court of Himachal Pradesh. By an Order dated 27th June, 2016, Division Bench has stayed the Single Bench Judge Order dated 25th February, 2016 and directed the parties to maintain status quo till the matter is finally heard and disposed off. The matter is pending before the Division Bench of the High Court of Himachal Pradesh for adjudication.

Notes to Accounts — Contd.

4. PROPERTY, PLANT AND EQUIPMENT

Rupees Million

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2017
	As at April 01, 2016	Additions during the year	Sales/ Adjustments during the year	Balance as at March 31, 2017	As at April 1, 2016	For the Year	Less: Sales/ Adjustments	As at March 31, 2017	
Freehold Land (including development cost)	1,412.03	-	-	1,412.03	-	-	-	-	1,412.03
Land under finance lease	641.88	-	-	641.88	4.85	4.85	-	9.70	632.18
Buildings	10,213.62	86.95	438.73	9,861.84	231.74	229.61	5.55	455.80	9,406.04
Plant & Equipment	4,378.61	167.68	112.88	4,433.41	639.02	615.36	22.31	1,232.07	3,201.34
Furniture & Fittings	492.29	36.61	8.47	520.43	133.10	120.85	1.16	252.79	267.64
Vehicles	245.10	149.43	9.57	384.96	35.39	56.97	4.13	88.23	296.73
Office Equipment	18.90	1.46	1.33	19.03	6.20	2.36	0.18	8.38	10.65
Vehicles under finance lease	91.93	30.64	17.22	105.35	27.35	30.16	13.89	43.62	61.73
Boats	38.29	0.76	0.42	38.63	5.17	1.90	0.03	7.04	31.59
Aircrafts	319.29	-	-	319.29	24.05	24.05	-	48.10	271.19
TOTAL	17,851.94	473.53	588.62	17,736.85	1,106.87	1,086.11	47.25	2,145.73	15,591.12

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2018
	As at April 01, 2017	Additions during the year	Sales/ Adjustments during the year	Balance as at March 31, 2018	As at April 1, 2017	For the Year	Less: Sales/ Adjustments	As at March 31, 2018	
Freehold Land (including development cost)	1,412.03	195.84	-	1,607.87	-	-	-	-	1,607.87
Land under finance lease	641.88	-	-	641.88	9.70	4.85	-	14.55	627.33
Buildings	9,861.84	2,810.02	0.88	12,670.98	455.80	233.66	0.26	689.20	11,981.78
Plant & Equipment	4,433.41	1,705.79	139.02	6,000.18	1,232.07	585.45	121.48	1,696.04	4,304.14
Furniture & Fittings	520.43	694.47	15.34	1,199.56	252.79	117.10	14.66	355.23	844.33
Vehicles	384.96	153.11	7.73	530.34	88.23	63.07	7.39	143.91	386.43
Office Equipment	19.03	20.22	2.78	36.47	8.38	3.99	2.55	9.82	26.65
Vehicles under finance lease	105.35	36.22	38.50	103.07	43.62	27.23	31.52	39.33	63.74
Boats	38.63	1.61	-	40.24	7.04	1.93	-	8.97	31.27
Aircrafts	319.29	-	-	319.29	48.10	24.05	-	72.15	247.14
TOTAL	17,736.85	5,617.28	204.25	23,149.88	2,145.73	1,061.33	177.86	3,029.20	20,120.68

Notes to Accounts — Contd.

4 (i) Capitalisation of The Oberoi, New Delhi

One of the Company's hotels, The Oberoi, New Delhi, which was under renovation since April, 2016, has opened in January, 2018. Addition to Property, Plant & Equipment includes ₹ 5078.75 million being capitalisation of this renovation project.

(ii) Assets held as security

Refer to note 18 & 23 for disclosure of assets held as security.

(iii) Interest capitalised to qualifying assets

Refer to note 32 for disclosure of amount capitalised to qualifying assets.

(iv) Contractual obligations

Refer to note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

5. INTANGIBLE ASSETS

Rupees Million

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2017
	As at April 01, 2016	Additions during the year	Sales/ Adjustments during the year	Balance as at March 31, 2017	As at April 01, 2016	For the Year	Less: Sales/ Adjustments	As at March 31, 2017	
Computer Software	95.53	23.68	0.52	118.69	10.89	19.81	0.52	30.18	88.51
TOTAL	95.53	23.68	0.52	118.69	10.89	19.81	0.52	30.18	88.51

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2018
	As at April 01, 2017	Additions during the year	Sales/ Adjustments during the year	Balance as at March 31, 2018	As at April 01, 2017	For the Year	Less: Sales/ Adjustments	As at March 31, 2018	
Computer Software	118.69	27.22	-	145.91	30.18	28.39	-	58.57	87.34
TOTAL	118.69	27.22	-	145.91	30.18	28.39	-	58.57	87.34

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

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
6		
NON-CURRENT INVESTMENTS		
A. Investments in equity instruments (fully paid)		
(i) Quoted -		
In Associate entity (Equity investments at cost)		
11,215,118 (2017 -11,215,118) Equity Shares of INR 10 each of EIH Associated Hotels Limited fully paid	1,010.72	1,010.72
In Other entities (Equity investments at Fair value through profit & loss)		
25,000 (2017 -25,000) Equity Shares of INR 10 each of Tourism Finance Corporation of India Limited fully paid	3.80	2.06
(ii) Unquoted -		
In Joint Venture entity (Equity investments at cost)		
12,117,652 (2017 -12,117,652) Equity Shares of INR 10 each of Mercury Car Rentals Private Limited fully paid	308.25	308.25
In Associate entity (Equity investments at cost)		
1,066,750 (2017 -Nil) Equity Shares of INR 10 each of Mercury Travels Limited fully paid	65.10	-
In Subsidiary Companies (Equity investments at cost)		
96,607,800 (2017 -96,607,800) Equity Shares of USD 1 each of EIH International Limited fully paid	4,401.67	4,401.67
25,999,995 (2017 - 25,999,995) Equity Shares of INR 10 each of Mashobra Resort Limited fully paid	260.04	260.04
2,176,000 (2017 -2,176,000) Equity Shares of INR 10 each of Oberoi Kerala Hotels and Resorts Limited fully paid	21.76	21.76
Provision for impairment in the value of Investments	(21.76)	-
	-	21.76
12,390,000 (2017 -12,390,000) Equity Shares of INR 10 each of Mumtaz Hotels Limited fully paid	394.72	394.72
69,044,006 (2017 - 69,044,006) Equity Shares of MUR 10 each of EIH Flight Services Limited, Mauritius fully paid	1,184.88	1,184.88
In Other entities (Equity investments at Fair value through profit & loss)		
41,858,400 (2017 -41,858,400) Equity Shares of INR 10 each of Golden Jubilee Hotels Private Limited fully paid	418.58	418.58
Provision for impairment in the value of Investments	(418.58)	(418.58)
	-	-
Nil (2017 -849,575) Equity Shares of INR 10 each of Mercury Travels Limited fully paid	-	51.82
18,000 (2017 -18,000) Equity Shares of INR 10 each of Green Infra Wind Generation Limited fully paid	0.18	0.18
4,200 (2017 - 4,200) Equity Shares of INR 10 each of ReNew Wind Energy (Karnataka) Pvt. Ltd. fully paid	0.42	0.42
Total Investments in equity instruments	7,629.78	7,636.52
B. Investment in Government Securities (Unquoted)		
National Savings Certificate (lodged with Government Authorities as Security Deposit)	0.28	0.28
Total investments in government securities	0.28	0.28
Total non-current investments	7,630.06	7,636.80
Aggregate carrying amount of quoted investments	1,014.52	1,012.78
Aggregate market value of quoted investments	5,331.54	3,927.35
Aggregate carrying amount of unquoted investments	7,055.88	7,042.60
Aggregate amount of impairment in the value of investment	440.34	418.58

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
7		
OTHER NON-CURRENT FINANCIAL ASSETS		
Advances towards Equity shares in:		
Subsidiary Company		
- Mashobra Resort Limited (note 3)	1,361.93	1,361.93
Security Deposits	331.48	77.27
Total other non-current financial assets	1,693.41	1,439.20
8		
TAX ASSETS (Net)		
Income Tax Asset (Net)		
Opening balance	802.01	910.96
Less: Tax payable for the year	(568.36)	(512.76)
Add: Taxes paid	462.38	513.63
Add/(Less): Refund / adjustment for earlier years	(9.79)	(109.82)
Closing balance	686.24	802.01
Wealth Tax Asset (Net)		
Opening balance	5.00	5.00
Add: Taxes paid	-	-
Closing balance	5.00	5.00
Total tax assets	691.24	807.01
9		
OTHER NON-CURRENT ASSETS		
Capital Advances	34.89	186.63
Prepaid Expenses	16.95	20.75
Other Advances recoverable - considered doubtful	186.42	186.44
Less: Provision for doubtful advances	186.42	186.44
Other Advances recoverable - considered good	14.03	9.02
Advances paid under protest	188.91	145.78
Services Exports Incentive	114.65	-
Prepaid rent relating to security deposits (assets)	646.99	332.11
Prepayments for lands on operating leases	2,005.15	2,039.80
Total Other non-current assets	3,021.57	2,734.09

Notes to Accounts — *Contd.*

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
10		
INVENTORIES*		
Provisions, Wines & Others	193.85	175.94
Stores & Operating Supplies	234.18	237.39
Total inventories	428.03	413.33

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

The cost of inventories recognised as an expense during the year as consumption of provisions, wines & others INR 1,939.44 Million (2017: INR 1,917.53 Million)

11		
TRADE RECEIVABLES *		
Unsecured, considered good		
Receivable from related parties	174.28	164.88
Receivable from other than related parties	1,862.62	1,527.22
Unsecured, considered doubtful		
Receivable from other than related parties	184.34	117.03
<i>Less: Provision for doubtful debts</i>	184.34	117.03
Total trade receivables	2,036.90	1,692.10

* Read with note 38

12		
CASH & CASH EQUIVALENTS		
Balances with Banks		
- Current Accounts	26.35	35.76
Cash in hand	15.01	9.41
Cheques in hand	2.49	19.59
Fixed Deposits with original maturity of less than three months	1.95	3.14
Total cash and cash equivalents	45.80	67.90

13		
OTHER BANK BALANCES		
Margin Deposits	0.46	0.55
Unpaid Dividend Accounts	29.34	25.82
Fixed Deposits with original maturity of more than 3 months & having remaining maturity of less than 12 months from the Balance Sheet date	3.03	3.73
Total other bank balances	32.83	30.10

Notes to Accounts — *Contd.*

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
14		
OTHER CURRENT FINANCIAL ASSETS		
Interest Accrued on deposits	2.44	2.56
Other Receivables	12.31	21.66
Security Deposits	23.32	487.67
Total other current financial assets	38.07	511.89
15		
OTHER CURRENT ASSETS		
Prepaid Expenses	114.56	116.98
Prepaid rent relating to security deposits (assets)	40.21	21.89
Prepayments for lands on operating leases	32.94	32.95
Advances to Related Parties	-	13.25
Other Advances	170.76	156.33
Services Exports Incentive	159.85	159.95
Balance with government authorities	138.43	143.85
Total other current assets	656.75	645.20

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
16		
EQUITY SHARE CAPITAL		
AUTHORISED		
1,500,000,000 Equity Shares of INR 2 each (2017 -1,500,000,000)	3,000.00	3,000.00
	<u>3,000.00</u>	<u>3,000.00</u>
ISSUED, SUBSCRIBED & FULLY PAID		
571,569,414 Equity Shares of INR 2 each (2017-571,569,414)	1,143.14	1,143.14
	<u>1,143.14</u>	<u>1,143.14</u>

(i) Reconciliation of equity share capital

	Number of shares	Equity share capital (par value)
As at April 1, 2016	571,569,414	1,143.14
Change during the year	-	-
As at March 31, 2017	571,569,414	1,143.14
Change during the year	-	-
As at March 31, 2018	<u>571,569,414</u>	<u>1,143.14</u>

(ii) Rights and preferences attached to equity shares :

The Company has one class of equity shares having a par value of INR 2 per share. These shares rank pari passu in all respects including voting rights and entitlement to dividend.

(iii) Details of Shareholders holding more than 5 percent shares in the Company :

	As at March 31,			
	2018		2017	
	Number of Shares	% holding	Number of Shares	% holding
(1) Reliance Industrial Investments and Holdings Limited	105,907,273	18.53	105,907,273	18.53
(2) ITC Limited	85,621,473	14.98	85,621,473	14.98
(3) Oberoi Hotels Private Limited	83,646,328	14.63	83,646,328	14.63
(4) Oberoi Holdings Private Limited	33,438,993	5.85	33,438,993	5.85
(5) Life Insurance Corporation of India	24,600,145	4.30	31,741,260	5.55

	Rupees Million	
	March 31, 2018	March 31, 2017
(iv) Dividends		
Final dividend for the year ended March 31, 2017 of INR 0.90, March 31, 2016 – INR Nil)	514.41	-
Dividend Distribution Tax	59.60	-
Dividends not recognised at the end of the reporting period		
Liability for proposed dividend*	514.41	514.41
Dividend Distribution Tax on proposed dividend	105.74	59.60

*The Board of Directors have recommended a final dividend of INR 0.90 per share which is subject to the approval of the shareholders in the ensuing annual general meeting.

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
17		
OTHER EQUITY		
RESERVES AND SURPLUS		
Capital Redemption Reserve	1,024.21	1,024.21
Securities Premium Reserve	12,373.41	12,373.41
Revaluation Reserve	-	2,086.57
General Reserve	9,149.13	7,062.56
Retained Earnings	4,468.78	3,991.67
Total other equity	27,015.53	26,538.42
(i) CAPITAL REDEMPTION RESERVE		
Opening Balance	1,024.21	1,024.21
Adjustment during the year	-	-
Closing Balance	1,024.21	1,024.21
(ii) SECURITIES PREMIUM RESERVE		
Opening Balance	12,373.41	12,373.41
Adjustment during the year	-	-
Closing Balance	12,373.41	12,373.41
(iii) REVALUATION RESERVE		
Opening Balance	2,086.57	2,187.19
Less : Adjustment of Revaluation Reserve on building of The Oberoi, New Delhi	-	80.78
Less : Transfer to general reserve	2,086.57	19.84
Closing Balance	-	2,086.57
(iv) GENERAL RESERVE		
Opening Balance	7,062.56	6,842.72
Add : Transfer from Revaluation Reserve	2,086.57	19.84
Add: Transfer from Retained Earnings	-	200.00
Closing Balance	9,149.13	7,062.56
(v) RETAINED EARNINGS		
Opening Balance	3,991.67	3,307.68
Add: Profit during the year as per Statement of Profit & Loss	1,122.75	965.37
Less : Transfer to General Reserve	-	(200.00)
Final dividend for the year 2016-17	(514.41)	-
Dividend distribution tax	(59.60)	-
Other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(71.63)	(81.38)
Closing Balance	4,468.78	3,991.67

Nature and purpose of Reserves

(i) Capital Redemption Reserve

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

(ii) Securities Premium Reserve

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

(iii) Revaluation Reserve

Revaluation Reserves was created under previous GAAP on upward revaluation on land and building. The balance in Revaluation Reserve at the beginning of the current year has been transferred to General Reserve during the year.

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
18		
NON-CURRENT BORROWINGS - at amortised cost		
Term Loans from Banks		
Secured		
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	2,464.29	1,446.43
Long Term maturities of Finance Lease Obligations:		
Secured		
Long Term maturity of Finance Lease Obligations- Vehicles	44.81	44.88
Unsecured		
Long Term maturity of Finance Lease Obligations- Land	28.08	28.10
Non-current borrowings	2,537.18	1,519.41
Current maturities of long-term debt (included in note 25)	428.57	253.57
Current maturities of finance lease obligations (included in note 25)	24.25	22.63
Total	2,990.00	1,795.61

PARTICULARS OF TERM BORROWINGS :

i) Security

Term loan from The Hong Kong & Shanghai Banking Corporation Limited (HSBC) is secured by way of equitable mortgage by deposit of title deeds in respect of the Company's hotel in Delhi known as The Oberoi, New Delhi.

The Finance Lease obligations are secured by hypothecation of vehicles taken under Lease.

ii) Terms of repayment and Interest rate :

Term Loan from The Hong Kong & Shanghai Banking Corporation Limited (HSBC) is repayable in 28 quarterly installments of INR 107.14 Million starting from February 2018 and ending on November 2024 and carries interest which is linked to banks MCLR, presently effective rate is 8.50%

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

Two pieces of land under Finance Lease are under Lease upto 2064-65. Another piece of land is under perpetual lease. Rent is payable on a monthly basis.

Notes to Accounts — *Contd.*

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
19		
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Security Deposits	18.25	13.37
Other liabilities	-	1.32
Lease Rent Equalisation	10.25	10.93
Total other non-current financial liabilities	28.50	25.62
20		
PROVISIONS - NON-CURRENT		
Employee benefit obligations		
Leave Encashment - Unfunded		
Present value of obligation	238.01	209.96
Total Provisions - Non-current	238.01	209.96
21		
OTHER NON-CURRENT LIABILITIES		
Advance Rent	4.64	2.33
Total other non-current liabilities	4.64	2.33

Notes to Accounts — Contd.

	As at March 31, 2018	Rupees Million As at March 31, 2017
22		
DEFERRED TAX LIABILITIES - NET		
Deferred Tax Liabilities on account of :		
Depreciation	2,031.85	1,956.70
Fair Valuation of Equity Investment	2.77	2.61
Restatement of liability at fair value	0.19	0.21
Total deferred tax liabilities (A)	2,034.81	1,959.52
Deferred Tax Assets on account of :		
Statutory Expenses claimable on payment	88.11	76.92
Provision for Debts, Advances and Investments	129.56	105.02
Fair Valuation of Security Deposit-Assets	31.33	24.14
Lease Rent Equalisation	3.83	3.99
Other temporary differences	20.50	8.25
Total deferred tax assets (B)	273.33	218.32
Deferred Tax Liabilities (Net - A-B)	1,761.48	1,741.20

Movement in deferred tax liabilities

	Depreciation	Restatement of liability at fair value	Fair Valuation of Equity Investment	Total
As at April 2016	2,079.62	30.98	1.80	2,112.40
Charged/(Credited):				
- to profit and loss	(122.92)	(30.77)	0.81	(152.88)
- to other comprehensive income	-	-	-	-
As at March 31, 2017	1,956.70	0.21	2.61	1,959.52
Charged/(Credited):				
- to profit and loss	75.15	(0.02)	0.16	75.29
- to other comprehensive income	-	-	-	-
As at March 31, 2018	2,031.85	0.19	2.77	2,034.81

Movement in deferred tax assets

	Statutory Expenses claimable on payment	Provision for Debts, Advances and Investments	Fair Valuation of Security Deposit- Assets	Lease Rent Equalisation	Others temporary differences	Total
As at April 2016	57.74	96.52	23.53	4.14	10.72	192.65
(Charged)/Credited:						
- to profit and loss	6.93	8.50	0.61	(0.15)	(2.47)	13.42
- to other comprehensive income	12.25	-	-	-	-	12.25
As at March 31, 2017	76.92	105.02	24.14	3.99	8.25	218.32
(Charged)/Credited:						
- to profit and loss	5.22	24.54	7.19	(0.15)	12.25	49.05
- to other comprehensive income	5.96	-	-	-	-	5.96
As at March 31, 2018	88.10	129.56	31.33	3.84	20.50	273.33

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
23		
CURRENT BORROWINGS		
SECURED – at amortised cost		
Cash Credit From Banks		
United Bank of India	51.13	391.99
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	93.31	151.70
ICICI Bank Limited (ICICI)	5.28	66.00
UNSECURED – at amortised cost		
Short Term Loan From Banks		
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	-	250.00
ICICI Bank Limited (ICICI)	500.00	-
Federal Bank Limited	750.00	300.00
Total current borrowings	1,399.72	1,159.69

PARTICULARS OF SHORT TERM BORROWINGS :

i) Security :

Cash Credit facilities from banks are secured by way of hypothecation of all stock of inventories, book debts and other current assets of the company, both present and future, ranking pari passu. Cash Credit with United Bank of India is additionally secured by way of second charge in respect of the Company's hotel in Kolkata known as The Oberoi Grand.

ii) Terms of repayment and Interest rate :

Cash Credit from United Bank of India is repayable on demand and carries Interest at bank's base rate + 0.80%

Cash Credit from HSBC is repayable on demand and carries Interest at MCLR + 2.25%

Cash Credit from ICICI is repayable on demand and carries Interest at 6 months MCLR +1.15%

Short term loan from ICICI for INR 250 Million is repayable on 26th December, 2018 and carries Interest @ 8.20%.

Short term loan from ICICI for INR 250 Million is repayable on 25th March, 2019 and carries Interest @ 8.30%.

Short term loan from Federal Bank Limited INR 250 Million is repayable on 25th June, 2018 and carries Interest @ 8.00%.

