

**EIH** LIMITED

A member of  *The Oberoi Group*

Annual Report 2015 - 2016



*Oberoi Hotels & Resorts*

VOTED THE WORLD'S BEST HOTEL BRAND

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

**EIH** LIMITED

A member of  *The Oberoi Group*

Annual Report 2015-2016



*Oberoi Hotels & Resorts*

**VOTED THE WORLD'S BEST HOTEL BRAND**  
by the readers of Travel + Leisure, USA in the 2015 and 2016  
World's Best Awards

**VOTED THE WORLD'S LEADING LUXURY HOTEL BRAND**  
from 2012 to 2015 in the World Travel Awards

We endeavour to offer the finest experiences to our guests by exceeding their expectations through unremitting dedication to perfection in every aspect of our business.

Our commitment to excellence, attention to detail and personalised service has once again been appreciated and recognised by our guests. 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.

In 2015, The Oberoi Udaivilās, Udaipur was voted as the World's Best Hotel and Top Resort in Asia for the fifth consecutive year, The Oberoi Rajvilās, Jaipur and The Oberoi Amarvilās, Agra were ranked second and third respectively amongst the Top Resorts in Asia by the readers of Travel + Leisure, USA in the 2015 World's Best Awards.

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 of service excellence. Every day, employees demonstrate their commitment towards The Oberoi Dharma by offering exceptional service to our guests.



## CONTENTS

The Board of Directors	8
The Oberoi Dharma	10
The Oberoi Group Mission	11
Highlights	12
Chairman's Review	14
Directors' Report	17
Management Discussion and Analysis	44
Report on Corporate Governance	52
Secretarial Audit Report	72
Independent Auditor's Report	77
Balance Sheet	86
Statement of Profit and Loss	87
Cash Flow Statement	88
Notes to Accounts	90
Consolidated Financial Statements	117





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 and Chief Executive Officer*

Mr. Arjun Oberoi  
*Managing Director- Development*

Mrs. Nita M. Ambani  
*Director*

Mrs. Renu Sud Karnad  
*Independent Director*

Mr. Manoj Harjivandas Modi  
*Director*

Mr. Rajeev Gupta  
*Independent Director*

Mr. S.K. Dasgupta  
*Independent Director*

Mr. Anil K. Nehru  
*Independent Director*

Mr. Sudipto Sarkar  
*Independent Director*

Mr. L. Ganesh  
*Independent Director*

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S. N. Sridhar

AUDITORS

Ray & Ray, Chartered Accountants  
Webel Bhavan, Ground Floor, Block EP & GP  
Sector V, Bidhan Nagar, Salt Lake  
Kolkata-700 091

REGISTERED OFFICE

4, Mangoe Lane  
Kolkata 700 001



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**

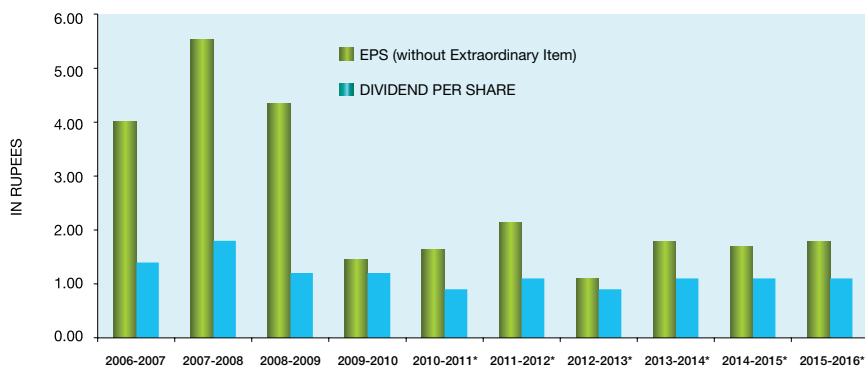
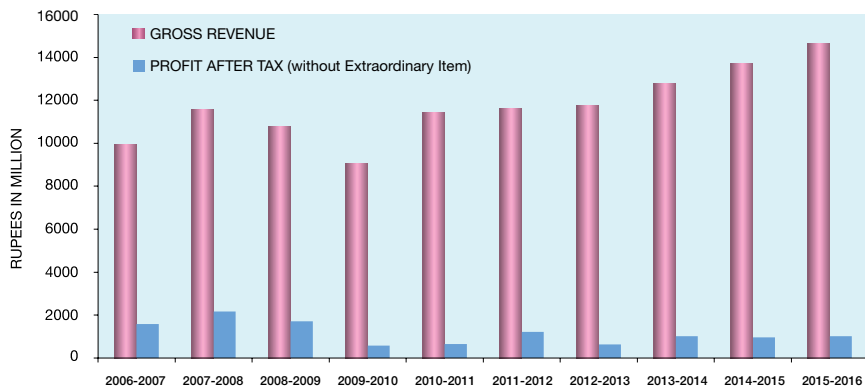
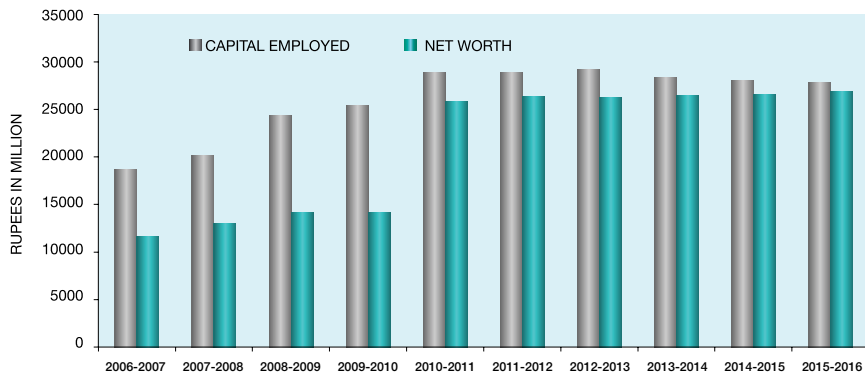
We are committed to the growth, development and welfare of our people upon whom we rely to make this happen.

## **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 & 17

(Conversion Rate : INR 100 = US \$1.497)

	2006 - 2007		2007 - 2008		2008 - 2009		2009 - 2010		2010 - 2011		2011 - 2012		2012-2013		2013-2014		2014-2015		2015-2016		
	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	
<b>FOR THE YEAR</b>																					
1. GROSS REVENUE	9952	149	11551	173	10785	161	9073	136	11429	171	11622	174	11770	176	12789	191	13730	206	14637	219	
2. PROFIT BEFORE TAX	2964	44	3498	52	2733	41	890	13	855	13	1550	23	718	11	1448	22	1512	23	1537	23	
3. PROFIT AFTER TAX	2004	30	2172	33	1704	26	572	9	645	10	1224	18	510	8	950	14	966	14	1015	15	
4. PROFIT AFTER TAX WITHOUT EXTRAORDINARY ITEM	1575	24	2172	33	1704	26	572	9	645	10	1224	18	627	9	1015	15	966	14	1015	15	
5. DIVIDEND	550	8	707	11	472	7	472	7	514	8	629	9	514	8	629	9	629	9	629	9	
6. RETAINED EARNINGS	1787	27	1798	27	1696	25	705	11	934	14	1435	21	935	14	1248	19	1492	22	1473	22	
7. FOREIGN EXCHANGE EARNINGS	5259	79	5973	89	5009	75	3149	47	4795	72	4630	69	4825	72	5765	86	5148	77	5625	84	
<b>AT YEAR END</b>																					
8. GROSS FIXED ASSETS	18815	282	21520	322	24158	362	26606	398	27255	408	28059	420	28658	429	29101	436	29334	439	30037	450	
9. SHARE CAPITAL	786	12	786	12	786	12	786	12	1143	17	1143	17	1143	17	1143	17	1143	17	1143	17	
10. RESERVES AND SURPLUS	10866	163	12249	183	13390	200	13385	200	24735	370	25208	377	25106	376	25333	379	25430	381	25726	385	
11. NET WORTH	11652	174	13035	195	14176	212	14171	212	25878	387	26352	394	26249	393	26476	396	26573	398	26869	402	
12. BORROWINGS	7916	119	8129	122	10230	153	12595	189	8240	123	2601	39	3754	56	2764	41	2039	31	2449	37	
13. CAPITAL EMPLOYED	18710	280	20153	302	24406	365	25384	380	28868	432	28852	432	29249	438	28326	424	28023	420	27819	416	
<b>PER SHARE (₹)</b>																					
14. NET WORTH PER EQUITY SHARE	29.65	0.44	33.17	0.50	36.08	0.54	36.06	0.54	45.28*	0.68	46.10*	0.69	45.92*	0.69	46.32*	0.69	46.49*	0.70	47.01*	0.70	
15. EARNINGS PER EQUITY SHARE WITH EXTRAORDINARY ITEM	5.10	0.08	5.53	0.08	4.34	0.06	1.46	0.02	1.63*	0.02	2.14*	0.03	0.89*	0.01	1.66*	0.02	1.69*	0.03	1.78*	0.03	
16. EARNINGS PER EQUITY SHARE WITHOUT EXTRAORDINARY ITEM	4.01	0.06	5.53	0.08	4.34	0.06	1.46	0.02	1.63*	0.02	2.14*	0.03	1.10*	0.02	1.78*	0.03	1.69*	0.03	1.78*	0.03	
17. DIVIDEND PER EQUITY SHARE	1.40	0.02	1.80	0.03	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	
<b>RATIO</b>																					
18. DEBT: EQUITY RATIO	0.68 : 1		0.62 : 1		0.72 : 1		0.89 : 1		0.32 : 1		0.10 : 1		0.14 : 1		0.10 : 1		0.08 : 1		0.09 : 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 :**

- a) Serial nos. 8,10,11,13,14 and 18 are inclusive of Revaluation Reserve balance as at year end.
- b) Figures have been regrouped/ rearranged wherever necessary.

## EXECUTIVE CHAIRMAN'S REVIEW

Ladies and Gentlemen,

The World Travel & Tourism Council (WTTC) recently released its Economic Impact 2016 Annual Update Summary on Travel and Tourism. According to the Annual Update Summary, the Travel and Tourism Industry added 7.2 million jobs to the global economy and contributed over US \$ 7.2 trillion to the global GDP. Despite global uncertainties, Travel and Tourism grew by 3.7% year on year, thereby contributing 9.8% to the global GDP. Travel and Tourism sector supports 1 in 11 jobs globally. Despite many challenges the sector continues to produce healthy performance globally.

Insofar as India is concerned, we are emerging as one of the best performing economies across the globe with the GDP estimated to increase by 7.6% this year. The Indian Travel and Tourism Industry is a significant source of foreign exchange and is a major source of employment. In the year 2015, the contribution of the Travel and Tourism Industry to India's GDP was ₹ 8,309 billion which is 6.3% of India's GDP. As per WTTC's forecast, by 2026, India's Travel and Tourism Industry will increase to ₹ 18,362 billion or 7.2% of GDP.

We view the hospitality industry presently in midst of turbulent changes. With the advent of internet, easy smartphone access and ubiquitous mobile coverage, the business to consumer model has become the norm and the online travel agents are growing exponentially. Telephone incomes in hotels have been disrupted by mobile telephones and ground transportation threatens to be overtaken by companies such as taxi aggregators such as Uber and Ola. Almost all large hotel companies have changed their business models from asset intensive to asset light thus transforming themselves to pure management companies.

The recent merger of Starwood with Marriott valued Starwood at over US\$ 13 billion and will create the largest hotel company in the world with more than 1.1 million rooms. This would undoubtedly have an impact on rates and rebalance occupancy levels in highly consolidated markets. Companies such as Airbnb are reportedly valued at around US\$ 25 billion, largely underpinned by revenues diverted from hotels to private homes.

However, external risks from terrorism will continue to bear negatively against tourism. The recent terrorist attacks in Paris, Brussels and Orlando would have a significant impact on travellers' sentiment. The industry and the Government must take significant steps to counter any slowdown.

The introduction of the e-tourist visa has been a very welcome step. The scheme needs simplification by increasing the window beyond 30 days and allowing multiple entries.

As I have stated in the past, the number of foreign visitor arrivals to India does not compare favourably to several other countries in the region. The main reasons for poor foreign visitor arrivals are lack of infrastructure such as power shortages in several parts of the country, inadequate supply of water in most cities and poor hygiene in major tourist destinations.

The Indian hospitality industry has been requesting the Ministry of Finance, Government of India to grant it the Infrastructure Status. Unfortunately, the Infrastructure Status is highly restrictive and granted to hotel projects in cities with population of less than one million and development costs of over ₹ 200 crores (not including land cost or lease charges). This scheme was approved over three years ago and, as far as I am aware, has not garnered much attention from hotel companies or investors. The Finance Ministry must accord full Infrastructure Status to all hotel projects.

It is heartening that the Government is pursuing policies to encourage direct foreign investment. These policies should result in increasing numbers of business travellers visiting India which would have a direct and positive bearing on occupancies in metropolitan cities.

The Travel and Tourism Industry has been requesting the Government to establish a National Tourism Authority with representation from the industry and also by inter-connected Government Departments. This Tourism Authority's main task should be to plan a long term strategy to encourage more foreign travellers to the country.

As the number of hotels has increased in the past few years, trained manpower is becoming a limitation for the hospitality industry. We, on our part, have the Oberoi Centre For Learning And Development (OCLD) which trains young people in General Management, Kitchen and Housekeeping. I am proud to say that OCLD, presently in its 50<sup>th</sup> year, has trained several thousand people since its inception. It is a matter of pride that persons trained at OCLD are coveted by other hotel companies in India and abroad. We also have several other training programmes where young girls and boys are trained in other disciplines.

Vijayalaxmi Hegde, who has wide marketing experience, has written that travel was the luxury of the well-off globally and generally it was people from the western world who explored the far corners of the world. The rise of the world's middle-class population has changed the profile of the international traveller with significant cross-border travel between emerging and developed countries.

Many first time travellers are now eager to come back for more. Low-cost carriers are encouraging middle-class tourists to travel and the increasing number of these travellers cannot be ignored by the hospitality industry.



In the past, a travel agent's advice was considered to be the gospel truth. Today's travellers have several online sources to inform themselves of their prospective travels. These travellers research multiple sites and travel apps to learn more about local culture, food, shopping and other activities.

Travel is increasingly becoming multi-purpose. Many business travellers are now including tourist destinations in their itineraries.

Packaged travel is becoming less and less popular. Individual travellers care more about an experience and less about a product; they crave customisation more than ever before. The hospitality industry must incorporate customisation options into their existing services so that they can stay relevant to the modern traveller.

I have always strongly believed that people are our biggest asset. We must continue to select carefully, train and motivate our people. This will enable us to compete effectively with other hotel companies.

As many of you know, the widely read and renowned Travel + Leisure magazine announced that "The Oberoi" Brand has been rated as the Best Hotel Brand in the World in a Readers' Poll in 2015. This recognition is a testimony of the high standards maintained by our hotels and resorts in India and overseas.

I take this opportunity to thank the Tourism Department, Government of India, the Company's shareholders and other stakeholders for their support. Last but not least, I thank the Directors on our Board for their continued advice and support.

Thank you.



P.R.S. Oberoi  
Executive Chairman

20th June, 2016

## DIRECTORS' REPORT

The Board presents the Sixty-sixth Annual Report together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31st March, 2016.

### Financial Highlights

The financial highlights are set out below:

Particulars	(₹ in million)			
	Standalone		Consolidated	
Year	2015-16	2014-15	2015-16	2014-15
Total Revenue	<b>14,637.42</b>	13,730.06	<b>18,317.80</b>	16,971.80
Earnings Before Interest, Depreciation, Taxes, Amortisations and Exceptional items (EBIDTA)	<b>3,117.26</b>	3,059.38	<b>4,303.59</b>	3,590.46
Interest and Finance Charges	<b>220.52</b>	306.08	<b>424.16</b>	461.84
Depreciation	<b>1,176.74</b>	1,240.81	<b>1,702.82</b>	1,678.07
Exceptional Income/(Expenditure)	<b>(182.59)</b>	-	<b>(182.59)</b>	-
Profit Before Tax	<b>1,537.41</b>	1,512.49	<b>1,994.02</b>	1,450.55
Current Tax	<b>512.80</b>	488.42	<b>691.85</b>	656.84
Deferred Tax	<b>9.86</b>	57.74	<b>89.55</b>	123.45
Net Profit for the year	<b>1,014.75</b>	966.33	<b>1,212.62</b>	670.26
Minority Share in Profit/ Loss			<b>120.94</b>	130.28
Net Profit After Minority's share			<b>1,091.68</b>	539.98
Share of Profits of Associate Companies			<b>141.22</b>	91.02
Net Profit attributable to the Group			<b>1,232.90</b>	631.00
Balance brought forward	<b>3,199.89</b>	3,252.57	<b>1,473.86</b>	2,025.94
Carrying amount of fixed assets where remaining useful life as on 1.4.2014 is Nil		- 153.67		- 193.47
Accumulated Balance	<b>4,214.64</b>	4,065.23	<b>2,706.76</b>	2,463.47
Dividend	<b>628.73</b>	628.73	<b>711.33</b>	711.33
Dividend Tax	<b>89.83</b>	86.61	<b>133.10</b>	128.28
Transfer to General Reserve	<b>200.00</b>	150.00	<b>200.00</b>	150.00
Balance carried over	<b>3,296.08</b>	3,199.89	<b>1,662.33</b>	1,473.86

### 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 and such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure proper compliance with the provisions of all applicable laws and that such systems were adequate and 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 2015-16 as well as the future outlook.

**Corporate Governance Report**

The report on Corporate Governance in accordance with regulation 34(3) and schedule V(C) to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, (“Listing Regulations”) along with the auditor’s certificate is attached to this Report.

**Dividend**

The Board has declared an Interim Dividend of ₹ 1.10 per Equity Share of Face Value ₹ 2 for the Financial Year 2015-16. The Interim Dividend was paid to the Shareholders on 23rd March, 2016. As per the Income Tax Act, 1961, the tax on dividends was borne by the Company. The Board recommends that the Interim Dividend of ₹ 1.10 per Equity Share already paid to Shareholders to be the Final Dividend for declaration by the Shareholders at the forthcoming Annual General Meeting, for the Financial Year 2015-16.

**Directors**

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

The six Independent Directors at the first meeting of the Board for the Financial Year 2015-16 have confirmed that they meet the criteria of independence as required under sub-section (7) of Section 149 of the Act. The Board was also of the opinion that the six Independent Directors meet the criteria of independence under sub-section (6) of Section 149 of the Act.

**Corporate Social Responsibility**

In accordance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formulated a Corporate Social Responsibility Policy in 2014-15. During the year, the Company has amended the Policy to include “caring for the elderly and addressing their health issues” in accordance with clause

(iii) of Schedule VII of the Act. The revised CSR Policy can be accessed on the Company's website [www.eihltd.com](http://www.eihltd.com).

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2015-16 is given in *Annexure 1*, which forms a part of this Report. The Annexure also gives the composition of the CSR Committee.

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

- a. **The Oberoi Grand, Kolkata** supports Calcutta Rescue and Sasha – this NGO works to educate children and for the upliftment and self-employment of women by purchasing hand-crafted products made by them;
- b. **The Oberoi, New Delhi** supports the Blind Relief Association and Mother Teresa Home. It also participates in the “Hunar se Rozgaar Tak” scheme where it gives vocational training for interns;
- c. **The Oberoi and Trident Nariman Point, Mumbai** organized Blood Donation Camps for Thalassaemia patients. It also organised vocational training internships for 52 aspirants under the “Hunar se Rozgaar Tak” scheme. Furthermore, the hotel donated linen and clothes to hospitals engaged in the service of cancer patients;
- d. **The Oberoi, Bengaluru** nurtures physically challenged girls and economically challenged senior citizens in association with Cheshire Home Trust. The Hotel also celebrated the World Environment Week by planting tree saplings together with guests of the Hotel;
- e. **The Oberoi Vanyavilas, Ranthambore** was involved in the welfare of the local communities by providing life insurance and basic equipment to forest guards in Ranthambhore. The hotel also supports “Tiger Watch”, an NGO working for the conservation of tigers in Ranthambhore. The Hotel had also promoted “Dhonk”, a socially responsible enterprise that aims at creating sustainable jobs for local villagers through art. The Hotel also supports “Yash Rehabilitation Centre” for handicapped children;
- f. **The Oberoi and Trident, Gurgaon** took a number of initiatives in providing education, food and basic facilities to women and children from underprivileged backgrounds through a scheme known as “Harmony House” and “Ritanjali”. The hotels also work with the Concern India Foundation to organise workshops for the underprivileged. In addition to this, the hotels work with an NGO called Pallavanjali Institute which supports education, training and therapy for young adults with special needs.

#### **Audit Committee**

The composition of the Audit Committee is as under:

- Mr. L. Ganesh - Independent Director & Chairperson;
- Mr. Anil Nehru - Independent Director & Member;
- Mr. S.K. Dasgupta- Independent Director & Member and
- Mr. Arjun Oberoi - Managing Director, Development.

For other details relating to the Audit Committee, please refer to page nos. 53 & 54.

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

In accordance with Section 178 of the Companies Act read with Regulation 19 of the Listing Regulations, the policies on Directors' Appointment and Remuneration and Senior Management Personnel Appointment and Remuneration which were formulated last year are enclosed as *Annexures 2 and 3* and form part of this Report. The policies can also be accessed on the Company's website [www.eihltd.com](http://www.eihltd.com).

**Energy Conservation Measures**

During the year, the Company had continued its focus on energy conservation measures that include:

- (a) installation of solar power generation systems;
- (b) replacement of incandescent and fluorescent lamps with energy efficient LED lamps;
- (c) installation of variable frequency drive for exhaust fans;
- (d) use of recycled water for cooling tower applications;
- (e) installation of occupancy sensors in the back of the house area;
- (f) installation of aerators to reduce water consumption.

Besides the above, the Company also took various operational measures to reduce energy consumption by:

- (a) optimal use of lighting and other equipment;
- (b) regulating of chilled water set points according to the ambient temperature;
- (c) not operating guest floors during low occupancy; and
- (d) setting benchmarks for energy consumption by area.

Actions planned for the next year include:

- (a) installation of solar power energy systems;
- (b) replacement of chillers to energy efficient chillers;
- (c) replacement of fresh air units;
- (d) upgrading Building Management System;
- (e) replacement of fluorescent lamps by energy efficient LED lamps;
- (f) installation of variable frequency drives for exhaust fans;
- (g) replacement of old fan coil units;
- (h) replacement of motors with energy efficient motors.

Operational measures at the hotels driven by focused Energy Conservation Committees which continue to closely monitor and control Energy Consumption.

**Foreign Exchange Earnings and Outgo**

During the Financial Year 2015-16, the foreign exchange earnings of the Company amounted to ₹ 5,625 million as against ₹ 5,148 million in the previous year. The expenditure in foreign exchange during the Financial Year was ₹ 591 million as compared to ₹ 573 million in the previous year.

**Auditors**

The Auditors of the Company, M/s. Ray and Ray (FRN 301072E), Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. Confirmation has been received from the Auditors that, if reappointed, the appointment will be within the prescribed limits. The Directors recommend the re-appointment of M/s. Ray and Ray as Auditors of the Company for the Financial Year 2016-17.

**Secretarial Auditor**

In accordance with provisions of Section 204 of the Companies Act, 2013, the Company had appointed M/s. JUS & Associates as Secretarial Auditors for the Financial Year ended 31st March, 2016. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks. The Secretarial Auditor's Report forms part of the Annual Report.

**Related Party Transactions**

The Contracts or arrangements or transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and are on an arm's length basis. During the year, the Company has not entered into any contract or arrangement or transaction with Related Parties that could be considered material in accordance with the Related Party Transaction policy of the Company. The policy on Related Party Transactions, as approved by the Board, can be accessed on the Company's website [www.eihltd.com](http://www.eihltd.com).

The details of Related Party Transactions are set out in Note no. 51 and Note no. 49 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, 2016 in Form MGT-9 is annexed as *Annexure 4*.

**Loan, Guarantees or Investments**

Particulars of loans given, investment made, guarantees given, if any, and the purpose for which the loan or guarantee and investment is proposed to be utilised are provided in the Standalone Financial Statement in Note nos. 13 & 14.

**Deposits**

During the year, the Company did not accept any deposits from 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 that can be made by a whistle blower through e-mail or letter to the Whistle Officer or to the Chairperson of the Audit Committee. The Whistleblower Policy is accessible on the Company's website [www.eihltd.com](http://www.eihltd.com).

During the year ended on 31st March, 2016, the Company did not receive any complaint under the scheme.

**Board Meetings**

During the year, six Board Meetings were held on 30th May 2015, 4th August 2015, 5th November 2015, 30th January 2016, 11th March 2016 and 29th March 2016.

### 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 Hongkong Ltd, Hongkong, EIH Corporation Ltd, Hongkong, 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 an Associate Company, namely, EIH Associated Hotels Ltd and Joint Venture Companies, Mercury Car Rentals Private Ltd and Oberoi Mauritius Ltd.

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 not repeated here for the sake of brevity. The policy on material subsidiaries as approved by the Board last year is given on the Company's website [www.eihltd.com](http://www.eihltd.com).

### Directors/Key Managerial Personnel (KMP) Remuneration

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

(₹ in million)

S.No.	Name of the Director	Directors' remuneration	Median Employees Remuneration	Ratio
1.	Mr. P.R.S Oberoi, Executive Chairman	35.84	0.32	112:1
2.	Mr. S.S Mukherji, Executive Vice Chairman	37.88	0.32	118:1
3.	Mr. Vikram Oberoi Managing Director & CEO	34.18	0.32	107:1
4.	Mr. Arjun Oberoi Managing Director – Development	36.80	0.32	115:1

- b) The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any in the Financial Year:

(₹ in million)

S. No	Name	Total Remuneration 2015-16	Total Remuneration 2014-15	Percentage Increase
1.	Mr. P.R.S. Oberoi	35.84	34.15	4.95
2.	Mr. S.S. Mukherji	37.88	52.02	-27.18
3.	Mr. Vikram Oberoi	34.18	27.17	25.80
4.	Mr. Arjun Oberoi	36.80	26.50	38.87
5.	Chief Financial Officer	9.57	8.94	7.05
6.	Company Secretary	6.43	6.58	-2.28

- c) the number of permanent employees on the rolls of the Company at the end of the Financial Year is 4,135;
- d) the average increase in remuneration of employees for the Financial Year 2015-16 over the previous year is 11.1%.
- e) the remuneration of KMP's are considered based on the remuneration policy followed for other senior executives. Increase in remuneration is sanctioned by the Management based on the Company performance and the individual's performance. Performance of the Company is given in first page of the Director's Report as well as in Management Discussion and Analysis. Individual change in remuneration is given on page no. 22.
- f) the percentage increase in the median remuneration of employees in the Financial Year is 5.14%.
- g) the Market Capitalisation of the Company as on 31st March, 2016 is ₹ 59,614.69 million compared to ₹ 61,386.56 million i.e a decrease of ₹ 1,771.87 million. The PE ratio as at the close of the Financial Year is 58.60 as against 63.40 in the previous Financial Year.
- h) the average percentage increase in remuneration of employees of the Company other than the managerial personnel is 11.1%. Percentage increase in salaries of managerial personnel is 3.48%.
- i) the major variable component in the Executive Directors remuneration is commission on profits calculated in accordance with the provisions of Section 197 and 198 of the Act. The commission varies depending on the profit of the Company for the relevant Financial Year.

During the year, there is no employee in the Company who is drawing remuneration in excess of the highest paid Director.

It is hereby affirmed that the remuneration of Directors and KMP's are as per the Remuneration Policy of the Company.