Short term loan from Federal Bank Limited INR 500 Million is repayable on 20th September, 2018 and carries Interest @ 8.20%.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
24		
TRADE PAYABLES		
Trade Payables	1,544.46	1,214.68
Trade Payables to related parties	60.66	75.26
Trade Payable to micro enterprises and small enterprises*	2.65	5.18
Total trade payables	1,607.77	1,295.12

* Disclosure as required by MSMED Act

Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act), based on information made available to the Company are as follows:

(i) Principal amount remaining unpaid at the end of the year	2.65	5.18
(ii) Interest due thereon remaining unpaid at the end of the year	-	-
(iii) The amount of interest paid along with the amounts of the payment beyond the appointed day.	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	-	-
(vii) Interest remaining disallowable as deductible expenditure under the Income Tax Act, 1961	-	-

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
25		
OTHER CURRENT FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt (refer note 18)	428.57	253.57
Current Maturities of Finance Lease Obligations (refer note 18)	24.25	22.63
Interest accrued but not due on borrowings	9.09	8.25
Unclaimed Dividend	29.34	25.82
Security Deposits	56.88	45.75
Others:		
- Liability for Capital Assets	641.51	70.74
- Lease Rent Equalisation	0.72	0.59
Total current financial liabilities	1,190.36	427.35
26		
PROVISIONS - CURRENT		
Employee benefit obligations		
Leave Encashment - Unfunded		
Present value of obligation	36.44	33.46
Gratuity - Funded		
Present value of obligation	648.43	579.06
Fair value of plan assets	474.03	461.81
Net Liability	174.40	117.25
Total Provisions - current	210.84	150.71
27		
OTHER CURRENT LIABILITIES		
Advance from Customers	310.31	288.54
Statutory and other dues	316.73	229.18
Advance Rent	3.14	2.88
Deferred Revenue	56.16	58.06
Total other current liabilities	686.34	578.66

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2018	Year ended March 31, 2017
28		
REVENUE FROM OPERATIONS		
Rooms	5,359.71	5,055.95
Food and Beverages	5,782.87	5,252.84
Other Services	1,866.44	1,833.01
Sale of Printed Materials	493.77	633.69
Total revenue from operations	13,502.79	12,775.49
29		
OTHER INCOME		
Interest Income:		
Interest income from financial assets at amortised cost	28.12	64.29
Interest income on Income Tax refund	186.96	103.33
Dividend Income :		
Dividend income from Subsidiary Companies	-	221.64
Dividend income from Associate and Joint Ventures Companies	62.59	17.27
Dividend income from equity investments measured at fair value through profit or loss	0.05	0.02
Income on account of Services Exports Incentive	304.75	484.24
Others :		
Net foreign exchange gain	12.05	7.13
Fair value changes on equity investments measured at fair value through profit or loss	1.74	6.10
Provisions/ Liabilities written back	103.71	9.31
Miscellaneous Income	137.67	78.93
Total other income	837.64	992.26
30		
CONSUMPTION OF PROVISIONS, WINES, & OTHERS		
Opening Stock	175.94	178.12
Add: Purchases	1,957.35	1,915.35
	2,133.29	2,093.47
Less : Closing Stock	193.85	175.94
Total Consumption of provisions, wines & others	1,939.44	1,917.53
31		
EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	3,475.62	3,290.13
Contribution to Provident fund and Other Funds (refer note 39)	185.41	166.26
Staff Welfare Expenses	382.55	336.54
Total employee benefits expense	4,043.58	3,792.93

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2018	Year ended March 31, 2017
32		
FINANCE COSTS		
Interest Expense	346.22	254.27
Interest on obligations under finance leases	18.81	13.79
Other Borrowing Costs	-	0.10
	<u>365.03</u>	<u>268.16</u>
Less: Amount capitalised to qualifying assets	<u>169.33</u>	<u>123.12</u>
Total finance costs	<u>195.70</u>	<u>145.04</u>
33		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	1,061.33	1,085.06
Amortisation of intangible assets	28.39	19.81
Total depreciation and amortisation expense	<u>1,089.72</u>	<u>1,104.87</u>
34		
OTHER EXPENSES		
Power & Fuel	956.26	965.18
Rent	395.14	392.76
Repairs and Maintenance:		
- Buildings	183.35	170.62
- Plant & Machinery	391.52	424.25
- Others	35.80	43.23
Insurance	36.22	39.18
Rates & Taxes	277.20	324.07
Expenses on Apartment & Board	210.86	221.08
Royalty	120.21	111.87
Advertisement, Publicity & Other Promotional Expenses	271.69	327.66
Commission to Travel Agents & others	310.74	275.64
Passage & Travelling	308.62	338.65
Postage, Telephone, etc.	71.55	80.79
Professional Charges	207.49	169.73
Linen, Uniform Washing & Laundry Expenses	49.31	43.19
Renewals & Replacement	152.03	130.40
Musical, Banquet & Kitchen Expenses	72.31	64.75
Auditors' Remuneration (refer note 34(a))	17.23	16.68
Directors' Fees and Commission	111.27	80.46
Bad Debts & Advances written off	43.57	23.98
CSR Expenses (refer note 34(b))	26.45	20.28
Expenses on Contracts for service	466.82	405.99
Provision for Doubtful Debts & Advances	67.31	26.21
Provision for Impairment in Value of Investments	21.76	-
Loss on Sale/Discard of Assets etc. (Net)	13.68	21.28
Airport Levy Expenses	287.42	206.71
Miscellaneous Expenses	223.64	203.87
Total other expenses	<u>5,329.45</u>	<u>5,128.51</u>

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2018	Year ended March 31, 2017
34		
OTHER EXPENSES (Contd.)		
(a) Details of Auditors' remuneration		
As auditor:		
Audit fee	12.50	12.00
Tax audit fee	0.90	1.00
Reimbursement of expenses	0.31	-
In other capacity:		
For Limited Review of Unaudited Financial Results & Other reports to Previous Auditor	1.02	3.00
For Limited Review of Unaudited Financial Results	2.20	-
For verification of statement and other reports	0.30	0.68
Total payments to auditors	17.23	16.68
(b) Details of CSR Expenditure		
SOS Children's Villages of India	23.97	18.07
Expenses for Swachh Bharat Abhiyan	2.48	2.21
Total expenditure CSR	26.45	20.28
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	24.34	24.81
35		
EXCEPTIONAL ITEMS		
Write-off of assets arising out of renovation of The Oberoi, New Delhi	-	(382.22)
Total exceptional items	-	(382.22)

Notes to Accounts — Contd.

	Year ended March 31, 2018	Rupees Million Year ended March 31, 2017
36		
TAX EXPENSE		
(a) Income tax		
Tax on profits for the year	600.39	543.59
Adjustments for prior periods	(10.69)	(64.14)
Total income tax	589.70	479.45
(b) Deferred tax		
Decrease/(increase) in deferred tax assets	(55.01)	(25.68)
(Decrease)/increase in deferred tax liabilities	75.29	(152.88)
	20.28	(178.56)
Add : Recognised in OCI	5.96	12.25
Total deferred tax expense/(benefit)	26.24	(166.31)
Total tax expense	615.94	313.14
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before income tax expense	1,738.69	1,278.51
Tax at the rate of 34.608% (2017 - 34.608%)	601.73	442.47
Tax effect of amounts which are not deductible in calculating taxable income:		
Corporate social responsibility expenditure	9.16	0.77
Impairment in the value of equity investments	7.53	-
Expenses related to exempted income	1.38	1.04
Donations	4.21	0.46
	22.28	2.27
Adjustments related to property, plant and equipments:		
Adjustment on account of depreciable & leased assets	7.78	4.98
	7.78	4.98
Tax effect of amounts which are not taxable in calculating taxable income:		
Provision for wealth tax written back	-	(0.35)
Dividend	(21.68)	(59.58)
	(21.68)	(59.93)
Other differences		
Impact of increase in tax rate on deferred tax	16.99	-
Impact of difference in tax rate on foreign dividend	-	(11.55)
Impact of difference in tax rate and method on gains arising on fair value of Investments	(0.48)	(0.96)
Other differences	0.01	-
	16.52	(12.51)
Income tax expense related to prior periods	(10.69)	(64.14)
Income tax expense as per Income Tax	615.94	313.14

Notes to Accounts — Contd.

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FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at March 31, 2018		As at March 31, 2017	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Investments				
- Equity instruments	4.40	-	54.48	-
- Government securities	-	0.28	-	0.28
Advances towards Equity shares	-	1,361.93	-	1,361.93
Trade Receivables	-	2,036.90	-	1,692.10
Cash and cash equivalents	-	45.80	-	67.90
Other Bank Balance	-	32.83	-	30.10
Other receivables	-	14.75	-	24.22
Security deposits	-	354.80	-	564.94
Total financial assets	4.40	3,847.29	54.48	3,741.47
Financial liabilities				
Borrowings	-	4,292.58	-	2,859.69
Security deposits	-	75.13	-	59.12
Finance Lease Obligations	-	97.14	-	95.61
Lease Rent Equalisation	-	10.97	-	11.52
Trade payables	-	1,607.77	-	1,295.12
Capital creditors	-	641.51	-	70.74
Others	-	38.43	-	35.39
Total financial liabilities	-	6,763.53	-	4,427.19

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

	As at March 31, 2018		As at March 31, 2017	
	Level 1	Level 3	Level 1	Level 3
Financial Investments at FVPL				
Investment in equity shares (Note 6)				
Tourism Finance Corporation of India Limited	3.80	-	2.06	-
Mercury Travels Limited	-	-	-	51.82
Green Infra Wind Generation Limited	-	0.18	-	0.18
ReNew Wind Energy (Karnataka) Pvt. Ltd.	-	0.42	-	0.42
Total financial assets	3.80	0.60	2.06	52.42

(ii) Fair value hierarchy

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

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

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

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

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

Notes to Accounts — Contd.

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FAIR VALUE MEASUREMENTS (Contd.)

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investment in Green Infra Wind Generation Limited and ReNew Wind Energy (Karnataka) Pvt. Ltd. are made pursuant to the contract for procuring electricity supply at the hotels units. Investment in said companies is not usually traded in market. Considering the terms of the electricity supply contract and best information available in the market, cost of investment is considered as fair value of the investments.
- For the investment in Golden Jubilee Hotels Private Limited (GJHPL), the management was of the view that carrying value of the investment is representative of its fair value as on April 1, 2015. As on April 1, 2015, no indicators of impairment was existing. However, during the financial year 2015-16, due to the non-payment of bank borrowings and other obligation, petition for the winding up has been filed by the creditors and lenders of the GJHPL. Considering the financial position of the GJHPL and legal proceedings initiated by lenders, the management has fully provided for the investment in GJHPL as on March 31, 2016.
- Fair valuation of Mercury Travels Limited has been computed using discounted cash flow valuation method ("DCF Method").

Rupees Million

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

	Unquoted Equity Investments
As at April 1, 2016	47.23
Acquisitions	0.10
Gains/losses recognised in profit or loss	5.10
As at March 31, 2017	52.43
Acquisitions	-
Disposal/ change in nature	(51.82)
Gains/losses recognised in profit or loss	-
As at March 31, 2018	0.61

(vi) Valuation inputs and relationships to fair value

	Fair Value as at		Significant unobservable inputs*	Probability-weighted range	
	31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17
Unquoted equity shares	-	51.82	Terminal (perpetuity) value CARG	-	5.50%
			Cost of Equity	-	15%

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

(vii) Valuation processes

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

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

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

Significant estimates

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

Notes to Accounts — Contd.

38

FINANCIAL RISK MANAGEMENT

The company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

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

(A) Market risk

(i) Foreign currency risk

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

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

Currency	Rupees Million	
	Receivables	Payables
March 31, 2018		
EURO	1.57	1.09
US Dollar (USD)	44.48	14.74
Australian Dollar (AUD)	16.52	-
UAE Dirham (AED)	1.18	0.44
Great Britain Pound (GBP)	1.21	1.22
Net exposure to foreign currency risk	64.96	17.49
March 31, 2017		
EURO	-	85.27
US Dollar (USD)	41.10	216.43
Hong Kong Dollar (HKD)	-	0.88
UAE Dirham (AED)	1.38	0.01
Great Britain Pound (GBP)	5.16	4.50
Net exposure to foreign currency risk	47.64	307.09

Sensitivity

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

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
EURO sensitivity		
INR/EURO Increases by 5% (March 31, 2017 - 5%)	0.02	(4.26)
INR/EURO Decreases by 5% (March 31, 2017 - 5%)	(0.02)	4.26
USD sensitivity		
INR/USD Increases by 5% (March 31, 2017 - 5%)	1.49	(8.77)
INR/USD Decreases by 5% (March 31, 2017 - 5%)	(1.49)	8.77
AUD sensitivity		
INR/USD Increases by 5% (March 31, 2017 - 5%)	0.83	-
INR/USD Decreases by 5% (March 31, 2017 - 5%)	(0.83)	-
HKD		
INR/HKD Increases by 5% (March 31, 2017 - 5%)	-	(0.04)
INR/HKD Decreases by 5% (March 31, 2017 - 5%)	-	0.04

Notes to Accounts — Contd.

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FINANCIAL RISK MANAGEMENT (Contd.)

AED sensitivity

INR/ AED Increases by 5% (March 31, 2017 - 5%)	0.04	0.07
INR/ AED Decreases by 5% (March 31, 2017 - 5%)	(0.04)	(0.07)

GBP sensitivity

INR/ GBP Increases by 5% (March 31, 2017 - 5%)	-	0.03
INR/ GBP Decreases by 5% (March 31, 2017 - 5%)	-	(0.03)

(ii) Interest rate risk

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

	Rupees Million	
	March 31, 2018	March 31, 2017
Variable rate borrowings	3,042.58	2,309.69
Fixed rate borrowings	1,250.00	550.00
Total borrowings	4,292.58	2,859.69

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

	Weighted average interest rate	Balance	% of total loans
March 31, 2018			
Bank loans, Cash Credit	8.58%	3,042.58	71%
March 31, 2017			
Bank loans, Cash Credit	9.30%	2,309.69	81%

Sensitivity

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

	Rupees Million	
	Impact on profit	
	March 31, 2018	March 31, 2017
Interest rates – increase by 50 basis points (50 bps)	(15.21)	(11.55)
Interest rates – decrease by 50 basis points (50 bps)	15.21	11.55

(iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the company in equity securities and classified in the balance sheet as at fair value through profit or loss (note 6). However, company does not have a practice of investing in market equity securities with a view to earn fair value changes gain. As per the company policies, whenever any investment is made by the company in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement.

(B) Credit risk

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

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

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

Notes to Accounts — Contd.

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FINANCIAL RISK MANAGEMENT (Contd.)

	Rupees Million
Reconciliation of loss allowance provision – Trade receivables	
Loss allowance on April 1, 2016	92.47
Changes in loss allowance	24.56
Loss allowance on March 31, 2017	117.03
Changes in loss allowance	67.31
Loss allowance on March 31, 2018	184.34

(C) Liquidity risk

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

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

	March 31, 2018	March 31, 2017
Floating rate		
Expiring within one year (cash credit facilities)		
HSBC Cash Credit / WCTL Facility	456.69	398.30
HSBC Short term Facility	750.00	500.00
UBI Cash Credit Facility	748.87	408.01
ICICI Cash Credit Facility	394.72	334.00
	2,350.28	1,640.31

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

(ii) Maturities of financial liabilities

The table below analyses the company's all non-derivative financial liabilities into relevant maturity based on their contractual maturities.

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

Contractual maturities of financial liabilities:

	Rupees Million			
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31, 2018				
Borrowings	2,095.21	2,278.95	813.60	5,187.76
Obligations under finance lease	38.56	71.59	122.45	232.60
Trade payables	1,607.77	-	-	1,607.77
Security Deposits	50.82	27.13	5.49	83.44
Other financial liabilities	679.94	-	-	679.94
Lease Rent Equalisation	0.72	2.02	8.23	10.97
Total non-derivative liabilities	4,473.02	2,379.69	949.77	7,802.48
March 31, 2017				
Borrowings	1,541.11	1,895.60	-	3,436.71
Obligations under finance lease	36.23	65.36	127.13	228.72
Trade payables	1,295.12	-	-	1,295.12
Security Deposits	42.47	18.87	3.58	64.92
Other financial liabilities	106.13	-	-	106.13
Lease Rent Equalisation	0.59	2.74	8.20	11.53
Total non-derivative liabilities	3,021.65	1,982.57	138.91	5,143.13

Notes to Accounts — Contd.

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FINANCIAL RISK MANAGEMENT (Contd.)

(D) Capital management

Risk management

The company's objectives when managing capital are to

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

The company's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

	Rupees Million	
	March 31, 2018	March 31, 2017
Net debt *	4,246.78	2,791.79
Total equity	28,158.67	27,681.56
Net debt to equity ratio	15%	10%
* Net debt represents borrowings less cash and cash equivalents computed as follows:		
Term Loan from Bank	2,892.86	1,700.00
Cash Credit From Banks	149.72	609.69
Short Term Loan From Banks	1,250.00	550.00
Less: cash and cash equivalents	(45.80)	(67.90)
Net debt	4,246.78	2,791.79

Notes to Accounts — Contd.

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(i) **Defined benefit plans**

a) Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The Company operates a gratuity plan through the "ElH Employees' Gratuity Fund". Gratuity plan is a funded plan and the Company through Gratuity Trust makes contributions of funds to Life Insurance Corporation of India.

The Government vide notification S.O. 1420 (E) dated 29.03.2018 increased the limit of amount of gratuity payable to an employee under sub-section (3) of section 4 of the Payment of Gratuity Act, 1972 (39 of 1972) from from the existing limit of INR 10 Lakh to INR 20 Lakhs. The company has taken into consideration the effect of this increase as applicable.

b) Leave Encashment

As per the policy of the company, obligations on account of encashment of accumulated leave of an employee is settled only on separation of the employee. Such liability is recognised on the basis of actuarial valuation following Project Unit Credit Method. It is an unfunded plan.

(ii) **Defined contribution plans**

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

(iii) **Movement of defined benefit obligation and fair value of plan assets :**

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

	Rupees Million			
	Gratuity		Net amount	Leave Encashment
	Present value of obligation	Fair value of plan assets		Present value of obligation
April 1, 2016	514.41	420.00	94.41	197.98
Current service cost	29.65	-	29.65	38.12
Interest expense/(income)	36.65	33.15	3.50	13.81
Total amount recognised in profit or loss	66.30	33.15	33.15	51.93
Remeasurements				
Loss due to experience	25.46	-	25.46	4.28
Loss due to change in financial assumptions	62.12	-	62.12	31.10
Return on plan assets (greater)/less than discount rate	-	(1.47)	1.47	-
Total amount recognised in other comprehensive income	87.58	(1.47)	89.05	35.38
Employer contributions	-	99.36	(99.36)	-
Benefit payments	(89.23)	(89.23)	-	(41.87)
March 31, 2017	579.06	461.81	117.25	243.42
April 1, 2017	579.06	461.81	117.25	243.42
Current service cost	35.60	-	35.60	42.61
Interest expense/(income)	37.09	31.56	5.53	15.50
Total amount recognised in profit or loss	72.69	31.56	41.13	58.11
Remeasurements				
Loss due to experience	77.75	-	77.75	8.20
Loss due to change in financial assumptions	17.31	-	17.31	8.86
Return on plan assets (greater)/less than discount rate	-	2.49	(2.49)	-
Total amount recognised in other comprehensive income	95.06	2.49	92.57	17.06
Employer contributions	-	76.54	(76.54)	-
Benefit payments	(98.38)	(98.38)	-	(44.14)
March 31, 2018	648.43	474.02	174.41	274.45

Notes to Accounts — Contd.

(iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

	March 31, 2018	March 31, 2017
Discount rate	7.60%	7.00%
Salary growth rate	5.00%	4.00%
Mortality	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate
Withdrawal Rate	2.00%	2.00%

(v) Sensitivity analysis

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

	Change in assumption		Impact on defined benefit obligation			
			Increase by 1%		Decrease by 1%	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Gratuity						
Discount rate	1%	1%	(39.00)	(35.36)	44.23	40.13
Salary growth rate	1%	1%	44.94	40.90	(40.27)	(36.65)
Leave Encashment						
Discount rate	1%	1%	(19.81)	(17.87)	23.08	20.78
Salary growth rate	1%	1%	23.45	21.22	(20.45)	(18.51)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method i.e. projected unit credit method has been applied as that used for calculating the defined benefit liability recognised in the balance sheet.

Sensitivities due to Demographic and Investment are not material and hence the impact of change due to these is not disclosed

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

	March 31, 2018		March 31, 2017	
	Unquoted	in %	Unquoted	in %
Investment funds with LIC of India *	474.02	100%	461.81	100%
Total	474.02	100%	461.81	100%

* Gratuity trust pays contribution to LIC which in turn invests the amount in various instruments. As it is done by LIC in totality basis along with contributions from other participants, the Company wise investment in planned assets - category / class wise is not available.

(vii) Risk exposure

The defined benefit obligations have the under mentioned risk exposures :

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

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

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

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

Notes to Accounts — Contd.

(vii) Defined benefit liability and employer contributions

Expected contribution to post employment benefit plan for the year ending March 31, 2019 is INR 174,403,000.

The weighted average duration of the defined benefit obligation is 7 years (2017 - 9 years) in case of Gratuity and 11 years (2017- 11 years) in case of Leave encashment.

The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

	Rupees Million						
	Less than a year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	Beyond 5 years	Total
March 31, 2018							
Defined benefit obligation							
Gratuity	64.15	57.87	90.24	75.63	106.43	411.19	805.51
Leave encashment	37.80	23.18	35.32	33.22	49.02	191.54	370.08
Total	101.95	81.05	125.56	108.85	155.45	602.73	1,175.59
March 31, 2017							
Gratuity	69.92	51.44	52.58	80.32	67.71	378.30	700.27
Leave encashment	34.61	19.75	22.59	33.32	31.88	186.16	328.31
Total	104.53	71.19	75.17	113.64	99.59	564.46	1,028.58

Notes to Accounts — Contd.

RELATED PARTY TRANSACTIONS

40 (a) List of Related Parties

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

Key Management Personnel of the company and close member of Key Management Personnel of the company	Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year
Mr. P.R.S. Oberoi	Oberoi Hotels Private Limited
Mr. S.S. Mukherji	Oberoi Holdings Private Limited
Mr. Vikram Oberoi	Oberoi Investments Private Limited
Mr. Arjun Oberoi	Oberoi Buildings and Investments Private Limited
Ms. Nita M. Ambani	Oberoi Plaza Private Limited
Ms. Renu Sud Karnad (ceased to be a director from 2nd August'17)	Bombay Plaza Private Limited
Ms. Chhavi Rajawat (appointed as a director on 30th October'17)	Oberoi International LLP
Mr. Manoj Harjivandas Modi	Silhouette Beauty Parlour
Mr. Rajeev Gupta	
Mr. S.K. Dasgupta	Enterprises which are post employment benefit plan for the benefit of employees
Mr. Anil K. Nehru	ElH Employees' Gratuity Fund
Mr. Sudipto Sarkar	ElH Executive Superannuation Scheme
Mr. L. Ganesh	
Mr. Biswajit Mitra	
Mr. S.N. Sridhar	
Late Mrs. Goodie Oberoi (Wife of Mr. P.R.S. Oberoi) - upto Oct 3, 2017	
Ms. Natasha Oberoi (Daughter of Mr. P.R.S. Oberoi)	
Ms. Priyanka Mukherjee (Daughter of Mr. S.S. Mukherji)	

Subsidiaries	Associates & Joint Ventures
Mumtaz Hotels Limited	(a) Associates
Mashobra Resort Limited	ElH Associated Hotels Limited
Oberoi Kerala Hotels and Resorts Limited	Mercury Travels Limited
ElH International Ltd	La Roseraie De L'atlas
ElH Flight Services Limited	(b) Joint Ventures
ElH Holdings Ltd	Mercury Car Rentals Private Limited
J&W Hong Kong Limited - liquidated during 2017-18	Oberoi Mauritius Ltd
ElH Investments N.V.	(c) Subsidiary of Associate
ElH Management Services B.V.	Usmart Education Limited
PT Widja Putra Karya	(d) Subsidiary of Joint Venture
PT Waka Oberoi Indonesia	Island Resort Ltd
PT Astina Graha Ubud	

Notes to Accounts — Contd.

40 (b) Transactions with Related Parties for the year ended March 31, 2018

NATURE OF TRANSACTIONS	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/ Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
PURCHASES										
Purchase of Goods & Services										
Mercury Car Rentals Private Limited	-	-	108.60	104.25	-	-	-	-	-	-
Mercury Travels Limited	-	-	63.38	-	-	-	-	-	-	-
Mashobra Resort Limited	1.24	1.99	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	0.44	1.49	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	-	0.21	-	-	-	-	-	-	-	-
PT Widja Putra Karya	-	1.74	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	9.00	8.87	-	-	-	-	-	-
Island Resort Ltd	-	-	-	0.67	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.03	0.03	-	-	-	-
Oberoi International LLP	-	-	-	-	1.78	0.78	-	-	-	-
Total	1.68	5.43	180.98	113.79	1.81	0.81	-	-	-	-
EXPENSES										
Rent										
Oberoi Kerala Hotels & Resorts Limited	0.78	0.73	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	1.68	1.52	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.36	0.36	-	-	-	-
Mrs. Goodie Oberoi ,W/o Mr. P.R.S.Oberoi	-	-	-	-	-	-	0.23	0.36	-	-
Ms. Natasha Oberoi ,D/o Mr. P.R.S.Oberoi	-	-	-	-	-	-	0.18	-	-	-
Total	0.78	0.73	1.68	1.52	0.36	0.36	0.41	0.36	-	-
Royalty										
Oberoi Hotels Pvt Ltd	-	-	-	-	142.40	128.65	-	-	-	-
Total	-	-	-	-	142.40	128.65	-	-	-	-
Short-term employee benefits										
Mr. P.R.S. Oberoi	-	-	-	-	-	-	40.05	28.95	-	-
Mr. S.S. Mukherji	-	-	-	-	-	-	36.89	30.99	-	-
Mr. V.S.Oberoi	-	-	-	-	-	-	36.91	28.18	-	-
Mr. A.S. Oberoi	-	-	-	-	-	-	35.97	29.90	-	-
Mr. Biswajit Mitra	-	-	-	-	-	-	14.34	12.86	-	-
Mr. S N Sridhar	-	-	-	-	-	-	6.59	6.29	-	-
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	-	-	2.06	1.48	-	-
Total	-	-	-	-	-	-	172.81	138.65	-	-
Post-employment benefits										
Mr. V.S.Oberoi	-	-	-	-	-	-	7.79	2.36	-	-
Mr. A.S. Oberoi	-	-	-	-	-	-	6.19	2.48	-	-
Mr. Biswajit Mitra	-	-	-	-	-	-	1.56	1.80	-	-
Mr. S N Sridhar	-	-	-	-	-	-	-	0.63	-	-
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	-	-	0.08	0.16	-	-
Total	-	-	-	-	-	-	15.62	7.43	-	-
Directors' sitting fees										
Mrs. Nita M. Ambani	-	-	-	-	-	-	0.20	0.15	-	-
Mrs. Renu Sud Karnad	-	-	-	-	-	-	0.05	0.30	-	-
Mr. Manoj Harjivandas Modi	-	-	-	-	-	-	0.25	0.20	-	-
Mr. Rajeev Gupta	-	-	-	-	-	-	0.85	0.40	-	-
Mr. S.K. Dasgupta	-	-	-	-	-	-	1.35	1.20	-	-
Mr. Anil K. Nehru	-	-	-	-	-	-	0.75	0.75	-	-
Mr. Sudipto Sarkar	-	-	-	-	-	-	0.25	0.35	-	-
Mr. L. Ganesh	-	-	-	-	-	-	0.70	0.65	-	-
Ms. Chhavi Rajawat	-	-	-	-	-	-	0.15	-	-	-
Total	-	-	-	-	-	-	4.55	4.00	-	-
Total Key management personnel compensation	-	-	-	-	-	-	192.98	150.08	-	-
SALES										
Sale of Goods and Services										
Mercury Car Rentals Private Limited	-	-	15.14	14.81	-	-	-	-	-	-
Mercury Travels limited	-	-	10.50	-	-	-	-	-	-	-
Mashobra Resort Limited	34.36	31.77	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	80.51	76.59	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.43	0.53	-	-	-	-	-	-	-	-
PT Widja Putra Karya	4.55	8.87	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	331.17	318.96	-	-	-	-	-	-
Island Resort Ltd	-	-	4.39	3.05	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	9.80	10.17	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	-	-	0.82	0.22	-	-
Oberoi International LLP	-	-	-	-	0.01	0.01	-	-	-	-
Total	119.85	117.76	361.20	336.82	9.81	10.18	0.82	0.22	-	-
Sale of Fixed Assets										
Oberoi Hotels Pvt Ltd	-	-	-	-	-	0.13	-	-	-	-
EIH Associated Hotels Limited	-	-	1.12	13.37	-	-	-	-	-	-
Total	-	-	1.12	13.37	-	0.13	-	-	-	-

Notes to Accounts — Contd.

NATURE OF TRANSACTIONS	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/ Relative of Key Management Personnel		Rupees Million Enterprises which are post employment benefit plan for the benefit of employees	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
INCOME										
License Agreement										
Mercury Car Rentals Private Limited	-	-	2.96	1.68	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	0.46	0.44	-	-	-	-	-	-
Oberoi Holdings Pvt Ltd	-	-	-	-	1.25	1.44	-	-	-	-
Oberoi Investments Pvt Ltd	-	-	-	-	0.66	0.75	-	-	-	-
Oberoi Bldgs & Investments Pvt Ltd	-	-	-	-	1.61	1.87	-	-	-	-
Oberoi Plaza Pvt Ltd	-	-	-	-	3.43	3.33	-	-	-	-
Bombay Plaza Pvt Ltd	-	-	-	-	0.27	2.55	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	-	-	2.68	4.76	-	-
Total	-	-	3.42	2.12	7.22	9.94	2.68	4.76	-	-
Management Contract										
Mumtaz Hotels Limited	92.73	93.28	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	188.36	187.14	-	-	-	-	-	-
EIH Flight Services Ltd, Mauritius	18.15	15.06	-	-	-	-	-	-	-	-
Total	110.88	108.34	188.36	187.14	-	-	-	-	-	-
Dividend Received										
Mercury Car Rentals Private Limited	-	-	12.12	6.06	-	-	-	-	-	-
Mumtaz Hotels Limited	-	154.88	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	50.47	11.22	-	-	-	-	-	-
EIH International Limited	-	66.77	-	-	-	-	-	-	-	-
Total	-	221.65	62.59	17.28	-	-	-	-	-	-
PAYMENTS										
Investment in Equity Shares										
Mercury Travels Limited	-	-	13.28	-	-	-	-	-	-	-
EIH Flight Services Ltd, Mauritius	-	636.99	-	-	-	-	-	-	-	-
Total	-	636.99	13.28	-	-	-	-	-	-	-
Refund of Collections to Related Party										
Mercury Car Rentals Private Limited	-	-	-	1.30	-	-	-	-	-	-
Mercury Travels Limited	-	-	6.34	-	-	-	-	-	-	-
Mashobra Resort Limited	0.65	0.74	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	3.42	13.24	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	19.96	9.79	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.85	0.15	-	-	-	-
Total	4.07	13.98	26.30	11.09	0.85	0.15	-	-	-	-
Expenses reimbursed to Related Party										
Mercury Car Rentals Private Limited	-	-	-	0.21	-	-	-	-	-	-
Mercury Travels Limited	-	-	-	-	-	-	-	-	-	-
Mashobra Resort Limited	0.63	0.77	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	0.67	0.93	-	-	-	-	-	-	-	-
Island Resort Ltd	-	-	0.06	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.05	-	-	-	-	-	-	-	-	-
PT Widja Putra Karya	0.19	0.02	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	4.65	2.81	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	3.01	-	-	-	-	-
Total	1.54	1.72	4.71	3.02	3.01	-	-	-	-	-
Security Deposit										
Oberoi Kerala Hotels & Resorts Limited	-	0.20	-	-	-	-	-	-	-	-
Total	-	0.20	-	-	-	-	-	-	-	-
RECEIPTS										
Recovery of Collections by Related Party										
Mashobra Resort Limited	1.90	0.01	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	0.76	6.12	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	13.89	9.99	-	-	-	-	-	-
Total	2.66	6.13	13.89	9.99	-	-	-	-	-	-
Expenses Reimbursed by Related Party										
Mercury Car Rentals Private Limited	-	-	-	0.88	-	-	-	-	-	-
Mercury Travels Limited	-	-	0.63	-	-	-	-	-	-	-
Mashobra Resort Limited	1.64	0.35	-	-	-	-	-	-	-	-
EIH Flight Services Ltd, Mauritius	0.05	0.06	-	-	-	-	-	-	-	-
Island Resort Ltd	0.14	0.29	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.02	0.03	-	-	-	-	-	-	-	-
PT Widja Putra Karya	0.04	0.06	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	2.62	2.55	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	9.97	5.98	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	1.31	0.55	-	-	-	-
Total	4.51	3.34	10.60	6.86	1.31	0.55	-	-	-	-
Contribution of Gratuity Fund										
EIH Employee's Gratuity Fund	-	-	-	-	-	-	-	-	76.54	99.36
Total	-	-	-	-	-	-	-	-	76.54	99.36
Refund of Gratuity										
EIH Employee's Gratuity Fund	-	-	-	-	-	-	-	-	98.38	89.23
Total	-	-	-	-	-	-	-	-	98.38	89.23

Notes to Accounts — Contd.

Outstanding Balances as on March 31, 2018

NATURE OF TRANSACTIONS	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Rupees Million Key Management Personnel/Relative of Key Management Personnel	
	2018	2017	2018	2017	2018	2017	2018	2017
PAYABLES								
For Goods & Services								
Mercury Car Rentals Private Limited	-	-	13.72	3.87	-	-	-	-
Mercury Travels Limited	-	-	1.26	-	-	-	-	-
Mashobra Resort Limited	0.26	2.02	-	-	-	-	-	-
Mumtaz Hotels Limited	0.49	13.53	-	-	-	-	-	-
Oberoi Kerala Hotels & Resorts Limited	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	2.35	24.24	-	-	-	-
PT Widja Putra Karya	-	0.23	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.04	0.05	-	-	-	-	-	-
Island Resort Ltd	-	-	-	0.04	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	0.41	-	-	-
Total	0.79	15.83	17.33	28.15	0.41	-	-	-
Royalty								
Oberoi Hotels Private Limited	-	-	-	-	42.13	31.29	-	-
Total	-	-	-	-	42.13	31.29	-	-
Security Deposit								
Bombay Plaza Private Limited	-	-	-	-	0.50	0.50	-	-
Total	-	-	-	-	0.50	0.50	-	-
Advance from Related Party								
Oberoi Hotels Private Limited	-	-	-	-	-	0.16	-	-
Total	-	-	-	-	-	0.16	-	-
LOANS & ADVANCES AND RECEIVABLES								
For Goods & Services								
Mercury Car Rentals Private Limited	-	-	2.56	1.60	-	-	-	-
Mercury Travels Limited	-	-	6.00	-	-	-	-	-
Mashobra Resort Limited	2.39	0.25	-	-	-	-	-	-
Mumtaz Hotels Limited	7.03	10.73	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.05	0.03	-	-	-	-	-	-
PT Widja Putra Karya	0.06	0.06	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	38.25	38.79	-	-	-	-
Island Resort Ltd	-	-	0.30	0.28	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.23	0.52	-	-
EIH Flight Services Ltd, Mauritius	-	0.06	-	-	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	-	-	1.04	0.50
Total	9.53	11.13	47.11	40.67	0.23	0.52	1.04	0.50
Advance against Equity Shares								
EIH Flight Services Ltd, Mauritius	-	-	-	-	-	-	-	-
Mashobra Resort Limited	1,361.93	1,361.93	-	-	-	-	-	-
Total	1,361.93	1,361.93	-	-	-	-	-	-
Management Contract								
Mumtaz Hotels Limited	36.30	34.72	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	61.92	62.34	-	-	-	-
EIH Flight Services Ltd, Mauritius	18.15	14.99	-	-	-	-	-	-
Total	54.45	49.71	61.92	62.34	-	-	-	-
Security Deposit								
Oberoi Kerala Hotels and Resorts Limited	3.10	3.10	-	-	-	-	-	-
Total	3.10	3.10	-	-	-	-	-	-
Advance to Related Party								
EIH Associated Hotels Limited	-	-	-	13.25	-	-	-	-
Total	-	-	-	13.25	-	-	-	-
OUTSTANDING FINANCIAL FACILITIES								
Against Corporate Guarantees								
EIH Flight Services Limited, Mauritius	627.67	636.20	-	-	-	-	-	-
Total	627.67	636.20	-	-	-	-	-	-

Notes to Accounts — Contd.

41 CONTINGENT LIABILITIES

The company had contingent liabilities at March 31, 2018 in respect of:

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

		Rupees Million	
		March 31, 2018	March 31, 2017
i.	Value Added Tax	33.92	24.45
ii.	Income-tax	402.38	457.79
iii.	Service Tax	140.91	122.12
iv.	Property Tax	185.17	149.34
v.	Entertainment Tax	4.27	4.27
vi.	Customs Duty	429.66	429.66
vii.	Luxury Tax	3.50	3.50
viii.	Others	8.49	8.28
xi.	Export obligations in relation to import made under EPCG scheme	-	9.09

(b) Guarantees :

- Guarantees given to Banks & Financial Institutions for INR 651.74 Million (2017- INR 675.60 Million) against financial facilities availed by the subsidiary company.
- Counter guarantees issued to banks and remaining outstanding INR 31.83 Million (2017-INR 184.23 million).

42 COMMITMENTS

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

		Rupees Million	
		March 31, 2018	March 31, 2017
Property, plant and equipment		296.84	1,821.77

(ii) Investment commitments in subsidiary and joint venture companies - INR 681.10 Million (2017-INR 681.10).

43 LEASES

(a) Non-cancellable operating leases

As a Lessee

The Company has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services, land for hotels and residential premises for its employees. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving a notice. During the year, the company has recognised lease rent expense of INR 177.12 Million (2017: INR 155.01 Million) related to non-cancelable operating lease. The future minimum lease payments payable by the company taken under non-cancellable operating lease, are as under:-

		Rupees Million	
		March 31, 2018	March 31, 2017
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year		182.23	177.12
Later than one year but not later than five years		526.36	502.43
Later than five years		2,832.83	2,973.36
Contingent rents recognised as an expense in the Statement of Profit and Loss for the year		Nil	Nil
The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance Sheet date.		Nil	Nil

Notes to Accounts — Contd.

As a Lessor

The Company gives shops located at various hotels on operating lease arrangements. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving notice. Some shops have been given under non-cancellable operating lease, for which the future minimum lease payments recoverable by the company are as under :-

	Rupees Million	
	March 31, 2018	March 31, 2017
Minimum lease payments in relation to non-cancellable operating leases are receivable as follows:		
Within one year	89.69	28.07
Later than one year but not later than five years	141.40	28.37
Later than five years	37.32	44.95
Contingent rents recognised as an income in the Statement of Profit and Loss for the year.	Nil	Nil

(b) Finance Lease

As a lessee

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

In case of leasehold land, tenure of the lease varies from 90 to 99 years. The leases are renewed on mutually agreed terms on the expiry of current lease period.

The year wise break-up of the outstanding lease obligations as on March 31, 2018 in respect of these assets are as under:

	Rupees Million	
	March 31, 2018	March 31, 2017
Assets taken on lease		
Total Minimum Lease Payments at the year end	232.60	228.72
Present value of Minimum Lease Payments	95.38	95.61
Not later than one year		
Minimum Lease Payments	38.56	36.23
Present value	34.51	33.32
Later than one year but not later than five years		
Minimum Lease Payments	71.59	65.36
Present value	45.63	45.27
Later than five years		
Minimum Lease Payments	122.45	127.13
Present value	15.24	17.02
Contingent rents recognised as an expense in the Statement of Profit and Loss for the year.	Nil	Nil
The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance Sheet date.	Nil	Nil

44. Segment reporting

There are no reportable segments other than hotels as per Ind AS 108, "Operating Segment" .

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

Notes to Accounts — Contd.

45 Earnings per Equity share

	March 31, 2018 Rupees	March 31, 2017 Rupees
(a) Basic earnings per share	1.96	1.69
(b) Diluted earnings per share	1.96	1.69
(c) Reconciliations of earnings used in calculating earnings per share		
	March 31, 2018 Rupees Million	March 31, 2017 Rupees Million
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	1,122.75	965.37
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	1,122.75	965.37
(d) Weighted average number of shares used as the denominator		
	March 31, 2018 Number of shares	March 31, 2017 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	571,569,414	571,569,414
Adjustments for calculation of diluted earnings per share:	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	571,569,414	571,569,414

46 Reconciliation of Liabilities arising from financing activities

	As at March 31, 2018	Cash flows	Non cash changes	As at March 31, 2017
Non-current borrowings	2,990.00	1,194.39	-	1,795.61
Current borrowings	1,399.72	240.03	-	1,159.69
Total Liabilities from Financing Activity	4,389.72	1,434.42	-	2,955.30

47 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

48 During the year, 'Advances paid under protest' of INR 145.78 Million has been reclassified to 'Other Non Current Assets'. Previously this was included and presented as 'Other Advances' under 'Other Current Assets'.

49 The financial statements were authorised for issue by the Board of Directors on 30th May, 2018.

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2018

For and on behalf of the Board

P.R.S. OBEROI
Executive Chairman
(DIN No. :00051894)

ANIL NEHRU
Director
(DIN No. :00038849)

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. :00052014)

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

EIH Limited
CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
EIH Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **EIH Limited** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes Group's share of profit/ loss in its associates and its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, 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 Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter 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 ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint ventures 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements/ financial information of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive loss their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements / financial information of 9 subsidiaries, whose financial statements/ financial information reflect total assets of INR 6,887.56 million as at March 31, 2018, total revenues of INR 1,421.51 million and net cash outflows amounting to INR 29.06 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of INR 13.04 million for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of 2 associates and 1 joint venture, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint venture is based solely on the reports of the other auditors.

Eight subsidiaries, one associate and one joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries

and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, one associate and one joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, one associate and one joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated Ind AS financial statements above 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 and the financial statements / financial information certified by the Management.

- (b) The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by the predecessor auditor before amendment as mentioned in note 19(v). The report of the predecessor auditor on these comparative financial information dated May 30, 2017 expressed an unmodified opinion.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above 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 Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns 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 Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the

Parent as on March 31, 2018, taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture company incorporated in India, none of the directors of the Group companies except one director of a subsidiary Company, its associate companies and joint venture company incorporated in India is disqualified as on March 31, 2018 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 and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditors’ reports of the Parent, subsidiary companies, associate companies and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures. Refer note 44(a) to the Consolidated Ind AS financial statements.
 - ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer note 41(B) to the Consolidated Ind AS financial statements
 - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India. Refer note 51 to the Consolidated Ind AS financial statements.