#### **Internal Financial Control and Risk Management Systems**

Compliance of the above is given in the Management Discussion & Analysis on page nos. 46 & 47.

#### **Board Evaluation**

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, a Board Evaluation Policy has been put in place. A structured questionnaire covering various aspects of the Board's functioning, Board culture, performance of specific duties by Directors and contribution to the Board proceedings was circulated to the members of the Board. Based on the responses received, the Board as a whole, the Committees, the Chairperson and individual Directors were separately evaluated in the separate meeting of the Independent Directors and at the Meeting of the Board of Directors.

The process of review of Non-Independent Directors and the Board as a whole and also its committees were undertaken in a separate meeting of Independent Directors without the attendance of Non-Independent Directors and members of the management.

At the meeting, the performance of the Chairman of the Company was reviewed taking into account the views of the Executive Directors and Non-Executive Directors and



Independent Directors. The meeting also assessed the quality, quantity and timeliness of the flow of information required for the Board to perform its duties properly. The entire Board of Directors, 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 ahead with a view to practising the highest standards of Corporate Governance.

**Significant and Material orders, if any**

During the 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.

**Sexual Harassment**

During the Financial Year 2015-16, there were no complaints of Sexual Harassment.

**Particulars of Employees**

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration) Rules, 2014 is *Annexed* and forms a part of this Report.

**Cautionary Statement**

Risks, uncertainties or future actions could differ materially from those expressed in the Directors' Report and the Management Discussion and Analysis Report. 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

Gurgaon  
26th May, 2016

VIKRAM OBEROI  
*Managing Director and 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 reference to the web-link to the CSR Policy and projects and programs.**

The Board of Directors, on the recommendation of the CSR Committee, had formulated a Corporate Social Responsibility Policy ("CSR"). As per the Policy Statement, the Company's CSR Policy will focus on addressing the critical social, economic and educational needs of marginalized under-privileged children of society and "caring for the elderly and addressing their health issues". The Policy will also focus on cleanliness under the 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](http://www.eihltd.com).

The Board of Directors at the Board Meeting held on 5th November, 2015, on the recommendation of the CSR Committee, approved a CSR spend of ₹ 19.74 million (2% of the average Net Profit of the Company during the three immediately preceding Financial Years) for the Financial Year 2015-16.

2. **Composition of the CSR Committee**

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**

₹ 987.30 million.

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

₹ 19.74 million.

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

- a) Total Amount to be spent for the Financial Year : ₹ 19.74 million;
- b) Amount unspent, if any : ₹ 1.51 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 (₹ in million)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Over-heads : (₹ in million)	Cumulative expenditure up to the reporting period (₹ in million)	Amount spent Direct or through implementing agency
1	Promoting social, economic and educational needs of the marginalised under-privileged children of the society.	Urban/ Rural	Kolkata, Mumbai, Delhi, Bhubaneswar, Jaipur, Agra and Udaipur	15.67	15.67	15.67	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	3.00	2.56	2.56	Direct
			<b>TOTAL</b>	<b>18.67</b>	<b>18.23</b>	<b>18.23</b>	

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

As the CSR Policy was amended/ altered by the Company on 30th January 2016 to include "caring for the elderly and addressing their health issues", a suitable project could not be identified and implemented in the remaining two months. Therefore, on the recommendation of the CSR committee, the Board had approved carrying forward the unspent amount of ₹ 1.51 million in the Financial Year 2015-16 to be spent in the Financial Year 2016-17 in projects identified by the CSR Committee.

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

VIKRAM OBEROI  
Managing Director and Chief Executive Officer

S.S. MUKHERJI  
Chairperson – CSR Committee

**ANNEXURE TO THE DIRECTORS' REPORT****Director Appointment and Remuneration Policy**

This Director Appointment and Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board") of EIH Limited (the "Company").

**1. Purpose**

The objective of this Policy is to provide a framework and set standards for the appointment of high quality directors who have the capacity and ability to lead the Company towards achieving sustainable profitability and growth. The Company aims to achieve a balance of experience and skill amongst its directors. It also defines the role of the Nomination and Remuneration Committee.

**2. Accountability**

- 2.1 The Board is ultimately responsible for the appointment of Directors.
- 2.2 In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Nomination and Remuneration Committee ("NRC") assesses and selects candidates for Directors and recommends to the Board their appointment.

**3. Role of the Nomination and Remuneration Committee**

The NRC is responsible for:

- 3.1 Reviewing the structure, size and composition (including the skill, knowledge and experience) of the Board and making recommendations on any proposed changes to the Board with due regard to Board Diversity;
- 3.2 Identifying individuals suitably qualified to become Board Members, Key Managerial and Senior Management Personnel;
- 3.3 Making recommendations to the Board on the appointment, re-appointment or removal of Directors, Key Managerial and Senior Management Personnel;
- 3.4 Making recommendations for succession planning for Directors, Key Managerial and other Senior Management Personnel, including the Managing Director (s), Whole-time Director(s) and CEO;
- 3.5 Formulating criteria for evaluation the performance of every Director including Independent Directors and the Board;
- 3.6 Recommending remuneration payable to Senior and Key Management Personnel, Executive and Non-Executive Directors including Board sitting fees.

#### 4. Appointment of Directors

4.1 Matching the needs of the Company and enhancing the competencies of the Board are the basis for the NRC to select a candidate for appointment to the Board. When recommending a candidate for appointment, the NRC will have regard to:

- assessing the individual against a range of criteria including but not limited to industry experience, background, and other qualities required to operate successfully in the position, with due regard to the benefits of diversity of the Board;
- the extent to which the individual is likely to contribute to the overall effectiveness of the Board and work constructively with existing directors;
- the skills and experience the individual brings to the role and how these will enhance the skillsets and experience of the Board as a whole;
- the nature of positions held by the individual including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- the time commitment required from a director to actively discharge his duties to the Company.

4.2 The recommended director would:

- Possess a degree in a relevant discipline;
- Have experience of management in a diverse organization;
- Have excellent interpersonal, communication and representational skills;
- Have leadership skills;
- Possess high standards of ethics, personal integrity and probity;
- Continuously refresh his professional knowledge and skills.

For details of the personal specifications of a Director, please refer to **Annexure-1**.

4.3 Every Director should ensure that he can give sufficient time and attention to the Company's affairs and regularly attend Board Meetings and other committee meetings in which he is a member.

4.4 The Policy aims to engage Directors (including Non-Executive and Independent Non-Executive Directors) who are highly skilled, competent and experienced persons within one or more fields of business, finance, accounting law, management, sales, marketing, administration, corporate governance, technical operations or other disciplines related to the business of the Company and who shall be able to positively carry out their supervisory role over the policies of the management of the Company and the general affairs of the Company.

4.5 The Company is required to appoint at least one Independent Non-Executive Director who must have appropriate professional qualifications on accounting or related financial management expertise in accordance with Regulation 18 of the Listing Regulations.

4.6 In addition to those requirements specified in the clauses 4.2 and 4.3, Independent Non-Executive Directors shall also fulfill the requirements

pursuant to Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

- 4.7 In assessing the independence of a Non-Executive Director, the following factors shall be taken into account:

Independent Director shall mean a Non-Executive Director, other than a Nominee Director of the Company:

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience.
- b.
  - (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
  - (ii) who is not related to the promoters or directors in the company, its holding, subsidiary or associate company;
- c. apart from receiving director's remuneration has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding Financial Years or during the current Financial Year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding Financial Years or during the current Financial Year.
- e. Who, neither himself nor any of his relatives –
  - (i) holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company in any of the three Financial Years immediately preceding the Financial Year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three Financial Years immediately preceding the Financial Year in which he is proposed to be appointed, of –
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover or such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
  - (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
- f. who is not less than 21 years of age.

**Explanation**

For the purposes of the sub-clause (1):

- i. “Associate” shall mean a company which is an “associate” as defined in Accounting Standard (AS)23, “Accounting for Investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India;
- ii. “Key Managerial Personnel” shall mean “Key Managerial Personnel” as defined in section 2(51) of the Companies Act, 2013;
- iii. “Relative” shall mean “relative” as defined in section 2(77) of the Companies Act, 2013 and rules prescribed there under.

**5. Letter of Appointment**

- 5.1 Each director will be issued a Letter of Appointment signed by the Chairperson of the Board.

**6. Appointment Procedure**

- 6.1 The NRC shall ensure that the appointment of directors will be in terms of the Policy and recommendations made to the Board for appointment.
- 6.2 If required, an external database can be used and advice taken to access a wide base of potential directors as prescribed under the Companies Act, 2013.

**7. Appointment and Remuneration of Managerial Personnel**

- 7.1 The NRC shall ensure that the appointment and remuneration payable to the Managing Director(s), CEO, Whole-time Directors, Manger, if any, are in accordance with the provisions of Chapter XIII (Sections 196 to 203) read

with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- 7.2 The NRC may recommend a suitable sitting fee, reimbursement of incidentals, travel and other expenses to Non-Executive Directors as may be prescribed under the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **8. Familiarization Program**

The Management will familiarize the Independent Directors on the following:

- a) The Oberoi Dharma;
- b) Company's History, Structure and the Business Model;
- c) Memorandum & Articles of Association of the Company;
- d) Past 3 (three) years accounts and any important factors in the accounts of the Company;
- e) Interaction with other Directors on the Board and with the Senior Executives of the Company.



**Attachment-1****PERSONAL SPECIFICATION FOR DIRECTORS****1. Qualifications**

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

**2. Experience**

- Experience of management in a diverse organization;
- Experience in accounting and finance, administration, corporate, legal and strategic planning;
- Ability to work effectively with other members of the Board.

**3. Skills**

- Excellent interpersonal, communication and representational skills;
- Leadership skills;
- Extensive team building and management skills;
- Strong influencing and negotiating skills;
- Continuous professional development to refresh knowledge and skills;

**4. Abilities and Attributes**

- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to observe “The Oberoi Dharma” and the Code of Conduct.

**ANNEXURE TO THE DIRECTORS' REPORT****Senior Management & Key Managerial Personnel (excluding Executive Directors) Appointment & Remuneration Policy****1. Statement of Purpose:**

This Appointment & Remuneration Policy (Policy) of EIH Limited (Company) and its associated entities has been prepared to ensure the following:

- 1.1 This Policy is in compliance with Section 178 (1) of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (" Listing Regulations").
- 1.2 Appointment & Remuneration of the key managerial personnel and senior management is aligned to the interests of the Company and its shareholders within an appropriate governance framework.
- 1.3 The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate key managerial personnel and senior management of the quality required to run the company successfully.

**2. Scope of policy:**

Applies to all key managerial personnel and senior management personnel.

- 2.1. The expression "key managerial personnel" means:
  - Company secretary;
  - Chief Financial Officer; and
  - such other executive as may be prescribed
- 2.2. The expression "Senior Management" means personnel of the Company who are members of its core management team excluding the Board of Directors, comprising all members of management one level below the Executive Directors, including functional heads.

**3. Remuneration Philosophy for employees and new hires:**

The company believes in paying its executives competitive remuneration. The remuneration philosophy aims at the following outcomes;

- 3.1 Remuneration is structured to align with the Company's interests, taking account of the Company's strategies and risks.
- 3.2 Drive Performance - Executive compensation is linked to individual and company performance, which, in turn, impacts the quantum of payout.
- 3.3 External Equity - Executive compensation is designed to be competitively benchmarked with the hospitality industry compensation or general industry compensation for applicable roles.

- 3.4 Internal Equity-Executives performing similar role or complexity of jobs are paid at similar compensation levels.
- 3.5 The Company complies with applicable legal requirements and appropriate standards of governance.

4. **Remuneration guidelines:**

- 4.1. The remuneration paid by the company is classified under following major heads:-
  - 4.1.1 Total Fixed Cost: This includes base salary, other cash allowances, perquisites and retirement benefits.
  - 4.1.2 Variable Cost: This includes variable pay linked to company and individual performance. Variable Pay for senior executives constitutes a significant portion of total remuneration.
  - 4.1.3 The sum total of the Total Fixed Cost and Variable Cost is called the Cost to Company in the relevant executive's remuneration package.
- 4.2 The Cost to Company being offered to a new hire for a replacement position or new position with reference to scope of this policy is governed by the remuneration philosophy as mentioned in clause no. 3. The endeavour is to ensure internal equity in compensation is maintained, however at the same time compensation is competitive to attract a new hire.
- 4.3 Remuneration is annually reviewed for all the executives who are eligible for compensation review in accordance with the remuneration philosophy.

**ANNEXURE TO THE DIRECTORS' REPORT****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****As at the Financial Year ended on 31st March, 2016****Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS:**

CIN	L55101WB1949PLC017981
Registration Date	26th May, 1949
Name of the Company	EIH 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: <a href="mailto:isdho@oberoigroup.com">isdho@oberoigroup.com</a> : <a href="mailto:invcom@oberoigroup.com">invcom@oberoigroup.com</a>
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	9963/99631110	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>S. No.</b>	<b>Name and Address of the Company</b>	<b>CIN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares held</b>	<b>Applicable section</b>
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)
4	EIH International Limited Romasco Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Island	Foreign Company	Subsidiary	100.00	2(87)
5	EIH Holdings Limited Romasco Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Island	Foreign Company	Subsidiary	100.00	2(87)
6	J & W Hong Kong Limited Level 54 Hopewell Centre, 183 Queens Road East Hong Kong	Foreign Company	Subsidiary	100.00	2(87)
7	EIHH Corporation Limited Level 54 Hopewell Centre, 183 Queens Road East Hong Kong	Foreign Company	Subsidiary	100.00	2(87)
8	EIH Investments N.V. Chuchubiweg 17, Curacao, Netherlands Antilles	Foreign Company	Subsidiary	100.00	2(87)
9	EIH Management Services B.V. Locatellikade 1, Parnassustoren, 1076 AZ Amsterdam, The Netherlands	Foreign Company	Subsidiary	100.00	2(87)
10	PT Widja Putra Karya Jl. Kayu Aya- Seminyk Beach, Kuta, Denpasar 80033, Bali, Indonesia	Foreign Company	Subsidiary	70.00	2(87)
11	PT Waka Oberoi Indonesia Patai Medana, Tanjung 83352, Lombok Utara-Nusa, Tenggara Barat (NTB) Indonesia	Foreign Company	Subsidiary	83.23	2(87)
12	PT Astina Graha Ubud Dsn/Br. Jambangan Singekerta, Ubud-Gianyar, Indonesia	Foreign Company	Subsidiary	60.00	2(87)
13	EIH Flight Services Limited The Oberoi Mauritius, Baie aux Tortues Pointe aux Piments Mauritius	Foreign Company	Subsidiary	100.00	2(87)
14	EIH Associated Hotels Limited 1/24, G.S.T. Road, Meenambakkam Chennai-600 027	L92490TN1983PLC009903	Associate	36.81	2(6)
15	Mercury Car Rentals Private Limited 4, Mangoe Lane, Kolkata – 700 001	U63011WB1995PTC068029	Associate	40.00	2(6)
16	Oberoi Mauritius Limited Romasco Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Island	Foreign Company	Associate	50.00	2(6)

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

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) PROMOTER AND PROMOTER GROUP</b>										
<b>(1) INDIAN</b>										
(a)	Individual/HUF	26352663	-	26352663	4.61	29989233	-	29989233	5.25	13.79
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	175105576	-	175105576	30.64	171469006	-	171469006	30.00	-2.07
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(1) :</b>	<b>201458239</b>	<b>-</b>	<b>201458239</b>	<b>35.25</b>	<b>201458239</b>	<b>-</b>	<b>201458239</b>	<b>35.25</b>	<b>-</b>
<b>(2) FOREIGN</b>										
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(2) :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>201458239</b>	<b>-</b>	<b>201458239</b>	<b>35.25</b>	<b>201458239</b>	<b>-</b>	<b>201458239</b>	<b>35.25</b>	<b>-</b>
<b>(B) PUBLIC SHAREHOLDING</b>										
<b>(1) INSTITUTIONS</b>										
(a)	Mutual Funds / UTI	15920885	37575	15958460	2.79	23894981	37575	23932556	4.19	49.96
(b)	Financial Institutions /Banks	925701	13723	939424	0.16	699354	13723	713077	0.12	-24.09
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	56992371	-	56992371	9.97	54994830	-	54994830	9.62	-3.50
(f)	Foreign Institutional Investors	17132329	6379	17138708	3.00	18081815	6379	18088194	3.16	5.54
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total B(1) :</b>	<b>90971286</b>	<b>57677</b>	<b>91028963</b>	<b>15.93</b>	<b>97670980</b>	<b>57677</b>	<b>97728657</b>	<b>17.10</b>	<b>7.35</b>
<b>(2) NON-INSTITUTIONS</b>										
(a)	Bodies Corporate	211375839	25188	211401027	36.99	208709829	24948	208734777	36.52	-1.26
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	44710822	10016008	54726830	9.57	42069755	9438344	51508099	9.01	-5.88
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10558775	51030	10609805	1.86	10067551	51030	10118581	1.77	-4.62
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Others									
	NON RESIDENT INDIANS	1725665	118912	1844577	0.32	1490662	114390	1605052	0.28	-12.98
	TRUSTS	38373	-	38373	0.01	22438	-	22438	-	-41.52
	FOREIGN NATIONALS	-	38953	38953	0.01	-	38953	38953	0.01	-
	DIRECTORS RELATIVES	-	435	435	-	-	435	435	-	-
	CLEARING MEMBERS	89182	-	89182	0.02	21153	-	21153	-	-76.28
	<b>Sub-Total B(2) :</b>	<b>268498656</b>	<b>10250526</b>	<b>278749182</b>	<b>48.77</b>	<b>262381388</b>	<b>9668100</b>	<b>272049488</b>	<b>47.60</b>	<b>-2.40</b>
	<b>Total Public Shareholding B = B(1)+B(2) :</b>	<b>359469942</b>	<b>10308203</b>	<b>369778145</b>	<b>64.70</b>	<b>360052368</b>	<b>9725777</b>	<b>369778145</b>	<b>64.70</b>	<b>-</b>
	<b>Total (A+B) :</b>	<b>560928181</b>	<b>10308203</b>	<b>571236384</b>	<b>99.94</b>	<b>561510607</b>	<b>9725777</b>	<b>571236384</b>	<b>99.94</b>	<b>-</b>
<b>(C) SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>										
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	332655	375	333030	0.06	332655	375	333030	0.06	-
	<b>GRAND TOTAL (A+B+C) :</b>	<b>561260836</b>	<b>10308578</b>	<b>571569414</b>	<b>100.00</b>	<b>561843262</b>	<b>9726152</b>	<b>571569414</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Oberoi Hotels Private Limited	83646328	14.63	-	83646328	14.63	-	-
2	Oberoi Holdings Private Limited	35257278	6.17	-	33438993	5.85	-	-5.15
3	Oberoi Investments Private Limited	29968293	5.24	-	28150008	4.93	-	-6.06
4	Oberoi Buildings & Investments Private Limited	18061376	3.16	-	18061376	3.16	-	-
5	Shib Sanker Mukherji	7274078	1.27	-	9092363	1.59	-	24.99
6	Deepak Madhok	7193392	1.26	-	9011677	1.58	-	25.27
7	Arjun Singh Oberoi	6450258	1.13	-	6450258	1.13	-	-
8	Vikramjit Singh Oberoi	5127325	0.90	-	5127325	0.90	-	-
9	Oberoi Properties Private Limited	3114340	0.54	-	3114340	0.54	-	-
10	Oberoi Leasing & Finance Company Private Limited	2152365	0.38	-	2152365	0.38	-	-
11	Bombay Plaza Private Limited	1913190	0.33	-	1913190	0.33	-	-
12	Oberoi Plaza Private Limited	710391	0.12	-	710391	0.12	-	-
13	P R S Oberoi	307610	0.05	-	307610	0.05	-	-
14	Aravali Polymers LLP	282015	0.05	-	282015	0.05	-	-

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

SN	Particulars	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Oberoi Hotels Private Limited	No Change	83646328	14.63	83646328	14.63
2	Oberoi Buildings & Investments Private Limited	No Change	18061376	3.16	18061376	3.16
3	Arjun Singh Oberoi	No Change	6450258	1.13	6450258	1.13
4	Vikramjit Singh Oberoi	No Change	5127325	0.90	5127325	0.90
5	Oberoi Properties Private Limited	No Change	3114340	0.54	3114340	0.54
6	Oberoi Leasing & Finance Company Private Limited	No Change	2152365	0.38	2152365	0.38
7	Bombay Plaza Private Limited	No Change	1913190	0.33	1913190	0.33
8	Oberoi Plaza Private Limited	No Change	710391	0.12	710391	0.12
9	P R S Oberoi	No Change	307610	0.05	307610	0.05
10	Aravali Polymers LLP	No Change	282015	0.05	282015	0.05
11	Oberoi Holdings Private Limited		35257278	6.17		
		14/08/2015			33438993	5.85
	At The End Of The Year				33438993	5.85
12	Oberoi Investments Private Limited		29968293	5.24		
		14/08/2015			28150008	4.93
	At The End of The Year				28150008	4.93
13	Shib Sanker Mukherji		7274078	1.27		
		14/08/2015			9092363	1.59
	At The End of The Year				9092363	1.59
14	Deepak Madhok		7193392	1.26		
		14/08/2015			9011677	1.58
	At The End of The Year				9011677	1.58

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

SN For Each of the Top 10 Shareholders	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1 ITC Limited	No Change	85621473	14.98	85621473	14.98
2 Reliance Industrial Investments and Holdings Ltd. *	No Change	84592273	14.80	84592273	14.80
3 Reliance Industrial Investments and Holdings Ltd. *	No Change	21315000	3.73	21315000	3.73
4 General Insurance Corporation of India	No Change	10015795	1.75	10015795	1.75
5 Russell Credit Limited	No Change	6556551	1.15	6556551	1.15
6 JP Morgan Indian Investment Company (Mauritius) Ltd.		3317218	0.58		
At The End of The Year (Not In Top 10)		3317218	0.58		
7 Life Insurance Corporation of India		32433881	5.67		
	29/07/2015			32129151	5.62
	21/08/2015			32106838	5.62
At The End of The Year				32106838	5.62
8 Reliance Capital Trustee Co. Ltd A/C Reliance Equity Opportunities Fund		8576989	1.50		
	24/04/2015			9123349	1.60
	01/05/2015			9429149	1.65
	08/05/2015			9824549	1.72
	15/05/2015			10147849	1.78
	29/05/2015			10366949	1.81
	05/06/2015			10644349	1.86
	12/06/2015			10701076	1.87
	23/07/2015			11250656	1.97
	29/07/2015			11598258	2.03
	07/08/2015			11932158	2.09
	21/08/2015			11942158	2.09
	28/08/2015			11947958	2.09
	04/09/2015			12030958	2.10
	11/09/2015			12040258	2.11
	25/09/2015			12108777	2.12
	16/10/2015			12144577	2.12
	23/10/2015			12236177	2.14
	30/10/2015			12325577	2.16
	06/11/2015			12625877	2.21
	13/11/2015			12723766	2.23
	20/11/2015			13088850	2.29
	27/11/2015			13357616	2.34
	04/12/2015			13530816	2.37
	11/12/2015			13794811	2.41
	18/12/2015			13857288	2.42
	25/12/2015			14007288	2.45
	31/12/2015			14553818	2.55
	08/01/2016			14871718	2.60
	15/01/2016			15211418	2.66
	22/01/2016			15249818	2.67
	19/02/2016			15402628	2.69
	26/02/2016			15553828	2.72
	04/03/2016			15795960	2.76
	11/03/2016			15821960	2.77
	18/03/2016			15903040	2.78
At The End of The Year				15903040	2.78



**(iv) 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	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9 The New India Assurance Company Limited		10592643	1.85		
	09/10/2015			10628967	1.86
	16/10/2015			10678496	1.87
	26/02/2016			10688783	1.87
At The End Of The Year				10688783	1.87
10 Morgan Stanley Asia (Singapore) Pte. Ltd.		4002724	0.70		
	15/05/2015			4000000	0.70
At The End Of The Year				4000000	0.70
11 Franklin Templeton Mutual Fund A/C Franklin India High Growth Companies Fund - At The Beginning Of The Year (Not In Top 10)		3000000	0.52		
	17/07/2015			3016012	0.53
	07/08/2015			3057784	0.54
	14/08/2015			3239270	0.57
	21/08/2015			3331200	0.58
	28/08/2015			3480721	0.61
	04/09/2015			3500000	0.61
	04/12/2015			3551248	0.62
	11/12/2015			3570020	0.62
	18/12/2015			3574202	0.63
	31/12/2015			3600000	0.63
At The End of The Year				3600000	0.63

\* Holding shares into different Demat Accounts

**(v) Shareholding of Directors and Key Managerial Personnel**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Arjun Singh Oberoi	No Change	6450258	1.13	6450258	1.13
2	Vikramjit Singh Oberoi	No Change	5127325	0.90	5127325	0.90
3	P R S Oberoi	No Change	307610	0.05	307610	0.05
4	Sudipto Sarkar	No Change	1144	-	1144	-
5	Shib Sanker Mukherji		7274078	1.27		
		14/08/2015			9092363	1.59
	At The End Of The Year				9092363	1.59

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

(₹ in Million)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year*</b>				
i) Principal Amount	2,038.75	-	-	2,038.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.26	-	-	2.26
<b>Total (i+ii+iii)</b>	<b>2,041.01</b>	<b>-</b>	<b>-</b>	<b>2,041.01</b>
<b>Change in Indebtedness during the Financial Year</b>				
Addition	414.80	1,500.00	-	1,914.80
Reduction	502.26	1,000.00	-	1,502.26
<b>Net Change</b>	<b>-87.46</b>	<b>500.00</b>	<b>-</b>	<b>412.54</b>
<b>Indebtedness at the end of the Financial Year*</b>				
i) Principal Amount	1,948.50	500.00	-	2,448.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.05	-	-	5.05
<b>Total (i+ii+iii)</b>	<b>1,953.55</b>	<b>500.00</b>	<b>-</b>	<b>2,453.55</b>

\* 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:**

(₹ in Million)						
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		PRS Oberoi	SS Mukherji	Vikram Oberoi	Arjun Oberoi	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	11.22	9.60	9.60	<b>30.42</b>
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1.44	0.86	3.08	5.70	<b>11.08</b>
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	34.40	25.80	21.50	21.50	<b>103.20</b>
	- as % of profit	2.00%	1.50%	1.25%	1.25%	6.00%
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>35.84</b>	<b>37.88</b>	<b>34.18</b>	<b>36.80</b>	<b>144.70</b>
	Ceiling as per the Act		10% of the Net Profits			

**B. Remuneration to other Directors**

(₹ in Million)

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		S.K. Dasgupta	Anil Nehru	Sudipto Sarkar	L Ganesh	Renu Sud Karnad	Rajeev Gupta	
1	Independent Directors							
	Fee for attending board/ committee meetings	0.95	0.60	0.25	0.60	0.25	0.35	3.00
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.95</b>	<b>0.60</b>	<b>0.25</b>	<b>0.60</b>	<b>0.25</b>	<b>0.35</b>	<b>3.00</b>
2	Other Non-Executive Directors	Nita Ambani			Manoj H Modi			
	Fee for attending board/ committee meetings	0.20				0.30		0.50
	Commission	-				-		-
	Others, please specify	-				-		-
	<b>Total (2)</b>	<b>0.20</b>				<b>0.30</b>		<b>0.50</b>
	<b>Total (B)=(1+2)</b>							<b>3.50*</b>
	<b>Total Managerial Remuneration</b>							<b>144.70</b>
	Overall Ceiling as per the Act				11% of the Net Profits			

\*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**

(₹ in Million)

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	9.55	6.38	15.93
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.02	0.05	0.07
	(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	-	-	-
	<b>Total</b>	<b>9.57</b>	<b>6.43</b>	<b>16.00</b>

**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)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment			--DO--		
Compounding			--DO--		
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment			--DO--		
Compounding			--DO--		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment			--DO--		
Compounding			--DO--		

For and on behalf of the Board

Gurgaon  
26th May, 2016

VIKRAM OBEROI  
*Managing Director and Chief Executive Officer*

P.R.S. OBEROI  
*Executive Chairman*

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure, Developments and Outlook

#### The Global Economy – Performance & Prospects

World GDP is estimated to have grown at 2.4% in 2015 as compared to 3.3% in the previous year and further strengthen over the next two years to 2.9% in 2016 and 3.2% in 2017.

The United States economy also witnessed a slowdown, growing at 2.0% in 2015 from 2.4% in 2014. However, the Country is expected to recuperate, given lower energy costs, rising household wealth and an accommodative monetary policy.

The growth rate of the Chinese economy is expected to reduce from 7.4% in 2014 to 6.8% in 2015 as the country shifts to a service orientated nation from an export driven economy.

The appreciation of the US dollar against most world currencies has realigned global demand towards Europe, Japan and a few emerging markets. GDP growth rates for both the Euro region (0.9% in 2014 to 1.4% in 2015) and Japan (-0.1% in 2014 to 0.7% in 2015) display a marginal increase and are projected to continue on the road to recovery.

#### The India Story

Emerging as one of the best performing economies globally, India's economy expanded by 7.2% in 2014-15 and is estimated to grow to 7.6% in 2015-16, as per the Economic Survey 2015-16.

The Union Budget for 2016-17 laid emphasis on nine areas integral to the country's progress; a simpler taxation model, investment in infrastructure, fiscal discipline, ease of doing business, job creation, agriculture, social sector, education and rural sector.

Going forward, the Economist Intelligence Unit forecasts the GDP growth to average 7.3% from 2016-17 to 2020-21, driven by growth in employment, an expanding middle class, a gradual shift towards services from the low-yielding agricultural sector and the notably high saving and investments rates.

### Travel & Tourism

#### Global scenario

Surpassing the growth of the global economy (2.4%), the Travel & Tourism sector grew at 2.8% in 2015. The industry's total contribution to GDP is 9.8% (US\$7.2 trillion) of the world's GDP and its total contribution to employment of 9.5% (284 million) of the total jobs in the global economy. Business and Leisure Spending crossed US\$4,700 billion within the year.

While the United States of America and China remain the largest Travel and Tourism markets, the World Travel & Tourism Council estimates the South Asian region has the highest growth rate at 6.9%.

The Travel & Tourism sector has remained resilient in 2015 and the sector is projected to continue thriving in the coming year. The strength of the US dollar will affect the price sensitive travelers' decisions. Nevertheless, the current oil prices, at their lowest in the past decade, have reduced travel costs and led to an increase in demand.

**India**

The Indian Travel & Tourism Industry is a significant source of foreign exchange, a major employment generator, and an integral part of the India growth story. The sector has registered prominent growth in recent years due to an expanding Indian middle class, increase in foreign tourist arrivals, a growing airline sector, and momentum from Government-led initiatives.

In 2015, the total contribution of Travel & Tourism to GDP was ₹ 8,309 billion (6.3% of GDP) and is forecasted to reach ₹ 18,362 billion (7.2% of GDP) by 2026, as per the WTTC's Economic Impact 2016 Report.

The Government has continually displayed a commitment towards augmenting the Indian tourism sector. The 2016-17 Union Budget allocated ₹ 15.9 billion to infrastructural development and promotion which is a 70% hike over the previous year. The "Clean India" campaign and development of inland waterways for transport and tourism are projects that have gained momentum over the previous year. Additionally, programmes such as "Make in India" and the "Smart Cities" initiative have highlighted the Government's support to skill development and investments in Hospitality and Tourism.

**Tourism & Hospitality - Trends and Opportunities for Growth**

In addition to the initiatives stated above, the Prime Minister has proactively sought foreign investment from countries such as China, the United States and Japan, leading to an increase of business related travel to the country.

With a compounded annual growth rate (CAGR) of 6.2% between 2010 and 2015, the International Visitor Arrivals grew by 9.1% for the period of January-March 2016 over that of the same period last year. The e-Tourist Visa now is available for 150 nations as of February 2016 expediting travel to India from all destinations.

Domestic travel spending has also witnessed impetus, attributing 82.5% to the direct Travel & Tourism GDP. Although a large portion of domestic travel has historically been for business purposes, an increasing number of Indian are now travelling for leisure. The appreciation of the US dollar has made international travel unattractive to many who are now seeking to travel within the country for holidays. Domestic tourism, therefore, is likely to gain traction, given the rising disposable incomes and abundance of low cost flights.

With reference to the Hospitality Industry, the supply of branded rooms has grown at a CAGR of 15.5% over the past five (2011-12 to 2014-15) years, with the demand for these rooms growing at a similar pace of 15.3% for the same period. The nationwide occupancies surpassed the 60% mark but were accompanied by a correction in average rates. The Food and Beverage department continued to be a major revenue generator for the Indian Hotel Industry.

The positive outlook for the Indian economy, coupled with the favourable external environment and emphasis on Travel & Tourism as well as related industries by the Government, points towards a steady upswing in the hospitality sector. As future supply dwindles concurrent with the increase in demand for quality branded accommodation, the Company is optimistic about the opportunities ahead.

**Internal Control Mechanism and Adequacy**

The organization is committed to ensuring an effective internal control environment that provides, inter alia, an assurance on the orderly and efficient conduct of operations, security of assets, prevention and detection of frauds and errors, accurate and timely completion of accounting records and timely preparation of reliable financial information. Internal control systems have accordingly been designed to reflect its necessary concomitance to the principle of governance where the freedom of operations and their management is exercised within a framework of appropriate checks and balances.

**Internal Controls on Financial Reporting (ICFR)** – In accordance with Section 134(5)(e) of the Companies Act, 2013, the Directors have been entrusted with the overall responsibility of ensuring that the Company has implemented a robust framework of internal financial controls. In order to enable the Directors to meet these responsibilities, the Board has devised the necessary systems, frameworks and mechanisms within the Company and has empowered the Audit Committee to periodically review and confirm that the mechanism remains effective and fit for purpose.

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

The Company's Internal Audit Department with its multidisciplinary skillsets has been entrusted with the responsibility of devising adequate monitoring mechanisms and procedures to ensure prevention and detection of failures and faults in the system and report their observations along with mitigating actions within defined target dates to the Audit Committee of the Board of Directors in every quarter.

**Internal Audit Mechanism and Review Systems**

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

The Department works on matured Computer Assisted Audit Techniques (CAATs) and deploys online monitoring mechanisms across the IT systems of all functions and units of the company. Focus areas for specific audits are determined based on structured assessment of risk and the yearly Internal Audit plan as approved by the Audit Committee.

All reported observations of audits are maintained in online databases for comprehensiveness, ease of accessibility and structured follow up. The Company has a structured follow-up team of Senior Executives who meet periodically under the aegis of the Managing Director and Chief Executive Officer to address and resolve pending audit issues.

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

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

During the Financial Year 2015-16, Internal Audit findings were shared in Audit Committee meetings on four occasions and presentations on ICFR on two occasions. The Audit Committee was satisfied with the adequacy of the internal control systems and procedures of the Company and the performance of the Internal Audit Department in respect of monitoring of such systems.

### **Risk Management Systems**

The Company has a Risk Management Committee comprising of Managing Director & CEO and Senior Executives of the Company. The Risk Management Committee identifies potential risks associated with the Company's business and assigns responsibility to various Risk Owners who are responsible for monitoring and addressing the risks with commensurate mitigating plans.

The Company's performance is measured against each risk parameter on a periodic basis. Based on performance data received from Risk Owners, the organizational criteria is applied for Critical, Watch and Good for each Risk.

The Risk Management Committee presents a summary of the status of performance of the Company against each risk parameter to the Board of Directors and the measures taken to mitigate these risks.

During the Financial Year 2015-16, the Risk Management Committee shared presentations on risk management twice with the Board. The Board was satisfied with the Company's performance against each of the identified risks.

### **Financial and Operating Performance**

During the Financial Year 2015-16, in spite of the adverse market conditions and weak demand compounded by the excess supply of rooms, the Company has not only increased its Revenue, but has also increased the EBIDTA and the Net Profit.

During the Financial Year 2015-16, the Company's Total Revenue was ₹ 14,637 million as compared to ₹ 13,730 million in the previous year, representing an increase of approximately 7 %.

The Profit Before Exceptional Items and Tax was ₹ 1,720 million as compared to ₹ 1,512 million in the previous year. This represents an increase of approximately 14% .

Profit Before Tax was ₹ 1,537 million as compared to ₹ 1,512 million in the previous year which is an increase of approximately 2 %.

The Net Profit for the year was ₹ 1,015 million as compared to ₹ 966 million in the previous year which is an increase of approximately 5%.

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



**Business consolidation and expansion**

The Oberoi Al Zorah located in the United Arab Emirates is in the final phase of construction. The ocean front site is part of a prestigious real estate venture incorporating a luxury residential and retail development and an 18 hole Jack Nicklaus designed Golf Course. The Hotel is expected to open in the last quarter of 2016.

The Oberoi, Marrakech is under construction. In addition to the luxury hotel consisting of 109 keys, some with private swimming pools, The Oberoi branded villas for sale are planned within the development. The Hotel is scheduled to open in the last quarter of 2016.

Construction of The Oberoi, Casablanca is in progress. The Hotel is located on a prime ocean front site close to the central business district and is scheduled to open in the last quarter of 2018.

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

Construction of The Oberoi Sukhvilas is in the final phase of completion. The property is located near Chandigarh, and adjoins a 400 acre forest. The 20 acre hotel site consists of luxury villas surrounded by extensive landscaped gardens. The hotel will be managed by the Company and is scheduled to open in October, 2016.

Work has commenced on The Oberoi Rajgarh Palace located near Khajuraho in Madhya Pradesh. The boundary wall has been completed and construction at the site is progressing.

Planning consent for the Company's 55 acre beach front site at Goa is awaited. Other 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 presently in progress.

Construction of The Oberoi, Doha is currently underway. Located on a prime site in the central business district of the city, the hotel will consist of 244 rooms and 44 service apartments. The hotel is scheduled to open in the first quarter of 2019 and will be managed by an overseas subsidiary of the Company.

Planning and design of The Oberoi luxury service apartments in Lusail, Qatar is in progress. The iconic ocean front development will consist of 182 Luxury Apartments and is scheduled to open in the last quarter of 2018. The development will be managed by an overseas subsidiary of the Company.

The Oberoi Gir, a Luxury Jungle Resort spread over 50 acres, 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 22 Luxury tents and is scheduled to open in the last quarter of 2019.

### Awards

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

In 2015, Mr. Oberoi was voted amongst CNBC TV18's Top 15 Indian Business Icons.

Some of the other major recognitions received by Oberoi Hotels & Resorts during the Financial Year 2015-16 have been:

Oberoi Hotels & Resorts was voted World's Best Hotel Brand in the *Travel + Leisure*, World's Best Awards Readers' Survey, 2015 and World's Leading Luxury Hotel Brand for the fourth consecutive year by World Travel Awards, 2015.

The Oberoi Udaivilas, Udaipur was voted the World's Best Hotel overall, and ranked 1st in the Top Resorts in Asia category for the fifth consecutive year.

HOTEL	AWARD	AWARDED BY
<b>The Oberoi, New Delhi India</b>	Asia's Leading Luxury Hotel Best Five Star Deluxe Hotel in India	World Travel Awards 2015 Ministry of Tourism, Government of India, National Tourism Award 2013-2014
<b>The Oberoi, Mumbai, India</b>	Best Hotel in the World India's Leading City Hotel	<i>Institutional Investor</i> , 2014 The World's Best Hotels World Travel Awards 2014
<b>The Oberoi Rajvilās, Jaipur, Rajasthan, India</b>	India's Leading Resort Top 15 Resorts in Asia (Ranked 2nd) Top 100 Hotels Overall (Ranked 5th)	World Travel Awards 2015 <i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2015 <i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2015
<b>The Oberoi Amarvilās, Agra, Uttar Pradesh, India</b>	Top 25 Hotels for Romance (Ranked 2nd ) Top Resorts in Asia (Ranked 3rd)	Trip Advisor, Travellers' Choice Awards 2016 <i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2015
<b>The Oberoi Vanyavilās, Ranthambhore, Rajasthan, India</b>	Top 25 Luxury Hotels in India (Ranked 1st) Top 25 Small Hotels in India (Ranked 1st) Top 25 Luxury Hotels in India (Ranked 1st) Top 25 Hotels for Service in India (Ranked 1st) Top 25 Small Hotels in India (Ranked 1st) Best Wildlife Resort in India (Ranked 1st) Best Luxury Wildlife Lodge in India Amongst the Top Safari Lodges and Camps	Trip Advisor, Travellers' Choice Awards 2016 Trip Advisor, Travellers' Choice Awards 2016 Trip Advisor, Travellers' Choice Awards 2015 Trip Advisor, Travellers' Choice Awards 2015 Trip Advisor, Travellers' Choice Awards 2015 Lonely Planet, The Travel Awards 2015 The Outlook Traveller Awards, 2016 Andrew Harper's Readers' Choice Awards 2015

HOTEL	AWARD	AWARDED BY
<b>The Oberoi Udaivilās, Udaipur, Rajasthan, India</b>	Top 100 Hotels Overall (Ranked 1st)	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2015
	Top Resorts in Asia for five consecutive years (Ranked 1st )	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2015
	Best Overseas Holiday Hotels in Asia & the Indian Subcontinent (Ranked 1st)	<i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2015
	The World's Top 100 (Ranked 2nd )	<i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2015
	Favourite Luxury Hotel in India	The Outlook Traveller Awards, 2015
<b>Wildflower Hall, Shimla in the Himalayas, Himachal Pradesh, India</b>	Top 25 Hotels for Service in India (Ranked 1st)	Trip Advisor, Travellers' Choice Awards 2016
	Top 25 Hotels in India (Ranked 1st)	Trip Advisor, Travellers' Choice Awards 2015
<b>The Oberoi, Sahl Hasheesh, Red Sea, Egypt</b>	Top 25 Hotels in Egypt (Ranked 1st )	TripAdvisor, Travellers' Choice Awards 2016
<b>The Oberoi, Mauritius</b>	Mauritius' Leading Hotel	World Travel Awards 2015
	Top 10 Hotels for Service in Mauritius (Ranked 1st)	TripAdvisor, Travellers' Choice Awards 2016
	Best Overseas Holidays Hotel in the Middle East, Africa & the Indian Ocean (Ranked 5th)	<i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2015
<b>The Oberoi, Gurgaon, Delhi National Capital Region</b>	Favourite Indian Business Hotel (Runner-Up)	<i>Condé Nast Traveller</i> , India, Readers' Travel Awards 2015
	Best Overseas Business Hotels (Ranked 3rd)	<i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2014
<b>The Oberoi, Dubai United Arab Emirates</b>	Middle East's Leading Luxury City Hotel	World Travel Awards 2015
	Favourite Overseas Business Hotel	<i>Condé Nast Traveller</i> , India, Readers' Travel Awards 2015
	Favourite New Overseas Hotel	<i>Condé Nast Traveller</i> , India, Readers' Travel Awards 2014
<b>Trident, Gurgaon</b>	India's Leading Business Hotel 2015 Hotel of the Decade	World Travel Awards 2015 HICSA 2014

### Development in Human Resources and Industrial Relations

The success of the Company has been its people who have always gone the extra mile to create unforgettable memories for guests. It is their natural warmth and genuine care of guests that gives the Company and its hotels a competitive advantage.

It is imperative that we create and foster a culture that supports our team members, helps in their development and enables them to perform at their very best. In doing so, the Company will continue to be the preferred employer for people wishing to make a career in the Hospitality Industry.

With this in mind, the Company continuously reviews and re-aligns its people practices and policies thus ensuring that it puts into action the people focused values enshrined in The Oberoi Dharma.

The Company was recognized as one of the Best Employers in the 'Aon Best Employers India -2016' Survey. The Aon Best Employers study's research methodology covered 113 companies across 12 industries to adjudge India's Best Employers of 2016.

In another independent study conducted by the Great Place to Work® Institute, India, in partnership with The Economic Times, The Oberoi Group has been selected in the Top 30 companies to work for in India.

**Learning and Development:**

The distinctive competitive advantage of the Company lies in the unrelenting focus of each team member in ensuring that every guest leaves as an ambassador of our hotels.

To achieve this, we need to ensure that we continuously nurture this service ethics in the organisation while equipping our team members with the technical skills and behavioural competencies required to achieve this result.

The efforts of The Oberoi Centre of Learning and Development are focused on:

- Creating structured programmes for the training and development of team members who join the Company in our core programmes - the two-year Post Graduate Management Programme and the three-year Undergraduate STEP (Systematic Training and Education Programme).
- Conducting development programmes for high performing team members and supervisors that provide them with the skillsets necessary to take on additional responsibilities through the Supervisory and Executive Development Programmes.

In addition, The Oberoi Centre for Learning and Development created and conducted training programmes for team members and executives at all levels in order to fulfill the organisation's commitment to continually add to the individual's skill sets and competencies thereby helping each individual to grow as a person and a professional.

Industrial relations remained stable throughout the year.

As on 31st March, 2016, the number of people employed by the Group was 9,894.

For and on behalf of the Board

Gurgaon  
26th May, 2016

VIKRAM OBEROI  
*Managing Director and 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. 10 & 11 of this Annual Report.

### 2. Board of Directors

As on 31st March 2016, 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 six times during the Financial Year on 30th May 2015, 4th August 2015, 5th November 2015, 30th January 2016, 11th March 2016 and 29th March 2016.

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

Name	Designation	Category	Attendance		No. of other Directorships*	@No. of other Board Committees in which he is a member or chairperson (other than EIH)
			Board Meeting	Last AGM		
Mr. P.R.S.Oberoi	Executive Chairman	Executive	6	Yes	5	1**
Mr. S.S.Mukherji	Executive Vice Chairman	Executive	6(1)	Yes	2	1
Mr. Vikram Oberoi	Managing Director & Chief Executive Officer	Executive	6	Yes	3	2
Mr. Arjun Oberoi	Managing Director - Development	Executive	5(1)	No	2	1
Mr. S.K. Dasgupta	Director	Non-Executive Independent	6(3)	Yes	3	1**
Mr. Sudipto Sarkar	Director	Non-Executive Independent	5(1)	Yes	4	5
Mr. Anil Nehru	Director	Non-Executive Independent	5	Yes	4	5***
Mr. L.Ganesh	Director	Non-Executive Independent	5	Yes	7	6
Mrs. Nita Mukesh Ambani	Director	Non-Executive Non-Independent	4(4)	Yes	2	Nil
Mrs. Renu Sud Karnad	Director	Non-Executive Independent	5	Yes	9	7**

Name	Designation	Category	Attendance		No. of other Directorships*	@No. of other Board Committees in which he is a member or chairperson (other than EIH)
			Board Meeting	Last AGM		
Mr. Manoj Harjivandas Modi	Director	Non-Executive Non-Independent	6(5)	Yes	2	2
Mr. Rajeev Gupta	Director	Non-Executive Independent	4(2)	No	6	6

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

\*\* Chairperson of one Committee

\*\*\* Chairperson of two Committees

( ) The numbers in bracket represents meetings attended through video conferencing

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

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

All directors and members of senior management have, as on 31st March 2016, affirmed their compliance with:-

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

### 3. Audit Committee

#### Composition, Meetings and Attendance

The Audit Committee comprises of four board members, namely, Mr. L. Ganesh, Mr. S.K. Dasgupta, Mr. Anil Nehru and Mr. Arjun Oberoi. Mr. L. Ganesh is the Chairperson of the Audit Committee.

The members of the Audit Committee except Mr. Arjun Oberoi are non-executive independent directors. The quorum for an Audit Committee meeting is two members. Mr. Ganesh is a qualified Chartered Accountant and holds a Masters degree in Business Administration. Mr. S.K. Dasgupta is also a Chartered Accountant and past President of the Institute of Chartered Accountants of India. All other 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 2015, 4th August 2015, 5th November 2015 and 30th January 2016.

Attendance of the members of the Audit Committee during the Financial Year 2015-16 is given below:

<b>Name of the Member</b>	<b>Number of Meetings attended</b>
Mr. L. Ganesh, Chairperson	4
Mr. S.K. Dasgupta	4 (2)
Mr. Anil Kumar Nehru	4
Mr. Arjun Singh Oberoi	3 (1)

( ) The numbers in bracket represents meetings attended through video conferencing

The Statutory Auditor, Chief Internal Auditor, Mr. S.S. Mukherji and Mr. Vikram Oberoi are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

#### **Terms of Reference**

The Terms of Reference of the Audit Committee are in accordance with 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.

SRC met six times during the Financial Year on 3rd August, 2015, 22nd September, 2015, 4th November, 2015, 14th January, 2016, 25th February, 2016 and 29th March, 2016.

Attendance of the members of the SRC during the Financial Year 2015-16 is given below:

<b>Name of the Member</b>	<b>Number of Meetings attended</b>
Mr. S.K. Dasgupta, Chairperson	6
Mr. Prithviraj Singh Oberoi	5
Mr. Shib Sanker Mukherji	5
Mr. Vikramjit Singh Oberoi	5
Mr. Arjun Singh Oberoi	3

**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 the physical form has been delegated to a committee of executives.

As on 31st March, 2016, there was no pending demat and physical transfer request.

24 complaints were received from investors during the Financial Year. These complaints mainly related to non-receipt of dividend, annual reports etc. 22 complaints were resolved during the year. 2 complaints which were pending as at 31st March 2016 were resolved on 1st April 2016.

**5. Nomination and Remuneration Committee****Composition, Meetings & Attendance**

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

Mr. Anil Nehru is the Chairperson of NRC.

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

The NRC met three times during the Financial Year on 3rd August 2015, 4th November 2015 and 29th March 2016.

Attendance of the members of the NRC during the Financial Year 2015-16 is given below:

<b>Name of the Member</b>	<b>Number of Meetings attended</b>
Mr. Anil Kumar Nehru, Chairperson	3
Mr. L Ganesh	3
Mr. S.K. Dasgupta	3
Mr. Prithviraj Singh Oberoi	3

**Terms of Reference**

The Terms of Reference of the NRC and its role are in accordance with regulation 19 and part D of schedule II to the listing regulations and sub-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 have been annexed with the Directors' Report and are also available on the Company's website [www.eihltd.com](http://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 three times during the Financial Year on 22nd September 2015, 30th January 2016 and 29th March 2016.

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

Name of the member	Number of Meetings attended
Mr. S S Mukherji, Chairperson	3
Mr. Vikramjit Singh Oberoi	3
Mr. Arjun Singh Oberoi	3
Mr. Rajeev Gupta	3 (1)

( ) The numbers in bracket represents meetings attended through video conferencing

### Terms of Reference

The Terms of Reference of 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 Companies (Corporate Social Responsibility Policy) Rules, 2014.

## 7. Subsidiary Companies

The names of the company's subsidiary companies appear on page no. 69 of this report.

None of the subsidiary Companies qualifies 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](http://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, 2013	The Oberoi Grand, Kolkata	6th August, 2013	11.30 A.M.	None
31st March, 2014	The Oberoi Grand, Kolkata	6th August, 2014	11.30 A.M.	None
31st March, 2015	The Oberoi Grand, Kolkata	5th August, 2015	11.30 A.M.	None

**(ii) Special Resolution passed through postal ballot:**

On 20th May 2015, two special resolutions were passed by postal ballot with the requisite majority (99.98% votes in favour of the resolutions) approving the adoption of a new set of Memorandum & Articles of Association of the Company. The details of voting pattern are as under:

**a) Special Resolution for Alteration/Substitution of the Memorandum of Association of the Company**

e-voting		physical-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 & %)
34,46,21,370	48,734	1,96,18,721	34,642	36,42,40,091 (99.98)	83,376 (0.02)

**b) Special Resolution for Alteration/Substitution of the Articles of Association of the Company**

e-voting		physical-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 & %)
34,46,20,599	48,732	1,96,16,386	24,421	36,42,36,985 (99.98)	73,153 (0.02)

**(iii) Person who conducted the postal ballot exercise**

M/s. Jus & Associates, Company Secretaries in whole time practice, appointed as the Scrutinizer, had conducted the postal ballot voting process.

**(iv) Procedure for postal ballot**

The postal ballot was conducted as per the procedure set out in Section 110 of the Companies Act, 2013 read with rule 22 of Companies (Management and Administration) Rules, 2014 and the circular no. CIR/CFD/DIL/6/2012 dated 13th July, 2012 of Securities and Exchange Board of India (SEBI).

- (v) **Proposal to pass any special resolution through postal ballot**  
None.

**9. Remuneration of Executive Directors**

(₹ in million)

<b>Name</b>	<b>Salary</b>	<b>Perquisites &amp; Retirement Benefits</b>	<b>Commission on Profits (Accrued)</b>	<b>Total</b>
Mr. P.R.S.Oberoi	-	1.44	34.40	35.84
Mr. S.S.Mukherji	11.22	0.86	25.80	37.88
Mr. Vikram Oberoi	9.60	3.08	21.50	34.18
Mr. Arjun Oberoi	9.60	5.70	21.50	36.80
<b>TOTAL</b>	<b>30.42</b>	<b>11.08</b>	<b>103.20</b>	<b>144.70</b>

Note: As the future liability for gratuity and leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to the directors is not ascertainable and not included in the above figures.

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 ₹ 3.50 Million. No stock option was given to any Director of the Company.

**Service Contracts of Executive Directors**

<b>Name</b>	<b>Tenure</b>	<b>Notice Period</b>	<b>Severance Fees</b>
Mr. P.R.S.Oberoi	27.06.2012- 26.06.2017	6 months	As per Agreement
Mr. S.S.Mukherji	27.06.2012-26.06.2017	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, 2016;
- (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 Accounting Standard (AS-18), 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 in respect of the Financial Year ended 31st March, 2016, no accounting treatment was different from that prescribed in the Accounting Standards;
- (vii) there was 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 Whistleblower Policy in place which can be accessed on the Company's website [www.eihltd.com](http://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 year, the company did not receive any complaints;
- (x) the Company has a policy on Related Party Transactions. The policy can be accessed on the Company's website at [www.eihltd.com](http://www.eihltd.com);
- (xi) the familiarization program for the independent directors is provided as part of the Director's Appointment and Remuneration policy. The policy and details of the familiarization program is given on the company's website [www.eihltd.com](http://www.eihltd.com);
- (xii) The Independent Directors met on 29th March, 2016 to review the performance of the Non-Independent Directors and the Board as a whole, review of performance of the Chairperson and assesses the quality, quantity and timeliness of flow of information between the Company Management and the Board;
- (xiii) The Company has put in place a Board Evaluation process. A note on the same is provided in the Director's Report;
- (xiv) The Company has put in place adequate internal control systems and procedures including adequate financial controls with reference to the financial statement;
- (xv) 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;
- (xvi) 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 are 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 2015-16)	Newspapers	06.08.2015	04.08.2015
2	Half-yearly unaudited financial statement (second quarter 2015-16)	Newspapers	06.11.2015	05.11.2015
3	Quarterly unaudited financial statement (third quarter 2015-16)	Newspapers	31.01.2016	30.01.2016
4	Annual audited financial statements 2015-2016	Newspapers	On or before 28.05.2016	26.05.2016

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

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

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

**12. General Shareholder Information**

a. **The Sixty sixth Annual General Meeting will be held at 11.30 A.M. on Wednesday, 3rd August, 2016, at The Oberoi Grand, Kolkata.**

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

Audited annual accounts for 2015-16	Thursday	26th May, 2016
Mailing of annual report for 2015-16	On or before	7th July, 2016
Unaudited first quarter financial results 2016-17	Tuesday	2nd August, 2016
Sixty sixth Annual General Meeting	Wednesday	3rd August, 2016
Unaudited second quarter financial results 2016-17	Thursday	3rd November, 2016

c. **Register of shareholders**

The Register of shareholders will remain closed from 25th July, 2016 to 27th July, 2016, both days inclusive.

d. **Payment of dividend**

The Board of Directors had declared an Interim dividend of ₹ 1.10 per equity share at the Board Meeting held on 11th March, 2016. Dispatch of dividend warrants in respect of the interim dividend for the Financial Year 2015-16, was completed on 1st April, 2016. For shareholders holding shares in dematerialized form or who have given ECS/mandate, dividend was credited in their account by means of electronic clearing system on 23rd March, 2016. The record date for determining the eligibility to receive dividend was Saturday, 19th March, 2016. The Board at its meeting held on 26th May, 2016 had recommended the Interim dividend of ₹ 1.10 per equity share paid to the shareholders on 23rd March, 2016 as the final dividend for the Financial Year 2015-16 for declaration by the shareholders at the forthcoming Annual General Meeting.