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

Place: Gurugram
Date: 30th May, 2018

Manjula Banerji
Partner
Membership No. 086423

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of EIH Limited (hereinafter referred to as “Parent”) and its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal controls over financial reporting criteria established by the respective Companies 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint venture, which are companies 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, 2018, based on criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 3 subsidiary companies, 2 associate companies and 1 joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Place: Gurugram

Date: 30th May, 2018

Manjula Banerji

Partner

Membership No. 086423

Balance Sheet as at March 31, 2018

	Note	As at March 31, 2018	As at March 31, 2017 (Restated)	Rupees Million As at April 1, 2016 (Restated)
ASSETS				
NON-CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	4	22,306.45	17,750.83	19,031.95
CAPITAL WORK-IN-PROGRESS		1,475.95	3,212.51	1,153.65
GOODWILL ON CONSOLIDATION		3,082.50	3,082.50	3,184.34
OTHER INTANGIBLE ASSETS	4	87.89	89.30	85.67
FINANCIAL ASSETS				
(i) Investments Accounted For Using Equity Method	6	2,436.03	1,903.33	1,828.10
(ii) Other Investments	5	328.27	742.57	760.11
(iii) Other non-current Financial Assets	7	1,303.00	1,022.45	1,502.05
TAX ASSETS (NET)	8	731.54	848.40	961.57
DEFERRED TAX ASSETS - NET	9	99.65	95.50	118.16
OTHER NON-CURRENT ASSETS	10	3,063.48	2,783.43	2,394.86
TOTAL NON-CURRENT ASSETS		34,914.76	31,530.82	31,020.46
CURRENT ASSETS				
INVENTORIES	11	510.65	495.70	497.06
FINANCIAL ASSETS				
(i) Investments	12	502.23	230.49	-
(ii) Trade receivables	13	2,237.88	1,810.89	2,012.97
(iii) Cash and cash equivalents	14	672.98	682.05	977.82
(iv) Bank balances other than (iii) above	15	1,087.21	881.06	702.91
(v) Other current financial assets	16	54.44	520.39	64.40
OTHER CURRENT ASSETS	17	761.69	740.70	464.31
TOTAL CURRENT ASSETS		5,827.08	5,361.28	4,719.47
TOTAL ASSETS		40,741.84	36,892.10	35,739.93
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	18	1,143.14	1,143.14	1,143.14
OTHER EQUITY	19	27,684.78	26,663.36	25,975.14
EQUITY ATTRIBUTABLE TO OWNERS OF ElH LTD		28,827.92	27,806.50	27,118.28
NON CONTROLLING INTEREST	19 (v)	701.47	557.83	533.62
TOTAL EQUITY		29,529.39	28,364.33	27,651.90
LIABILITIES				
NON-CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
(i) Borrowings	20	2,932.51	2,141.83	901.57
(ii) Other Non Current Financial Liabilities	21	227.16	26.57	46.17
PROVISIONS	22	311.55	278.37	230.34
OTHER NON-CURRENT LIABILITIES	23	4.71	2.97	3.64
DEFERRED TAX LIABILITIES (NET)	24	1,965.84	1,917.04	2,085.34
TOTAL NON-CURRENT LIABILITIES		5,441.77	4,366.78	3,267.06
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
(i) Borrowings	25	1,399.72	1,167.38	1,849.45
(ii) Trade Payables	26	1,926.35	1,718.07	1,585.01
(iii) Other Current Financial Liabilities	27	1,472.12	494.09	650.38
TAX LIABILITIES - NET	28	11.71	4.06	3.88
PROVISIONS	29	210.88	150.75	122.86
OTHER CURRENT LIABILITIES	30	749.90	626.64	609.39
TOTAL CURRENT LIABILITIES		5,770.68	4,160.99	4,820.97
TOTAL LIABILITIES		11,212.45	8,527.77	8,088.03
TOTAL EQUITY AND LIABILITIES		40,741.84	36,892.10	35,739.93

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

For and on behalf of the Board

P.R.S. OBEROI
Executive Chairman
(DIN No. :00051894)

ANIL NEHRU
Director
(DIN No. :00038849)

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. :00052014)

Place : Gurugram
Date : 30th May, 2018

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2018

	Notes	Year ended March 31, 2018	Rupees Million Year ended March 31, 2017
REVENUE FROM OPERATION	31	15,988.41	15,286.49
OTHER INCOME	32	1,059.89	896.41
TOTAL INCOME		17,048.30	16,182.90
EXPENSES			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	33	2,254.24	2,225.71
EXCISE DUTY		4.03	18.63
EMPLOYEE BENEFITS EXPENSE	34	4,610.56	4,306.98
FINANCE COSTS	35	231.12	178.51
DEPRECIATION AND AMORTISATION EXPENSE	36	1,173.33	1,281.06
OTHER EXPENSES	37	6,130.20	6,124.67
TOTAL EXPENSES		14,403.48	14,135.56
PROFIT BEFORE EXCEPTIONAL ITEMS, SHARE OF NET PROFITS OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD AND TAX		2,644.82	2,047.34
SHARE OF NET PROFIT OF ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD		168.54	117.89
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		2,813.36	2,165.23
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	38	-	(382.22)
PROFIT BEFORE TAX		2,813.36	1,783.01
TAX EXPENSE			
CURRENT TAX	39	817.17	711.83
DEFERRED TAX	39	38.13	(111.75)
PROFIT FOR THE YEAR		1,958.06	1,182.93
OTHER COMPREHENSIVE INCOME			
A Items that may not be reclassified to profit or loss			
- Share of other comprehensive income of associate and joint ventures accounted for using the equity method		(2.40)	(4.23)
- Remeasurnment of Post-employment benefit obligations		(109.18)	(126.54)
- Tax relating to these items		37.80	43.70
		(73.78)	(87.07)
B Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(122.81)	(146.86)
		(122.81)	(146.86)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(196.59)	(233.93)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		1,761.47	949.00
Profit attributable to:			
- Owners of ElH Limited		1,792.02	1,031.13
- Non-controlling interests		166.03	151.80
Other comprehensive income attributable to:			
- Owners of ElH Limited		(190.60)	(230.60)
- Non-controlling interests		(5.99)	(3.33)
Total comprehensive income attributable to:			
- Owners of ElH Limited		1,601.42	800.53
- Non-controlling interests		160.04	148.47
Earnings per equity share (in INR) Face Value INR 2	47A		
(1) Basic		3.14	1.80
(2) Diluted		3.14	1.80

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2018

For and on behalf of the Board

P.R.S. OBEROI
Executive Chairman
(DIN No. :00051894)

ANIL NEHRU
Director
(DIN No. :00038849)

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. :00052014)

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Consolidated Cash Flow for the year ended March 31, 2018

	Rupees Million	
	Year ended March 31, 2018	Year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,813.36	1,783.01
Adjustments for		
Share of Profit of Associate and Joint Venture	(168.54)	(117.89)
Depreciation and amortisation expense	1,173.33	1,281.06
Effect of Exchange Rate Difference	(155.02)	(3.39)
(Gain)/loss on disposal of property, plant and equipment	14.61	405.60
Bad Debts & Advances written off	43.57	23.98
Provision for doubtful debts / advances	67.31	26.21
Fair value changes on equity investments measured at fair value through profit or loss	(1.74)	(6.10)
Provisions/Liabilities written back	(114.19)	(15.62)
Unwinding of discount on security deposits	-	(0.11)
Dividend income classified as investing cash flows	(14.86)	(10.50)
Interest income classified as investing cash flows	(314.31)	(258.33)
Finance costs	231.21	178.51
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(577.84)	78.75
(Increase)/Decrease in inventories	(14.20)	1.36
Increase/(Decrease) in trade payables	506.90	136.78
(Increase)/ Decrease in other current / non-current financial assets	246.38	14.85
(Increase)/Decrease in other current / non-current assets	(476.18)	(455.25)
Increase/(Decrease) in employee benefit obligations	(20.22)	(56.51)
Increase/(Decrease) in other current / non-current financial liabilities	13.62	(32.17)
Increase/(Decrease) in other current / non-current liabilities	123.01	13.04
Cash generated from operations	3,376.20	2,987.28
Income taxes paid (net of refund)	(658.59)	(554.48)
Net cash inflow from operating activities	2,717.61	2,432.80
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(3,089.90)	(2,591.55)
Decrease/(Increase) in capital work in progress	-	0.38
Purchase of Investments	(258.25)	(230.42)
Proceeds from sale of property, plant and equipment	4.81	24.08
Changes in Other bank balances	(205.98)	(178.09)
Dividends received	63.70	27.78
Interest received	306.91	261.28
Net cash outflow from investing activities	(3,178.71)	(2,686.54)

Statement of Consolidated Cash Flow

For the year ended March 31, 2018 — *Contd.*

	Rupees Million	
	Year ended March 31, 2018	Year ended March 31, 2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
Non-Current Borrowings	1,503.77	1,500.00
Current Borrowings	691.74	6.80
Repayment of borrowings	(1.32)	-
Non-Current Borrowings	(307.14)	(400.00)
Current Borrowings	(464.94)	(693.48)
Interest paid	(399.60)	(297.82)
Dividends paid	(510.89)	(157.53)
Tax on Dividend	(59.60)	-
Net cash inflow / (outflow) from financing activities	452.02	(42.03)
Net increase / (decrease) in cash and cash equivalents	(9.08)	(295.77)
Cash and cash equivalents at the beginning of the financial year	682.05	977.82
Cash and cash equivalents at end of the year	672.97	682.05

Note :

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2018

For and on behalf of the Board

P.R.S. OBEROI
Executive Chairman
(DIN No. :00051894)

ANIL NEHRU
Director
(DIN No. :00038849)

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. :00052014)

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Changes in Equity

For the year ended March 31, 2018

	Rupees Million							Amount INR	
	Capital Redemption Reserve	Capital Reserve	Securities premium reserve	Revaluation Reserve	General Reserve	Retained earnings (Surplus)	Other Reserves Foreign currency translation reserve	Total other equity	Non-Controlling Interest
A. Equity share capital									
As at April 1, 2016								1,143.14	
Changes in equity share capital during the year								-	
As at March 31, 2017								1,143.14	
Changes in equity share capital during the year								-	
As at March 31, 2018								1,143.14	
B. Other equity									
Balance at April 1, 2016 - Earlier reported	1,024.21	25.95	12,373.41	2,187.19	7,078.42	3,241.17	232.83	26,163.18	781.11
Effect of restatement (Refer Note 19(v))	-	-	-	-	-	(188.04)	-	(188.04)	(247.49)
Balance at April 1, 2016 - Restated	1,024.21	25.95	12,373.41	2,187.19	7,078.42	3,053.13	232.83	25,975.14	533.62
Profit for the year	-	-	-	-	-	1,031.13	-	1,031.13	151.80
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(86.80)	-	(86.80)	(87.07)
Currency translation difference on foreign operations	-	-	-	-	-	-	(143.80)	(143.80)	(3.06)
Total comprehensive income for the year	-	-	-	-	-	944.33	(143.80)	800.53	148.47
Adjustment to Revaluation Reserve on building of The Oberoi, New Delhi	-	-	-	-	-	-	(143.80)	-	-
Allocations/Appropriations:									
Final dividend paid for the year 2015-16	-	-	-	-	-	-	-	(80.78)	-
Interim dividend paid for the year 2016-17	-	-	-	-	-	-	-	-	(61.95)
Dividend distribution tax	-	-	-	-	-	(31.53)	-	(31.53)	(41.30)
Transferred (to)/from General Reserve	-	-	-	(19.84)	219.84	(200.00)	-	-	(21.01)
Balance as at March 31, 2017	-	-	-	(100.62)	219.84	(231.53)	-	(112.31)	(124.26)
Balance at April 1, 2017	1,024.21	25.95	12,373.41	2,086.57	7,298.26	3,765.93	89.03	26,663.36	557.83
Profit for the year	-	-	-	2,086.57	7,298.26	3,765.93	89.03	26,663.36	557.83
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	1,792.02	-	1,792.02	166.03
Currency translation difference on foreign operations	-	-	-	-	-	(73.78)	(122.81)	(73.78)	-
Total comprehensive income for the year	-	-	-	-	-	1,718.24	(122.81)	1,595.43	166.03
Allocations/Appropriations:									
Final dividend paid for the year 2016-17	-	-	-	-	-	(514.41)	-	(514.41)	(9.65)
Deferred tax liability on proposed dividend	-	-	-	-	-	-	-	-	(12.74)
Dividend distribution tax	-	-	-	-	-	(59.60)	-	(59.60)	-
Transferred (to)/from General Reserve	-	-	-	(2,086.57)	2,086.57	-	-	-	-
Balance as at March 31, 2018	1,024.21	25.95	12,373.41	(2,086.57)	9,384.83	4,910.16	(33.78)	27,684.78	701.47

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2018

For and on behalf of the Board

P.R.S. OBEROI
Executive Chairman
(DIN No. :00051894)

ANIL NEHRU
Director
(DIN No. :00038849)

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. :00052014)

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Notes to Accounts

General Information

EIH Limited is a Company limited by shares, incorporated and domiciled in India having its Registered Office at 4, Mangoe Lane, Kolkata - 700 001. The Company is primarily engaged in owning and managing premium luxury hotels and cruisers under the luxury 'Oberoi' and 'Trident' brands. The Company is also engaged in flight catering, airport restaurants, project management and corporate air charters.

The Consolidated financial statements relate to EIH Limited ('the Company'), its subsidiary companies, jointly controlled entities and associates as referred in Note 50 (collectively referred as 'the Group').

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements of EIH Limited. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as a going concern on accrual basis.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- equity investments in entities other than subsidiary, joint ventures and associate which are measured at fair value;
- defined benefit plans – plan assets measured at fair value
- customer loyalty programs

(iii) Use of estimates

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

b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all 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 acquisition method of accounting is used to account for business combinations by the group.

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. Inter Group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised 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 arrangements

Under Ind AS in Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures.

Notes to Accounts — *Contd.*

Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise 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 recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised 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. Unrealised losses are also eliminated unless the transaction 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.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 6 below.

(iv) Changes in ownership interests

The group treats transactions with non-controlling interests 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 interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised 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 recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised 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 recognised in other comprehensive income are reclassified to profit or loss.

If 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 recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Revenue recognition

- (i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes, Goods & Service Tax and amounts collected on behalf of third parties.
- (ii) Interest income from debt instruments is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.
- (iii) Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

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

Notes to Accounts — *Contd.*

Timing of revenue recognition from major business activities

- Hospitality Services: Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable.
- Sale of printed material: Revenue from sale of printed and other materials is recognised on dispatch of materials.
- Others: Revenue from Shop License Fee, Management and Marketing Fee included under "Other Services" is recognised on accrual basis as per terms of the contract.
- Revenue in respect of customer loyalty are recognised when loyalty points are redeemed by the customers.

d) Foreign currencies

(i) Presentation Currency

This Financial Statement is presented in INR which is the Functional Currency of the Group.

(ii) Transactions and balances

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

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

Revenue expenditure of all the overseas sales offices are converted at the average exchange rate for the year. Assets and liabilities other than non-monetary assets are converted at the exchange rate prevailing at the close of the accounting year and Fixed Assets are converted at the month-end exchange rate of the month of acquisition.

Foreign currency loans covered by forward contracts are realigned at the forward contract rates, while those not covered by forward contracts are realigned at the rates ruling at the year end. The differences on realignment is accounted for in the Statement of Profit and Loss.

iii) 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 (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the dosing rate.

e) Income tax

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

Deferred Tax

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements, using tax rates and tax laws that have been enacted or prescribed on the date of balance sheet.

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

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

Notes to Accounts — *Contd.*

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

f) Segment reporting

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

g) Leases

As a lessee :

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor :

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

h) Impairment of tangible and intangible assets

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

i) Cash and cash equivalents

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

j) Trade receivables

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

k) Inventories

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

l) Investments and other financial assets

(i) Classification

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

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

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

Notes to Accounts — *Contd.*

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

(ii) Measurement

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

(a) Debt instruments

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

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

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

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

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

(iii) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

(v) Income recognition

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

Notes to Accounts — *Contd.*

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

m) Financial Liabilities

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

n) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

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

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than land, the hotel buildings, certain buildings on leasehold land and leased vehicles and machinery is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013.

Leased vehicles, machinery and building installed on leasehold land (other than perpetual lease) are depreciated over the lives of the respective asset or over the remaining lease period from the date of installation whichever is shorter.

Long term leasehold land (other than perpetual lease) is depreciated over the balance period of the lease, commencing from the date the land is put to use for commercial purposes.

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which ranges between 27 years and 57 years with effect from March 31, 2018 and the total useful life of the buildings are higher than those specified by Schedule II to the Companies Act, 2013. The management believes that the balance useful lives so assessed best represent the periods over which the hotel buildings are expected to be in use. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

o) Intangible assets

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

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

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

Notes to Accounts — *Contd.*

p) Trade and other payables

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

q) Borrowing costs

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

r) Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present legal or statutory obligation or constructive obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

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

Contingent assets where it is probable that future economic benefits will flow to the Group are not recognised but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

s) Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

The Group operates the following post-employment schemes:

Gratuity obligations –

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

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

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

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

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

Leave encashment on termination of service –

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

Notes to Accounts — *Contd.*

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

Provident Fund –

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

t) **Dividends**

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

u) **Earnings per share**

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

v) **Government grants/incentives**

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

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

w) **Rounding of amounts**

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

2 **RECENT ACCOUNTING PRONOUNCEMENTS**

Introduction of Ind AS 115, Revenue from Contracts with Customers

Ministry of Corporate Affairs has notified Ind AS 115 'Revenue from Contracts with Customers', which is effective from April 1, 2018, early adoption of which is not permitted. The new standard outlines the principle that revenue should be recognised when an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of Ind AS 21 and its effect on the financial statements.

Notes to Accounts — *Contd.*

3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

This note provides information about the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

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

A. Significant estimates :

i) Useful Life of Hotel Buildings

EIH Limited, Mumtaz Hotels Limited and Mashobra Resort Limited have adopted useful life of fixed assets as stipulated by Schedule II to the Companies Act 2013 except for the hotel buildings for computing depreciation. In the case of the hotel buildings of these companies, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificates of the technical expert, the balance useful life of the hotel buildings ranges between 27 years and 57 years with effect from March 31, 2018 and the total useful life of the buildings are higher than those specified by Schedule II to the Companies Act, 2013. The carrying amount of the hotel building is being depreciated over its residual life..

ii) Recognition of Revenue (customer loyalty programs)

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

iii) Claims, Provisions and Contingent Liabilities:

The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

B. Significant Judgements :

Advance towards Equity Shares

In the case of Mashobra Resort Limited ("MRL"), several disputes with the Government of Himachal Pradesh, the joint venture partner, were referred by the High Court of Himachal Pradesh on 17th December, 2003 to an arbitral tribunal consisting of a single arbitrator whose award has been challenged by both the EIH Ltd. and MRL, amongst others. The operation of the arbitration award was stayed pending substantive hearing of the applications by the High Court. Consequently, the status quo ante of the entire matter was restored to the position as on 17th December, 2003 and the hotel is being operated by MRL accordingly. EIH Ltd. vide its letter dated 4th April, 2012 requested MRL to account for the entire amount of INR 1,361.93 Million provided to MRL upto 31st March, 2012 as 'Advance Towards Equity', including INR 130.00 Million being the opening balance of 'Advance Towards Equity'. In view of the above, EIH Ltd. has shown the said amount of INR 1,361.93 Million as 'Advance Towards Equity' under Other non-current financial assets in its books of account.

The High Court passed an order dated 25th February, 2016 which was made available to the Company in the month of May 2016. The Court has decided not to interfere with the order of the Arbitrator. EIH Ltd. amongst others, preferred an appeal before the Division Bench of the High Court of Himachal Pradesh. By an order dated 27th June, 2016 the Division Bench stayed the Single Judge Order dated 25th February, 2016 and directed the parties to maintain status quo till the matter is finally heard and disposed off. The matter is pending before division bench of the High Court of Himachal Pradesh for adjudication.

Notes to Accounts — Contd.

4 PROPERTY, PLANT AND EQUIPMENT

	Gross Carrying Amount					Accumulated Depreciation			Carrying Value	
	As at April 1, 2017	Additions during the year	Sales/ Adjustments during the year	Translation Adjustment	Balance as at 31 March, 2018	As at April 1, 2017	For the Year	Less: Sales/ Adjustments	As at March 31, 2018	as at March 31, 2018
i) PROPERTY PLANT AND EQUIPMENT										
Freehold Land (including development cost)	1,913.11	195.84	-	(0.84)	2,108.11	-	-	-	-	2,108.11
Land under finance lease	641.88	-	-	-	641.88	9.70	4.85	-	14.55	627.33
Buildings	11,436.21	2,846.91	0.88	29.82	14,312.06	558.80	277.74	0.27	850.63	13,461.43
Office Equipment	19.15	20.22	2.82	-	36.55	8.41	4.00	2.54	9.87	26.68
Plant & Machinery	4,774.06	1,728.73	147.45	21.20	6,376.54	1,431.62	602.96	122.49	1,923.68	4,452.86
Furniture & Fittings	570.55	704.67	17.41	(1.47)	1,256.34	263.08	128.42	14.66	381.17	875.17
Vehicles	404.47	153.23	7.66	0.18	550.22	97.64	65.31	7.46	156.72	393.50
Vehicles under operating lease	140.56	36.22	38.50	1.10	139.38	55.04	34.38	31.52	58.33	81.05
Vehicles under Finance Lease	2.78	2.24	1.51	-	3.51	1.54	1.06	1.02	1.58	1.93
Boats	38.62	1.61	-	-	40.23	7.05	1.93	-	8.98	31.25
Aircrafts	319.29	-	-	-	319.29	48.10	24.05	-	72.15	247.14
TOTAL	20,260.68	5,689.67	216.23	49.99	25,784.11	2,480.98	1,144.70	179.96	3,477.66	22,306.45
ii) INTANGIBLE ASSETS										
Computer Software	119.88	27.23	-	-	147.11	30.59	28.63	-	59.22	87.89
TOTAL	119.88	27.23	-	-	147.11	30.59	28.63	-	59.22	87.89
Intangible Assets are amortised on straight line basis over a period of 3 to 5 years										

A. Capitalisation of The Oberoi, New Delhi

One of the company's hotel, The Oberoi New Delhi, which was under renovation since April, 2016, has opened in January, 2018. Addition to Property, Plant & Equipment includes Rs 5078.75 million being capitalisation of this renovation project

B. Assets held as security

Refer note 20 & 25 for disclosure of assets held as security

C. Interest capitalised to qualifying assets

Refer note 35 for disclosure of amount capitalised to qualifying assets.