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

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

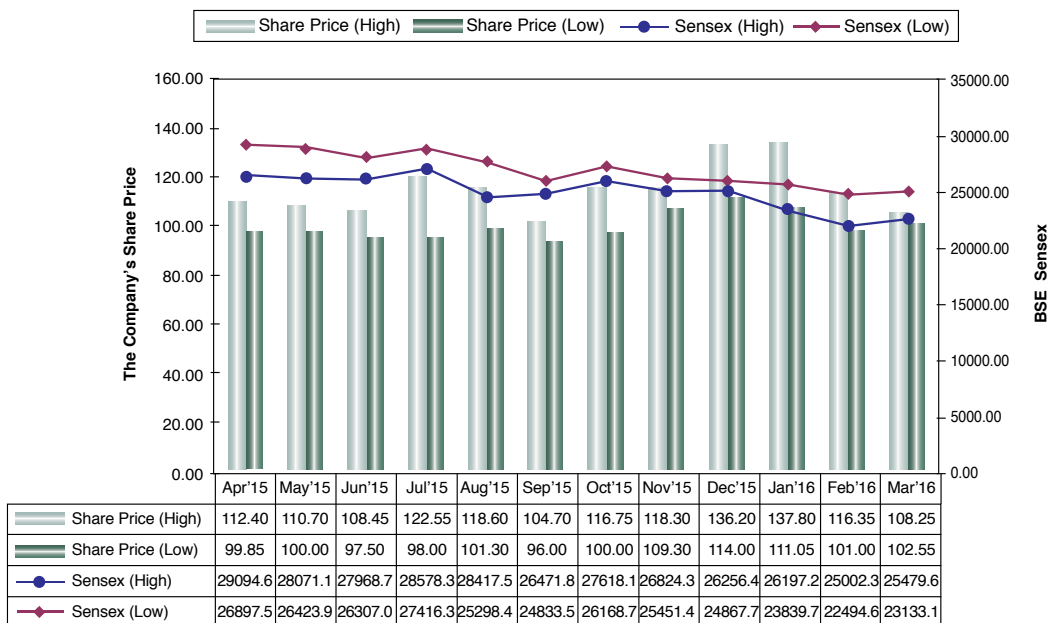
<b>Name of the Stock Exchange</b>	<b>Stock Code</b>
The Calcutta Stock Exchange Ltd	05
BSE Ltd	500840
The National Stock Exchange of India Ltd	EIHOTEL
The London Stock Exchange (In respect of outstanding Global Depository Receipts)	EIHD

The ISIN Number of the company's shares in the dematerialised mode is INE230A01023.

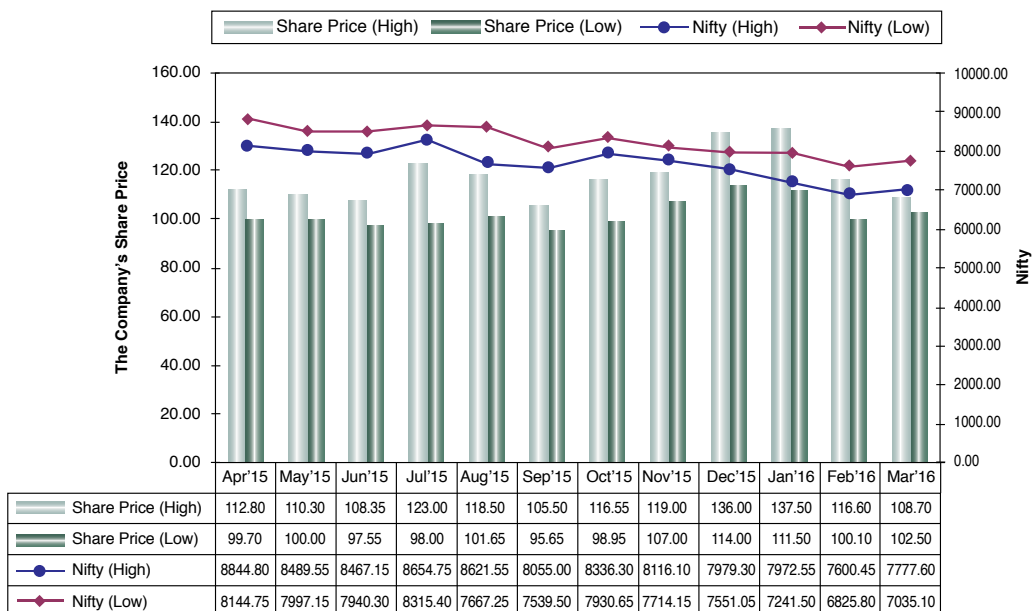
There are no arrears of listing fees.

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, 2016 in the said suspense account are as under:

No. of shareholders	No. of shares	% of shares
3,034	14,05,971	0.25

- 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](http://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 2015-16, the Company will follow the same procedure.

**13. Outstanding Global Depository Receipts**

As on 31st March, 2016, the total shares held as Global Depository Receipts was 0.33 million shares. This constitute 0.06% of the total paid-up share capital of the company.

**14. Share Transfers**

The Company is a SEBI recognised category II share transfer agent. Requests for dematerialisation and rematerialisation should be sent to the Company’s Investors Services Division, (“ISD”), 7, Sham Nath 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., dematerialisation request form (“DRF”), share certificates, etc. to the ISD by providing the dematerialisation request number (“DRN”). Documents of transfer in the physical form, i.e., the transfer deeds, share certificates, etc., should similarly be sent to the ISD.

As on 31st March, 2016, 561.84 million shares of the company (representing 98.30% of the total shares issued) were held in the dematerialised form and 9.73 million shares (representing 1.70% of the total shares) were held in the physical form. As on 31st March, 2016, the total number of shareholders were 69,037 out of which 53,838 (77.98%) were holding shares in a dematerialised form. The balance 15,199 (22.02%) shareholders continued to hold shares in the physical form.



**15. Distribution of shareholding as on 31st March, 2016**

Shareholding Range	No. of shareholders	% of shareholders	No. of shares	% of Shareholding
Upto – 1000	55229	80.00	13597507	2.38
1001 – 5000	12027	17.42	24668005	4.32
5001 – 10000	1125	1.63	7794985	1.36
10001 – 50000	523	0.76	9967057	1.74
50001 – 100000	41	0.06	2804502	0.49
100001 and above	92	0.13	512737358	89.71
<b>Total</b>	<b>69037</b>	<b>100.00</b>	<b>571569414</b>	<b>100.00</b>

**16. Pattern of shareholding as on 31st March, 2016**

Category of Shareholders	No of Shareholders	Total No. of Shares	Total Shareholding as a percentage of Total number of shares
<b>PROMOTER AND PROMOTER GROUP</b>			
<b>INDIAN</b>			
Individual/HUF	5	29989233	5.25
Central Government/State Government(s)	-	-	-
Bodies Corporate	9	171469006	30.00
Financial Institutions / Banks	-	-	-
Others	-	-	-
<b>Sub-Total A(1) :</b>	<b>14</b>	<b>201458239</b>	<b>35.25</b>
<b>FOREIGN</b>			
Individuals (NRIs/ Foreign Individuals)	-	-	-
Bodies Corporate	-	-	-
Institutions	-	-	-
Qualified Foreign Investor	-	-	-
Others (specify)	-	-	-
<b>Sub-Total A(2) :</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) :</b>	<b>14</b>	<b>201458239</b>	<b>35.25</b>

Category of Shareholders	No of Shareholders	Total No. of Shares	Total Shareholding as a percentage of Total number of shares
<b>PUBLIC SHAREHOLDING</b>			
<b>INSTITUTIONS</b>			
Mutual Funds /UTI	12	23932556	4.19
Financial Institutions / Banks	37	713077	0.12
Central Government/State Government(s)	-	-	-
Venture Capital Funds	-	-	-
Insurance Companies	6	54994830	9.62
Foreign Institutional Investors	69	18088194	3.16
Foreign Venture Capital Investors	-	-	-
Qualified Foreign Investor	-	-	-
Others (specify)	-	-	-
<b>Sub-Total B(1) :</b>	<b>124</b>	<b>97728657</b>	<b>17.10</b>
<b>NON-INSTITUTIONS</b>			
Bodies Corporate	1046	208734777	36.52
Individuals			
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	66980	52687976	9.22
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	24	8938704	1.56
Qualified Foreign Investor	-	-	-
Others			
NON RESIDENT INDIANS	779	1605052	0.28
TRUSTS	8	22438	-
FOREIGN NATIONALS	6	38953	0.01
DIRECTORS RELATIVES	1	435	-
CLEARING MEMBERS	53	21153	-
<b>Sub-Total B(2) :</b>	<b>68897</b>	<b>272049488</b>	<b>47.60</b>
<b>Total Public Shareholding B = B(1)+B(2) :</b>	<b>69021</b>	<b>369778145</b>	<b>64.70</b>
<b>Total (A+B) :</b>	<b>69035</b>	<b>571236384</b>	<b>99.94</b>

Category of Shareholders	No of Shareholders	Total No. of Shares	Total Shareholding as a percentage of Total number of shares
<b>Shares held by custodians, against which Depository Receipts have been issued</b>			
<b>Promoter and Promoter Group</b>	-	-	-
<b>Public</b>	2	333030	0.06
<b>GRAND TOTAL (A+B+C):</b>	<b>69037</b>	<b>571569414</b>	<b>100.00</b>

#### 17. Unclaimed dividends

All unclaimed dividends upto and including the Financial Year ended on 31st March, 2008, have been transferred to the Investor Education and Protection Fund ("IEPF") as mandated under law.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount with Company) Rules, 2012, the Company has submitted the Form 5 INV with Ministry of Corporate Affairs. The details of the unclaimed dividends as on the date of the last Annual General Meeting is also uploaded on the website of the Company, [www.eihltd.com](http://www.eihltd.com). The year wise unclaimed dividend position as on 31st March, 2016 are as under:

Year	No. of shareholders	Unclaimed Amount (₹ in Million)
2009	4,680	3.76
2010	7,005	4.31
2011	5,537	3.58
2012	5,619	4.59
2013	5,620	3.97
2014	6,308	3.61
2015	6,575	3.73

Shareholders who have not encashed their dividend warrants relating to the subsequent Financial Years are reminded by the Investors Services Division from time to time to claim their dividends before transfer to the IEPF. Under the extant provisions of the Companies Act, 1956, no claims shall lie against the IEPF or the Company in respect of individual dividend amounts which remain unclaimed for a period of 7 years from the date of disbursement. Shareholders who have not encashed their dividend warrants relating to the Financial Year ended on 31st March, 2009 and subsequent years are requested to contact the Investors Services Division.

**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:

The Investors Services Division (ISD)

EIH Limited

7, Sham Nath Marg,

Delhi-110 054

Telephone No. : 91-11-2389 0505

Fax Nos. : 91-11-2389 0605

e-mail : [isdho@oberoigroup.com](mailto:isdho@oberoigroup.com)

e-mail for Investors Grivences [invcom@oberoigroup.com](mailto: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

Gurgaon  
26th May, 2016

VIKRAM OBEROI  
*Managing Director and Chief Executive Officer*

**Declaration by the Managing Director & Chief Executive Officer under Clause 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, 2016.

Gurgaon  
26th May, 2016

VIKRAM OBEROI  
*Managing Director and 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.
- (5) EIHH Corporation Ltd.
- (6) EIH Investments NV
- (7) EIH Management Services BV
- (8) PT Widja Putra Karya
- (9) PT Waka Oberoi Indonesia
- (10) PT Astina Graha Ubud

**Locations of the Various Hotels and Other Business Units**

- A. Hotels owned and operated by EIH Limited
- |                           |                                    |
|---------------------------|------------------------------------|
| The Oberoi, Mumbai        | The Oberoi Udaivilās, Udaipur      |
| The Oberoi, New Delhi     | The Oberoi Vanyavilās, Ranthambore |
| The Oberoi, Bangalore     | Trident, Nariman Point, Mumbai     |
| The Oberoi Grand, Kolkata | Trident, Bandra Kurla, Mumbai      |
- B. Hotels in which EIH Limited has ownership interest directly or through Subsidiary and managed directly or through subsidiary
- |   |                      |
|---|----------------------|
| The Oberoi Amarvilās, Agra                    | Trident, Chennai     |
| The Oberoi Rajvilās, Jaipur                   | Trident, Agra        |
| Wildflower Hall, Shimla<br>(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              |                      |
- C. Hotels managed by EIH Limited or Subsidiary
- |                                |
|--------------------------------|
| The Oberoi, Gurgaon            |
| The Oberoi, Dubai              |
| The Oberoi Zahra, Nile Cruiser |
| Trident, Gurgaon               |
- D. Other Business Units owned and operated by EIH Limited
- |   |                          |  |
|---|--------------------------|--|
| Motor Vessel Vrinda, Cochin<br>(A Luxury Cruiser) | Oberoi Flight Services,  | Mumbai,<br>Delhi,<br>Chennai,<br>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:**

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

**AUDITOR'S CERTIFICATE**

To  
The Members of  
**EIH Limited**

We have examined the compliance of conditions of Corporate Governance by **EIH Limited** ("the Company") for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement for the period 1st April 2015 to 30th November, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations as applicable.

We further 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 RAY & RAY  
*Chartered Accountants*  
Firm's Registration Number 301072E

R.N. ROY  
*Partner*  
Membership Number 8608

Gurgaon  
26th May, 2016



**SECRETARIAL AUDIT REPORT**  
(for the Financial Year ended March 31, 2016)

*[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 for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2016, 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 of 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 Benefit) Regulations, 2014. However, the regulations are not applicable to the Company during the audit period since the Company does not have any such scheme in operation 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, regarding the Companies Act and dealing with client.
  - (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 laws specifically applicable to the Company, including:
- (a) Food Safety and Standards Act, 2006 and Rules made there under.
  - (b) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made there under.
  - (c) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made there under.
  - (d) Indian Explosives Act, 1884 and Rules made there under.
  - (e) The Static and Mobile Pressure Vessels (Unfired) Rules, 1981
  - (f) The Apprentices Act, 1961 and Rules made there under.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India. These standards were applicable with effect from July 1, 2015 and have been taken into consideration for all meetings of the Company held thereafter.
- (ii) The Listing Agreements entered into by the Company with The National Stock Exchange of India, BSE Limited, Calcutta Stock Exchange Limited and London Stock Exchange, U.K.
- (iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director in terms of Companies Act, 2013 and Clause 49 of the Listing Agreement and Regulation 17 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice has been given to all directors to schedule the Board Meetings during the Financial Year under review; agenda and detailed notes on agenda

were sent properly before the scheduled meeting; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. All the decisions 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 through postal ballot in respect of four ordinary and two special resolutions during the year under review, after due compliance with the relevant provisions of the Companies Act, 2013 and Rules made there under.
5. The Company has obtained approval of shareholders under Sections 13 and 14 of Companies Act, 2013 for alteration of Memorandum and Articles of Association and under Sections 196, 197, 198 and 203 read with Schedule V of Companies Act, 2013 in respect of variation in terms of appointment of Mr. S.S Mukherji, Mr. Vikram Oberoi and Mr. Arjun Oberoi and under Sections 149 & 152 for appointment of Mr. Sudipto Sarkar as an Independent Director.

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 and Standards of Weights and Measures, 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: May 26, 2016

Jyoti Upmanyu  
FCS-7985  
CP No.-8987

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**EIH Limited**

## **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **EIH LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matters**

We draw attention to the following matters in the Notes to the standalone financial statements:

- a) Note No 36 to the standalone financial statements wherein the Company has explained that adjustments for impairment is not considered necessary in respect of continuing negative Net Worth of its Non Current Investments in EIH Flight Services Ltd., Mauritius, amounting to ₹ 547.89 Million and further Advance towards Equity of ₹ 636.99 Million during the current financial year.
- b) Note 38 to the standalone financial statements regarding disclosure of advance towards equity shares in Mashobra Resort Limited and allotment of shares pending settlement of legal issues between Government of Himachal Pradesh and EIH Limited. Though the Hon'ble High Court has given decision restoring the Arbitration award the Company is contemplating challenging the same before higher authorities. As such the uncertainty of the allotment of shares still continues.

Our opinion is not modified in respect of these matters.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies ( Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, 2013 ('the Act'), we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statements in respect of claims and demands on the Company which are being contested as mentioned in Note 30 (A) (i) and 38.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For RAY & RAY  
*Chartered Accountants*  
(Firm's Registration No.301072E)

Place: Gurgaon  
Date: 26th May, 2016

R.N. ROY  
*Partner*  
Membership No. 8608



**ANNEXURE –A TO INDEPENDENT AUDITOR’S REPORT**

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

- i
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) The fixed assets have been physically verified by the Management during the year in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification which were not material have been properly dealt with in the books of account.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.
- ii As explained to us, inventories have been physically verified by the Management during the year at reasonable intervals. In respect of stocks lying with third parties, certificates confirming stocks have been received for stocks held. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a), (b) and (c) of the aforesaid Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security. Section 185 of the Companies Act, 2013 is not applicable for the Company during the year.
- v. The Company has not accepted any deposits from the public. As such requirement of clause (v) of the aforesaid order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable to it.

According to information and explanations given to us, there are no undisputed amounts payable in respect of income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess that were outstanding, as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues of income tax, sales tax/value added tax, customs duty, excise duty, service tax and luxury tax have not been deposited by the Company on account of disputes:

Sl. No	Name of the statute	Nature of the dues	Forum where dispute is pending	Amount (Rupees Million)
1	Income Tax Act, 1961	Income Tax	CIT (Appeals), Kolkata for Assessment Years 2000-2001, 2005-2006 to 2008-2009, 2010-2011 to 2011-12	284.87
			ITAT, Kolkata for Assessment Years 2002-2003 to 2006-2007 and 2008-2009 to 2009-2010	48.44
<b>TOTAL</b>				<b>333.31</b>
2.	Income Tax Act, 1961	Tax deducted at source	DCIT (Appeals), Delhi for Assessment Year 2011-2012	0.43
<b>TOTAL</b>				<b>0.43</b>
3.	Value Added Tax of various States	Value Added Tax/ Sales Tax	Maharashtra Sales Tax Tribunal / Joint Commissioner of Sales Tax Appeals, Mumbai for 1999-2000, 2008-2009 and 2009-2010	7.88
			Maharashtra Sales Tax Tribunal, Mumbai for 2005-2006	3.07
			Joint Commissioner of Sales Tax (Appeals) Mumbai for 2007-08 & 2008-09	28.58
			Additional Commissioner of Sales Tax & Vat, Kolkata for 2011-2012	0.62
			Senior Joint Commissioner, Kolkata for 2012-13	0.86
			Appellate and Revision Board Commercial Taxes, West Bengal. Kolkata for 2005-2006 to 2009-10	10.39
			Additional Commissioner (Appeals) Commercial Tax Dept, Udaipur for 2011-12 to 2013-14	3.62
<b>TOTAL</b>				<b>55.02</b>
4.	Customs Act, 1962	Customs Duty	CESTAT Tribunal, Delhi for 2008-2009	429.66
<b>TOTAL</b>				<b>429.66</b>
5.	Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal, Delhi for 2004-2005 and 2005-2006.	26.01
<b>TOTAL</b>				<b>26.01</b>

Sl. No	Name of the statute	Nature of the dues	Forum where dispute is pending	Amount (Rupees Million)
6.	Service Tax	Service Tax	Commissioner of Service Tax, Kolkata for 2008-2009 to 2011-2012	0.36
			CEST Appellate Tribunal, Delhi for 2008-2010	0.98
			Commissioner of Central Excise (Appeal-I), Kolkata 2001-2006	0.27
			CEST Appellate Tribunal, Kolkata for 2008-09 to 2011-12	2.64
			The Commissioner of Service Tax, Division-1 Delhi for 2007-2008 to 2009-2010	6.40
			Custom Excise and Service Tax Appellate Tribunal, New Delhi for 2010-2011 to 2013-2014	24.15
			Commissioner of Service Tax, Delhi for 2003-2004 to 2006-2007	48.90
			Deputy Commissioner of Service Tax, Delhi 2003-04 to 2005-06	3.86
			CEST Appellate Tribunal, Chennai for 2009-10	4.35
			Various Show Cause Notices served for 2004-2006 and 2009-2013 and replied	62.79
			CEST Appellate Tribunal, Bangalore for 2004-2006	1.11
<b>TOTAL</b>				<b>155.81</b>
7.	Rajasthan Tax on Luxuries (In Hotels and Lodging House) Act, 1990	Luxury Tax	Rajasthan Tax Board, Ajmer for 2010-2011 to 2013-2014	32.96
<b>TOTAL</b>				<b>32.96</b>

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. There are no debenture holders and loan from Government.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Companies act, 2013 where applicable and the details of such transactions have been disclosed in the standalone Financial Statements as required by the applicable standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For RAY & RAY  
*Chartered Accountants*  
(Firm's Registration No.301072E)

Place: Gurgaon  
Date: 26th May, 2016

R.N. ROY  
*Partner*  
Membership No. 8608

## **ANNEXURE – B TO INDEPENDENT AUDITOR’S REPORT**

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

We have audited the internal financial controls over financial reporting of **EIH Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAY & RAY  
*Chartered Accountants*  
(Firm's Registration No.301072E)

R.N. ROY  
*Partner*  
Membership No. 8608

Place: Gurgaon  
Date: 26th May, 2016

# Balance Sheet

## As at 31st March, 2016

	Note	Rupees Million	As at 31st March	
			2016 Rupees Million	2015 Rupees Million
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
SHARE CAPITAL	2	1,143.14		1,143.14
RESERVES AND SURPLUS	3	25,726.23		25,430.04
			26,869.37	26,573.18
<b>NON-CURRENT LIABILITIES</b>				
LONG TERM BORROWINGS	4	243.70		640.12
DEFERRED TAX LIABILITIES - NET	5	1,913.03		1,903.17
OTHER LONG TERM LIABILITIES	6	41.77		48.74
LONG TERM PROVISIONS	7	169.56		166.17
			2,368.06	2,758.20
<b>CURRENT LIABILITIES</b>				
SHORT TERM BORROWINGS	8	1,848.50		1,038.75
TRADE PAYABLES	9	1,450.09		1,302.80
OTHER CURRENT LIABILITIES	10	1,042.71		1,246.84
SHORT TERM PROVISIONS	11	28.42		752.22
			4,369.72	4,340.61
<b>TOTAL</b>			<b>33,607.15</b>	<b>33,671.99</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>FIXED ASSETS</b>				
TANGIBLE ASSETS	12	18,847.05		19,463.40
INTANGIBLE ASSETS	12	84.64		3.68
CAPITAL WORK-IN-PROGRESS		1,043.20		788.43
INTANGIBLE ASSETS - COMPUTER SOFTWARE (UNDER DEVELOPMENT AND IMPLEMENTATION)		-		69.11
NON-CURRENT INVESTMENTS	13	6,965.09		7,290.75
LONG TERM LOANS AND ADVANCES	14	3,921.92		3,145.92
OTHER NON-CURRENT ASSETS	15	-		-
			30,861.90	30,761.29
<b>CURRENT ASSETS</b>				
INVENTORIES	16	415.23		390.92
TRADE RECEIVABLES	17	1,860.29		1,886.67
CASH AND BANK BALANCES	18	95.60		236.69
SHORT TERM LOANS AND ADVANCES	19	371.81		393.82
OTHER CURRENT ASSETS	20	2.32		2.60
			2,745.25	2,910.70
<b>TOTAL</b>			<b>33,607.15</b>	<b>33,671.99</b>

NOTES TO THE ACCOUNTS  
FORM AN INTEGRAL PART OF THE BALANCE SHEET.

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

For RAY & RAY  
Chartered Accountants

P.R.S. OBEROI  
Executive Chairman

VIKRAM OBEROI  
Managing Director and Chief Executive Officer

L. GANESH  
Director

R.N.Roy  
Partner  
Membership Number 8608  
Gurgaon, 26th May, 2016

BISWAJIT MITRA  
Chief Financial Officer

S.N. SRIDHAR  
Company Secretary

# Statement of Profit and Loss

## For the Year ended 31st March, 2016

	Note	Year ended 31st March 2016 Rupees Million	2015 Rupees Million
<b>INCOME</b>			
REVENUE FROM OPERATIONS	21	14,165.03	13,345.89
OTHER INCOME	22	472.39	384.17
<b>TOTAL REVENUE</b>		<b>14,637.42</b>	<b>13,730.06</b>
<b>EXPENSES</b>			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	23	2,062.28	1,964.49
EMPLOYEE BENEFIT EXPENSES	24	3,970.26	3,632.96
FINANCE COSTS	25	220.52	306.08
DEPRECIATION AND AMORTISATION EXPENSE	26	1,176.74	1,240.81
OTHER EXPENSES	27	5,487.62	5,073.23
<b>TOTAL EXPENSES</b>		<b>12,917.42</b>	<b>12,217.57</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>1,720.00</b>	<b>1,512.49</b>
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	28	(182.59)	-
<b>PROFIT BEFORE TAX</b>		<b>1,537.41</b>	<b>1,512.49</b>
<b>TAX</b>			
CURRENT TAX	29	512.80	488.42
DEFERRED TAX		9.86	57.74
<b>PROFIT FOR THE YEAR</b>		<b>1,014.75</b>	<b>966.33</b>
<b>EARNINGS PER EQUITY SHARE</b>			
(in Rupees) Face Value ₹ 2	44		
- BASIC		1.78	1.69
- DILUTED		1.78	1.69

### NOTES TO THE ACCOUNTS

FORM AN INTEGRAL PART OF THE STATEMENT OF PROFIT & LOSS

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

For RAY & RAY  
Chartered Accountants

R.N.Roy  
Partner  
Membership Number 8608

Gurgaon, 26th May, 2016

P.R.S. OBEROI  
Executive Chairman

BISWAJIT MITRA  
Chief Financial Officer

VIKRAM OBEROI  
Managing Director and Chief Executive Officer

S.N. SRIDHAR  
Company Secretary

L. GANESH  
Director



# Cash Flow Statement

## For the year ended 31st March, 2016

	Year ended 31st March	
	2016	2015
	Rupees Million	Rupees Million
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	1,537.41	1,512.49
Adjustments for:		
Depreciation	1,176.74	1,240.81
(Profit) / Loss on Sale of Fixed Assets (Net)	(225.92)	7.88
Provision for diminution in value of investments	418.58	-
Interest Income	(75.18)	(12.97)
Dividend Income	(255.68)	(236.96)
Interest Expenditure	220.52	306.08
Operating Profit before Working Capital Changes	2,796.47	2,817.33
Adjustments for:		
Trade & Other Receivables	5.67	(152.15)
Inventories	(24.32)	6.58
Trade & Other Payables	(63.39)	172.29
Cash Generated from Operations	2,714.43	2,844.05
Payment of Direct Taxes	(608.22)	(376.94)
Net cash from Operating Activities	2,106.21	2,467.11
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(844.18)	(697.27)
Sale of Fixed Assets	243.19	28.65
Purchase of Investments	(92.92)	(251.25)
Advance towards Equity	(637.09)	-
Interest Received	74.60	12.98
Dividend Received	255.68	236.96
Changes in other bank balances	69.21	(65.46)
Cash used in Investing Activities	(931.51)	(735.39)

## Cash Flow Statement

### For the year ended 31st March, 2016 - *Contd.*

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings		
Cash Credit	409.75	174.34
Short Term	1,500.00	100.00
Repayment of		
Long Term	(400.00)	(400.00)
Short Term	(1,100.00)	(600.00)
Interest Paid	(217.73)	(306.12)
Dividend Paid	(1,262.15)	(628.23)
Tax on Dividend	(176.45)	(65.07)
Net Cash used in Financing Activities	(1,246.58)	(1,725.08)
Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	(71.88)	6.64
Cash and Cash Equivalents at beginning of year	129.77	123.13
Cash and Cash Equivalents at end of year	57.89	129.77

**Notes:**

- The Cash Flow Statement has been prepared in indirect method except in case of dividend income, purchase and sale of investments which have been considered on the basis of actual cash movement, with corresponding adjustments in Assets and Liabilities.
- Additions to Fixed Assets are stated inclusive of movements of Capital Work-In-Progress between the beginning and end of the year and treated as part of Investing Activities.

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

For RAY & RAY  
Chartered Accountants

R.N.Roy  
Partner  
Membership Number 8608

Gurgaon, 26th May, 2016

P.R.S. OBEROI  
Executive Chairman

BISWAJIT MITRA  
Chief Financial Officer

VIKRAM OBEROI  
Managing Director and Chief Executive Officer

S.N. SRIDHAR  
Company Secretary

L. GANESH  
Director

# Notes to Accounts

## 1 SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These Financial Statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ('The Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified).

The Financial Statements are prepared as a going concern on accrual basis under historical cost convention except for certain Fixed Assets which are carried at revalued amounts.

### USE OF ESTIMATES

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumptions that affect 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.

### PRIOR PERIOD ADJUSTMENTS, EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND CHANGES IN ACCOUNTING POLICIES

Prior period adjustments, exceptional items, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

### FIXED ASSETS

Tangible Assets are stated at cost of acquisition or construction and in case of revaluation of assets at revalued amounts net of impairment loss if any, less depreciation/ amortisation. 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.

Assets acquired under lease are capitalised at the present value of minimum lease payments and are stated at the capitalised value net of accumulated depreciation.

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

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.

### DEPRECIATION

Depreciation on fixed assets 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, leased machineries and building installed on leasehold land (other than perpetual lease) are depreciated over the lives of the respective leases or over the remaining lease period from the date of installation whichever is shorter. Long term leasehold land (other than perpetual lease) are 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 30 years and 60 years. 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.

In case of certain land and building which were revalued in the past, the additional depreciation on the increased value of the assets due to revaluation is debited to the Statement of Profit and Loss and an equivalent amount is transferred from Revaluation Reserve to General Reserve.

### REVENUE RECOGNITION

- Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable. Revenue from sale of printed and other materials is recognised on despatch of materials. Revenue from Shop Licence Fee, Management and Marketing Fee included under "Other Services" is recognised on accrual basis as per terms of contract.
- Revenue from interest is recognised on accrual basis and determined by contractual rate of interest.
- Dividend income is stated at gross and is recognised when right to receive payment is established.

## Notes to Accounts — *Contd.*

### **IMPAIRMENT OF ASSETS**

Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount.

### **LEASES**

In respect of assets acquired on or after 1st April, 2001, the same are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the interest charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Interest component is charged to the Statement of Profit and Loss under Finance costs.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on straight line basis, over the lease period.

### **INVESTMENTS**

Investments held by the Company which are long term in nature are stated at cost unless there is any permanent diminution in value where provision for diminution is made on individual investment basis. Current investments are valued at cost or market price or fair value, whichever is lower. Earnings on investments are accounted for on accrual basis.

### **INVENTORIES**

Inventories are valued at cost which is based on Cumulative Weighted Average method or net realisable value, whichever is lower. Unserviceable/damaged/discarded stocks and shortages are charged to the Statement of Profit and Loss.

### **TRANSACTIONS IN FOREIGN CURRENCY**

Sales made in foreign currency are converted at the prevailing applicable exchange rate. Gain/Loss arising out of fluctuations in exchange rate is accounted for on realisation.

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.

### **EMPLOYEE BENEFITS**

Short Term Employee Benefit is recognized as expense in the Statement of Profit and Loss of the year in which related service is rendered.

Post employment and other Long Term Employee Benefits are provided in the Accounts in the following manner:

- (i) Gratuity - Maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India, as per Company's Scheme. Provision/ write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following Projected Unit Credit Method and is treated as liability under Trade Payables.
- (ii) Leave encashment on termination of service - As per actuarial valuation as at the Balance Sheet date following Projected Unit Credit Method.
- (iii) Provident Fund - Provident Fund for most of the employees is a Defined Contribution Scheme, where the contribution is made to a Fund administered by the Government Provident Fund Authority.

For a few employees, Provident Fund, administered by a Recognised Trust, is a Defined Benefit Plan wherein the employee and the Company make monthly contributions. Pending the issuance of Guidance Note from the Actuarial Society of India, actuarial valuation is not carried out and the Company provides for required liability at year end, in respect of the shortfall, if any, upon confirmation from the Trustees of such Fund.

### **BORROWING COST**

Borrowing cost that is attributable to the acquisition / construction of fixed assets are capitalised as part of the cost of the respective assets. Other borrowing costs are recognised as expenses in the year in which they arise.

## Notes to Accounts — *Contd.*

### **TAXES ON INCOME**

Income-tax is accounted for in accordance with Accounting Standard on 'Accounting for taxes on income' notified under the Companies (Accounting Standards) Rules, 2006.

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

Deferred tax is provided and recognized on timing differences between taxable income and accounting income subject to prudential consideration. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is virtual certainty about availability of future taxable income to realize such assets.

### **PROPOSED DIVIDEND**

Dividend recommended by the Board of Directors is provided for in the Accounts pending Shareholders' approval.

### **PROVISIONS, CONTINGENT LIABILITES AND CONTINGENT ASSETS**

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

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

Contingent Assets are not recognised in the Financial Statements.

## Notes to Accounts — Contd.

		As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>2</b>	<b>SHARE CAPITAL</b>		
AUTHORISED			
1,500,000,000	Equity Shares of ₹ 2 each	3,000.00	3,000.00
(2015 - 1,500,000,000)		<u>3,000.00</u>	<u>3,000.00</u>
ISSUED, SUBSCRIBED & FULLY PAID			
571,569,414	Equity Shares of ₹ 2 each	1,143.14	1,143.14
(2015 - 571,569,414)		<u>1,143.14</u>	<u>1,143.14</u>

a) Reconciliation of Share Capital

	As at 31st March			
	2016		2015	
	Number of Shares	(₹) Million	Number of Shares	(₹) Million
Balance at the beginning of the year	571,569,414	1,143.14	571,569,414	1,143.14
Balance at the end of the year	571,569,414	1,143.14	571,569,414	1,143.14

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

c) Shares held by Shareholders holding more than 5 percent shares in the Company :

	As at 31st March			
	2016		2015	
	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) Life Insurance Corporation of India	32,106,838	5.62	32,433,881	5.67
(5) Oberoi Holdings Private Limited	33,438,993	5.85	35,257,278	6.17
(6) Oberoi Investments Private Limited	28,150,008	4.93	29,968,293	5.24

## Notes to Accounts — Contd.

3	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>RESERVES AND SURPLUS</b>			
CAPITAL REDEMPTION RESERVE			
As per last Account		1,024.21	1,024.21
SECURITIES PREMIUM ACCOUNT			
As per last Account		12,373.41	12,373.41
REVALUATION RESERVE			
As per last Account	2,211.15		2,232.53
<i>Less</i> : Transfer to General Reserve	21.38		21.38
		2,189.77	2,211.15
GENERAL RESERVE			
As per last Account	6,621.38		6,450.00
<i>Add</i> : Transfer from Revaluation Reserve	21.38		21.38
<i>Add</i> : Transfer from Surplus	200.00		150.00
		6,842.76	6,621.38
SURPLUS			
Opening Balance	3,199.89		3,252.57
<i>Add</i> : Profit during the year as per Statement of Profit & Loss	1,014.75		966.33
	4,214.64		4,218.90
<i>Less</i> : Carrying amount of fixed assets where remaining useful life is nil as on 1st April, 2014 (Sch II of the Companies Act, 2013) net of deferred tax	-		153.67
	4,214.64		4,065.23
<i>Less</i> : Allocations / Appropriations			
Transfer to General Reserve	200.00		150.00
Interim Dividend on Equity Shares	628.73		-
Proposed Dividend on Equity Shares	-		628.73
Tax on Dividend	89.83		86.61
		3,296.08	3,199.89
		25,726.23	25,430.04

The Board of Directors of the Company declared an Interim Dividend of ₹ 1.10 per share amounting to ₹ 628.73 Million and recommends the same to be the Final Dividend. (2015 - Final Dividend ₹ 1.10 per share amounting to ₹ 628.73 Million).

## Notes to Accounts — Contd.

As at 31st March

	2016 Rupees Million	2015 Rupees Million
<b>4</b>		
<b>LONG TERM BORROWINGS</b>		
Secured Loan from Bank		
ICICI Bank Limited (ICICI)	200.00	600.00
Long Term maturity of Finance Lease Obligations	<u>43.70</u>	<u>40.12</u>
	<u>243.70</u>	<u>640.12</u>

### PARTICULARS OF TERM LOANS:

- (i) Term Loan from ICICI carries interest at the rate of 0.55 % above bank's base rate, repayable in quarterly installments of ₹ 100 million each. Repayment will be complete in July 2017.
- (ii) 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.

### PARTICULARS OF SECURITIES:

Term loan from ICICI is secured by way of equitable mortgage by deposit of title deeds in respect of the Company's hotel in Delhi known as Maidens Hotel, ranking *pari passu*.

As at 31st March

	Rupees Million	2016 Rupees Million	2015 Rupees Million
<b>5</b>			
<b>DEFERRED TAX LIABILITIES - NET</b>			
Deferred Tax Liabilities on account of :			
Depreciation		2,078.01	2,071.08
Deferred Tax Assets on account of :			
Accrued Expenses Deductible on Payment	32.41		64.54
Leave Encashment	36.05		32.79
Provision For Debts and Advances	<u>96.52</u>		<u>70.58</u>
		<u>164.98</u>	<u>167.91</u>
Deferred Tax Liabilities (Net)		<u>1,913.03</u>	<u>1,903.17</u>



## Notes to Accounts — Contd.

	As at 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Liability for Capital Expenditure	-	0.16
Security Deposits	41.73	48.58
Others	0.04	-
	<b>41.77</b>	<b>48.74</b>
<b>7</b>		
<b>LONG TERM PROVISIONS</b>		
Leave Encashment	169.56	166.17
	<b>169.56</b>	<b>166.17</b>
<b>8</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>SECURED</b>		
Short Term Loan From Banks		
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	350.00	450.00
Cash Credit From Banks		
United Bank of India	619.42	424.27
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	60.23	164.48
ICICI Bank Limited (ICICI)	318.85	-
<b>UNSECURED</b>		
From Bank		
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	500.00	-
	<b>1,848.50</b>	<b>1,038.75</b>

### PARTICULARS OF SHORT TERM BORROWINGS :

Cash Credit facilities from banks and short term loan from HSBC 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. Cash Credit is repayable on demand and carries interest at floating rate linked to the base rates of the respective banks.

Short term loan from HSBC carries interest at the rate of 9.85%.

## Notes to Accounts — Contd.

	As at 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>9</b>		
<b>TRADE PAYABLES</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises (Note 39)	4.43	3.62
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,445.66	1,299.18
	<u>1,450.09</u>	<u>1,302.80</u>
<b>10</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debt	400.00	400.00
Current Maturities of Finance Lease Obligations	27.02	25.93
Interest accrued but not due on borrowings	5.05	2.26
Advance from Customer	214.07	400.07
Unclaimed Dividend	27.55	32.25
Unclaimed Fractional Share sale proceeds (against Bonus Issue)	0.17	0.18
Other Payables		
Liability for Capital Expenditure	38.85	34.85
Security Deposits	58.36	47.21
Statutory and other dues	271.64	304.09
	<u>1,042.71</u>	<u>1,246.84</u>
<b>11</b>		
<b>SHORT TERM PROVISIONS</b>		
Leave Encashment	28.42	22.41
Proposed Dividend on Equity Shares	-	628.73
Tax on Dividend	-	86.61
Wealth Tax (net of advance)	-	14.47
	<u>28.42</u>	<u>752.22</u>

## Notes to Accounts — Contd.

### 12 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				Rupees Million	
	Original Cost/ Revaluation as at 31st March, 2015	Additions	Sales/ Adjust- ments	Original Cost/ Revaluation as at 31st March, 2016	As at 31st March, 2015	Adjustment against Retained Earnings	For the Year	Less: Sales/ Adjust- ments	As at 31st March, 2016	As at 31st March, 2015
<b>i) TANGIBLE ASSETS</b>										
Freehold Land including development cost	1,412.03	-	-	1,412.03	-	-	-	-	1,412.03	1,412.03
Leasehold Land	2,643.62	-	-	2,643.62	166.25	-	36.81	-	2,440.56	2,477.37
Buildings	13,059.67	168.08	14.79	13,212.96	2,736.48	-	239.28	10.36	10,247.56	10,323.19
Office Equipment	92.36	3.49	8.97	86.88	70.00	-	7.13	2.96	12.71	22.36
Plant & Machinery	8,674.49	238.62	95.26	8,817.85	4,459.20	-	663.50	77.22	5,045.48	4,215.29
Furniture & Fittings	1,392.02	13.24	(2.32)	1,407.58	929.56	-	126.90	8.07	1,048.39	462.46
Vehicles	383.37	107.57	12.79	478.15	244.54	-	35.92	12.02	268.44	138.83
Leased Vehicles (Note 40)	120.44	35.77	17.39	138.82	59.92	-	30.32	16.00	64.58	60.52
Boats	50.16	-	(6.21)	56.37	18.10	-	1.94	(3.23)	33.10	32.06
Aircrafts	558.77	-	-	558.77	239.48	-	24.05	-	263.53	319.29
<b>TOTAL TANGIBLE ASSETS</b>	<b>28,386.93</b>	<b>566.77</b>	<b>140.67</b>	<b>28,813.03</b>	<b>8,923.53</b>	<b>-</b>	<b>1,165.85</b>	<b>123.40</b>	<b>18,847.05</b>	<b>19,463.40</b>
Previous year	28,555.99	295.47	464.53	28,386.93	7,879.53	232.79	1,239.21	428.00	8,923.53	19,463.40
<b>ii) INTANGIBLE ASSETS</b>										
Business Rights	78.72	-	-	78.72	78.72	-	-	-	78.72	-
Computer Softwares	10.63	91.85	-	102.48	6.95	-	10.89	-	17.84	3.68
<b>TOTAL INTANGIBLE ASSETS</b>	<b>89.35</b>	<b>91.85</b>	<b>-</b>	<b>181.20</b>	<b>85.67</b>	<b>-</b>	<b>10.89</b>	<b>-</b>	<b>96.56</b>	<b>3.68</b>
Previous year	88.37	0.98	-	89.35	84.07	-	1.60	-	85.67	3.68

## Notes to Accounts — Contd.

13	As at 31st March		
	Rupees Million	2016 Rupees Million	2015 Rupees Million
<b>NON-CURRENT INVESTMENTS</b>			
<b>Investments In Equity Instruments</b>			
<b>Trade Investments</b>			
<b>Quoted -</b>			
25,000 (2015-25,000) Equity Shares of ₹ 10 each of Tourism Finance Corporation of India Limited fully paid		0.50	0.50
<b>Associate</b>			
11,215,118 (2015-11,215,118) Equity Shares of ₹ 10 each of EIH Associated Hotels Limited fully paid		1,010.72	1,010.72
<b>Unquoted -</b>			
<b>Joint Ventures</b>			
12,117,652 (2015-9,796,632) Equity Shares of ₹ 10 each of Mercury Car Rentals Private Limited fully paid		308.25	215.36
<b>Subsidiary Companies</b>			
96,607,800 (2015-96,607,800) Equity Shares of \$1 each of EIH International Limited fully paid		4,401.67	4,401.67
25,999,995 (2015-25,999,995) Equity Shares of ₹ 10 each of Mashobra Resort Limited fully paid		260.04	260.04
2,176,000 (2015-2,176,000) Equity Shares of ₹ 10 each of Oberoi Kerala Hotels and Resorts Limited fully paid		21.76	21.76
12,390,000 (2015-12,390,000) Equity Shares of ₹ 10 each of Mumtaz Hotels Limited fully paid		394.72	394.72
35,338,006 (2015- 35,338,006) Equity Shares of Mauritian Rupees 10 each of EIH Flight Services Ltd., Mauritius fully paid (Note 36)		547.89	547.89
<b>Other Investments : Unquoted</b>			
41,858,400 (2015-41,858,400) Equity Shares of ₹ 10 each of Golden Jubilee Hotels Private Limited fully paid	418.58		418.58
Less: Provision for diminution in value of Investments (Note 28)	418.58		-
		-	418.58
849,575 (2015-849,575) Equity Shares of ₹ 10 each of Mercury Travels Limited fully paid		18.70	18.70
18,000 (2015-18,000) Equity Shares of ₹ 10 each of Green Infra Wind Generation Limited fully paid		0.18	0.18
3,200 (2015- 3,200) Equity Shares of ₹ 10 each of ReNew Wind Energy (Karnataka) Pvt. Ltd. fully paid		0.32	0.32
<b>Investment in Government Securities (Unquoted) Non Trade</b>			
National Savings Certificate (lodged with Government Authorities as Security Deposit)		0.34	0.31
		<u>6,965.09</u>	<u>7,290.75</u>
		Book Value Rupees Million	Market Value Rupees Million
Quoted		1,011.22	3,253.45
		(1,011.22)	(2,491.45)
Unquoted		5,953.87	
		(6,279.53)	
		<u>6,965.09</u>	
		<u>(7,290.75)</u>	

(Figures in bracket represent figures for 2015)

## Notes to Accounts — Contd.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>14</b>			
<b>LONG TERM LOANS AND ADVANCES (Unsecured)</b>			
(Considered good unless otherwise stated)			
Loans and Advances to Related Parties			
Advances towards Equity in Subsidiary Companies			
Mashobra Resort Limited (Note 38)	1,361.93		1,361.93
EIH Flight Services Ltd., Mauritius (Note 36)	636.99		-
		1,998.92	1,361.93
Loans and Advances to Others			
Advances towards Equity in Other Companies			
ReNew Wind Energy (Karnataka) Pvt. Ltd.		0.10	-
Capital Advances		31.87	14.97
Advances recoverable in cash or in kind or for value to be received		7.97	27.20
Other Advances recoverable - considered doubtful		186.44	186.74
Sundry Deposits		956.62	921.46
Prepaid Expenses		10.48	4.82
Income Tax Advance/Refund (net of provision)		910.97	815.54
Wealth Tax (net of Provision)		4.99	-
		4,108.36	3,332.66
Less: Provision for Doubtful Advances		186.44	186.74
		3,921.92	3,145.92
<b>15</b>			
<b>OTHER NON-CURRENT ASSETS</b>			
Long Term Trade Receivables (Unsecured)			
Considered doubtful		92.47	17.20
Less: Provision for Doubtful Debts		92.47	17.20
		-	-
<b>16</b>			
<b>INVENTORIES</b>			
(At lower of cost or net realisable value)			
Provisions, Wines & Others (includes stock lying with third party ₹ 3.64 Million (2015 - ₹ 3.50 Million))		178.12	178.02
Stores & Operating Supplies		237.11	212.90
		415.23	390.92

## Notes to Accounts — Contd.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>17</b>			
<b>TRADE RECEIVABLES (Unsecured)</b>			
Outstanding for a period exceeding six months from the due date - Considered good		74.92	143.51
Other Debts - Considered good		1,785.37	1,743.16
		<u>1,860.29</u>	<u>1,886.67</u>
<b>18</b>			
<b>CASH &amp; BANK BALANCES</b>			
Cash & Cash Equivalents			
Cash in hand	13.41		15.94
Cheques in hand	6.91		28.09
Balances with Banks			
Current Accounts	29.99		82.13
Fixed Deposits with maturity within 3 months	7.58		3.61
		57.89	129.77
Other Bank Balances			
Fixed Deposits maturing within 3 - 12 months		6.08	69.96
Margin Deposits		3.91	4.53
Unpaid Dividend Accounts		27.55	32.25
Escrow Accounts / Fractional Share sale proceeds (against Bonus Issue)		0.17	0.18
		<u>95.60</u>	<u>236.69</u>
<b>19</b>			
<b>SHORT-TERM LOANS AND ADVANCES</b>			
Unsecured - Considered good			
Advances recoverable in cash or in kind or for value to be received		224.11	187.10
Prepaid Expenses		113.84	95.66
Sundry Deposits		33.86	111.06
		<u>371.81</u>	<u>393.82</u>
<b>20</b>			
<b>OTHER CURRENT ASSETS</b>			
Interest Accrued on deposits		2.32	1.75
Assets held for disposal		-	0.10
Other Receivables - Considered good (Unsecured)		-	0.75
		<u>2.32</u>	<u>2.60</u>

## Notes to Accounts — Contd.

	Rupees Million	Year ended 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>21</b>			
<b>REVENUE FROM OPERATIONS</b>			
Rooms	5,567.04		5,083.97
Food and Beverage	5,975.80		5,813.19
Other Services	2,020.87		1,904.16
Sale of Printed Materials	<u>610.95</u>		<u>549.51</u>
		<b>14,174.66</b>	<b>13,350.83</b>
<i>Less: Excise Duty (on printed materials)</i>		<u>9.63</u>	<u>4.94</u>
		<b><u>14,165.03</u></b>	<b><u>13,345.89</u></b>
<b>22</b>			
<b>OTHER INCOME</b>			
Interest		75.18	12.97
(Includes interest from Income tax ₹ 5.99 Million (2015 - ₹ Nil))			
Dividend			
From Subsidiary Companies - Long Term Investments (Trade)	187.46		203.26
From Others - Long Term Investments (Trade)	67.84		33.70
From Mutual Fund - Current Investments (Non-trade)	<u>0.38</u>		<u>-</u>
		<b>255.68</b>	<b>236.96</b>
Miscellaneous Income		83.86	72.75
Gain on Exchange		8.99	0.59
Provisions/ Liabilities Written Back		<u>48.68</u>	<u>60.90</u>
		<b><u>472.39</u></b>	<b><u>384.17</u></b>
<b>23</b>			
<b>CONSUMPTION OF PROVISIONS, WINES, &amp; OTHERS</b>			
Opening Stock		178.02	205.55
<i>Add: Purchases</i>		<u>2,062.38</u>	<u>1,936.96</u>
		<b>2,240.40</b>	<b>2,142.51</b>
<i>Less : Closing Stock</i>		<u>178.12</u>	<u>178.02</u>
		<b><u>2,062.28</u></b>	<b><u>1,964.49</u></b>
<b>24</b>			
<b>EMPLOYEE BENEFIT EXPENSES</b>			
Salaries & Wages		3,371.22	3,102.13
Contribution to Provident Fund and Other Funds		256.26	188.41
Staff Welfare Expenses		<u>342.78</u>	<u>342.42</u>
		<b><u>3,970.26</u></b>	<b><u>3,632.96</u></b>

## Notes to Accounts — *Contd.*

	Rupees Million	Year ended 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>25</b>			
<b>FINANCE COSTS</b>			
Interest Expense		220.52	306.08
		<u>220.52</u>	<u>306.08</u>
<b>26</b>			
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>			
Tangible Assets		1,165.85	1,239.21
Intangible Assets		10.89	1.60
		<u>1,176.74</u>	<u>1,240.81</u>
<b>27</b>			
<b>OTHER EXPENSES</b>			
Power & Fuel		1,117.87	1,105.42
Rent		294.71	285.33
Repairs :			
Buildings	190.09		178.57
Plant & Machinery	421.80		404.61
Others	81.44		102.31
		693.33	685.49
Insurance		40.03	38.08
Rates & Taxes		391.86	386.64
Expenses on Apartment & Board		227.59	207.30
Royalty		126.33	118.84
Advertisement, Publicity & Other Promotional Expenses		384.57	305.83
Commission to Travel Agents & others		268.09	237.11
Passage & Travelling		385.25	322.29
Postage, Telephone, etc.		90.14	86.98
Professional Charges		178.93	141.32
Linen, Uniform Washing & Laundry Expenses		44.85	46.89
Renewals & Replacement		97.29	112.27
Musical, Banquet & Kitchen Expenses		81.74	85.49
Auditors' Remuneration (Note 42)		16.95	15.53
Directors' Fees and Commission		106.70	101.55
Loss on Sale/Discard of Assets etc. (Net)		10.07	7.88
Bad Debts & Advances Written Off		4.04	8.55
Provision for Doubtful Debts & Advances		79.08	1.95
CSR Expenses (Note 43)		18.23	23.80
Expenses on Contracts for Services		386.91	346.03
Miscellaneous Expenses		443.06	402.66
		<u>5,487.62</u>	<u>5,073.23</u>



## Notes to Accounts — Contd.

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>28</b>		
<b>EXCEPTIONAL ITEMS</b>		
Profit on sale of Property at Darjeeling, West Bengal	109.89	-
Profit on sale of Land at Delhi	126.10	-
Provision for diminution in value of investments in Golden Jubilee Hotels Private Limited	(418.58)	-
	<u>(182.59)</u>	<u>-</u>

**Note :** The Company's investments (Note 13) include holding of 16% equity shares in the capital of Golden Jubilee Hotels Private Limited (GJHPL). GJHPL has failed to service its debts. Some of the lending banks have recently recalled the loan given to GJHPL and declared the same as NPA. There is also winding up petition filed by a creditor. Company generally follows an accounting policy of making provision in case of permanent diminution only. However, considering the facts of the case, Company feels that the viability of GJHPL is at stake and provision has been made for abundant caution.

**29**

### CURRENT TAX

Income Tax	519.73	488.42
Tax adjustment relating to earlier years after final assessment	(6.93)	-
	<u>512.80</u>	<u>488.42</u>

### 30. (A) Contingent Liabilities and commitments (to the extent not provided) -

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

- (a) Value Added Tax ₹ 55.02 Million (2015 - ₹ 57.47 Million)
- (b) Income-tax ₹ 333.31 Million (2015 - ₹ 712.49 Million)
- (c) Tax Deducted at Source ₹ 0.43 Million (2015 - ₹ 15.02 Million)
- (d) Service Tax ₹ 155.81 Million (2015 - ₹ 175.67 Million)
- (e) Property Tax ₹ 140.71 Million (2015 - ₹ 60.59 Million)
- (f) Entertainment Tax ₹ 4.07 Million (2015 - ₹ 4.33 Million)
- (g) Customs Duty ₹ 429.66 Million (2015 - ₹ 429.66 Million)
- (h) Excise Duty ₹ 26.01 Million (2015 - ₹ 95.54 Million)
- (i) Luxury Tax ₹ 32.96 Million (2015 - ₹ 32.96 Million)
- (j) Others ₹ 9.80 Million (2015 - ₹ 12.05 Million)
- (k) The Company has to meet certain export obligations in relation to import made under EPCG scheme. In case the Company is unable to meet such obligation, additional liability may accrue which cannot be estimated at present.