D. Contractual obligations

Refer to note 44(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to Accounts — Contd.

5 NON-CURRENT INVESTMENTS

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
A. Investments in equity instruments (fully paid)		
(i) Quoted -(measured at Fair value through profit & loss)		
25,000 (2017-25,000) Equity Shares of INR 10 each of Tourism Finance Corporation of India Limited	3.80	2.06
(ii) Unquoted (measured at Fair value through profit & loss)		
41,858,400 (2017-41,858,400) Equity Shares of INR 10 each of Golden Jubilee Hotels Private Limited	418.58	418.58
Provision for impairment in the value of Investments (Note 38)	418.58	418.58
NIL (2017-849,575) Equity Shares of INR 10 each of Mercury Travels Limited Became an Associate w.e.f. April 11, 2017 and has been disclosed in Note 6 below	-	51.82
18,000 (2017-18,000) Equity Shares of INR 10 each of Green Infra Wind Generation Limited	0.18	0.18
1,078,826 (2017-1,078,826) Equity Shares of Egyptian Pound 10 each of Tourism Investments Company at Sahl Hasheesh	323.59	323.59
Nil (2017 -2,400) Equity Shares of La Roseraie De L'Atlas SA, Marrakech of Face Value Moroccan Dirham 1,000 per share	-	364.22
4,200 (2017- 4,200) Equity Shares of INR 10 each of ReNew Wind Energy (Karnataka) Pvt. Ltd.	0.42	0.42
Total investments in equity instruments	327.99	742.29
B. Investment in Government Securities		
(Unquoted)		
National Savings Certificate (lodged with Government Authorities as Security Deposit)	0.28	0.28
Total investments in government securities	0.28	0.28
Total non-current investments	328.27	742.57
Aggregate carrying amount of quoted investments	3.80	2.06
Aggregate Market value of quoted investments	3.80	2.06
Aggregate carrying amount of unquoted investments	743.05	1,159.09
Aggregate amount of impairment in the value of investment	418.58	418.58

6 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As at March 31, 2018	As at March 31, 2017 (Restated)	As at March 31, 2016 (Restated)
(i) Quoted -In Associate entity			
11,215,118 (2017 & 2016-11,215,118) Equity Shares of INR 10 each of ElH Associated Hotels Limited [Refer Note 19 (v)]	1,295.08	1,206.67	1,073.65
(ii) Unquoted -In Joint Venture & Associate entities			
4,867,500 (2017&2016- 4,867,500) Equity Shares of USD 1 each of Oberoi Mauritius Ltd	328.73	280.00	358.63
2,400 (2017&2016-Nil) Equity Shares of USD 1 each of La Roseraie De L'Atlas	327.84	-	-
1066750 (2017&2016 - NIL) Equity Shares of INR 10 each of Merucry Travels Limited fully paid 217175 shares acquired during the year and 849575 shares transferred from unquoted Investments in equity instruments above	64.42	-	-
12,117,652 (2017&2016-12,117,652) Equity Shares of INR 10 each of Mercury Car Rentals Private Limited	419.96	416.66	395.82
Total	2,436.03	1,903.33	1,828.10

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
7		
OTHER NON-CURRENT FINANCIAL ASSETS		
Security Deposits	334.10	80.27
Long-term bank deposits	-	27.24
Other recoverable	968.90	914.94
Total other non-current financial assets	1,303.00	1,022.45
8		
TAX ASSETS - NET		
Income Tax Asset (Net)		
Opening balance	842.30	945.81
Add/(Less): Tax payable for the year	(568.49)	(512.76)
Add: Taxes paid	462.52	520.17
Add/(Less): Refund / adjustment for earlier years	(9.79)	(109.82)
Closing Balance	726.54	843.40
Wealth Tax Asset (Net)		
Opening balance	5.00	5.00
Less: Tax payable for the year	-	-
Add: Taxes paid	-	-
Add: Refund for earlier year assessment receive	-	-
Closing balance	5.00	5.00
Total tax assets	731.54	848.40
9		
DEFERRED TAX ASSETS - NET		
Deferred Tax Liabilities on account of :		
Depreciation	4.25	84.81
Others	83.62	0.53
	87.87	85.34
Deferred Tax Assets on account of :		
Unabsorbed Depreciation	19.13	32.60
Unabsorbed Carried Forward Loss	8.28	-
Accrued Expenses Deductible on Payment	1.01	3.76
Employee Benefit	12.30	11.87
MAT Credit Entitlement	146.80	132.61
	187.52	180.84
Deferred Tax Assets (Net)	99.65	95.50

Notes to Accounts — Contd.

Movement in Deferred Tax Assets

Movement in deferred tax assets	Rupees Million					Total
	Un-absorbed Depreciation	Un-absorbed Carried Forward Loss	Accrued Expenses Deductible on Payment	Employee Benefit	MAT Credit Entitlement	
As at April 2016	129.37	-	1.19	10.18	77.32	218.06
(Charged)/Credited:						
- to profit and loss	(93.52)	-	-	0.73	55.29	(37.50)
- to other comprehensive income	-	-	(0.02)	0.30	-	0.28
As at March 31, 2017	35.85	-	1.17	11.21	132.61	180.84
(Charged)/Credited:						
- to profit and loss	(16.72)	8.28	(0.41)	0.77	14.19	6.11
- to other comprehensive income	-	-	0.25	0.32	-	0.57
As at March 31, 2018	19.13	8.28	1.01	12.30	146.80	187.52

Movement in deferred tax liabilities	Depreciation	Deferred Revenue	Total
As at April 2016	99.72	0.18	99.90
(Charged)/Credited:			
- to profit and loss	(14.38)	(0.18)	(14.56)
- to other comprehensive income	-	-	-
As at March 31, 2017	85.34	-	85.34
(Charged)/Credited:			
- to profit and loss	2.53	-	2.53
- to other comprehensive income	-	-	-
As at March 31, 2018	87.87	-	87.87

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
10		
OTHER NON-CURRENT ASSETS		
Capital Advances	46.77	206.89
Prepaid Expenses	44.77	21.15
Other Advances recoverable - considered doubtful	186.42	186.44
Less: Provision for doubtful advances	186.42	186.44
Other Advances recoverable - considered good	16.69	9.02
Advances paid under protest	188.91	145.77
Services Exports Incentive	114.65	-
Prepaid rent relating to security deposits (assets)	646.54	-
Prepayments for lands on operating leases	2,005.15	2,400.60
Total other non-current assets	3,063.48	2,783.43

11		
INVENTORIES *		
Provisions, Wines & Others	231.72	210.18
Stores & Operating Supplies	278.93	285.52
Total inventories	510.65	495.70

*Inventories are valued at cost which is based on 'Cumulative Weighted Average Method' or net realisable value, whichever is lower.
The cost of inventories recognised as an expense during the year as consumption of provisions, wines & others INR 2,254.24 Million
(2017: INR 2,225.71 Million)

12		
INVESTMENTS		
Investment in Mutual Funds (Quoted)		
Birla Sun Life savings Fund - Daily Dividend- Regular Plan-Reinvestment 1,615,374.497 Units (2017 - 931,247.274)	161.98	93.31
Reliance Liquid Fund - Treasury plan - Direct daily Dividend Option Dividend Reinvestment 75,084.172 Units (2017 - 31,527.664)	114.85	48.22
Reliance Liquid Fund - Treasury plan - Direct daily Dividend Option 25,360.829 Units (2017 - 36,989.8)	38.79	56.55
Reliance Liquid Fund - Cash plan - Direct daily Dividend Option 85,973.358 Units (2017 - NIL)	95.84	-
L & T Liquid Fund - regular Daily dividend Reinvestment Plan NIL Units (2017 - 20698.794)	-	20.94
Birla Sunlife Floating Rate Fund - Short Term Units 906,303.189 (2017 - NIL)	90.77	
Birla Sunlife Cash Plus - Daily Dividend Reinvestment Units NIL (2017 - 114,458.503)	-	11.47
Total Investments	502.23	230.49

13		
TRADE RECEIVABLES*		
Unsecured, considered good		
Receivable from related parties	114.27	104.69
Receivable from other than related parties	2,123.61	1,706.20
	2,237.88	1,810.89
Unsecured, considered doubtful		
Receivable from other than related parties	184.34	117.05
Less: Provision for doubtful debts	184.34	117.05
Total Trade Receivables	2,237.88	1,810.89

* Read with note 41

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
14		
CASH & CASH EQUIVALENTS		
Balances with Banks:		
- Current Accounts	630.09	640.61
Cash in hand	18.17	11.60
Cheques in hand	3.32	19.59
Fixed Deposits with original maturity of less than three months	21.40	10.25
Total cash and cash equivalents	672.98	682.05
15		
OTHER BANK BALANCES		
Margin Deposits	0.46	0.55
Unpaid Dividend Accounts	29.34	25.82
Fixed Deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date	389.96	284.16
Earmarked Balances*	667.45	570.53
Total cash and other bank balance	1,087.21	881.06
*Earmarked Balances represent the deposit maintained by Mashobra Resort Limited as per High Court Order dated 17th December, 2003.		
16		
OTHER CURRENT FINANCIAL ASSETS		
Interest Accrued on deposits	12.77	5.54
Accrued Incentive Benefit	12.31	3.06
Other Receivables	0.14	21.71
Security Deposits	29.22	490.05
Claims recoverable	-	0.03
Total other current financial assets	54.44	520.39
17		
OTHER CURRENT ASSETS		
Advance to suppliers	3.39	2.06
Advance to staff	0.01	0.09
Balance with government authorities	148.76	147.70
Accrued Incentive Benefit	-	19.50
Prepaid Expenses	142.83	169.92
Prepaid rent relating to security deposits (assets)	40.10	-
Advance to Related Parties	-	13.25
Prepayments for lands on operating leases	32.94	32.95
Other Advances	196.49	186.49
Service Exports Incentive	197.17	159.95
Deposits of non-financial nature	-	8.79
Total other current assets	761.69	740.70

Notes to Accounts — Contd.

18 EQUITY SHARE CAPITAL

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
AUTHORISED		
1,500,000,000 Equity Shares of INR 2 each (2017 -1,500,000,000)	3,000.00	3,000.00
	<u>3,000.00</u>	<u>3,000.00</u>
ISSUED, SUBSCRIBED & FULLY PAID UP		
571,569,414 Equity Shares of INR 2 each (2017 -571,569,414)	1,143.14	1,143.14
	<u>1,143.14</u>	<u>1,143.14</u>

(i) Reconciliation of equity share capital

	Number of shares	Equity share capital (par value)
As at April 1, 2016	571,569,414	1,143.14
Movement		
Change during the year	-	-
As at March 31, 2017	571,569,414	1,143.14
Movement		
Change during the year	-	-
As at March 31, 2018	571,569,414	1,143.14

(ii) Rights and preferences attached to equity shares :

The Group has one class of equity shares having a par value of INR 2 per share. These shares rank pari passu in all respects including voting rights and entitlement to dividend.

(iii) Details of Shareholders holding more than 5 percent shares in the Company :

	As at March 31,			
	2018		2017	
	Number of Shares	% holding	Number of Shares	% holding
(1) Reliance Industrial Investments and Holdings Limited	105,907,273	18.53	105,907,273	18.53
(2) ITC Limited	85,621,473	14.98	85,621,473	14.98
(3) Oberoi Hotels Private Limited	83,646,328	14.63	83,646,328	14.63
(4) Oberoi Holdings Private Limited	33,438,993	5.85	33,438,993	5.85
(5) Life Insurance Corporation of India	24,600,145	4.30	31,741,260	5.55

	Rupees Million	
	March 31, 2018	March 31, 2017
(iv) Dividends		
Final dividend for the year ended March 31, 2017 of INR 0.90, March 31, 2016 – INR Nil)	514.41	-
Dividend Distribution Tax	59.60	-
Dividends not recognised at the end of the reporting period		
Liability for proposed dividend*	514.41	514.41
Dividend Distribution Tax on proposed dividend	105.74	59.60

*The Board of Directors of ElH Limited have recommended a final dividend of INR 0.90 per share which is subject to the approval of the shareholders in the ensuing annual general meeting.

Notes to Accounts — Contd.

	Rupees Million		
	As at March 31, 2018	As at March 31, 2017 (Restated)	As at April 1, 2016 (Restated)
19			
OTHER EQUITY			
A. RESERVES AND SURPLUS			
Capital Redemption Reserve	1,024.21	1,024.21	1,024.21
Capital Reserve	25.95	25.95	25.95
Securities Premium Reserve	12,373.41	12,373.41	12,373.41
Revaluation Reserve	-	2,086.57	2,187.19
General Reserve	9,384.83	7,298.26	7,078.42
Retained Earnings [Refer Note 19(V)) Below]	4,910.16	3,765.93	3,053.13
Total reserves and surplus	27,718.56	26,574.33	25,742.31
B. OTHER COMPREHENSIVE INCOME			
Foreign Currency Translation Reserve	(33.78)	89.03	232.83
	(33.78)	89.03	232.83
Total of Other Equity	27,684.78	26,663.36	25,975.14
OTHER EQUITY	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) CAPITAL REDEMPTION RESERVE			
Opening Balance	1,024.21	1,024.21	1,024.21
Adjustment during the year	-	-	-
Closing Balance	1,024.21	1,024.21	1,024.21
(ii) CAPITAL RESERVE			
Opening Balance	25.95	25.95	25.95
Adjustment during the year	-	-	-
Closing Balance	25.95	25.95	25.95
(iii) SECURITIES PREMIUM ACCOUNT			
Opening Balance	12,373.41	12,373.41	12,373.41
Adjustment during the year	-	-	-
Closing Balance	12,373.41	12,373.41	12,373.41
(iv) REVALUATION RESERVE			
Opening Balance	2,086.57	2,187.19	2,208.53
Less : Adjustment of Revaluation Reserve on building of The Oberoi, New Delhi	-	80.78	-
Less : Transfer to general reserve	2,086.57	19.84	21.34
Closing Balance	-	2,086.57	2,187.19
(v) GENERAL RESERVE			
Opening Balance	7,298.26	7,078.42	6,857.08
Add: Transfer from Revaluation Reserve	2,086.57	19.84	21.34
Add: Transfer from Surplus	-	200.00	200.00
Closing Balance	9,384.83	7,298.26	7,078.42

Notes to Accounts — Contd.

	As at March 31, 2018	As at March 31, 2017 (Restated)	Rupees Million As at April 1, 2016 (Restated)
(vi) RETAINED EARNINGS			
Opening Balance [Refer Note 19(v)) below]	3,765.93	3,053.13	3,470.67
Add: Profit during the year as per Statement of Profit & Loss	1,792.02	1,031.13	1,310.67
Less: Transfer to General Reserve	-	(200.00)	(200.00)
Final dividend for the year 2016-17	(514.41)	-	(628.73)
Interim dividend for the year 2015-16	-	-	(628.73)
Dividend distribution tax	(59.60)	(31.53)	(201.66)
- Remeasurements of post-employment benefit obligation, net of tax	(71.38)	(83.18)	(66.45)
- Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(2.40)	(3.62)	(2.64)
Closing Balance	4,910.16	3,765.93	3,053.13
(vii) FOREIGN CURRENCY TRANSLATION RESERVE			
Opening Balance	89.03	232.83	-
Add/(Less): Currency Translation differences arising during the year	(122.81)	(146.86)	225.64
Less/(Add): Currency Translation differences arising during the year belonging to Non controlling interest	-	3.06	7.19
Closing Balance	(33.78)	89.03	232.83
	27,684.78	26,663.36	25,975.14

Nature and purpose of Reserves

(i) Capital Redemption Reserve

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

(ii) Capital Reserve

Capital reserve represents reserve created on business combination done under previous GAAP in cases where value of net assets acquired exceeds the fair value of the consideration transferred.

(iii) Revaluation Reserves

Revaluation Reserves was created under previous GAAP on upward revaluation on land and building. The balance in Revaluation Reserve at the beginning of the current year has been transferred to General Reserve during the year.

(iv) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Notes to Accounts — Contd.

(v) **Previous year restatements**

During the current year, the Company identified errors in equity accounting of investments in an associate, recognition of deferred tax liability arising from taxable temporary differences associated with its investment in the associate and computation of non-controlling interest relating to prior periods. As a result, the Company has restated prior period financials as follows :

	Rupees Million		
Financial Statements- Line Item	Previously Reported Amount	Prior period Impact	Restated Amount
Non controlling interest as on April 1, 2016	781.11	(247.49)	533.62
Non-controlling interest as on March 31, 2017	805.32	(247.49)	557.83
Carrying cost of investment in EIH Associated Hotels Limited (under Note 6 - "Investments accounted for using equity method") as on April 1, 2016	1,495.78	(422.13)	1,073.65
Carrying cost of investment in EIH Associated Hotels Limited (under Note 6 - "Investments accounted for using equity method") as on March 31, 2017	1,628.80	(422.13)	1,206.67
Deferred Tax Liability created on the taxable temporary differences(Under Note 24 " Deferred Tax Liability) April 1, 2016	2,071.94	13.40	2,085.34
Deferred Tax Liability created on the taxable temporary differences(Under Note 24 " Deferred Tax Liability) March 31, 2017	1,874.66	42.38	1,917.04
Tax Expenses:			
Deferred tax for the period 2016-17	(141.34)	29.59	(111.75)
Profit for the year	1,212.52	(29.59)	1,182.93
Items that may not be reclassified to profit or loss:			
- Tax relating to these items	43.09	0.61	43.70
Total Other Comprehensive Income for the year 2016-17, net of tax	(234.54)	0.61	(233.93)
Total Comprehensive Income / (Loss) for the year 2016-17	977.98	(28.98)	949.00
Retained Earnings as on March 31, 2017	3,982.96	(217.03)	3,765.93
Retained Earnings as on March 31, 2016	3,241.17	(188.04)	3,053.13
Retained Earnings as on April 1, 2015	3,658.71	(188.04)	3,470.67

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
20		
NON-CURRENT BORROWINGS - AT AMORTISED COST		
Term Loans from Banks		
Secured		
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	2,464.29	1,446.43
State Bank of Mauritius	383.06	608.17
Unsecured Loans		
From Government Of Himachal Pradesh	5.00	5.00
Long Term maturities of Finance Lease Obligations:		
Secured		
Long Term maturity of Finance Lease Obligations- Vehicles	52.08	54.13
Unsecured		
Long Term maturity of Finance Lease Obligations- Land	28.08	28.10
Total Non-current borrowings	2,932.51	2,141.83
Current maturities of long-term debt (included in note 27)	658.41	253.57
Current maturities of finance lease obligations (included in note 27)	28.43	26.50
Total	3,619.35	2,421.90

PARTICULARS OF TERM BORROWINGS :

1) Security

Term loan from The Hong Kong & Shanghai Banking Corporation Limited (HSBC) relates to EIH Ltd., is secured by way of equitable mortgage by deposit of title deeds in respect of the Company's hotel in Delhi known as The Oberoi, New Delhi. Process of creation of security is in progress.

The Finance Lease obligations are secured by hypothecation of vehicles taken under Lease.

Term Loan from State Bank of Mauritius relates to EIH Flight Services Ltd, Mauritius and is secured by charge on building of that company, floating charge on all assets of the company, assignment of leasehold rights on the leasehold land and a corporate guarantee of EIH limited.