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

(ii) Guarantees :

- a. Guarantees given to Banks & Financial Institutions for ₹ 1,317.95 Million (2015 - ₹ 1,241.59 Million) against financial facilities availed by the subsidiary company.
- b. Counter guarantees issued to banks and remaining outstanding ₹ 169.26 Million (2015 - ₹ 196.94 Million).

### (B) Commitments:

- a. The estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 918.17 Million (2015 - ₹ 823.23 Million).
- b. Investment commitment in subsidiary and joint venture companies ₹ Nil (2015 - ₹ 100.10 Million)
- c. Other commitments including estimated hotel renovation cost which is yet to be contracted ₹ 4,488.60 Million (2015 - ₹ Nil).

31. The Oberoi, New Delhi, one of the hotels of the Company has been closed from 1st April, 2016 for major renovation and is expected to be ready by 1st April, 2018. Revenue earned by the hotel during the year ended 31st March, 2016 was ₹ 1,966.63 Million and the Net Worth as on that date was ₹ 980.51 Million.

## Notes to Accounts — Contd.

32. Defined Benefit Plans/Long Term Compensated Absences on 31st March, 2016 as per Actuarial Valuations using Projected Unit Credit Method and recognised in the Financial Statements in respect of Employee Benefit Schemes:

		(Rupees Million)			
		Year ended 31st March, 2016		Year ended 31st March, 2015	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		(Funded)	(Unfunded)	(Funded)	(Unfunded)
<b>I</b>	<b>Components of Employer Expense</b>				
1	Current Service Cost	29.06	39.33	26.71	35.21
2	Interest Cost	32.76	13.00	35.97	12.14
3	Expected return on Plan Assets	(35.93)	-	(35.36)	-
4	Curtailement Cost/(Credit)	-	-	-	-
5	Settlement Cost/(Credit)	-	-	-	-
6	Past Service Cost	-	-	-	-
7	Actuarial Losses/(Gains)	102.71	0.78	23.87	20.54
8	<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>128.60</b>	<b>53.11</b>	<b>51.19</b>	<b>67.89</b>
The Gratuity Expenses have been recognised in "Contribution to Provident Fund and other Funds" and Leave Encashment in "Salaries & Wages".					
<b>II</b>	<b>Net Asset / (Liability) recognised in Balance Sheet as at 31st March, 2016</b>				
1	Present Value of Defined Benefit Obligation	514.41	197.98	492.26	188.58
2	Fair Value of Plan Assets	420.00	-	463.46	-
3	Status [Surplus/(Deficit)]	(94.41)	(197.98)	(28.80)	(188.58)
4	Unrecognised Past Service Cost	-	-	-	-
5	<b>Net Asset/(Liability) recognized In Balance Sheet</b>	<b>(94.41)</b>	<b>(197.98)</b>	<b>(28.80)</b>	<b>(188.58)</b>
<b>III</b>	<b>Change in Defined Benefit Obligations (DBO) during the year ended 31st March, 2016</b>				
1	Present Value of DBO at the Beginning of Year	492.26	188.58	447.67	165.00
2	Current Service Cost	29.06	39.33	26.71	35.21
3	Interest Cost	32.76	13.00	35.97	12.14
4	Curtailement Cost/(Credit)	-	-	-	-
5	Settlement Cost/(Credit)	-	-	-	-
6	Plan Amendments	-	-	-	-
7	Acquisitions	-	-	-	-
8	Actuarial (Gains)/Losses	104.91	0.78	30.79	20.54
9	Benefits Paid	(144.58)	(43.71)	(48.88)	(44.31)
10	Present Value of DBO at the end of Year	<b>514.41</b>	<b>197.98</b>	<b>492.26</b>	<b>188.58</b>
<b>IV</b>	<b>Change in Fair Value of Assets during the year ended 31st March, 2016</b>				
1	Plan Assets at the Beginning of Year	463.46	-	410.82	-
2	Acquisition Adjustment	-	-	-	-
3	Actual Return on Plan Assets	35.93	-	35.36	-
4	Actuarial Gains/(Losses)	2.21	-	6.92	-
5	Actual Company Contribution	62.98	-	59.24	-
6	Benefits Paid	(144.58)	-	(48.88)	-
7	Plan Assets at the end of Year	<b>420.00</b>	<b>-</b>	<b>463.46</b>	<b>-</b>
<b>V</b>	<b>Investments Details</b>				
	Invested with LIC in Group Gratuity Scheme		-		-
<b>VI</b>	<b>Actuarial Assumptions</b>				
1	Discount Rate (%)	7.80%	7.80%	7.80%	7.80%
2	Expected rate of return	8.50%	-	8.50%	-
3	Salary Escalation (%)	3.00%	3.00%	3.00%	3.00%
4	Mortality	Indian assured lives mortality (2006-08) (modified) Ultimate		Indian assured lives mortality (2006-08) (modified) Ultimate	

## Notes to Accounts — Contd.

(Rupees Million)

	Year ended 31st March, 2016		Year ended 31st March, 2015		Year ended 31st March, 2014		Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave	Gratuity	Leave
	(Funded)	Encashment (Unfunded)	(Funded)	Encashment (Unfunded)	(Funded)	Encashment (Unfunded)	(Funded)	Encashment (Unfunded)	(Funded)	Encashment (Unfunded)
<b>VII. Net Asset/ (Liability) recognised in Balance Sheet (including experience adjustment impact)</b>										
1. Present Value of Defined Benefit Obligation	514.41	197.98	492.26	188.58	447.66	165.00	406.17	151.32	399.58	149.36
2. Fair Value of Plan Assets	420.00	-	463.46	-	410.82	-	394.05	-	366.42	-
3. Status [Surplus/ (Deficit)]	(94.41)	(197.98)	(28.80)	(188.58)	(36.85)	(165.00)	(12.12)	(151.32)	(33.16)	(149.36)
4. Experience Adjustments on Plan Liabilities [Gain/ (Loss)]	(104.91)	(0.78)	(30.79)	(20.54)	(37.87)	(16.24)	(18.48)	19.97	(37.84)	7.86
5. Experience Adjustments on Plan Assets [Gain/ (Loss)]	2.21	-	6.92	-	(3.16)	-	-	-	-	-

33. Freehold Land and Leasehold Land of perpetual nature and Buildings at some locations were revalued on 31st March, 1982 and 31st March, 1993 resulting in a surplus of ₹ 2,863.88 Million which is included in the original cost. The valuation was carried out by an approved valuer on the basis of depreciated replacement cost. The surplus was transferred to Revaluation Reserve.
34. Capital Work-In-Progress shown in the Balance Sheet inter-alia includes ₹ 630.93 Million, being the cost of a building under construction by the Company. Under a Tripartite Agreement amongst the Company, DLF Cyber City Developers Limited and DLF Limited the building is being constructed by the Company on the Land which belongs to DLF Cyber City Developers Limited. After the completion of construction the same building will be acquired by the Company at an agreed value as per the terms of agreement and DLF Cyber City Developers Limited will execute necessary deed of conveyance.
35. The Company has adopted useful life of fixed assets as stipulated by Schedule II of the Companies Act 2013 except for the hotel buildings for computing depreciation. In the case of the hotel buildings of the Company, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificates of the technical expert as on 31.03.2015, the balance useful life of the hotel buildings of the Company ranges between 50-60 years except for The Oberoi Vanyavilas where the balance useful life is 30 years. The carrying amount of each of the hotel buildings is being depreciated over its residual life.
36. Company's investment in the Equity shares of EIH Flight Services Ltd., Mauritius is of long term in nature and the management does not consider the present decline in the value of investment as permanent in nature. During the year the Company has made a contribution of ₹ 636.99 Million towards the equity of the said Company. As such no adjustment has been made to modify the carrying cost.
37. The method of determining cost for valuation of Inventories has been changed from 'First-in-First-out' to 'Cumulative Weighted Average' during the current year. As a result of this change, the profit of the Company for the year ended 31st March, 2016 is higher by ₹ 3.56 Million. Unserviceable/damaged/discarded stocks and shortages are charged to the Statement of Profit and Loss as per past practice.

## Notes to Accounts — Contd.

38. 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 Company 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. The Company vide its letter dated 4th April, 2012 requested MRL to account for the entire amount of ₹ 1,361.93 Million provided to MRL upto 31st March, 2012 as ‘Advance Towards Equity’, including ₹ 130.00 Million being the opening balance of ‘Advance Towards Equity’. In view of the above, the Company has shown the said amount of ₹ 1,361.93 Million as ‘Advance Towards Equity’ in its books.

The High Court has now passed an order dated 25th February, 2016 which was made available to the Company in the month of May 2016. As per the order, the High Court has decided not to interfere with the order of the Arbitrator. The Company has decided to file appeal to the higher authorities against the said order.

39. Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 are based on information made available to the Company. Neither there was any delay in payment nor any interest is due and remaining unpaid on the above.
40. Fixed Assets as on 31st March, 2016 includes assets acquired under finance lease amounting to ₹ 138.82 Million (2015 - ₹ 120.44 Million). These include an amount of ₹ 35.77 Million (2015 - ₹ 41.99 Million ) being assets acquired during the year under finance lease and capitalised in line with the requirements of Accounting Standard (AS-19) . Depreciation for the year includes an amount of ₹ 30.32 Million (2015 - ₹ 30.45 Million) being depreciation charged on these assets.

The year-wise break-up of the outstanding lease obligation as on 31st March, 2016 in respect of these assets are as under:-

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>Assets taken on lease</b>		
Total Minimum Lease Payments at the year end	88.20	83.53
Present Value of Minimum Lease Payments	70.72	66.05
<b>Not later than one year</b>		
Minimum Lease Payments	36.27	32.90
Present Value	33.55	30.32
<b>Later than one year but not later than five years</b>		
Minimum Lease Payments	51.93	50.63
Present Value	37.17	35.73
<b>Later than five years</b>		
Minimum Lease Payments	-	-
Present Value	-	-

## Notes to Accounts — Contd.

41. Disclosures in respect of Company's operating lease arrangements entered on or after 1st April, 2001 under Accounting Standard (AS-19) on Leases.

- a) 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 :-

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
As Lessor		
Not later than one year	48.98	112.54
Later than one year but not later than five years	30.88	76.86
Later than five years	57.85	67.78

Rent in respect of the above is credited to the Statement of Profit and Loss.

- b) The Company has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services 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. The future minimum lease payments payable by the company for office space taken under non-cancellable operating lease, are as under:-

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
As Lessee		
Not later than one year	-	1.75
Later than one year but not later than five years	-	-
Later than five years	-	-

Rent in respect of the above is charged to the Statement of Profit and Loss.

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
42. Auditors' Remuneration (excluding Service tax)		
As Auditors	15.00	13.00
For Tax Audit	1.00	1.00
For Taxation Matters	0.55	1.25
For Other Services (Certification)	0.40	0.28
	<b>16.95</b>	<b>15.53</b>

## Notes to Accounts — Contd.

### 43. CSR Expenses

- a) Company is required to spend an amount of ₹ 19.74 Million on account of CSR activities during the year ended 31st March, 2016 (2015 - ₹ 23.80 Million).

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
b) Details of amounts spent on account of CSR activities :		
SOS Children's Villages of India	15.67	15.13
Expenses for Swachh Bharat Abhiyan	2.56	0.86
Prime Minister's National Relief Fund	-	7.81
	<u>18.23</u>	<u>23.80</u>

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
44. Earnings per Equity share :		
Net Profit after Tax	1,014.75	966.33
Weighted average of number of Equity Shares outstanding	571,569,414	571,569,414
Earnings per Equity Share of face value ₹ 2 (in Rupees)		
- Basic	1.78	1.69
- Diluted	1.78	1.69

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
45. Value of imports calculated on CIF basis		
In respect of :		
(i) Provisions, Wines & Others	94.62	102.94
(ii) Components & Spares	39.50	50.08
(iii) Capital Goods	83.17	82.88
	<u>217.29</u>	<u>235.90</u>

46. (a) Inventory of Provisions, Wines & Others includes Stock of Paper, Ink etc. at year end ₹ 48.40 Million (2015 - ₹ 49.05 Million).  
 (b) Consumption of Provisions, Wines and Others includes consumption of Paper, Ink etc. ₹ 363.11 Million (2015 - ₹ 386.24 Million).  
 (c) Inventory of Stores & Operating Supplies includes Boutique Stock at year end ₹ 11.14 Million (2015 - ₹ 6.82 Million). Corresponding opening stock was ₹ 6.82 Million (2015 - ₹ 6.69 Million).  
 (d) Other Services includes revenue from sale of Boutique Stock ₹ 83.69 Million (2015 - ₹ 94.48 Million).  
 (e) Purchases includes purchase of Boutique Stock ₹ 49.89 Million (2015 - ₹ 66.69 Million).

## Notes to Accounts — Contd.

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
47. Details of dividend remitted during the year in foreign currency are given below :		
(a) Number of non-resident shareholder	1	1
(b) Number of equity shares held	333,030	333,030
(c) Amount of dividend paid	0.73	0.37
(d) Year to which dividend relates	2014-15 and 2015-16	2013-14

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
48. (a) Expenditure in foreign currencies :		
(i) Professional & Consultancy	49.03	24.97
(ii) Foreign Sales Office Expenses	97.62	108.66
(iii) Other Matters	227.36	203.19
(b) Earning in foreign currencies:		
(i) On sales (as per return submitted to DGFT)	5,481.47	5,022.17
(ii) Consultation Fees	56.25	40.38
(iii) Export of Printing and other materials on FOB basis	23.30	24.27
(iv) Dividend	63.56	61.16

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Rupees Million	Percentage	Rupees Million	Percentage
Imported	316.93	15.37%	302.80	15.41%
Indigenous	1,745.35	84.63%	1,661.69	84.59%
	<u>2,062.28</u>	<u>100.00%</u>	<u>1,964.49</u>	<u>100.00%</u>

50. Unhedged Foreign Currency exposure outstanding :

Currency	As at 31st March, 2016			As at 31st March, 2015		
	Receivable	Payable	Net	Receivable	Payable	Net
EURO	430	94,452	(94,022)	405	80,922	(80,517)
US Dollar	326,028	675,988	(349,960)	286,102	471,907	(185,805)
Mauritius Rupee	9,382,533	-	9,382,533	6,604,224	-	6,604,224
Swiss Franc	570	-	570	-	524	(524)
Singapore Dollar	-	3,285	(3,285)	-	-	-
Australian Dollar	200	3,334	(3,134)	-	-	-
GBP	600	121,023	(120,423)	13,267	18,859	(5,592)

## Notes to Accounts — Contd.

51. The details of transactions entered into with Related Parties during the year are as follows :

**(A) NAMES OF THE RELATED PARTIES**

(I) <b>Subsidiary Companies</b>	<b>Country of Incorporation</b>
(i) Muntaz Hotels Limited	India
(ii) Mashobra Resort Limited	India
(iii) Oberoi Kerala Hotels and Resorts Limited	India
(iv) EIH Flight Services Ltd	Mauritius
(v) EIH International Ltd	British Virgin Islands
(vi) EIH Holdings Ltd	British Virgin Islands
(vii) J&W Hong Kong Limited	Hong Kong
(viii) EHHH Corporation Limited	Hong Kong
(ix) EIH Investments N.V.	Netherlands Antilles
(x) EIH Management Services B.V.	The Netherlands
(xi) PT Widja Putra Karya	Indonesia
(xii) PT Waka Oberoi Indonesia	Indonesia
(xiii) PT Astina Graha Ubud	Indonesia
(II) <b>Associates &amp; Joint Ventures</b>	<b>Country of Incorporation</b>
(i) EIH Associated Hotels Limited	India
(ii) Oberoi Mauritius Ltd	British Virgin Islands
(iii) Island Resort Ltd	Mauritius
(iv) Mercury Car Rentals Private Limited	India
(III) <b>Enterprises in which Key Management Personnel have significant influence</b>	<b>Country of Incorporation</b>
(i) Oberoi Hotels Private Limited	India
(ii) Oberoi Properties Private Limited	India
(iii) Oberoi Holdings Private Limited	India
(iv) Oberoi Investments Private Limited	India
(v) Oberoi Buildings and Investments Private Limited	India
(vi) Oberoi Plaza Private Limited	India
(vii) Oberoi Leasing & Finance Company Private Limited	India
(viii) Oberoi Holdings Hongkong Ltd	Hong Kong
(ix) Oberoi Investments (BVI) Ltd	British Virgin Islands
(x) Oberoi Services International Ltd	British Virgin Islands
(xi) Oberoi Services Pte. Ltd	Singapore
(xii) Saudi Oberoi Co Ltd.	Saudi Arabia
(xiii) Oberoi International LLP	India
(xiv) Aravali Polymers LLP	India
(xv) Bombay Plaza Private Limited	India
(xvi) Golden Jubilee Hotels Private Limited	India
(xvii) Mercury Travels Limited	India
(xviii) Mercury Himalayan Exploration Limited	India
(xix) B I Publications Private Limited	India
(xx) Vikramaditya Exports Private Limited	India
(IV) <b>Key Management Personnel</b>	
(i) Mr. P.R.S. Oberoi	- Executive Chairman
(ii) Mr. S.S. Mukherji	- Executive Vice Chairman
(iii) Mr. V.S. Oberoi	- Managing Director and Chief Executive Officer
(iv) Mr. A.S. Oberoi	- Managing Director Development
(v) Mr. Biswajit Mitra	- Chief Financial Officer
(vi) Mr. S.N.Sridhar	- Company Secretary



## Notes to Accounts — Contd.

**(B) Transactions with Related Parties for the year ended 31st March, 2016 and Outstanding Balances as on 31st March, 2016**
**(Rupees Million)**

NATURE OF TRANSACTIONS	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/Relative of Key Management Personnel	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>PURCHASES</b>								
<b>Purchase of Goods &amp; Services</b>								
Mercury Car Rentals Private Limited	-	-	114.71	101.70	-	-	-	-
Mashobra Resort Limited	1.76	0.81	-	-	-	-	-	-
Mumtaz Hotels Limited	3.43	1.76	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.09	0.07	-	-	-	-	-	-
PT Widja Putra Karya	0.39	0.27	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	15.79	11.01	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	-	-	2.16	1.15	-	-
Mercury Travels Limited	-	-	-	-	69.11	69.36	-	-
Island Resort Ltd	-	-	0.66	0.18	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	0.02	0.05	-	-
Oberoi International LLP	-	-	-	-	2.03	2.90	-	-
<b>Total</b>	<b>5.67</b>	<b>2.91</b>	<b>131.16</b>	<b>112.89</b>	<b>73.32</b>	<b>73.46</b>	-	-
<b>Purchase of Fixed Assets</b>								
Mumtaz Hotels Limited	0.02	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	0.29	0.57	-	-	-	-
<b>Total</b>	<b>0.02</b>	-	<b>0.29</b>	<b>0.57</b>	-	-	-	-
<b>EXPENSES</b>								
<b>Rent</b>								
Oberoi Kerala Hotels & Resorts Limited	0.63	0.59	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	1.41	1.21	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	0.36	0.36	-	-
Mrs. Goodie Oberoi, W/o Mr. P.R.S.Oberoi	-	-	-	-	-	-	0.36	0.36
<b>Total</b>	<b>0.63</b>	<b>0.59</b>	<b>1.41</b>	<b>1.21</b>	<b>0.36</b>	<b>0.36</b>	<b>0.36</b>	<b>0.36</b>
<b>Royalty</b>								
Oberoi Hotels Private Limited	-	-	-	-	144.38	133.53	-	-
<b>Total</b>	-	-	-	-	<b>144.38</b>	<b>133.53</b>	-	-
<b>Remuneration</b>								
Mr. P.R.S. Oberoi	-	-	-	-	-	-	35.84	34.15
Mr.S.S. Mukherji	-	-	-	-	-	-	37.88	52.02
Mr. V.S.Oberoi	-	-	-	-	-	-	34.18	27.17
Mr. A.S. Oberoi	-	-	-	-	-	-	36.80	26.50
Mr Samit Guha*	-	-	-	-	-	-	-	6.73
Mr Biswajit Mitra	-	-	-	-	-	-	9.57	2.21
Mr S N Sridhar	-	-	-	-	-	-	6.43	6.58
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	-	-	1.42	1.51
<b>Total</b>	-	-	-	-	-	-	<b>162.12</b>	<b>156.87</b>
*Chief Financial Officer upto 28th November 2014								
<b>SALES</b>								
<b>Sale of Goods and Services</b>								
Mercury Car Rentals Private Limited	-	-	31.53	9.97	-	-	-	-
Mashobra Resort Limited	29.57	31.24	-	-	-	-	-	-
Mumtaz Hotels Limited	71.78	71.91	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.14	0.37	-	-	-	-	-	-
PT Widja Putra Karya	7.10	1.96	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	303.36	297.14	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	-	-	99.49	92.52	-	-
EIH Flight Services Ltd, Mauritius	0.08	0.03	-	-	-	-	-	-
Mercury Travels Ltd	-	-	-	-	16.87	9.10	-	-
Island Resort Ltd	-	-	2.21	3.20	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	1.17	0.71	-	-
Silhouette Beauty Salon (Owned by Mrs Prem Mehra, sister of Mr P.R.S. Oberoi)	-	-	-	-	-	-	0.39	0.30
<b>Total</b>	<b>108.67</b>	<b>105.51</b>	<b>337.10</b>	<b>310.31</b>	<b>117.53</b>	<b>102.33</b>	<b>0.39</b>	<b>0.30</b>
<b>Sale of Fixed Assets</b>								
EIH Associated Hotels Limited	-	-	-	0.23	-	-	-	-
<b>Total</b>	-	-	-	<b>0.23</b>	-	-	-	-

## Notes to Accounts — Contd.

NATURE OF TRANSACTIONS	(Rupees Million)							
	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/Relative of Key Management Personnel	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>INCOME</b>								
<b>License Agreement</b>								
Mercury Car Rentals Private Limited	-	-	1.92	1.59	-	-	-	-
EIH Associated Hotels Limited	-	-	0.24	0.24	-	-	-	-
Oberoi Holdings Private Limited	-	-	-	-	1.48	1.49	-	-
Oberoi Investments Private Limited	-	-	-	-	0.78	0.83	-	-
Oberoi Buildings & Investments Private Limited	-	-	-	-	1.94	2.04	-	-
Oberoi Plaza Private Limited	-	-	-	-	3.43	3.39	-	-
Bombay Plaza Private Limited	-	-	-	-	2.68	2.52	-	-
Mercury Travels Limited	-	-	-	-	3.72	4.11	-	-
Silhouette Beauty Salon (Owned by Mrs Prem Mehra, sister of Mr P.R.S. Oberoi)	-	-	-	-	-	-	17.13	15.78
<b>Total</b>	-	-	2.16	1.83	14.03	14.38	17.13	15.78
<b>Management Contract</b>								
Mumtaz Hotels Limited	92.48	85.77	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	172.07	156.36	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	-	-	41.22	28.33	-	-
EIH Flight Services Ltd, Mauritius	16.61	12.58	-	-	-	-	-	-
<b>Total</b>	109.09	98.35	172.07	156.36	41.22	28.33	-	-
<b>Dividend Received</b>								
Mashobra Resort Limited	-	18.20	-	-	-	-	-	-
Mumtaz Hotels Limited	123.90	123.90	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	67.29	33.65	-	-	-	-
Mercury Travels Limited	-	-	-	-	0.51	-	-	-
EIH International Limited	63.56	61.16	-	-	-	-	-	-
<b>Total</b>	187.46	203.26	67.29	33.65	0.51	-	-	-
<b>FINANCE</b>								
<b>PAYMENTS</b>								
<b>Advance against Equity Shares</b>								
EIH Flight Services Ltd, Mauritius	636.99	-	-	-	-	-	-	-
<b>Total</b>	636.99	-	-	-	-	-	-	-
<b>Investment in Equity Shares</b>								
Mercury Car Rentals Private Limited	-	-	92.89	65.36	-	-	-	-
EIH International Ltd	-	185.88	-	-	-	-	-	-
<b>Total</b>	-	185.88	92.89	65.36	-	-	-	-
<b>Refund of Collections to Related Party</b>								
Mercury Car Rentals Private Limited	-	-	0.06	-	-	-	-	-
Mashobra Resort Limited	5.53	6.19	-	-	-	-	-	-
Mumtaz Hotels Limited	97.04	94.20	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	158.72	123.13	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	-	-	0.12	0.19	-	-
Oberoi Hotels Private Limited	-	-	-	-	0.15	0.54	-	-
<b>Total</b>	102.57	100.39	158.78	123.13	0.27	0.73	-	-
<b>Expenses reimbursed to Related Party</b>								
Mashobra Resort Limited	0.49	1.64	-	-	-	-	-	-
Mumtaz Hotels Limited	1.46	2.27	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	15.17	11.71	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	2.51	-	-	-
Golden Jubilee Hotels Private Limited	-	-	-	-	0.27	0.86	-	-
Mercury Travels Limited	-	-	-	-	1.18	-	-	-
<b>Total</b>	1.95	3.91	15.17	11.71	3.96	0.86	-	-
<b>Security Deposit</b>								
Oberoi Kerala Hotels & Resorts Limited	1.30	-	-	-	-	-	-	-
<b>Total</b>	1.30	-	-	-	-	-	-	-
<b>RECEIPTS</b>								
<b>Recovery of Collections by Related Party</b>								
Mercury Car Rentals Private Limited	-	-	0.23	-	-	-	-	-
Mashobra Resort Limited	1.93	-	-	-	-	-	-	-
Mumtaz Hotels Limited	0.93	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	27.37	-	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	-	-	0.08	-	-	-
<b>Total</b>	2.86	-	27.60	-	0.08	-	-	-

## Notes to Accounts — Contd.

NATURE OF TRANSACTIONS	(Rupees Million)							
	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/Relative of Key Management Personnel	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>Expenses Reimbursed by Related Party</b>								
Mercury Car Rentals Private Limited	-	-	1.41	-	-	-	-	-
Mashobra Resort Limited	3.79	2.41	-	-	-	-	-	-
Mumtaz Hotels Limited	5.81	0.87	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	14.03	13.86	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	0.51	0.07	-	-
Golden Jubilee Hotels Private Limited	-	-	-	-	0.74	1.20	-	-
<b>Total</b>	<b>9.60</b>	<b>3.28</b>	<b>15.44</b>	<b>13.86</b>	<b>1.25</b>	<b>1.27</b>	<b>-</b>	<b>-</b>
<b>OUTSTANDING BALANCES</b>								
<b>PAYABLES</b>								
<b>For Goods &amp; Services</b>								
Mercury Car Rentals Private Limited	-	-	10.82	7.86	-	-	-	-
Mashobra Resort Limited	1.94	0.19	-	-	-	-	-	-
Mumtaz Hotels Limited	5.13	0.43	-	-	-	-	-	-
Oberoi Kerala Hotels & Resorts Limited	0.02	0.02	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	4.96	2.10	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	-	-	0.21	-	-	-
Mercury Travels Limited	-	-	-	-	4.68	4.29	-	-
Island Resort Ltd	-	-	0.12	0.01	-	-	-	-
Oberoi Investments Private Limited	-	-	-	-	-	0.05	-	-
Oberoi International LLP	-	-	-	-	0.31	0.38	-	-
<b>Total</b>	<b>7.09</b>	<b>0.64</b>	<b>15.90</b>	<b>9.97</b>	<b>5.20</b>	<b>4.72</b>	<b>-</b>	<b>-</b>
<b>Royalty</b>								
Oberoi Hotels Private Limited	-	-	-	-	33.10	34.45	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.10</b>	<b>34.45</b>	<b>-</b>	<b>-</b>
<b>Security Deposit</b>								
Bombay Plaza Private Limited	-	-	-	-	0.50	0.50	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.50</b>	<b>0.50</b>	<b>-</b>	<b>-</b>
<b>LOANS &amp; ADVANCES AND RECEIVABLES</b>								
<b>For Goods &amp; Services</b>								
Mercury Car Rentals Private Limited	-	-	4.31	0.49	-	-	-	-
Mashobra Resort Limited	0.56	0.26	-	-	-	-	-	-
Mumtaz Hotels Limited	40.88	3.52	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.07	-	-	-	-	-	-	-
PT Widja Putra Karya	0.02	0.02	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	12.10	24.45	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	-	-	82.07*	92.70	-	-
Mercury Travels Limited	-	-	-	-	4.34	0.47	-	-
Island Resort Ltd	-	-	-	1.66	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	0.38	0.11	-	-
Bombay Plaza Private Limited	-	-	-	-	0.02	-	-	-
Silhouette Beauty Salon (Owned by Mrs Prem Mehra, sister of Mr P.R.S. Oberoi)	-	-	-	-	-	-	0.63	0.02
<b>Total</b>	<b>41.53</b>	<b>3.80</b>	<b>16.41</b>	<b>26.60</b>	<b>86.81</b>	<b>93.28</b>	<b>0.63</b>	<b>0.02</b>
<b>Advance against Equity Shares</b>								
EIH Flight Services Ltd, Mauritius	636.99	-	-	-	-	-	-	-
Mashobra Resort Limited	1,361.93	1,361.93	-	-	-	-	-	-
<b>Total</b>	<b>1,998.92</b>	<b>1,361.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Management Contract</b>								
Mumtaz Hotels Limited	36.14	28.64	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	73.52	50.28	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	-	-	14.04	10.03	-	-
EIH Flight Services Ltd, Mauritius	16.89	11.21	-	-	-	-	-	-
<b>Total</b>	<b>53.03</b>	<b>39.85</b>	<b>73.52</b>	<b>50.28</b>	<b>14.04</b>	<b>10.03</b>	<b>-</b>	<b>-</b>
<b>Security Deposit</b>								
Oberoi Kerala Hotels and Resorts Limited	2.90	1.60	-	-	-	-	-	-
<b>Total</b>	<b>2.90</b>	<b>1.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OUTSTANDING FINANCIAL FACILITIES</b>								
<b>Against Corporate Guarantees</b>								
EIH Flight Services Ltd., Mauritius	635.32	1,199.09	-	-	-	-	-	-
<b>Total</b>	<b>635.32</b>	<b>1,199.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Out of this, ₹ 76.34 Million has been provided as doubtful debt.

## Notes to Accounts — Contd.

52. Segment Reporting :  
There are no reportable segments other than hotels as per Accounting Standard (AS-17) on Segment Reporting.

53. Financial Reporting of Interest in Joint Ventures :

Disclosure pursuant to Para 51,52,53 & 54 of Accounting Standard (AS-27) is given below.

Name and Country of Incorporation of the Jointly Controlled Entities	Proportion of ownership Interests (%)	Description of Interest	(Rupees Million)			
			Aggregate amount related to EIH Limited's interest in jointly controlled entities			
			Total Assets	Total Liabilities	Total Income	Total Expenses
Oberoi Kerala Hotels & Resorts Limited (India)	80.00	Jointly Controlled Entity	17.56	17.56	0.51	0.35
Mashobra Resort Limited (India)	78.79	- do -	1,112.93	1,112.93	360.66	206.64
Mumtaz Hotels Limited (India)	60.00	- do -	705.63	705.63	579.69	316.67
Mercury Car Rentals Private Limited (India)	40.00	- do -	1,908.61	1,908.61	1,112.52	1,070.64
Oberoi Mauritius Ltd (British Virgin Islands)	50.00	- do -	1,577.28	1,577.28	385.02	358.36

- EIH Limited has neither incurred any contingent liability in relation to its interests in joint ventures nor incurred any contingent liability jointly with other venturers.
- EIH Limited's share of the contingent liabilities of the joint ventures themselves: ₹ 94.39 Million (2015 - ₹ 80.24 Million)
- EIH Limited is not liable for the liabilities of the other venturers of any joint venture.
- EIH Limited has a capital commitment for ₹ Nil (2015 - ₹ 100.10 Million) in relation to its interest in joint ventures and there are no other capital commitments that have been incurred jointly with other venturer.
- EIH Limited's share of capital commitments of the joint ventures themselves amounts to ₹ 37.10 Million (2015 - ₹ 23.19 Million).

54. The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.



**EIH Limited**  
CONSOLIDATED FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**EIH Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **EIH LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and consistent 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 operate effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

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

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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a. Note 43 to the consolidated financial statements regarding disclosure of advance towards equity shares in Mashobra Resort Limited and allotment of shares pending settlement of legal issues between Government of Himachal Pradesh and EIH Limited. Though the Hon'ble High Court has given decision restoring the Arbitration award the Company is contemplating challenging the same before higher authorities. As such the uncertainty of the allotment of shares still continues.
- b. Note 44 to the consolidated financial statements, which indicate that Oberoi Kerala Hotels & Resorts Limited will not commence any construction / operation of the hotel on the freehold land at Thekkady having a cost of ₹ 17.18 Million. The said Company has taken a decision for its disposal. Necessary approvals are still awaited from Government of Kerala as the matter is under their active consideration. However, the accounts have been drawn up on going concern basis. On receipt of approval from Government of Kerala, this would be treated as Current Assets. These conditions indicate the existence of material uncertainty that cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of these matters.

**Other Matters**

We did not audit the financial statements of twelve subsidiaries, and one jointly controlled entity, whose financial statements / financial information reflect total assets of ₹ 4,648.40 Million as at 31st March, 2016, total revenues of ₹ 2,560.03 Million and net cash flows amounting to ₹ (80.41) Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors .

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 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 based on the auditors' reports of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigation on its financial position in its consolidated financial statements in respect of claims and demands of the Group, its associates and jointly controlled entities which are being contested as mentioned in Note 32 (A) (i) and 43.
  - ii. The Group, its associates and jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **RAY & RAY**  
*Chartered Accountants*  
(Firm's Registration No.301072E)

**(R.N. Roy)**  
*Partner*  
Membership No. 8608

Place: Gurgaon  
Date: 26th May, 2016

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EIH LIMITED**

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

In conjunction with our audit of the consolidated financial statements of the Company for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of EIH Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies incorporated in India except one of its subsidiaries, Mumtaz Hotels Ltd which is not audited by us.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating

effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 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 Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled entities, which are 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, 2016, based on the internal control over financial reporting criteria established by the 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 reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Mumtaz Hotels Ltd, whose financial statements / financial information reflect total assets of ₹ 1175.93 Million as at 31st March, 2016, total revenues of ₹ 962.73 Million and net cash flows amounting to ₹ 69.75 Million for the year ended on that date, as considered in the consolidated financial statements and which is a company incorporated in India, is based on the corresponding report of the auditor of Mumtaz Hotels Ltd.

For **RAY & RAY**  
*Chartered Accountants*  
(Firm's Registration No.301072E)

**(R.N. Roy)**  
*Partner*  
Membership No. 8608

Place: Gurgaon  
Date: 26th May, 2016

# Balance Sheet

## As at 31st March, 2016

	Note	Rupees Million	As at 31st March	
			2016 Rupees Million	2015 Rupees Million
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
SHARE CAPITAL	4	1,143.14		1,143.14
RESERVES AND SURPLUS	5	25,289.26		24,956.72
			26,432.40	26,099.86
MINORITY INTEREST			890.81	777.04
<b>NON-CURRENT LIABILITIES</b>				
LONG TERM BORROWINGS	6	1,665.69		2,196.15
DEFERRED TAX LIABILITIES- NET	7	2,052.90		1,963.35
OTHER LONG TERM LIABILITIES	8	544.44		504.89
LONG TERM PROVISIONS	9	247.92		177.76
			4,510.95	4,842.15
<b>CURRENT LIABILITIES</b>				
SHORT TERM BORROWINGS	10	1,868.63		1,044.76
TRADE PAYABLES	11	1,791.25		1,683.96
OTHER CURRENT LIABILITIES	12	1,714.87		1,927.96
SHORT TERM PROVISIONS	13	92.57		815.49
			5,467.32	5,472.17
<b>TOTAL</b>			<b>37,301.48</b>	<b>37,191.22</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>FIXED ASSETS</b>				
TANGIBLE ASSETS	14	22,547.37		22,829.94
INTANGIBLE ASSETS	14	91.95		5.78
CAPITAL WORK-IN-PROGRESS		1,114.72		855.59
INTANGIBLE ASSETS - COMPUTER SOFTWARE (UNDER DEVELOPMENT AND IMPLEMENTATION)		-		69.62
GOODWILL (ON CONSOLIDATION)		3,315.03		3,315.03
NON-CURRENT INVESTMENTS	15	2,235.54		2,540.82
LONG TERM LOANS AND ADVANCES	16	2,811.18		2,347.23
OTHER NON CURRENT ASSETS	17	-		-
			32,115.79	31,964.01
<b>CURRENT ASSETS</b>				
INVENTORIES	18	522.21		485.05
TRADE RECEIVABLES	19	2,172.95		2,231.22
CASH AND BANK BALANCES	20	1,941.59		1,986.98
SHORT TERM LOANS AND ADVANCES	21	539.69		518.30
OTHER CURRENT ASSETS	22	9.25		5.66
			5,185.69	5,227.21
<b>TOTAL</b>			<b>37,301.48</b>	<b>37,191.22</b>

NOTES TO THE ACCOUNTS  
FORM AN INTEGRAL PART OF THE BALANCE SHEET.

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

For RAY & RAY  
Chartered Accountants

R.N. ROY  
Partner  
Membership Number 8608  
Gurgaon, 26th May, 2016

P.R.S. OBEROI  
Executive Chairman

BISWAJIT MITRA  
Chief Financial Officer

VIKRAM OBEROI  
Managing Director and Chief Executive Officer

S.N. SRIDHAR  
Company Secretary

L. GANESH  
Director

## Statement of Profit and Loss

### For the year ended 31st March, 2016

	Note	Year ended 31st March 2016 Rupees Million	2015 Rupees Million
<b>INCOME</b>			
REVENUE FROM OPERATIONS	23	17,868.63	16,682.72
OTHER INCOME	24	449.17	289.08
<b>TOTAL REVENUE</b>		<b>18,317.80</b>	<b>16,971.80</b>
<b>EXPENSES</b>			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	25	2,369.62	2,214.08
EMPLOYEE BENEFIT EXPENSES	26	4,669.30	4,260.90
FINANCE COSTS	27	424.16	461.84
DEPRECIATION AND AMORTISATION EXPENSE	28	1,702.82	1,678.07
OTHER EXPENSES	29	6,975.29	6,906.36
<b>TOTAL EXPENSES</b>		<b>16,141.19</b>	<b>15,521.25</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>2,176.61</b>	<b>1,450.55</b>
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	30	(182.59)	-
<b>PROFIT BEFORE TAX</b>		<b>1,994.02</b>	<b>1,450.55</b>
<b>TAX</b>			
CURRENT TAX	31	691.85	656.84
DEFERRED TAX		89.55	123.45
<b>PROFIT AFTER TAX BEFORE MINORITY'S SHARE</b>		<b>1,212.62</b>	<b>670.26</b>
<i>Less</i> : MINORITY'S SHARE IN PROFIT AFTER TAXATION		120.94	130.28
<b>EIH'S SHARE IN PROFIT</b>		<b>1,091.68</b>	<b>539.98</b>
<i>Add</i> : SHARE IN PROFIT OF ASSOCIATES		141.22	91.02
<b>PROFIT FOR THE YEAR</b>		<b>1,232.90</b>	<b>631.00</b>
<b>EARNINGS PER SHARE</b>			
(in Rupees) Face Value ₹ 2	45		
- BASIC		2.16	1.10
- DILUTED		2.16	1.10

NOTES TO THE ACCOUNTS  
FORM AN INTEGRAL PART OF THE STATEMENT OF PROFIT AND LOSS

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

For RAY & RAY  
Chartered Accountants

R.N. ROY  
Partner  
Membership Number 8608

Gurgaon, 26th May, 2016

P.R.S. OBEROI  
Executive Chairman

BISWAJIT MITRA  
Chief Financial Officer

VIKRAM OBEROI  
Managing Director and Chief Executive Officer

S.N. SRIDHAR  
Company Secretary

L. GANESH  
Director



# Cash Flow Statement

## For the year ended 31st March, 2016

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	1,994.02	1,450.55
Adjustments for:		
Depreciation	1,702.82	1,678.07
Effect of Exchange Rate	(180.90)	314.80
Provision for diminution in value of investments	418.58	-
(Profit) / Loss on Sale of Fixed Assets (Net)	(243.71)	10.63
Interest Income	(143.78)	(72.48)
Dividend Income	(9.13)	(7.75)
Interest Expenditure	424.16	461.84
Operating Profit before Working Capital Changes	3,962.06	3,835.66
Adjustments for:		
Trade & Other Receivables	(268.91)	(315.44)
Inventories	(36.69)	16.37
Trade & Other Payables	69.46	279.69
Cash Generated from Operations	3,725.92	3,816.28
Payment of Direct Taxes	(895.66)	(604.91)
Net cash from Operating Activities	2,830.26	3,211.37
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,804.63)	(1,498.30)
Advance against sale of Assets	3.86	0.95
Sale of Fixed Assets	352.53	65.26
Purchase of Investments	(0.03)	(0.01)
Advance towards Equity	(0.10)	-
Interest Received	139.83	70.51
Changes in other bank balances	(91.22)	(190.04)
Dividend Received	9.13	7.75
Cash used in Investing Activities	(1,390.63)	(1,543.88)

# Cash Flow Statement

## For the year ended 31st March, 2016 — *Contd.*

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings		
Long Term	829.16	576.13
Cash Credit	423.87	180.35
Short Term	1,500.00	100.00
Repayment of		
Long Term	(1,006.79)	(400.00)
Cash Credit	-	(25.55)
Short Term	(1,100.00)	(600.00)
Vehicle Loans	(412.69)	(210.28)
Loan from Finance Companies	(3.16)	(1.92)
Interest paid	(310.69)	(341.20)
Dividend Paid	(1,277.46)	(720.27)
Tax on Dividend	(218.48)	(69.00)
Net Cash used in Financing Activities	(1,576.24)	(1,511.74)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(136.61)	155.75
Cash and Cash Equivalents at beginning of year	1,368.51	1,212.76
Cash and Cash Equivalents at end of year	1,231.90	1,368.51

**Notes:**

- The Cash Flow Statement has been prepared in indirect method except in case of dividend income, purchase and sale of investments which have been considered on the basis of actual cash movement, with corresponding adjustments in assets and liabilities.
- Additions to Fixed Assets are stated inclusive of movements of Capital Work-In-Progress between the beginning and end of the year and treated as part of Investing Activities.

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

For RAY & RAY  
Chartered Accountants

R.N. ROY  
Partner  
Membership Number 8608

P.R.S. OBEROI  
Executive Chairman

VIKRAM OBEROI  
Managing Director and Chief Executive Officer

L. GANESH  
Director

Gurgaon, 26th May, 2016

BISWAJIT MITRA  
Chief Financial Officer

S.N. SRIDHAR  
Company Secretary

# Notes to Accounts

## 1. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

a. The Consolidated Financial Statements relate to EIH Limited ('the Company'), its subsidiary companies, jointly controlled entities and associates. The Financial Statements of the Company, its subsidiary companies, jointly controlled entities and associates which are incorporated in India have been prepared on accrual and going concern basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ('The Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). The Financial Statements have been prepared under the historical cost convention except in case of certain assets which were revalued. Financial Statements of the subsidiary companies and the jointly controlled entity which are incorporated outside India have been prepared following the Accounting Standards applicable in the respective countries but suitably modified to conform to the uniform accounting policies (Indian GAAP), except where disclosed otherwise.

### b. Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- (i) The Financial Statements of the Company, its subsidiary companies and jointly controlled entities are combined on line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard on "Consolidated Financial Statements" (AS-21) read with Accounting Standard on "Financial Reporting of Interests in Joint Ventures" (AS-27) .
- (ii) In case of foreign subsidiaries and foreign jointly controlled entity, revenue items are consolidated at the average exchange rate prevailing during the year. Assets and liabilities are converted at exchange rates prevailing at the respective Balance Sheet dates. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.
- (iii) The difference between the cost of investment in the subsidiaries and jointly controlled entities, over the net assets at the time of acquisition of shares in the subsidiaries and jointly controlled entities is recognised in the Financial Statements as Goodwill or Capital Reserve, as the case may be.
- (iv) In case of associates which are not jointly controlled entities as per Accounting Standard on "Financial Reporting of Interests in Joint Ventures" (AS-27), where EIH Limited holds more than 20% and upto 50% of voting power, investments in such associates are accounted for using equity method in accordance with Accounting Standard on "Accounting for Investments in Associates in Consolidated Financial Statements" (AS-23).
- (v) The Company accounts for its share in the post-acquisition change in net assets of the associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates, to the extent of its share, through its statement of profit and loss to the extent such change is attributable to the associates' statement of profit and loss and through its reserves for the balance, based on available information.
- (vi) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the Financial Statements as Goodwill or Capital Reserve, as the case may be.

c. Investments other than in subsidiaries, associates and jointly controlled entities have been accounted for as per Accounting Standard on "Accounting for Investments" (AS-13).

d. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the standalone Financial Statements of EIH Limited.

## Notes to Accounts — Contd.

2. (A) Details of subsidiaries whose Financial Statements have been considered for consolidation in pursuance of Accounting Standard on “Consolidated Financial Statements” (AS 21) are given below.

Name of Subsidiary Company		Country of Incorporation	Proportion of Ownership Interest
i)	Mumtaz Hotels Limited	India	60.00%
ii)	Mashobra Resort Limited	India	78.79%
iii)	Oberoi Kerala Hotels & Resorts Limited	India	80.00%
iv)	EIH Flight Services Ltd	Mauritius	100.00%
v)	EIH International Ltd	British Virgin Islands	100.00%
vi)	EIH Holdings Ltd *	British Virgin Islands	100.00%
vii)	J&W Hong Kong Limited *	Hong Kong	100.00%
viii)	EIHH Corporation Limited *	Hong Kong	100.00%
ix)	EIH Investments N.V. *	Netherlands Antilles	100.00%
x)	EIH Management Services B.V. *	The Netherlands	100.00%
xi)	PT Widja Putra Karya *	Indonesia	70.00%
xii)	PT Waka Oberoi Indonesia *	Indonesia	83.23%
xiii)	PT Astina Graha Ubud *	Indonesia	60.00%

\* Considered as subsidiary companies by virtue of being subsidiary of EIH International Ltd, a wholly owned subsidiary of EIH Limited.

EIH Marrakech Limited was liquidated during the year.

Out of the above Subsidiary Companies, Oberoi Kerala Hotels & Resorts Limited, Mashobra Resort Limited and Mumtaz Hotels Limited, are also Jointly Controlled Entities.

- (B) The Jointly Controlled Entities consolidated in pursuance of the Accounting Standard on “Financial Reporting of Interests in Joint Ventures” (AS 27) are:

Sl. No.	Name of the Jointly Controlled Entity	Description of Interest	Country of Incorporation	Proportion of ownership Interest
(i)	Mercury Car Rentals Private Limited	Jointly Controlled Entity	India	40.00%
(ii)	Oberoi Mauritius Ltd *	-do-	British Virgin Islands	50.00%

\* 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 EIH International Ltd, a wholly owned subsidiary of EIH Limited.

- (C) The Associate Company considered in the Financial Statements in pursuance of Accounting Standard on “Accounting for Investments in Associates in Consolidated Financial Statements” (AS 23) is:

	Country of Incorporation	Proportion of Ownership Interest
EIH Associated Hotels Limited	India	36.81%

3. The carrying amount of investments includes goodwill (net) arising on acquisition in the associate EIH Associated Hotels Limited of ₹ 182.46 Million (2015 – ₹ 182.46 Million) computed as per Accounting Standard on “Accounting for Investments in Associates in Consolidated Financial Statements” (AS-23).

## Notes to Accounts — Contd.

		As at 31st March	
		2016	2015
		Rupees Million	Rupees Million
<b>4</b>			
<b>SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
1,500,000,000	Equity Shares of ₹ 2 each	3,000.00	3,000.00
(2015 - 1,500,000,000)		3,000.00	3,000.00
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID</b>			
571,569,414	Equity Shares of ₹ 2 each	1,143.14	1,143.14
(2015 - 571,569,414)		1,143.14	1,143.14

a) Reconciliation of share capital	As at 31st March			
	2016		2015	
	Number of Shares	(₹) Million	Number of Shares	(₹) Million
Balance at the beginning of the year	571,569,414	1,143.14	571,569,414	1,143.14
Balance at the end of the year	571,569,414	1,143.14	571,569,414	1,143.14

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

c) Shares held by Shareholders holding more than 5 percent shares in the Company :

	As at 31st March			
	2016		2015	
	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) Life Insurance Corporation of India	32,106,838	5.62	32,433,881	5.67
(5) Oberoi Holdings Private Limited	33,438,993	5.85	35,257,278	6.17
(6) Oberoi Investments Private Limited	28,150,008	4.93	29,968,293	5.24

## Notes to Accounts — Contd.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>5</b>			
<b>RESERVES AND SURPLUS</b>			
EXCHANGE FLUCTUATION RESERVE		273.14	329.07
CAPITAL REDEMPTION RESERVE			
As per last Account		1,024.21	1,024.21
SECURITIES PREMIUM ACCOUNT			
As per last Account	12,790.11		12,743.64
Add : Additions during the Year	69.68		46.47
		12,859.79	12,790.11
REVALUATION RESERVE			
As per last Account	2,211.15		2,232.53
Less : Transfer to General Reserve	21.38		21.38
		2,189.77	2,211.15
GENERAL RESERVE			
As per last Account	6,710.92		6,539.54
Add: Transfer from Revaluation Reserve	21.38		21.38
Add: Transfer from Surplus	200.00		150.00
		6,932.30	6,710.92
SURPLUS			
Opening Balance	1,473.86		2,025.94
Add : Profit during the year as per Statement of Profit and Loss	1,232.90		631.00
	2,706.76		2,656.94
Less: Carrying amount of fixed assets where remaining useful life is nil as on 1st April, 2014 (Sch II of the Companies Act, 2013) net of deferred tax	-		193.47
	2,706.76		2,463.47
Less : Allocations / Appropriations			
Transfer to General Reserve	200.00		150.00
Interim Dividend on Equity Shares	670.03		41.30
Proposed Dividend on Equity Shares	41.30		670.03
Tax on Dividend	133.10		128.28
		1,662.33	1,473.86
		24,941.54	24,539.32
Less : Adjustment on acquisition		(421.17)	(490.85)
Less : Minority Interest		73.45	73.45
		<u>25,289.26</u>	<u>24,956.72</u>

## Notes to Accounts — Contd.

	As at 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>6</b>		
<b>LONG TERM BORROWINGS</b>		
<b>SECURED LOANS</b>		
From Banks :		
ICICI Bank Limited	200.00	600.00
ICICI Bank Limited - T/L II	3.31	1.86
ICICI Bank Limited - T/L III	0.02	65.41
Yes Bank Limited	25.99	32.70
Yes Bank Limited - T/L II	39.84	1.98
The Ratnakar Bank Limited	130.46	44.24
Barclays Bank PLC	340.85	278.27
HDFC Bank Limited	93.99	66.01
State Bank of Mauritius	616.97	952.69
From Financing Companies :		
Kotak Mahindra Primus Limited	40.64	38.41
Tata Capital Limited	0.25	8.88
Daimler Financial Services India Pvt Ltd	13.82	13.07
Toyota Financial Services India Ltd	12.29	11.94
BMW India Financial Services Limited	-	2.33
BMW India Financial Services Limited - T/L II	90.78	23.27
Long Term maturity of Finance Lease Obligations	51.48	50.09
<b>UNSECURED LOANS</b>		
From Government of Himachal Pradesh	5.00	5.00
	<u>1,665.69</u>	<u>2,196.15</u>

### PARTICULARS OF TERM LOANS

- (i) Term Loan from ICICI bank limited carries interest at the rate of 0.55% above bank's base rate, repayable in quarterly installments of ₹ 100 million each. Repayment will be complete in July 2017.
- (ii) Term Loan from ICICI Bank Limited (T/L II), ICICI Bank Limited (T/L III), Yes Bank, Yes Bank (T/L II), The Ratnakar Bank Limited, Barclays Bank PLC and HDFC Bank Limited carries interest between 9.24% to 12.50%, repayable in monthly installments starting from the month in which the loans are availed and are payable in 36 to 50 months.
- (iii) Term Loan from State Bank of Mauritius carries interest at 400 basis points over 3 months LIBOR. Loan will be repayable within 5 years in 8 installments of USD 1,187,500 starting from September 2018 and ending in June 2020.
- (iv) Loans from Finance Companies are repayable in monthly payment of equated installments starting from the month subsequent to taking on finance lease and carries interest between 9.25% to 11.85%. The monthly installments are payable in 36 to 60 months.
- (v) The Finance Lease obligations are secured by hypothecation of vehicles taken under Lease. Repayments are done by equated monthly installment over 36 to 60 months.

## Notes to Accounts — Contd.

### 6 LONG TERM BORROWINGS – (Contd)

#### PARTICULARS OF SECURITIES

- (i) Term loan from ICICI bank limited is secured by way of equitable mortgage by deposit of title deeds in respect of the Company's hotel in Delhi known as Maidens Hotel, ranking *pari passu*.
- (ii) Term Loan from ICICI Bank Limited (T/L II), Yes Bank and HDFC Bank Limited against Hire Purchase arrangement in case of Mercury Car Rentals Private Limited are secured by hypothecation of vehicles.
- (iii) Term Loan from ICICI Bank Limited (T/L III), The Ratnakar Bank Limited, Barclays Bank PLC., Yes Bank (T/L II) against Hire Purchase arrangement in case of Mercury Car Rentals Private Limited are secured by hypothecation of vehicles and book debts of lease vertical.
- (iv) Term Loan from State Bank of Mauritius in case of EIH Flight Services Ltd., Mauritius, is secured by assignment of leasehold rights on building constructed on land taken on lease from Airports of Mauritius Limited and floating charge on all other asset in favour of the Bank and by corporate guarantee of EIH Limited.
- (v) Loans from Finance Companies against auto loan arrangement in case of Mercury Car Rentals Private Limited are secured by hypothecation of vehicles.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>7</b>			
<b>DEFERRED TAX LIABILITIES - NET</b>			
Deferred Tax Liabilities on account of :			
Depreciation	2,419.89		2,372.63
Accelerated Capital Allowance	23.32		18.45
Translation Adjustment	0.51		1.83
		2,443.72	2,392.91
Deferred Tax Assets on account of :			
Unabsorbed Depreciation / Loss Carried Forward	205.66		244.86
Accrued Expenses Deductible on Payment	37.17		67.54
Leave Encashment	50.12		45.26
Provision For Debts and Advances	96.85		71.01
Reserve For Furniture Fixture & Equipment	1.02		0.89
		390.82	429.56
Deferred Tax Liabilities (Net)		2,052.90	1,963.35

### 8 OTHER LONG TERM LIABILITIES

Liability For Capital Expenditure	-	0.16
Security Deposits	46.79	52.69
Others	497.65	452.04
	544.44	504.89



## Notes to Accounts — Contd.

	As at 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>9</b>		
<b>LONG TERM PROVISIONS</b>		
Leave Encashment	240.87	172.52
Gratuity	7.05	5.24
	<u>247.92</u>	<u>177.76</u>
<b>10</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
Short Term Loan from Bank :		
- The Hongkong and Shanghai Banking Corporation Limited (HSBC)	350.00	450.00
Cash Credit from Banks :		
- United Bank of India	619.42	424.27
- The Hongkong and Shanghai Banking Corporation Limited (HSBC)	60.23	164.48
- HDFC Bank Limited	19.18	6.01
- State Bank of Mauritius	0.95	-
- ICICI Bank Limited (ICICI)	318.85	-
<b>UNSECURED</b>		
Short Term Loan from Bank :		
- The Hongkong and Shanghai Banking Corporation Limited (HSBC)	500.00	-
	<u>1,868.63</u>	<u>1,044.76</u>

### PARTICULARS OF SHORT TERM BORROWINGS :

- (i) Cash Credit facilities from United Bank of India, HSBC and ICICI and short term loan from HSBC relate to EIH Limited and 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. Cash Credit is repayable on demand and carries interest at floating rate linked to the base rates of the respective banks.
- (ii) Short term loan from HSBC carries interest at the rate of 9.85%.
- (iii) 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. The facility bears an interest rate of 8.95%.
- (iv) Cash Credit facility from HDFC Bank Limited relates to Mercury Car Rentals Private Limited and is payable on demand and is secured against receivables of Rent-a-Cab Business. The rate of interest is base rate + 1.75% p.a. plus interest tax & any other statutory levy, if applicable.