2) Terms of repayment and Interest rate :

- Term Loan from The Hong Kong & Shanghai Banking Corporation Limited (HSBC) is repayable in 28 quarterly installment of INR 107 Million starting from February 2018 and ending on November 2024 and carries interest which is linked to banks MCLR, presently effective rate is 8.50%
- The Finance Lease obligations are secured by hypothecation of vehicles taken under Lease. Repayments are done by equated monthly installments over 36 to 60 months.
- Two pieces of land under finance lease are under lease up to 2064-65 . Another piece of land is under perpetual lease. Rent is payable on a monthly basis.
- Term Loan from State Bank of Mauritius carries interest at 400 basis points over 3 months LIBOR. Loan will be repayable within 3 years in 8 installments of USD 1,187,500 starting from September 2018 and ending in June 2020.
- Unsecured borrowings from Government of Himachal Pradesh is repayable at the option of the group and group does not expect repayment in next one year period

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
21		
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Lease Rent Equalisation	10.25	10.93
Security Deposits	18.38	14.32
Others liabilities	198.53	1.32
Total Other Non-Current Financial Liabilities	227.16	26.57
22		
PROVISIONS - NON CURRENT		
Employee Benefit Obligation		
Gratuity 42.(i) (a)	1.29	1.29
Gratuity 42.(i) (b)	4.48	3.92
Leave Obligation 42.(i) (c)	243.04	215.63
Pension Benefits 42.(i) (d)	62.74	57.53
Total employee benefit obligations	311.55	278.37
23		
OTHER NON-CURRENT LIABILITIES		
Advance Rent	4.71	2.97
Total Other Non-Current Liabilities	4.71	2.97
24		
DEFERRED TAX LIABILITIES - NET		
Deferred Tax Liabilities on account of :		
Depreciation	2,148.15	2,092.79
Outside Basis Taxation	31.84	-
Fair Valuation of Equity Investment	2.77	2.61
Fair Valuation of Security Deposit Liability	0.03	0.24
Restatement of Liability at Fair Value	0.20	-
Investment in Associate accounted for using the Equity method	58.45	42.38
Total deferred tax liabilities (A)	2,241.44	2,138.02
Deferred Tax Assets on account of :		
Statutory Expenses claimable on payment	89.32	25.15
Employee Benefits	-	54.43
Provision For Debts, Advances and Investments	129.56	105.02
Fair Valuation of Security Deposit-Assets	31.33	24.14
Lease Rent Equalisation	3.83	3.99
Others temporary differences	21.56	8.25
Total deferred tax assets (B)	275.60	220.98
Deferred Tax Liabilities (Net - A-B)	1,965.84	1,917.04
		As at April 1, 2016 (Restated)
		2,213.36
		21.02
		1.80
		0.02
		30.98
		13.40
		2,280.58
		57.74
		2.60
		96.52
		23.53
		4.14
		10.71
		195.24
		2,085.34

Notes to Accounts — *Contd.*

Movement in Deferred Tax Assets and Liability

Movement in deferred tax assets	Statutory Expenses claimable on payment	Employee Benefits	Provision For Debts, Advances and Investments	Fair Valuation of Security Deposit-Assets	Liability for Lease Equalisation	Others temporary differences	Total
As at March 31, 2016	60.34	-	96.52	23.53	4.14	10.71	195.24
(Charged)/Credited:							
- to profit and loss	(44.84)	51.83	8.50	0.61	(0.15)	(2.46)	13.49
- to other comprehensive income	12.25	-	-	-	-	-	12.25
As at March 31, 2017	27.75	51.83	105.02	24.14	3.99	8.25	220.98
(Charged)/Credited:							
- to profit and loss	3.84	-	24.54	7.19	(0.16)	13.31	48.72
- to other comprehensive income	5.90	-	-	-	-	-	5.90
As at March 31, 2018	37.49	51.83	129.56	31.33	3.83	21.56	275.60

Movement in deferred tax liabilities	WDV of Depreciable Assets	Fair Valuation of Security Deposit	Restatement of liability at fair value	Fair Valuation of Equity Investment -MTL	Investment in Associates using Equity method	Outside Basis Taxation	Total
As at April, 2016	2,213.36	0.02	30.98	1.80	13.40	21.02	2,280.58
(Charged)/Credited:							
- to profit and loss	(120.57)	0.01	(30.77)	0.81	29.59	(12.61)	(133.54)
- to other comprehensive income	-	-	-	-	(0.61)	-	(0.61)
- to Non Controlling Interest	-	-	-	-	-	(8.41)	(8.41)
As at March 31, 2017	2,092.79	0.03	0.21	2.61	42.38	-	2,138.02
(Charged)/Credited:							
- to profit and loss	55.36	-	(0.01)	0.16	16.11	19.10	90.72
- to other comprehensive income	-	-	-	-	(0.04)	-	(0.04)
- to Non Controlling Interest	-	-	-	-	-	12.74	12.74
As at March 31, 2018	2,148.15	0.03	0.20	2.77	58.45	31.84	2,241.44

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2018	As at March 31, 2017
25		
CURRENT BORROWINGS		
SECURED - at amortised cost		
Cash Credit From Banks		
United Bank Of India (UBI)	51.13	391.99
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	93.31	151.70
ICICI Bank Limited (ICICI)	5.28	66.00
State Bank Of Mauritius	-	7.69
UNSECURED - at amortised cost		
Short Term Loans From Banks		
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	-	250.00
ICICI Bank Limited (ICICI)	500.00	
Federal Bank Limited	750.00	300.00
Total Current Borrowings	1,399.72	1,167.38

PARTICULARS OF SHORT TERM BORROWINGS :

1) Security

Cash Credit facilities from UBI, HSBC & ICICI relates to EIH Ltd. are secured by way of hypothecation of all stock of inventories, book debts and other current assets of the company, both present and future, ranking pari passu. Cash Credit with UBI is additionally secured by way of second charge in respect of the Company's hotel in Kolkata known as The Oberoi Grand.

Cash credit facility from State Bank of Mauritius relates to EIH Flight Services Ltd, Mauritius and is secured by charge on building of that company and corporate guarantee of EIH Limited.

2) Terms of repayment and Interest rate :

Cash Credit from United Bank Of India is repayable on demand and carries Interest at bank's base rate + 0.80%

Cash Credit from HSBC is repayable on demand and carries Interest at MCLR + 2.25%

Cash Credit from ICICI is repayable on demand and carries Interest at 6 months MCLR + 1.15%

Short term loan from ICICI for INR 250 Million is repayable on 26th December, 2018 and carries Interest @ 8.20%.

Short term loan from ICICI for INR 250 Million is repayable on 25th March, 2019 and carries Interest @ 8.30%.

Short term loan from Federal Bank Limited INR 250 Million is repayable on 25th June, 2018 and carries Interest @ 8.00%.

Short term loan from Federal Bank Limited INR 500 Million is repayable on 20th September, 2018 and carries Interest @ 8.20%.

Cash Credit From State bank of Mauritius is repayable on demand and carries an interest rate of 8.50%.

Notes to Accounts — Contd.

	As at March 31, 2018	Rupees Million As at March 31, 2017
26		
TRADE PAYABLES		
Trade Payables	1,860.59	1,661.16
Trade Payables to related parties	65.76	56.91
Total trade payables	1,926.35	1,718.07
Classification as required by MSME Act		
Total Outstanding dues of Micro Enterprises and Small Enterprises*	3.44	5.18
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,922.91	1,712.89
Total trade payables	1,926.35	1,718.07
* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act) are based on information made available to the Company. Neither was there any delay in payment nor is any interest due and remaining unpaid on the above.		
27		
OTHER CURRENT FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt (refer note 20)	658.41	253.57
Current Maturities of Finance Lease Obligations (refer note 20)	28.43	26.50
Interest accrued but not due on borrowings	9.09	8.25
Unclaimed Dividend	29.34	25.82
Others:		
- Liability for Capital Assets	641.97	75.54
- Lease Rent Equalisation	0.72	0.59
Retention money	0.29	0.55
Security Deposits	103.84	101.60
Other Liabilities	0.03	1.67
Total current financial liabilities	1,472.12	494.09
28		
TAX LIABILITIES - NET		
Income Tax Liabilities - Net	11.71	4.06
Total tax liabilities - Net	11.71	4.06
29		
PROVISIONS		
Employee Benefit Obligation		
Gratuity	174.41	117.25
Leave Obligation	36.47	33.50
Total employee benefit obligations	210.88	150.75
30		
OTHER CURRENT LIABILITIES		
Advance from Customer	338.30	317.51
Salary & wages and other dues payable	-	0.72
Statutory and other dues	352.29	247.35
Deferred Revenue	56.16	58.06
Advance Rent	3.15	3.00
Total other current liabilities	749.90	626.64

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2018	Year ended March 31, 2017
31		
REVENUE FROM OPERATIONS		
Rooms	6,679.72	6,470.55
Food and Beverages	6,739.92	6,182.44
Other Services	2,080.64	2,006.38
Sale of Printed Materials	488.13	627.12
Total revenue from operations	15,988.41	15,286.49
32		
OTHER INCOME		
Interest Income :		
Interest income from financial assets at amortised cost	127.26	154.99
Interest income on Income Tax refund	186.96	103.33
Dividend Income :		
Dividend income from equity investments measured at fair value through profit or loss	14.85	10.50
Income on account of Services Exports Incentive	325.99	516.80
Others :		
Net foreign exchange gain	121.70	7.24
Fair value changes on equity investments measured at fair value through profit or loss	1.90	6.10
Rental Income	40.59	0.81
Provisions/ Liabilities Written Back	114.19	17.12
Miscellaneous Income	126.45	79.52
Total other income	1,059.89	896.41
33		
CONSUMPTION OF PROVISIONS, WINES & OTHERS		
Opening Stock	210.18	218.80
Add: Purchases	2,275.78	2,217.09
	2,485.96	2,435.89
Less: Closing Stock	231.72	210.18
Total Consumption of provisions, wines & others	2,254.24	2,225.71
34		
EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	3,977.82	3,748.86
Contribution to Provident fund and Other Funds (refer note 42)	197.42	180.81
Staff Welfare Expenses	435.32	377.31
Total employee benefits expense	4,610.56	4,306.98

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2018	Year ended March 31, 2017
35		
FINANCE COSTS		
Interest Expense	379.52	287.74
Interest on obligations under finance leases	20.20	13.79
Other Borrowing Costs	0.73	0.10
	<u>400.45</u>	<u>301.63</u>
Less: Amount capitalised to qualifying assets	169.33	123.12
Total finance costs	<u>231.12</u>	<u>178.51</u>
36		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	1,144.70	1,261.01
Amortisation of intangible assets	28.63	20.05
Total depreciation and amortisation expense	<u>1,173.33</u>	<u>1,281.06</u>
37		
OTHER EXPENSES		
Power & Fuel	1,123.92	1,133.57
Rent	415.20	417.52
Repairs and Maintenance:		
- Buildings	211.55	198.52
- Plant & Machinery	468.59	497.26
- Others	48.88	55.74
Insurance	57.32	60.95
Rates & Taxes	305.51	364.24
Expenses on Apartment & Board	269.60	302.06
Royalty	130.13	121.72
Advertisement, Publicity & Other Promotional Expenses	310.39	416.18
Commission to Travel Agents & others	438.10	386.75
Subscriptions	0.89	0.77
Passage & Travelling	311.23	353.68
Postage, Telephone, etc.	81.10	90.42
Professional Charges	238.65	214.71
Linen, Uniform Washing & Laundry Expenses	65.07	59.70
Renewals & Replacement	166.26	138.51
Musical, Banquet & Kitchen Expenses	79.60	73.22
Auditors' Remuneration (Refer 37 (a))	28.10	28.29
Directors' Fees and Commission	114.59	82.46
Bad Debts & Advances Written Off	43.57	23.98
CSR Expenses (Refer 37(b))	39.90	33.34
Expenses on Contracts for service	509.61	444.34
Provision for Doubtful Debts & Advances	67.30	26.21
Loss on Sale/Discard of Assets etc. (Net)	14.61	23.38
Airport Levy Expenses	287.42	206.71
Loss on exchange	-	56.29
Miscellaneous Expenses	303.11	314.15
Total other expenses	<u>6,130.20</u>	<u>6,124.67</u>

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2018	Year ended March 31, 2017
37(a)		
DETAILS OF AUDITOR'S REMUNERATION		
As auditor:		
Audit fee	23.16	25.94
Tax audit fee	1.11	1.37
Reimbursement of expenses	0.31	0.03
In other capacity		
For Limited Review of Unaudited Financial Results & Other reports to Previous Auditor	1.02	-
For Taxation Matters	-	0.65
For Limited Review of Unaudited Financial Results	2.20	-
For verification of statement and other reports	0.30	0.30
Total payments to auditors	28.10	28.29
37(b)		-
DETAILS OF CSR EXPENDITURE		
SOS Children's Villages of India	23.97	18.07
Helpage India	4.40	4.50
Expenses for Swachh Bharat Abhiyan	3.52	2.93
Kailash Sathyarthi Children Foundation	5.00	
Child Fund-Reading Improvement Programme	-	5.00
Repair work at school for visually impaired at Dhalli in the District of Shimla, Himachal Pradesh	1.28	1.03
Set up of Vocational Training Centre including teachers and teaching aids at the school for the Hearing and Visually impaired	1.45	1.65
Repair work at Primary School at village at Chharabara in the District of Shimla, Himachal Pradesh	0.28	0.16
Total CSR Expenditure	39.90	33.34
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	36.81	36.24
38		
EXCEPTIONAL ITEMS : PROFIT/ (LOSS)		
Write-off of assets arising out of renovation of The Oberoi, New Delhi	-	(382.22)
Total Exceptional Items	-	(382.22)

Notes to Accounts — Contd.

	Year ended March 31, 2018	Rupees Million Year ended March 31, 2017
39		
TAX EXPENSE		
(a) Income tax		
Tax on profits for the year	825.91	764.31
Adjustments for prior periods	(8.74)	(52.48)
Total income tax	817.17	711.83
(b) Deferred tax		
Decrease / (Increase) in deferred tax assets	(60.34)	13.36
(Decrease) / Increase in deferred tax liabilities	92.75	(125.72)
	32.41	(112.36)
Add : Recognised in OCI	5.72	0.61
Total deferred tax expense/(benefit)	38.13	(111.75)
Total tax expense	855.30	600.08
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before income tax expense	2,813.36	1,783.01
Tax at the respective countries' tax rates	832.48	696.84
Tax effect of amounts which are not deductible in calculating taxable income:		
Corporate social responsibility expenditure	13.59	3.64
Impairment in the value of equity investments	7.53	-
Expenses related to exempted income	2.62	0.85
Donations	4.21	2.57
Others	(2.58)	0.03
	25.37	7.09
Adjustments related to property, plant and equipments:		
Depreciation adjustment on account of difference in WDV as per companies Act and Income tax Act	8.14	-
Adjustment on account of leased assets	(0.43)	3.48
Loss on sale of fixed assets	-	-
Difference in unabsorbed depreciation set off in computation and deferred tax	(0.50)	-
	7.21	3.48
Impact of change in tax rate for deferred tax		
Opening balance	0.78	-
Impact of different tax rates applicable in group entities in India and other jurisdiction	(21.48)	(9.26)
Tax effect of amounts which are not taxable in calculating taxable income:		
Provision for wealth tax written back	-	(0.35)
Profit on sale of property	-	-
Dividend	(26.80)	(63.21)
Adjustment in 43B as per Tax audit report	-	-
Others	28.32	29.59
	1.52	(33.97)
Other differences		
Difference in tax rate on foreign dividend	(0.47)	(11.55)
Impact in deferred tax due to change in legal tax rate	16.99	-
Difference in tax rate for impairment on investment in subsidiary	-	(0.95)
Deferred tax assets not recognised	4.91	-
Deferred tax for earlier year	(20.51)	0.05
Difference in tax rate of subsidiaries	17.23	0.83
Other differences	0.01	-
	18.16	(11.62)
Income tax expense related to prior periods	(8.74)	(52.48)
Income tax expense as per Income Tax	855.30	600.08

Notes to Accounts — Contd.

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FAIR VALUE MEASUREMENTS

Financial instruments by category	Rupees Million			
	As at March 31, 2018		As at March 31, 2017	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Investments				
- Equity instruments	830.22	-	972.78	-
- Government securities	-	0.28	-	0.28
Trade Receivables	-	2,237.88	-	1,810.89
Cash and cash equivalents	-	672.98	-	682.05
Other Bank Balance	-	1,087.21	-	881.06
Other receivables	-	994.12	-	972.52
Security deposits	-	363.32	-	570.32
Total financial assets	830.22	5,355.79	972.78	4,917.12
Financial liabilities				
Borrowings	-	4,910.48	-	3,480.55
Security deposits	-	122.22	-	115.92
Finance Lease Obligations	-	108.59	-	108.73
Lease Rent equalisation	-	10.97	-	11.52
Trade payables	-	1,926.35	-	1,718.07
Capital creditors	-	641.97	-	75.54
Others	-	237.28	-	37.61
Total financial liabilities	-	7,957.86	-	5,547.94

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

	As at March 31, 2018		As at March 31, 2017	
	Level 1	Level 3	Level 1	Level 3
Financial Investments at FVPL				
Investment in Equity Shares of (Note 5)				
Tourism Finance Corporation of India Limited	3.80	-	2.06	-
Mercury Travels Limited	-	-	-	51.82
Green Infra Wind Generation Limited	-	0.18	-	0.18
ReNew Wind Energy (Karnataka) Pvt. Ltd.	-	0.42	-	0.42
Golden Jubilee Hotels Private Limited				
Tourism Investments Company at Sahl Hasheesh	-	323.59	-	323.59
La Roseaie De L'Atlas SA, Marrakech	-	-	-	364.22
Investment in Mutual fund of (Note 12)				
Birla Sun Life savings Fund	161.98	-	93.31	-
Reliance Liquid Fund	114.85	-	48.22	-
Reliance Liquid Fund	38.79	-	56.55	-
Reliance Liquid Fund	95.84	-	-	-
L&T Liquid Fund	-	-	20.94	-
Birla Sunlife Cash Plus	90.77	-	11.47	-
Total financial assets	506.03	324.19	232.55	740.23

Notes to Accounts — *Contd.*

(ii) Fair Value hierarchy

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

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

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

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

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

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investment in Green Infra Wind Generation Limited and ReNew Wind Energy (Karnataka) Pvt. Ltd., are made pursuant to the contract for procuring electricity supply at the hotels units. Investment in said companies is not usually traded in market. Considering the terms of the electricity supply contract and best information available in the market, cost of investment is considered as fair value of the investments.
- For the investment in Golden Jubilee Hotels Private Limited (GJHPL), the management was of the view that carrying value of the investment is representative of its fair value as on 01 April, 2015. As on 01 April, 2015, no indicators of impairment was existing. However, during the financial year 2015-16, due to the non-payment of bank borrowings and other obligation, petition for the winding up has been filed by the creditors and lenders of the GJHPL. Considering the financial position of the GJHPL and legal proceedings initiated by lenders, the management has fully provided for the investment in GJHPL as on March 31, 2016.
- Fair valuation of Mercury Travels Limited has been computed using discounted cash flow valuation method (“DCF Method”).

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

	Rupees Million
As at March 31, 2016	758.71
Acquisitions	0.10
Gains/losses recognised in profit or loss	(18.58)
As at March 31, 2017	740.23
Acquisitions	95.84
Gains/losses recognised in profit or loss	(511.88)
As at March 31, 2018	324.19

Notes to Accounts — Contd.

(vi) Valuation inputs and relationships to fair value

	Fair Value as at		Significant unobservable inputs	Probability-weighted range	
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017
Unquoted equity shares	-	51.82	Terminal (perpetuity) value CARG	-	5.50%
			Cost of Equity	-	15%

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

(vii) Valuation processes

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

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

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

Significant estimates

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

Notes to Accounts — Contd.

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FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (i.e., currency risk, interest rate risk and market price risk), liquidity risk and credit risk. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk :

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

(A) Market risk

(i) Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the respective companies' functional currency.

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

	Rupees Million	
Currency	(Receivable)	(Payables)
March 31, 2018		
US Dollar (USD)	60.51	630.71
EURO	5.46	1.20
Great Britain Pound (GBP)	1.21	1.58
Singapore Dollar (SGD)	-	0.02
Australian Dollar (AUD)	16.52	-
Mauritius Rupee (MUR)	59.74	120.98
UAE Dirham (AED)	1.18	0.44
Net exposure to foreign currency risk	144.62	754.93
March 31, 2017		
US Dollar (USD)	51.64	829.21
EURO	3.06	85.27
Great Britain Pound (GBP)	47.63	106.09
Mauritius Rupee (MUR)	42.47	101.53
Swiss Franc (CHF)	-	0.88
Singapore Dollar (SGD)	1.39	0.01
Net exposure to foreign currency risk	146.19	1,122.99

Notes to Accounts — Contd.

Sensitivity

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

	Rupees Million	
	Impact on profit after tax	
	March 31, 2018	March 31, 2017
USD sensitivity		
INR/USD Increases by 5% (March 31, 2017 - 5%)	(28.51)	(38.88)
INR/USD Decreases by 5% (March 31, 2017 - 5%)	28.51	38.88
EURO sensitivity		
INR/EURO Increases by 5% (March 31, 2017 - 5%)	0.21	(4.11)
INR/EURO Decreases by 5% (March 31, 2017 - 5%)	(0.21)	4.11
GBP sensitivity		
INR/GBP Increases by 5% (March 31, 2017 - 5%)	(0.02)	(2.92)
INR/GBP Decreases by 5% (March 31, 2017 - 5%)	0.02	2.92
HKD sensitivity		
INR/HKD Increases by 5% (March 31, 2017 - 5%)	-	(0.04)
INR/HKD Decreases by 5% (March 31, 2017 - 5%)	-	0.04
AED sensitivity		
INR/AED Increases by 5% (March 31, 2017 - 5%)	0.04	0.07
INR/AED Decreases by 5% (March 31, 2017 - 5%)	(0.04)	(0.07)
Mauritius Rupee sensitivity		
INR/MUR Increases by 5% (March 31, 2017 - 5%)	(3.06)	(2.95)
INR/MUR Decreases by 5% (March 31, 2017 - 5%)	3.06	2.95
AUD sensitivity		
INR/USD Increases by 5% (March 31, 2017 - 5%)	0.83	-
INR/USD Decreases by 5% (March 31, 2017 - 5%)	(0.83)	-

* Holding all other variables constant

(ii) Interest rate risk

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

	March 31, 2018	March 31, 2017
Variable rate borrowings	3,654.14	2,925.55
Fixed rate borrowings	1,256.34	555.00
Total borrowings	4,910.48	3,480.55

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

	Weighted average interest rate	Balance	% of total loans
March 31, 2018			
Bank loans, Cash Credit	8.58%	3,654.14	74%
March 31, 2017			
Bank loans, Cash Credit	9.30%	2,925.55	84%

Notes to Accounts — Contd.

Sensitivity

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

	Rupees Million	
	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates – increase by 50 basis points (50 bps) *	(18.27)	(14.63)
Interest rates – decrease by 50 basis points (50 bps) *	18.27	14.63

* Holding all other variables constant

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group in equity securities and classified in the balance sheet as at fair value through profit or loss (note 5). However, Group does not have a practice of investing in equity securities with a view to earn fair value changes gain. As per the Group policies, whenever any investment is made by the Group company in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement.

(B) Credit risk

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

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

Reconciliation of loss allowance provision – Trade receivables

Loss allowance on March 31, 2016	92.48
Changes in loss allowance	24.57
Loss allowance on March 31, 2017	117.05
Changes in loss allowance	67.29
Loss allowance on March 31, 2018	184.34

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

(C) Liquidity risk

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

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

	March 31, 2018	March 31, 2017
Floating rate		
Expiring within one year (cash credit facilities and bank overdraft)		
HSBC Cash Credit/WCTL Facility	456.69	398.30
HSBC Short term Facility	750.00	500.00
UBI Cash Credit Facility	748.87	408.01
ICICI Cash Credit Facility	464.72	404.00
	2,420.28	1,710.31

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

Notes to Accounts — Contd.

(ii) Maturities of financial liabilities

The table below analyses the group's all non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:				Rupees Million
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31 2018				
Borrowings	2,360.94	2,683.42	818.60	5,862.96
Obligations under finance lease	43.73	79.95	122.62	246.30
Trade payables	1,854.85	-	-	1,854.85
Other financial liabilities	733.81	29.28	13.84	776.93
Total non-derivative liabilities	4,993.33	2,792.65	955.66	8,741.04
March 31 2017				
Borrowings	1,578.27	2,546.52	5.00	4,129.79
Obligations under finance lease	40.83	74.89	127.13	242.85
Trade payables	1,880.04	-	-	1,880.04
Other financial liabilities	220.30	21.61	11.78	253.69
Total non-derivative liabilities	3,719.44	2,643.02	143.91	6,506.37

(D) Capital management

(i) Risk management

The group's objectives when managing capital are to

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

The group's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

	Rupees Million	
	March 31, 2018	March 31, 2017
Net debt *	3,579.09	2,544.93
Total equity	29,529.39	28,364.33
Net debt to equity ratio	12%	9%
* Net debt represents borrowings less cash and cash equivalents computed as follows:		
Term Loan from Bank	2,847.35	2,054.60
Loan from Others	5.00	5.00
Cash Credit From Banks	149.72	617.38
Short Term Loan From Banks	1,250.00	550.00
Less: cash and cash equivalents	(672.98)	(682.05)
Net debt	3,579.09	2,544.93

Notes to Accounts — Contd.

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(i) POST-EMPLOYMENT OBLIGATIONS

a) Gratuity (India)

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a funded plan and the group through Gratuity Trust makes contribution of funds to Life Insurance Corporation of India.

The Government vide notification S.O. 1420 (E) dated 29.03.2018 increased the limit of amount of gratuity payable to an employee under sub-section (3) of section 4 of the Payment of Gratuity Act, 1972 (39 of 1972) from the existing limit of INR 10 Lakh to INR 20 Lakh. The Group has taken into consideration the effect of this increase as applicable.

b) Gratuity (Mauritius)

The Group provides for gratuity for employees in Mauritius under the Employment Rights Act, 2008. The gratuity plan is an unfunded defined benefit plan.

c) Leave Obligation (India)

As per the policy of the company, leave obligations can be settled in cash only at the time of separation of employees with the group. The leave obligations cover the company's liability for earned leaves encashable at the time of termination/retirement of employees. It's a unfunded plan.

d) Pension Benefits

The pension benefit plan pertains to two of the foreign subsidiaries PT Waka Oberoi Indonesia and PT Widja Putra Karya.

(ii) DEFINED CONTRIBUTION PLANS

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

Balance sheet amounts – Gratuity and Leave Obligations (India)- Note (i) (a) and (i) (c)

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

	Gratuity			Earned Leave
	Present value of obligation	Fair value of plan assets	Net amount	Present value for obligation towards Leave Encashment
March 31, 2016	515.44	420.00	95.44	202.30
Current service cost	30.09	-	30.09	39.13
Interest expense/(income)	36.72	33.16	3.56	14.13
Total amount recognised in profit or loss	66.81	33.16	33.65	53.26
Remeasurements				
(Gain)/loss from change in demographic assumptions	62.20	-	62.20	31.31
(Gain)/loss from change in financial assumptions	-	-	-	-
Experience (gains)/losses	25.46	(1.47)	26.93	5.09
Total amount recognised in other comprehensive income	87.66	(1.47)	89.13	36.40
Employer contributions	-	99.36	(99.36)	-
Benefit payments	(89.55)	(89.23)	(0.32)	(42.83)
March 31, 2017	580.36	461.82	118.54	249.13
April 1, 2017	580.36	461.82	118.54	249.13
Current service cost	36.03	-	36.03	43.57
Interest expense/(income)	37.18	31.56	5.62	15.86
Total amount recognised in profit or loss	73.21	31.56	41.65	59.43

Notes to Accounts — Contd.

Remeasurements	Rupees Million			
(Gain)/loss from change in demographic assumptions	-	-	-	-
Return on plan assets, excluding amounts included in interest expense/(income)	77.75	-	77.75	-
(Gain)/loss from change in financial assumptions	17.15	-	17.15	8.36
Experience (gains)/losses	(0.18)	2.49	(2.67)	8.22
Total amount recognised in other comprehensive income	94.72	2.49	92.23	16.58
Employer contributions	-	76.54	(76.54)	-
Benefit payments	(98.56)	(98.38)	(0.18)	(45.62)
March 31, 2018	649.73	474.03	175.70	279.52

(iv) POST EMPLOYMENT BENEFITS

The significant actuarial assumptions were as follows:

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.60%	7.00%
Salary growth rate	5.00%	4.00%
Expected Return on Assets	8.50%	8.50%
Mortality	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate
Withdrawal Rate	2.00%	2.00%

(v) SENSITIVITY ANALYSIS

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

	Change in assumption		Impact on defined benefit obligation			
			Increase by 1%		Decrease by 1%	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Gratuity						
Discount rate	1%	1%	(39.28)	(35.81)	44.58	40.70
Salary growth rate	1%	1%	45.30	41.47	(40.55)	(35.19)
Leave Encashment						
Discount rate	1%	1%	(19.81)	(17.87)	23.08	20.78
Salary growth rate	1%	1%	23.45	21.22	21.22	(20.45)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Sensitivities due to Demographic and Investment are not material and hence the impact of change due to these is not disclosed

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

	March 31, 2018		March 31, 2017	
	Unquoted	in %	Unquoted	in %
Investment funds	474.03	100%	461.81	100%
Total	474.03		461.81	

Notes to Accounts — Contd.

(vii) Risk exposure

Through its defined benefit plans, The company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

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

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

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

(viii) Defined benefit liability and employer contributions

Expected contributions to post employment benefit plan for the year ending March 31, 2019 are INR 117,403,000

The weighted average duration of the defined benefit obligation is 7 years (2017 - 9 years) in case of Gratuity and 11 years (2017- 11 years) in case of Leave encashment.

The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

							Rupees Million
Particulars	Less than a year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	Beyond 5 years	Total
March 31, 2018							
Defined benefit obligation							
Gratuity	64.16	57.87	90.24	75.63	106.47	421.09	815.46
Leave Obligation	37.83	23.21	35.32	33.22	49.15	215.07	393.80
Total	101.99	81.08	125.56	108.85	155.62	636.16	1,209.26
March 31, 2017							
Defined benefit obligation							
Gratuity	69.92	51.45	52.61	80.40	76.72	387.44	718.54
Leave Obligation	34.65	19.79	22.83	33.65	56.18	211.11	378.21
Total	104.57	71.24	75.44	114.05	132.90	598.55	1,096.75

Balance sheet amounts – Gratuity (Mauritius)- Note (i) (b)

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

		Gratuity Present value of obligation
April 1, 2016	2.90	2.90
Current service cost	0.67	0.67
Interest expense/(income)	0.21	0.21
Translation Adjustment	(0.10)	(0.10)
Total amount recognised in profit or loss	0.78	0.78
Remeasurements		
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(0.01)	(0.01)
Experience (gains)/losses	0.27	0.27
Total amount recognised in other comprehensive income	0.26	0.26

Notes to Accounts — Contd.

	Rupees Million
Employer contributions	-
Benefit payments	-
March 31, 2017	3.94
April 1, 2017	3.94
Current service cost	0.74
Interest expense/(income)	0.27
Translation Adjustment	0.30
Total amount recognised in profit or loss	1.31
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(0.03)
Experience (gains)/losses	(0.73)
Total amount recognised in other comprehensive income	(0.76)
Employer contributions	-
Benefit payments	-
March 31, 2018	4.50

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

	Gratuity	
	March 31, 2018	March 31, 2017
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Deficit of funded plan	-	-
Unfunded plans	4.48	3.92
Deficit of Employee Benefit Plans	4.48	3.92

(iv) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2018	March 31, 2017
Discount rate	5.50%	6.50%
Salary growth rate	3.00%	4.00%
Average Retirement Age	65 Years	65 Years

(v) Sensitivity analysis

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

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Gratuity						
Discount rate	1%	1%	0.94	0.70	0.75	0.88

Notes to Accounts — Contd.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(vii) Risk exposure

Through its defined benefit plans, The group is exposed to a number of risks, the most significant of which are detailed below:

Interest Risk: A decrease in the bond interest rate will increase the plan liability, however, this may be partially offset by a decrease in inflationary pressures on the salary increased.

Salary Risk: The Plan liability is calculated by reference to the future projected salaries of plan participants. As such an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

Balance sheet amounts – Pension Benefits (Indonesia)- Note (i) (d)

Rupees Million

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

	Pension Benefit Present value of obligation
April 1, 2016	52.56
Current service cost	4.32
Interest expense/(income)	4.23
Total amount recognised in profit or loss	8.55
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	1.27
Experience (gains)/losses	0.16
Translation Adjustment	(2.30)
Total amount recognised in other comprehensive income	(0.87)
Employer contributions	-
Benefit payments	(2.69)
March 31, 2017	57.55
April 1, 2017	57.55
Current service cost	2.58
Interest expense/(income)	2.58
Total amount recognised in profit or loss	5.16
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	1.29
Experience (gains)/losses	-
Translation Adjustment including translation at EIH India Console	(0.64)
Total amount recognised in other comprehensive income	0.65
Employer contributions	-
Benefit payments	-
March 31, 2018	63.35

Notes to Accounts — Contd.

Rupees Million

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

	Pension Benefits	
	March 31, 2018	March 31, 2017
Present value of defined benefit obligation	63.35	57.53
Unrecognized past service cost-unvested	-	-
Unrecognized actuarial loss	-	-
Deficit of funded plan	63.35	57.53
Deficit of Employee Benefit Plans	63.35	57.53

(iv) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2018	March 31, 2017
Discount rate	7.35%	8.00%
Salary growth rate	8.00%	8.00%
Mortality	TMI III	TMI III
Retirement Age	55 Years	55 Years
Disability Rate	5% of Mortality table TMI III	5% of Mortality table TMI III

(v) Sensitivity analysis (To be included for each defined benefit obligation)

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

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate	1.00%	1.00%	(3.86)	(3.76)	4.41	5.01

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Notes to Accounts — Contd.

RELATED PARTY TRANSACTIONS

43 (a)

LIST OF RELATED PARTIES

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

Key Management Personnel of the company and close member of Key Management Personnel	Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year
Mr. P.R.S. Oberoi	Oberoi Hotels Private Limited
Mr. S.S. Mukherji	Oberoi Holdings Private Limited
Mr. Vikram Oberoi	Oberoi Investments Private Limited
Mr. Arjun Oberoi	Oberoi Buildings and Investments Private Limited
Ms. Nita M. Ambani	Oberoi Plaza Private Limited
Ms. Renu Sud Karnad (ceased to be a director from 2nd August'17)	Bombay Plaza Private Limited
Ms. Chhavi Rajawat (appointed as a director on 30th October'17)	Oberoi International LLP
Mr. Manoj Harjivandas Modi	Silhouette Beauty Parlour
Mr. Rajeev Gupta	
Mr. S.K. Dasgupta	Enterprises which are post employment benefit plan for the benefit of employees
Mr. Anil K. Nehru	EIH Employees' Gratuity Fund
Mr. Sudipto Sarkar	EIH Executive Superannuation Scheme
Mr. L. Ganesh	
Mr. Biswajit Mitra	
Mr. S.N. Sridhar	
Late Mrs. Goodie Oberoi (Wife of Mr. P.R.S. Oberoi) - upto Oct 3, 2017	
Ms. Natasha Oberoi (Daughter of Mr. P.R.S. Oberoi)	
Ms. Priyanka Mukherjee (Daughter of Mr. S.S. Mukherji)	

Associates & Joint Ventures

(a) Associates

EIH Associated Hotels Limited
Mercury Travels Limited
La Roseraie De L'atlas

(b) Joint Ventures

Mercury Car Rentals Private Limited
Oberoi Mauritius Ltd

(c) Subsidiary of Associate

Usmart Education Limited

(d) Subsidiary of Joint Venture

Island Resort Ltd

Notes to Accounts — Contd.

43(b)

Transactions with Related Parties for the year ended March 31, 2018

NATURE OF TRANSACTIONS	Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/Relative of Key Management Personnel		Rupees Million Enterprises which are post employment benefit plan for the benefit of employees	
	2018	2017	2018	2017	2018	2017	2018	2017
PURCHASES								
Purchase of Goods & Services								
Mercury Car Rentals Private Limited	114.03	112.34	-	-	-	-	-	-
Mercury Travels Limited	63.95	-	-	-	-	-	-	-
EIH Associated Hotels Limited	9.70	9.67	-	-	-	-	-	-
Island Resort Ltd	-	0.67	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.06	0.06	-	-	-	-
Oberoi International LLP	-	-	1.78	0.78	-	-	-	-
Total	187.68	122.68	1.84	0.84	-	-	-	-
EXPENSES								
Rent								
EIH Associated Hotels Limited	1.68	1.52	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.36	0.36	-	-	-	-
Mrs. Goodie Oberoi ,W/o Mr. P.R.S.Oberoi	-	-	-	-	0.23	0.36	-	-
Ms. Natasha Oberoi ,D/o Mr. P.R.S.Oberoi	-	-	-	-	0.18	-	-	-
Total	1.68	1.52	0.36	0.36	0.41	0.36	-	-
Royalty								
Oberoi Hotels Pvt Ltd	-	-	154.07	139.42	-	-	-	-
Total	-	-	154.07	139.42	-	-	-	-
Short-term employee benefits								
Mr. P.R.S. Oberoi	-	-	-	-	40.05	28.95	-	-
Mr. S.S. Mukherji	-	-	-	-	36.89	30.99	-	-
Mr. V.S.Oberoi	-	-	-	-	36.91	28.18	-	-
Mr. A.S. Oberoi	-	-	-	-	35.97	29.90	-	-
Mr. Biswajit Mitra	-	-	-	-	14.34	12.86	-	-
Mr. S N Sridhar	-	-	-	-	6.59	6.29	-	-
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	2.06	1.48	-	-
Total	-	-	-	-	172.81	138.65	-	-
Post-employment benefits								
Mr. V.S.Oberoi	-	-	-	-	7.79	2.36	-	-
Mr. A.S. Oberoi	-	-	-	-	6.19	2.48	-	-
Mr. Biswajit Mitra	-	-	-	-	1.56	1.80	-	-
Mr. S N Sridhar	-	-	-	-	-	0.63	-	-
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	0.08	0.16	-	-
Total	-	-	-	-	15.62	7.43	-	-
Directors' sitting fees								
Mrs. Nita M. Ambani	-	-	-	-	0.20	0.15	-	-
Mrs. Renu Sud Karnad	-	-	-	-	0.05	0.30	-	-
Mr. Manoj Harjivandas Modi	-	-	-	-	0.25	0.20	-	-
Mr. Rajeev Gupta	-	-	-	-	0.85	0.40	-	-
Mr. S.K. Dasgupta	-	-	-	-	1.35	1.20	-	-
Mr. Anil K. Nehru	-	-	-	-	0.75	0.75	-	-
Mr. Sudipto Sarkar	-	-	-	-	0.25	0.35	-	-
Mr. L. Ganesh	-	-	-	-	0.70	0.65	-	-
Ms. Chhavi Rajawat	-	-	-	-	0.15	-	-	-
Total	-	-	-	-	4.55	4.00	-	-
Total Key management personnel compensation	-	-	-	-	192.98	150.08	-	-
SALES								
Sale of Goods and Services								
Mercury Car Rentals Private Limited	15.41	15.09	-	-	-	-	-	-
Mercury Travels limited	11.44	-	-	-	-	-	-	-
EIH Associated Hotels Limited	332.78	323.32	-	-	-	-	-	-
Island Resort Ltd	4.39	3.05	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	9.86	10.43	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	0.82	0.22	-	-
Oberoi International LLP	-	-	0.01	0.01	-	-	-	-
Total	364.02	341.46	9.87	10.44	0.82	0.22	-	-

Notes to Accounts — Contd.

NATURE OF TRANSACTIONS	Rupees Million							
	Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2018	2017	2018	2017	2018	2017	2018	2017
Sale of Fixed Assets								
Oberoi Hotels Pvt Ltd	-	-	-	0.13	-	-	-	-
EIH Associated Hotels Limited	1.12	13.37	-	-	-	-	-	-
Total	1.12	13.37	-	0.13	-	-	-	-
INCOME								
License Agreement								
Mercury Car Rentals Private Limited	3.58	2.15	-	-	-	-	-	-
EIH Associated Hotels Limited	1.92	1.89	-	-	-	-	-	-
Oberoi Holdings Pvt Ltd	-	-	1.25	1.44	-	-	-	-
Oberoi Investments Pvt Ltd	-	-	0.66	0.75	-	-	-	-
Oberoi Bldgs & Investments Pvt Ltd	-	-	1.61	1.87	-	-	-	-
Oberoi Plaza Pvt Ltd	-	-	3.43	3.33	-	-	-	-
Bombay Plaza Pvt Ltd	-	-	0.27	2.55	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	2.68	4.76	-	-
Total	5.50	4.04	7.22	9.94	2.68	4.76		
Management Contract								
EIH Associated Hotels Limited	188.36	187.14	-	-	-	-	-	-
Total	188.36	187.14	-	-	-	-	-	-
Dividend Received								
Mercury Car Rentals Private Limited	12.12	6.06	-	-	-	-	-	-
EIH Associated Hotels Limited	50.47	11.22	-	-	-	-	-	-
Total	62.59	17.28	-	-	-	-	-	-
PAYMENTS								
Investment in Equity Shares								
Mercury Travels Limited	13.28	-	-	-	-	-	-	-
Total	13.28	-	-	-	-	-	-	-
Refund of Collections to Related Party								
Mercury Car Rentals Private Limited	-	1.30	-	-	-	-	-	-
Mercury Travels Limited	6.34	-	-	-	-	-	-	-
EIH Associated Hotels Limited	21.31	11.68	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.91	0.20	-	-	-	-
Total	27.65	12.98	0.91	0.20	-	-	-	-
Expenses reimbursed to Related Party								
Mercury Car Rentals Private Limited	-	0.21	-	-	-	-	-	-
Island Resort Ltd	0.06	-	-	-	-	-	-	-
EIH Associated Hotels Limited	4.82	2.84	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	3.01	-	-	-	-	-
Total	4.88	3.05	3.01	-	-	-	-	-
RECEIPTS								
Recovery of Collections by Related Party								
Oberoi Hotels Pvt Ltd	-	-	0.04	0.10	-	-	-	-
EIH Associated Hotels Limited	15.24	10.09	-	-	-	-	-	-
Total	15.24	10.09	0.04	0.10	-	-	-	-
Expenses Reimbursed by Related Party								
Mercury Car Rentals Private Limited	0.07	0.88	-	-	-	-	-	-
Mercury Travels Limited	0.63	-	-	-	-	-	-	-
EIH Associated Hotels Limited	10.43	6.91	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	1.40	0.63	-	-	-	-
Total	11.13	7.79	1.40	0.63	-	-	-	-
Contribution of Gratuity Fund								
EIH Employee's Gratuity Fund	-	-	-	-	-	-	76.54	99.36
Total	-	-	-	-	-	-	76.54	99.36
Refund of Gratuity								
EIH Employee's Gratuity Fund	-	-	-	-	-	-	98.38	89.23
Total	-	-	-	-	-	-	98.38	89.23

Notes to Accounts — Contd.

Outstanding Balances as on 31st March, 2018

NATURE OF TRANSACTIONS	Rupees Million					
	Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/Relative of Key Management Personnel	
	2018	2017	2018	2017	2018	2017
PAYABLES						
For Goods & Services						
Mercury Car Rentals Private Limited	15.19	5.40	-	-	-	-
Mercury Travels Limited	1.33	-	-	-	-	-
EIH Associated Hotels Limited	2.74	24.36	-	-	-	-
Island Resort Ltd	-	0.04	-	-	-	-
Oberoi Hotels Private Limited	-	-	0.41	-	-	-
Total	19.26	29.80	0.41	-	-	-
Royalty						
Oberoi Hotels Private Limited	-	-	46.15	34.66	-	-
Total	-	-	46.15	34.66	-	-
Security Deposit						
Bombay Plaza Private Limited	-	-	0.50	0.50	-	-
Total	-	-	0.50	0.50	-	-
Advance from Related Party						
Oberoi Hotels Private Limited	-	-	-	0.16	-	-
Total	-	-	-	0.16	-	-
LOANS & ADVANCES AND RECEIVABLES						
For Goods & Services						
Mercury Car Rentals Private Limited	2.63	1.68	-	-	-	-
Mercury Travels Limited	6.39	-	-	-	-	-
EIH Associated Hotels Limited	38.55	39.58	-	-	-	-
Island Resort Ltd	0.30	0.28	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.23	0.56	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	1.04	0.50
Total	47.87	41.54	0.23	0.56	1.04	0.50
Management Contract						
EIH Associated Hotels Limited	61.92	62.34	-	-	-	-
Total	61.92	62.34	-	-	-	-
Advance to Related Party						
EIH Associated Hotels Limited	-	13.25	-	-	-	-
Total	-	13.25	-	-	-	-

Notes to Accounts — Contd.

44 (a) Contingent liabilities

The Group has contingent liabilities at March 31, 2018 in respect of:

(i) Claims against the Group not acknowledged as debts

	Rupees Million	
	March 31, 2018	March 31, 2017
i. Value Added Tax	33.92	25.03
ii. Income-tax	524.27	479.16
iii. Service Tax	146.07	127.28
iv. Property Tax	185.17	149.34
v. Entertainment Tax	4.27	4.27
vi. Customs Duty	429.66	429.66
vii. Excise Duty	-	-
viii. Luxury Tax	13.62	13.63
ix. Expenditure Tax	0.10	0.10
x. Stamp Duty	10.23	10.23
xi. Sales tax	0.19	0.19
xii. Others	8.49	8.28
xiii. Export obligations in relation to import made under EPCG scheme	-	9.09

(ii) Guarantees:

	March 31, 2018	March 31, 2017
Counter guarantees issued to banks and remaining outstanding	53.55	184.23

44 (b) Commitments

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

	March 31, 2018	March 31, 2017
Property, plant and equipment	302.05	1,821.84

45 Leases

(a) Non-cancellable operating leases

As a Lessee

The Group has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services, land for hotels and residential premises for its employees. These leases are generally cancellable in nature and may generally be terminated by either party by serving a notice. However, some of such leases are not non-cancellable in nature. During the year, the company has recognised lease rent expense of INR 190.79 (2017: INR 167.15) related to such non-cancelable operating lease. The future minimum lease payments payable by the company taken under non-cancellable operating lease, are as under:-

	March 31, 2018	March 31, 2017
Within one year	196.08	190.02
Later than one year but not later than five years	590.41	559.37
Later than five years	2,910.32	3,045.52

Notes to Accounts — Contd.

As a Lessor

The Group gives shops located at various hotels on operating lease arrangements. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving notice. Some shops have been given under non-cancellable operating lease, for which the future minimum lease payments recoverable by the company are as under :-

	Rupees Million	
	March 31, 2018	March 31, 2017
Within one year	89.69	28.07
Later than one year but not later than five years	141.40	28.37
Later than five years	37.32	44.95
Contingent rents recognized as an income in the Statement of Profit and Loss for the year.	-	3.63

(b) Finance Lease

As a lessee

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

In case of leasehold land, tenure of the lease varies from 90 to 99 years. The leases are renewed on mutually agreed terms on the expiry of current lease period.

The year wise break-up of the outstanding lease obligations as on March 31, 2018 in respect of these assets are as under:

	March 31, 2018	March 31, 2017
Assets taken on lease		
Total Minimum Lease Payments at the year end	236.06	237.39
Present value of Minimum Lease Payments	97.42	108.73
Not later than one year		
Minimum Lease Payments	39.61	40.77
Present value	35.11	37.08
Later than one year but not later than five years		
Minimum Lease Payments	74.00	69.49
Present value	47.07	53.48
Later than five years		
Minimum Lease Payments	122.45	127.13
Present value	15.24	18.17

46 Segment reporting

There are no reportable segments other than hotels as per Ind AS 108, "Operating Segment".

Notes to Accounts — Contd.

47(A) Earnings per Equity share

	Rupees Million	
	Year ended March 31, 2018 INR	Year ended March 31, 2017 INR
(a) Basic earnings per share	3.14	1.80
(b) Diluted earnings per share	3.14	1.80
(c) Reconciliations of earnings used in calculating earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	1,792.02	1,031.13
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	1,792.02	1,031.13
(d) Weighted average number of shares used as the denominator		
	31 March, 2018 Number of shares	31 March, 2017 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	571,569,414	571,569,414
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	571,569,414	571,569,414

47(B) Reconciliation of Liabilities arising from financing activities

	As at March 31, 2018	Cash flows	Non cash changes	As at March 31, 2017
Non-current borrowings	3,619.35	1,189.77	7.68	2,421.90
Current borrowings	1,399.72	232.34	-	1,167.38
Total Liabilities from Financing Activity	5,019.07	1,422.11	7.68	3,589.28

Notes to Accounts — Contd.

48 Interests in other entities

(a) Subsidiaries

The group's subsidiaries at March 31, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
Mashobra Resort Limited	India	78.79	78.79	21.21	21.21	Hotel Ownership
Mumtaz Hotels Ltd	India	60	60	40	40	Hotel Ownership
Oberoi Kerala Hotels & Resorts Ltd	India	80	80	20	20	Hotel Ownership
ElH International Ltd	British Virgin Island	100	100	0	0	Investment
ElH Flight Services Ltd	Mauritius	100	100	0	0	Flight Catering
ElH Holding Ltd	British Virgin Island	100	100	0	0	Hotel Investment And Management
PT Widja Putra Karya	Indonesia	70	70	30	30	Hotel Ownership
PT Waka Oberoi Indonesia	Indonesia	83.33	83.33	16.67	16.67	Hotel Ownership
J&W Hong Kong Limited*	Hong Kong	0	100	0	0	Investment
ElHH Corporation Ltd**	Hong Kong	0	100	0	0	Investment
ElH Investment N.V.	Netherlands Antilles	100	100	0	0	Investment and Management
ElH Management Services B.V.	Netherlands	100	100	0	0	Hotel Investment and Management
PT Astina Graha Ubud	Indonesia	60	60	40	40	Hotel development

* J&W Hong Kong Limited has been liquidated in 17-18

** ElHH Corporation Ltd has been liquidated in 16-17

Notes to Accounts — Contd.

48. Interests in other entities

(b) Non-controlling interests (NCI)

Summarised balance sheet	Mashobra Resort Ltd		Mumtaz Hotels Ltd		Oberoi Kerala Hotels & Resorts Ltd		PT Widja Putra Karya		PT Waka Oberoi Indonesia		PT Astina Graha Ubud	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current assets	1,148.08	899.93	755.00	479.71	1.79	1.99	111.99	127.44	49.63	108.13	-	-
Current liabilities	50.17	31.61	149.59	127.73	1.70	1.92	108.81	92.55	81.45	1,735.91	-	-
Net current assets	1,097.91	868.32	605.41	351.98	0.09	0.07	3.18	34.89	(31.82)	(1,627.78)	-	-
Non-current assets	555.05	604.27	725.60	688.78	20.33	20.33	221.43	195.78	126.62	53.05	391.96	391.92
Non-current liabilities	7.67	7.90	119.31	138.10	1.41	1.42	42.63	39.07	19.73	18.46	226.52	226.48
Net non-current assets	547.38	596.37	606.29	550.68	18.92	18.91	178.80	156.71	106.90	34.59	165.44	165.44
Net assets	1,645.29	1,464.69	1,211.70	902.66	19.01	18.98	181.98	191.60	75.08	(1,593.19)	165.44	165.44
Accumulated NCI	60.10	31.15	471.92	599.21	3.80	3.79	50.27	57.48	(1.76)	(1.53)	66.18	66.18

Summarised statement of profit & loss	Mashobra Resort Ltd		Mumtaz Hotels Ltd		Oberoi Kerala Hotels & Resorts Ltd		PT Widja Putra Karya		PT Waka Oberoi Indonesia		PT Astina Graha Ubud	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue	506.73	511.88	1,037.02	1,015.01	0.79	0.74	428.84	469.23	154.54	195.38	-	-
Profit for the year	179.99	177.69	309.07	293.57	0.03	0.01	7.73	17.10	11.59	(9.47)	-	-
Other comprehensive income	0.61	(0.04)	(0.03)	(0.67)	-	-	(6.44)	(5.64)	(1.29)	(0.23)	-	-
Total comprehensive income	180.60	177.65	309.04	292.90	0.03	0.01	1.29	11.46	10.30	(9.70)	-	-
Profit allocated to NCI	38.31	31.15	123.62	117.42	0.01	-	-	(2.55)	-	0.35	-	-
Dividends paid to NCI	-	-	-	124.27	-	-	-	-	-	-	-	-

Summarised Cash Flows	Mashobra Resort Ltd		Mumtaz Hotels Ltd		Oberoi Kerala Hotels & Resorts Ltd		PT Widja Putra Karya		PT Waka Oberoi Indonesia		PT Astina Graha Ubud	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cash flows from operating activities	181.52	123.50	285.91	297.77	(0.79)	(0.56)	37.35	62.45	27.69	(11.90)	-	-
Cash flows from investing activities	(162.62)	(130.50)	(262.24)	(223.50)	0.68	0.63	(36.06)	(26.34)	(75.34)	(9.41)	-	-
Cash flows from financing activities	(0.90)	(1.60)	0.43	(312.94)	-	-	(25.76)	(13.39)	-	-	-	-
Net increase/ (decrease) in cash and cash equivalents	18.00	(8.60)	24.10	(238.67)	(0.11)	0.07	(24.47)	22.72	(47.65)	(21.31)	-	-

Notes to Accounts — Contd.

48. Interests in other entities
(c) Interests in associates and joint ventures

Name of entity	Place of business	owner-ship interest	Relation-ship	Accounting method	Rupees Million		
					Quoted fair value March 31, 2018	March 31, 2017	Carrying amount March 31, 2018
EIH Associated Hotels Ltd	India	36.81%	Associate	Equity Method	5,327.74	3,925.29	1,295.08
Mercury Car Rentals Pvt. Ltd	India	40%	Jointly Controlled Entity	Equity Method	-	-	419.96
Oberoï Mauritius Ltd*	British Virgin Islands	50%	Jointly Controlled Entity	Equity Method	-	-	416.66
Mercury Travels Ltd	India	25.10%	Jointly Controlled Entity	Equity Method	-	-	328.73
Island Resorts Limited	Mauritius	46.10%	Subsidiary of Jointly Controlled Entity	Equity Method	-	-	64.42
Total equity accounted investments					5,327.74	3,925.29	2,108.19
							1,913.62

Oberoï Mauritius Ltd, Island Resorts Limited, Mercury Travels Ltd & Mercury Car Rentals Pvt. Ltd are unlisted entities. Hence, No quoted price available
Mercury Travels has become an associate of EIH Ltd in the year 2017-18

Commitments and contingent liabilities in respect of associates and joint ventures

	March 31, 2018	March 31, 2017
Commitments - joint ventures		
Commitment to provide funding for joint venture's capital commitments, if called	-	-
Contingent liabilities - associates		
Share of contingent liabilities incurred jointly with other investors of the associate	-	-
Contingent liabilities relating to liabilities of the associate for which the group is severally liable	-	-
Contingent liabilities - joint ventures		
Share of joint venture's contingent liabilities in respect of a legal claim lodged against the entity	-	-
Total commitments and contingent liabilities	-	-

Notes to Accounts — Contd.

Summarised financial information for associates and joint ventures

Summarised balance sheet	EIH Associated Hotels Ltd		Mercury Car Rentals Pvt. Ltd		Oberoi Mauritius Ltd		Island Resort Limited		Mercury Travels Ltd	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current assets										
Cash and cash equivalents	44.64	99.17	50.91	27.34	25.45	25.39	638.84	479.78	64.77	-
Other assets	592.46	437.64	342.83	379.97	-	-	59.18	62.46	122.37	-
Total current assets	637.10	536.81	393.74	407.31	25.45	25.39	698.02	542.24	187.14	-
Total non-current assets	2,833.20	2,684.49	4,661.66	4,552.85	938.54	938.54	551.67	535.82	95.86	-
Current liabilities										
Financial liabilities (excluding trade payables)	10.92	11.97	1,680.00	1,682.79	-	-	-	-	418.80	-
Other liabilities	81.73	123.17	87.98	71.47	-	-	-	-	34.02	-
Total current liabilities	92.65	135.14	1,767.98	1,754.26	-	-	-	-	452.82	-
Non-current liabilities										
Financial liabilities (excluding trade payables)	17.72	12.78	2,447.69	2,252.41	-	-	78.26	67.95	17.15	-
Other liabilities	305.44	217.80	82.09	77.51	-	-	-	-	13.95	-
Total non-current liabilities	323.16	230.58	2,529.78	2,329.92	-	-	78.26	67.95	31.10	-
Net assets	3,054.49	2,855.58	757.64	875.99	963.99	963.93	1,171.43	1,010.11	(200.92)	-

Reconciliation to carrying amounts

	EIH Associated Hotels Ltd		Mercury Car Rentals Pvt. Ltd		Oberoi Mauritius Ltd		Mercury Travels Ltd	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Opening net assets	2,810.38	2,427.31	1,041.65	989.55	560.00	717.27	120.85	-
Profit for the year	377.90	427.80	45.99	77.72	97.49	(157.27)	(3.92)	-
Other comprehensive income	(0.59)	(8.06)	(7.38)	(4.31)	-	-	1.23	-
Dividends paid	(165.02)	(36.67)	(30.30)	(21.31)	-	-	-	-
Closing net assets	3,022.67	2,810.38	1,049.96	1,041.65	657.49	560.00	118.16	-
Group's share in %	36.81%	36.81%	40%	40%	50%	50%	25.10%	-
Group's share in INR	1,112.62	1,034.50	419.98	416.66	328.75	280.00	29.66	-
Goodwill	182.46	182.46	-	-	-	-	34.77	-
Carrying amount	1,295.08	1,216.96	419.98	416.66	328.75	280.00	64.43	-

Notes to Accounts — Contd.

Summarised statement of profit and loss

	ElH Associated Hotels Ltd		Mercury Car Rentals Pvt. Ltd		Oberoi Mauritius Ltd		Island Resorts Ltd		Mercury Travels Ltd	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue	2,635.68	2,699.27	3,394.69	3,156.44	-	-	806.16	712.60	353.75	-
Interest income	57.19	17.50	32.04	-	57.31	55.91	5.80	3.77	66.07	-
Depreciation and amortisation	140.88	141.94	1,121.79	946.83	-	-	47.65	49.48	7.26	-
Interest expense	3.98	19.26	426.20	386.21	71.47	70.00	-	55.64	57.74	-
Income tax expense	208.66	221.55	23.34	56.01	9.01	125.65	13.52	(0.32)	4.51	-
Profit from continuing operations	2,339.35	2,334.02	1,855.40	1,767.39	(23.17)	(139.74)	750.79	611.57	350.31	-
Profit from discontinued operations	-	-	-	-	-	-	-	-	-	-
Profit for the year	377.90	427.79	45.99	77.71	(25.76)	(140.53)	147.45	(0.87)	(3.92)	-
Other comprehensive income	(0.59)	(8.06)	(7.38)	(4.31)	-	-	0.64	-	1.23	-
Total comprehensive income	377.31	419.73	38.61	73.40	(25.76)	(140.53)	148.09	(0.87)	(2.69)	-

Notes to Accounts — Contd.

49(a) Annexure

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary with amounts in INR Million)

Sl. No.	Name of the subsidiary	1	2	3	4	5	9	10	11	12	13	Rupees Million	
												14	14
1		Mashora Resort limited	Mumtaz Hotels Limited	Oberoi Kerala Hotels and Resorts Limited	EIH International Limited	EIH Holdings Ltd	EIH Investments NV	EIH Management Services BV	PT Widja Putra Karya	PT Waka Oberoi Indonesia	PT Astina Graha Ubud	EIH Flight Services Limited	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	US\$	US\$	US\$	Euro	US\$	US\$	US\$	Mauritian Rupees	
5	Share capital	330.00	206.50	27.20	6,147.29	2,360.04	0.64	1.57	69.88	2,944.50	204.15	1,304.93	
6	Reserves & surplus	(46.64)	1,005.20	(8.19)	(295.24)	400.23	10.18	64.39	154.68	(2,851.85)	-	(1,427.16)	
7	Total assets	1,703.13	1,480.60	22.12	5,866.69	2,767.27	1,053.71	1,094.57	412.23	218.29	483.68	619.86	
8	Total Liabilities	1,419.77	268.90	3.11	14.63	-	1,042.90	1,028.61	187.66	125.63	279.53	742.09	
9	Investments	-	502.23	-	5,388.19	-	-	-	-	-	-	-	
10	Turnover	506.73	1,037.02	0.79	27.69	170.63	0.64	128.80	501.63	180.77	-	502.27	
11	Profit before taxation	255.31	441.04	0.17	25.11	74.05	1.29	117.50	21.84	13.56	-	26.74	
12	Provision for taxation	75.32	131.97	0.13	-	3.22	-	-	13.56	-	-	(21.07)	
13	Profit after taxation	179.99	309.07	0.04	25.11	70.83	1.29	117.50	8.28	13.56	-	47.81	
14	Proposed Dividend including dividend distribution tax	-	186.72	-	-	-	-	-	-	-	-	-	
15	% of shareholding	78.79%	60.00%	80.00%	100.00%	100.00%	100.00%	100.00%	70.00%	83.23%	60.00%	100.00%	

1. Names of subsidiaries which are yet to commence operations :

- Oberoi Kerala Hotels and Resorts Limited
- PT Astina Graha Ubud

2. Names of subsidiaries which have been liquidated or sold during the year :

- J&W Honkkong Limited

Notes to Accounts — Contd.

49(b) Annexure

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Rupees Million				
	ElH Associated Hotels Limited	Mercury Car Rentals Pvt Limited	Oberoi Mauritius Limited *	La Roseraie De L'Atlas	Mercury Travels Limited
1. Latest audited Balance Sheet Date	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
2. Shares of Associate/Joint Ventures held by the company on the year end					
No.	11.22	12.12	7.38	0.02	1.07
Amount of Investment in Associates/ Joint Venture	1,010.72	308.25	4,692.71	363.96	65.10
Extent of Holding %	36.81%	40%	50%	30%	25.10%
3. Description of how there is significant influence	More than 20% Shareholding	N.A.	N.A.	N.A.	N.A.
4. Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
6. Networth attributable to Shareholding as per latest audited Balance Sheet	1,112.64	420.00	350.28	(36.27)	29.66
7. Profit / Loss for the year	377.90	45.99	(25.76)	(94.01)	(2.69)
i. Considered in Consolidation	139.10	18.36	(12.88)	(28.20)	(0.68)
i. Not Considered in Consolidation	238.80	27.63	(12.88)	(65.81)	(2.01)

* Oberoi Mauritius Ltd includes its 92.19% subsidiary company Island Resort Limited incorporated in Mauritius and is considered as jointly controlled entity by virtue of being jointly controlled entity of ElH International Ltd, a wholly owned subsidiary of ElH Limited.

- Names of associates or joint ventures which are yet to commence operations : None
- Names of associates or joint ventures which have been liquidated or sold during the year : None

Notes to Accounts — Contd.

50 Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
1	2	3	4	5	6	7	8	9
Rupees Million								
Parent								
EIH Limited	83.63	22,118.11	53.45	1,046.67	(36.44)	(71.63)	55.35	975.04
Subsidiaries								
Indian								
1 Mumtaz Hotels Limited	2.80	739.78	9.47	185.45	(0.01)	(0.02)	10.53	185.43
2 Mashobra Resort limited	0.84	223.26	7.24	141.68	0.31	0.61	8.08	142.29
3 Oberoi Kerala Hotels & Resorts Limited	0.06	16.21	0.00	0.02	-	-	0.00	0.02
Foreign								
1 ElH Flight Services Limited Mauritius	(0.46)	(122.22)	2.38	46.57	(4.90)	(9.64)	2.10	36.93
2 ElH International Limited	1.94	512.00	0.99	19.32	(45.86)	(90.15)	(4.02)	(70.83)
3 ElH Holdings Limited	8.08	2,136.00	3.12	61.17	-	-	3.47	61.17
4 ElH Investments N.V.	(0.06)	(16.00)	-	-	-	-	-	-
5 ElH Management Services B.V.	(9.03)	(2,388.00)	5.36	104.96	-	-	5.96	104.96
6 PT Widja Putra Karya	0.50	132.00	0.41	8.05	(2.95)	(5.80)	0.13	2.25
7 PT Waka Oberoi Indonesia	0.29	76.00	0.49	9.66	(5.90)	(11.59)	(0.11)	(1.93)
8 PT Astina Graha Ubud	0.37	99.00	-	-	-	-	-	-
Minority Interests in all subsidiaries	2.65	701.47	8.48	166.03	(3.05)	(5.99)	9.09	160.04
Associate (Investment as per the equity method)								
Indian								
1 ElH Associated Hotels Limited	4.21	1,112.64	7.10	139.10	(0.09)	(0.18)	7.89	138.92
2 Mercury Travels Limited	0.11	29.66	(0.05)	(0.98)	0.16	0.31	(0.04)	(0.67)
Joint Ventures (investment as per the equity method)								
Indian								
1 Mercury Car Rentals Pvt Ltd	1.59	420.00	0.94	18.36	(1.50)	(2.95)	0.87	15.41
Foreign								
1 La Roseaie De L'Atlas	1.24	328.00	(1.89)	(37.00)	-	-	(2.10)	(37.00)
2 Oberoi Mauritius Limited	1.24	329.00	2.50	49.00	0.22	0.44	2.81	49.44

51 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

52 The financial statements were authorised for issue by the Board of Directors on 30th May, 2018.

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

For and on behalf of the Board

P.R.S. OBEROI
Executive Chairman
(DIN No. :00051894)

ANIL NEHRU
Director
(DIN No. :00038849)

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. :00052014)

Place : Gurugram
Date : 30th May, 2018

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary



The Oberoi Group

OBEROI HOTELS & RESORTS

INDIA

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

TRIDENT HOTELS

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

EGYPT

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

INDONESIA

Bali	The Oberoi
Lombok	The Oberoi

MAURITIUS

Mauritius	The Oberoi
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SAUDI ARABIA

Madina	Madina Oberoi
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UAE

Ajman	The Oberoi Beach Resort, Al Zorah
Dubai	The Oberoi

OTHER BUSINESS UNITS

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



The Oberoi Group

PROJECTS UNDER CONSTRUCTION

INTERNATIONAL

Marrakech, Morocco	The Oberoi
Casablanca, Morocco	The Oberoi (Construction commenced but under hold for environmental clearances)

INDIA

Rajgarh Palace, Madhya Pradesh	The Oberoi, Rajgarh (Under construction)
Bengaluru	The Oberoi (Pending approval of new planning guidelines)
Goa	The Oberoi (Awaiting planning approval)