## Notes to Accounts — Contd.

As at 31st March

	2016 Rupees Million	2015 Rupees Million
<b>11</b>		
<b>TRADE PAYABLES</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises (Note 34)	4.43	3.62
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	<u>1,786.82</u>	<u>1,680.34</u>
	<u>1,791.25</u>	<u>1,683.96</u>
<b>12</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debt	884.26	909.84
Current Maturities of Finance Lease Obligations	30.84	30.35
Interest accrued but not due on borrowings	8.35	4.22
Advance from Customer	255.12	419.06
Unclaimed Dividend	27.55	32.25
Unclaimed Fractional Share sale proceeds (against Bonus Issue)	0.17	0.17
Other Payables		
Liability for Capital Expenditure	94.36	100.03
Security Deposits	109.97	100.59
Statutory and other dues	<u>304.25</u>	<u>331.45</u>
	<u>1,714.87</u>	<u>1,927.96</u>
<b>13</b>		
<b>SHORT TERM PROVISIONS</b>		
Leave Encashment	28.93	22.99
Proposed Dividend on Equity Shares	41.30	670.03
Tax on Dividend	22.26	107.63
Gratuity	0.08	0.09
Wealth Tax (net of Advance)	-	14.75
	<u>92.57</u>	<u>815.49</u>

Notes to Accounts — Contd.

14  
**FIXED ASSETS**

	GROSS BLOCK					DEPRECIATION					(Rupees Million)	
	Original Cost/ Revaluation as at 31st March, 2015	Less : Translation adjustment	Additions	Sales/ Adjustments	Original Cost/ Revaluation as at 31st March, 2016	As at 31st March, 2015	Add: Amount transferred to Retained Earnings	Less : Translation adjustment	For the year	Less : Sales/ Adjustments	As at 31st March, 2016	As at 31st March, 2015
<b>i) TANGIBLE ASSETS</b>												
Freehold Land including development cost	1,816.56	0.40	-	-	1,816.16	-	-	-	-	-	1,816.16	1,816.56
Leasehold Land	2,643.62	-	-	-	2,643.62	166.24	-	36.81	-	203.05	2,440.57	2,477.38
Buildings	15,357.94	(5.54)	174.69	14.79	15,523.38	3,458.19	-	(1.38)	313.97	10.36	3,763.18	11,899.75
Plant & Machinery	10,087.48	(2.87)	264.83	108.36	10,246.82	5,612.14	-	(2.83)	787.09	89.56	6,312.50	3,934.32
Office Equipments	103.23	-	12.53	9.12	106.64	76.36	-	-	12.60	3.05	85.91	20.73
Furniture & Fittings	1,735.34	0.97	36.92	(0.16)	1,771.45	1,239.57	-	0.73	142.43	9.59	1,371.68	399.77
Vehicles	1,874.19	0.05	988.57	266.85	2,595.86	662.05	-	0.08	337.31	175.27	824.01	1,771.85
Aircrafts	558.77	-	-	-	558.77	239.49	-	-	24.05	-	263.54	295.23
Leased Vehicles (Note 39)	143.51	-	36.29	21.26	158.54	68.73	-	-	34.22	19.84	83.11	74.78
Boats	50.16	-	-	(6.21)	56.37	18.09	-	-	1.94	(3.23)	23.26	32.07
<b>TOTAL TANGIBLE ASSETS</b>	<b>34,370.80</b>	<b>(6.99)</b>	<b>1,513.83</b>	<b>414.01</b>	<b>35,477.61</b>	<b>11,540.86</b>	<b>-</b>	<b>(3.40)</b>	<b>1,690.42</b>	<b>304.44</b>	<b>12,930.24</b>	<b>22,547.37</b>
Previous year	34,078.55	210.89	1,097.16	594.02	34,370.80	10,233.16	289.62	139.11	1,675.34	518.15	11,540.86	22,829.94
<b>ii) INTANGIBLE ASSETS</b>												
Business Rights	78.72	-	-	-	78.72	78.72	-	-	-	-	78.72	-
Trademarks	9.04	-	-	-	9.04	9.04	-	-	-	-	9.04	-
Computer Software	17.77	-	98.57	(3.92)	120.26	11.99	-	-	12.40	(3.92)	28.31	5.78
<b>TOTAL INTANGIBLE ASSETS</b>	<b>105.53</b>	<b>-</b>	<b>98.57</b>	<b>(3.92)</b>	<b>208.02</b>	<b>99.75</b>	<b>-</b>	<b>-</b>	<b>12.40</b>	<b>(3.92)</b>	<b>116.07</b>	<b>5.78</b>
Previous year	104.01	-	1.52	-	105.53	97.02	-	-	2.73	-	99.75	5.78

## Notes to Accounts — Contd.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>15</b>			
<b>NON-CURRENT INVESTMENTS</b>			
<b>Investments In Equity Instruments</b>			
<b>Trade Investments Quoted -</b>			
25,000 (2015 - 25,000) Equity Shares of ₹10 each of Tourism Finance Corporation of India Limited fully paid		0.50	0.50
<b>Associate (Note 3)</b>			
11,215,118 (2015 - 11,215,118) Equity Shares of ₹10 each of EIH Associated Hotels Limited fully paid		1,504.02	1,430.09
<b>Other Investments : Unquoted</b>			
41,858,400 (2015 - 41,858,400) Equity Shares of ₹ 10 each of Golden Jubilee Hotels Private Limited fully paid	418.58		418.58
Less : Provision for diminution in value of investments (Note 30)	418.58		-
		-	418.58
849,575 (2015 - 849,575) Equity Shares of ₹ 10 each of Mercury Travels Limited fully paid		18.70	18.70
18,000 (2015 - 18,000) Equity Shares of ₹ 10 each of Green Infra Wind generation Limited fully paid		0.18	0.18
1,078,826 (2015 - 1,078,826) Equity Shares of Egyptian Pound 10 each of Tourism Investments Company at Sahl Hasheesh fully paid		334.73	316.22
2,400 (2015 - 2,400) Equity Shares of La Roseraie De L'Atlas SA, Marrakech of Face Value Moroccan Dirham 1,000 per share fully paid		376.75	355.92
3,200 (2015 - 3,200) Equity Shares of ₹ 10 each of ReNew Wind Energy (Karnataka) Pvt Ltd fully paid		0.32	0.32
<b>Investment in Government Securities (Unquoted) Non Trade</b>			
National Savings Certificate (lodged with Government authorities as Security Deposit)		0.34	0.31
		<b>2,235.54</b>	<b>2,540.82</b>
		Book Value Rupees Million	Market Value Rupees Million
Quoted		1,504.52	3,253.45
		(1,430.59)	(2,491.45)
Unquoted		731.02	
		(1,110.23)	
		<b>2,235.54</b>	
		(2,540.82)	

(Figures in brackets represent figures for 2015)

## Notes to Accounts — Contd.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>16</b>			
<b>LONG TERM LOANS AND ADVANCES (Unsecured)</b>			
<b>(Considered good unless otherwise stated)</b>			
Loans and Advances to Other than Related Parties			
Advances towards Equity in:			
ReNew Wind Energy (Karnataka) Pvt. Ltd.		0.10	-
Capital Advances		41.48	23.74
Advances recoverable in cash or in kind or for value to be received		666.90	456.48
Other Advances recoverable - considered doubtful		186.44	186.74
Sundry Deposits		962.92	928.28
Prepaid Expenses		40.61	33.83
Income Tax Advance/Refund (net of Provision)		990.88	852.22
Wealth Tax Advance (net of provision)		5.00	-
MAT credit entitlement		103.29	52.68
		2,997.62	2,533.97
Less: Provision for Doubtful Advances		186.44	186.74
		<b>2,811.18</b>	<b>2,347.23</b>
<b>17</b>			
<b>OTHER NON-CURRENT ASSETS</b>			
Long Term Trade Receivables (Unsecured)			
Considered doubtful		93.12	18.26
Less : Provision for Doubtful Debts		93.12	18.26
		-	-
<b>18</b>			
<b>INVENTORIES</b>			
(At lower of cost or net realisable value)			
Provisions, Wines & Others (includes stock lying with third parties ₹ 3.64 Million (2015 - ₹ 3.50 Million))		222.51	209.19
Stores & Operating supplies		299.70	275.86
		<b>522.21</b>	<b>485.05</b>
<b>19</b>			
<b>TRADE RECEIVABLES (Unsecured)</b>			
Debts Outstanding for a period exceeding six months from the due date -			
Considered good	78.54		145.07
Considered doubtful	0.40		-
		78.94	145.07
Other Debts			
Considered good	2,094.41		2,086.15
Considered doubtful	0.01		0.37
		2,094.42	2,086.52
		2,173.36	2,231.59
Less : Provision for Doubtful Debts		0.41	0.37
		<b>2,172.95</b>	<b>2,231.22</b>

## Notes to Accounts — Contd.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>20</b>			
<b>CASH &amp; BANK BALANCES</b>			
Cash & Cash Equivalents			
Cash in hand	15.35		18.29
Cheques in hand	14.91		34.25
Balances with Banks :			
Current Accounts	950.46		1,158.64
Fixed Deposits with maturity within 3 months	251.18		157.33
		1,231.90	1,368.51
Other Bank Balances			
Earmarked Balances*	471.50		386.28
Fixed Deposits maturing within 3-12 months	206.56		195.00
Margin Deposits	3.91		4.77
Unpaid Dividend Accounts	27.55		32.25
Escrow Accounts / Fractional Share sale proceeds (against Bonus Issue)	0.17		0.17
		709.69	618.47
		<u>1,941.59</u>	<u>1,986.98</u>

\*Earmarked Balances represent the deposit maintained by Mashobra Resort Limited with a Nationalised Bank as per directions of the High Court in reference to the dispute with the Government of Himachal Pradesh.

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>21</b>			
<b>SHORT TERM LOANS AND ADVANCES</b>			
<b>Unsecured - Considered good</b>			
Advances recoverable in cash or in kind or for value to be received		341.21	275.17
Prepaid Expenses		153.73	120.40
Sundry Deposits		44.75	122.73
		<u>539.69</u>	<u>518.30</u>

	Rupees Million	As at 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>22</b>			
<b>OTHER CURRENT ASSETS</b>			
Interest Accrued on deposits		8.57	4.62
Assets held for disposal		0.48	0.11
Other Receivables - Considered good (Unsecured)		0.20	0.93
		<u>9.25</u>	<u>5.66</u>

## Notes to Accounts — Contd.

	Rupees Million	Year ended 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>23</b>			
<b>REVENUE FROM OPERATIONS</b>			
Rooms	7,174.93		6,618.76
Food and Beverage	6,964.27		6,772.01
Other Services	2,156.03		1,958.70
Sale of Printed Materials	603.61		539.98
Transport & Car Hire Charges	979.42		798.21
		17,878.26	16,687.66
Less: Excise Duty (on printed materials)		9.63	4.94
		<u>17,868.63</u>	<u>16,682.72</u>
<b>24</b>			
<b>OTHER INCOME</b>			
Interest		143.78	72.48
(Includes interest from Income tax ₹ 6.00 Million (2015 - ₹ Nil))			
Dividend			
From Others - Long Term Investments (Trade)		0.55	0.06
From Mutual Fund - Current Investments (Non-trade)		8.58	7.69
Miscellaneous Income		135.87	145.12
Profit on Sale/Discard of Assets (Net)		17.81	-
Gain on Exchange		87.61	-
Provisions/Liabilities Written Back		54.97	63.73
		<u>449.17</u>	<u>289.08</u>
<b>25</b>			
<b>CONSUMPTION OF PROVISIONS, WINES &amp; OTHERS</b>			
Opening Stock		209.19	242.47
Add : Purchases		2,382.94	2,180.80
		<u>2,592.13</u>	<u>2,423.27</u>
Less : Closing Stock		222.51	209.19
		<u>2,369.62</u>	<u>2,214.08</u>
<b>26</b>			
<b>EMPLOYEE BENEFIT EXPENSES</b>			
Salaries & Wages		3,990.30	3,646.21
Contribution to Provident Fund and Other Funds		272.67	202.78
Staff Welfare Expenses		406.33	411.91
		<u>4,669.30</u>	<u>4,260.90</u>

## Notes to Accounts — Contd.

	Rupees Million	Year ended 31st March	
		2016 Rupees Million	2015 Rupees Million
<b>27</b>			
<b>FINANCE COSTS</b>			
Interest Expense (includes interest capitalised ₹ Nil ( 2015 - ₹ 0.16 Million)		422.47	461.00
Other Borrowing Costs		1.69	0.84
		<b>424.16</b>	<b>461.84</b>
<b>28</b>			
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>			
Tangible Assets		1,690.42	1,675.34
Intangible Assets		12.40	2.73
		<b>1,702.82</b>	<b>1,678.07</b>
<b>29</b>			
<b>OTHER EXPENSES</b>			
Power & Fuel		1,318.93	1,332.85
Rent		338.53	327.67
Repairs & Maintenance :			
Buildings	244.32		229.25
Plant & Machinery	610.68		574.92
Others	101.78		119.66
		956.78	923.83
Insurance		85.72	70.71
Rates & Taxes		450.75	417.09
Expenses on Apartment & Board		319.09	307.11
Royalty		181.21	156.92
Advertisement, Publicity & Other Promotional Expenses		456.59	326.47
Commission to Travel Agents & others		383.06	346.40
Passage & Travelling		370.12	316.97
Postage, Telephone, etc.		108.26	104.09
Professional Charges		243.19	145.90
Linen, Uniform Washing & Laundry Expenses		61.56	55.53
Renewals & Replacement		110.81	125.16
Auditors' Remuneration		29.21	26.48
Car Hire Expenses		148.67	170.31
Musical, Banquet & Kitchen Expenses		93.92	97.56
Directors' Fees and Commission		108.50	101.55
Loss on Sale/Discard of Assets (Net)		10.09	10.63
Bad Debts & Advances Written Off		4.04	8.55
Provision for Doubtful Debts & Advances		80.23	3.38
CSR Expenses (Note 33)		25.11	31.99
Expenses on contracts for services		471.91	432.29
Miscellaneous Expenses		619.01	599.65
Loss on exchange (Net)		-	467.27
		<b>6,975.29</b>	<b>6,906.36</b>



## Notes to Accounts — Contd.

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>30</b>		
<b>EXCEPTIONAL ITEMS</b>		
Profit on sale of Property at Darjeeling, West Bengal	109.89	-
Profit on sale of Land at Delhi	126.10	-
Provision for diminution in value of investments in Golden Jubilee Hotels Private Limited	(418.58)	-
	<b>(182.59)</b>	<b>-</b>

**Note :** The Company's investments (Note 15) include holding of 16% equity shares in the capital of Golden Jubilee Hotels Private Limited (GJHPL). GJHPL has failed to service its debts. Some of the lending banks have recently recalled the loan given to GJHPL and declared the same as NPA. There is also winding up petition filed by a creditor. Company generally follows an accounting policy of making provision in case of permanent diminution only. However, considering the facts of the case, Company feels that the viability of GJHPL is at stake and provision has been made for abundant caution.

### 31

#### CURRENT TAX

Income Tax	700.26	695.72
Less: MAT Credit Entitlement	8.90	38.50
	<b>691.36</b>	<b>657.22</b>
Tax adjustment relating to earlier years after final assessment	0.49	(0.38)
	<b>691.85</b>	<b>656.84</b>

### 32. Contingent Liabilities and commitments (to the extent not provided)

#### (A) Contingent Liabilities not provided for in respect of:

- (i) Claims against the Company / Companies pending appellate/judicial decisions not acknowledged as debts:
  - (a) Value Added Tax ₹ 57.08 Million (2015 - ₹ 59.27 Million)
  - (b) Income-tax ₹ 357.12 Million (2015 - ₹ 874.09 Million)
  - (c) Tax deducted at Source - ₹ 0.43 Million (2015 - ₹ 15.02 Million)
  - (d) Service Tax - ₹ 160.97 Million (2015 - ₹ 180.83 Million)
  - (e) Property Tax ₹ 140.71 Million (2015 - ₹ 60.59 Million)
  - (f) Entertainment Tax ₹ 4.07 Million (2015 - ₹ 4.33 Million)
  - (g) Stamp Duty ₹ 10.23 Million (2015 - ₹ 10.23 Million)
  - (h) Expenditure Tax ₹ 0.10 Million (2015 - ₹ 0.10 Million)
  - (i) Customs Duty ₹ 429.66 Million (2015 - ₹ 429.66 Million)
  - (j) Excise Duty ₹ 26.31 Million (2015 - ₹ 95.84 Million)
  - (k) Luxury Tax ₹ 32.96 Million (2015 - ₹ 32.96 Million)
  - (l) Others ₹ 18.05 Million (2015 - ₹ 16.05 Million)
  - (m) EIH Limited has to meet certain export obligations in relation to import made under EPCG scheme. In case the Company is unable to meet such obligation, additional liability may accrue which cannot be estimated at present.

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

- (ii) Counter guarantees issued to banks and remaining outstanding ₹ 173.27 Million (2015 - ₹ 200.95 Million).

## Notes to Accounts — Contd.

- (B) Commitments:
- The estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 955.48 Million (2015 - ₹ 846.45 Million).
  - Investment commitment in subsidiary and joint venture companies ₹ NIL (2015 - ₹ 100.10 Million).
  - Other commitments including estimated hotel renovation cost which is yet to be contracted ₹ 4,488.60 Million (2015 - ₹ Nil).

### 33. CSR Expenses

- (a) Some of the Companies within the group were required to spend amounts totalling to ₹ 27.11 Million (2015 - ₹ 32.31 Million) on account of CSR activities during the year ended 31st March, 2016.
- (b) Details of amounts spent on account of CSR activities during the year ended 31st March, 2016 are given below:

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
SOS Children's Villages of India	15.67	15.13
Prime Minister's National Relief Fund	-	14.73
Helpage India	4.10	-
Expenses on promoting education, setting up homes & hostels for differently abled children at Dhalli in the district of Shimla, Himachal Pradesh	-	1.12
Expenses for Swachh Bharat Abhiyan	2.91	1.01
Child Fund-Reading Improvement Programme	0.49	-
Repair work at school for visually impaired at Dhalli in the District of Shimla, Himachal Pradesh	1.48	-
Repair work at Primary School at village at Chharabara in the District of Shimla, Himachal Pradesh	0.46	-
	<b>25.11</b>	<b>31.99</b>

34. Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 are based on information made available to the Company. Neither there was any delay in payment nor any interest is due and remaining unpaid on the above.
35. Capital Work-In-Progress shown in the Balance Sheet inter-alia includes ₹ 630.93 Million, being the cost of a building under construction by EIH Limited. Under a Tripartite Agreement amongst the Company, DLF Cyber City Developers Limited and DLF Limited the building is being constructed by the Company on the Land which belongs to DLF Cyber City Developers Limited. After the completion of construction the same building will be acquired by the Company at an agreed value as per the terms of agreement and DLF Cyber City Developers Limited will execute necessary deed of conveyance.
36. (a) EIH Limited, Mumtaz Hotels Limited and Mashobra Resort Limited have adopted useful life of fixed assets as stipulated by Schedule II of the Companies Act, 2013 except for the hotel buildings for computing depreciation. In the case of the hotel buildings of the 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 of the Company ranges between 50-60 years except for The Oberoi Vanyavilas where the balance useful life is 30 years. The carrying amount of each of the hotel buildings is being depreciated over its residual life.

In case of Mercury Car Rentals Private Limited, the Company has applied the estimated useful lives as mentioned in Schedule-II of the Companies Act, 2013, except in respect of vehicles.

The management based on its internal assessment and independent evaluation carried out by an external valuer believes that the useful life of following assets best represents the period over which the management expects to use these assets.

Particulars	Useful life considered	Residual Value
Vehicles - Rent-a-Cab	42 - 48 months	25 - 27.5% of the cost
Vehicles - operating lease	12 to 60 months	35 to 70% of the cost

## Notes to Accounts — Contd.

- (b) In case of the foreign subsidiary companies and jointly controlled entity the assets are depreciated on a straight line basis over the estimated useful life of the respective assets. The residual lives are reviewed every year and adjustments, if required, are made accordingly. Such rates of depreciation differ from those applied by the Company and its domestic subsidiary companies, jointly controlled entities and associate, the impact of which has not been ascertained.
37. EIH Limited's investment in the Equity shares of EIH Flight Services Ltd., Mauritius is of long term in nature and the management does not consider the present decline in the value of investment as permanent in nature. During the year EIH Limited has made a contribution of ₹ 636.99 Million towards the equity of EIH Flight Services Ltd., Mauritius. As such no adjustment has been made to modify the carrying cost in the accounts of EIH Limited.
38. In case of EIH Limited, Mumtaz Hotels Limited and Mashobra Resort Limited, the method of determining cost for valuation of Inventories has been changed from 'First-in-First out' to 'Cumulative Weighted Average' during the current year. As a result of this change, the profit of the Group for the year ended 31st March, 2016 is higher by ₹ 3.43 Million. Unserviceable/damaged/discarded stocks and shortages are charged to the Statement of Profit and Loss as per past practice.
39. Fixed Assets as on 31st March, 2016 includes assets acquired under Finance Lease amounting to ₹ 158.54 Million (2015 - ₹ 143.51 Million). These include an amount of ₹ 36.29 Million (2015 - ₹ 54.65 Million) being assets acquired during the year under finance lease and capitalised in line with the requirements of Accounting Standard (AS-19). Depreciation for the year includes an amount of ₹ 34.22 Million (2015 - ₹ 33.94 Million) being depreciation charged on these assets.

The year-wise break up of the outstanding lease obligations as on 31st March, 2016 in respect of these assets are as under:

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>Assets taken on lease</b>		
Total minimum lease payments at the year end	101.86	101.81
Present value of minimum lease payments	82.32	80.44
<b>Not later than one year</b>		
Minimum Lease payments	41.20	38.66
Present value	37.37	34.74
<b>Later than one year but not later than five years</b>		
Minimum Lease Payments	60.66	63.15
Present value	44.95	45.70
<b>Later than five years</b>		
Minimum Lease Payments	--	--
Present value	--	--

## Notes to Accounts — Contd.

40. Disclosures in respect of Company's operating lease arrangements entered on or after 1st April, 2001 under Accounting Standard (AS-19) on Leases.

- a) 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 :-

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
As Lessor		
Not later than one year	48.98	112.54
Later than one year but not later than five years	30.88	76.86
Later than five years	57.85	67.78

Rent in respect of the above is credited to the Statement of Profit and Loss.

- (b) The Company has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services 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. The future minimum lease payments payable by the company for office space taken under non-cancellable operating lease, are as under:-

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
As Lessee		
Not later than one year	-	1.75
Later than one year but not later than five years	-	-
Later than five years	-	-

Rent in respect of the above is charged to the Statement of Profit and Loss.

- (c) Mercury Car Rentals Private Limited (MCRPL) in which EIH Limited has 40% ownership interest, has provided vehicles on operating lease to customers. Gross Block of Fixed Assets of MCRPL includes vehicles given on operating lease as at 31st March 2016 aggregating to ₹ 3,411.52 Million (2015 - ₹ 1,974.48 Million). Depreciation for the year of MCRPL includes an amount of ₹ 415.53 Million (2015 - ₹ 204.25 Million) being depreciation charged on these Assets given on such operating lease.

The year-wise breakup of the total future minimum lease receivable in respect of the vehicles given on operating lease are as under:

Description	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
Total Future Lease payments as at 31.03.2016	1,915.62	1,292.36
Not Later than one year	774.81	471.73
Later than 1 year but less than 5 years	1,140.81	820.63
Later than 5 years	Nil	Nil

41. The Group has adopted Accounting Standard 15 (AS 15) (revised 2005) on "Employee Benefits". These Consolidated Financial Statements include the obligations as per requirement of this standard and for those subsidiaries which are incorporated outside India on the basis of valuation / provision for employee benefits as per requirements of their respective countries.

## Notes to Accounts — Contd.

42. (a) Inventory of Provisions, Wines & Others includes Stock of Paper, Ink etc. at year end ₹ 48.40 Million (2015 - ₹ 49.05 Million).  
 (b) Consumption of Provisions, Wines and Others includes consumption of Paper, Ink etc. ₹ 363.11 Million (2015 - ₹ 386.24 Million).  
 (c) Inventory of Stores & Operating Supplies includes Boutique Stock at year end ₹ 13.31 Million (2015 - ₹ 10.02 Million). Corresponding opening stock was ₹ 10.02 Million (2015 - ₹ 10.08 Million).  
 (d) Other Services includes revenue from sale of Boutique Stock ₹ 103.43 Million (2015 - ₹ 115.95 Million).  
 (e) Purchases includes purchase of Boutique Stock ₹ 61.94 Million (2015 - ₹ 77.59 Million).

43. 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 Company 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. The Company vide its letter dated 4th April, 2012 requested MRL to account for the entire amount of ₹ 1,361.93 Million provided to MRL upto 31st March, 2012 as 'Advance Towards Equity', including ₹ 130.00 Million being the opening balance of 'Advance Towards Equity'. In view of the above, the Company has shown the said amount of ₹ 1,361.93 Million as 'Advance Towards Equity' in its books.

The High Court has now passed an order dated 25th February, 2016 which was made available to the Company in the month of May 2016. As per the order, the High Court has decided not to interfere with the order of the Arbitrator. The Company has decided to file appeal to the higher authorities against the said order.

44. As Oberoi Kerala Hotels & Resorts Limited will not commence any construction / operation of the hotel on the freehold land at Thekkady having a cost of ₹ 17.18 Million, the Company has taken a decision for its disposal. Necessary approvals are still awaited from Government of Kerala as the matter is under their active consideration. However, the accounts have been drawn up on going concern basis. On receipt of approval from Government of Kerala, this would be treated as Current Assets.

	Year ended 31st March	
	2016 Rupees Million	2015 Rupees Million
<b>45. Earnings per Equity share :</b>		
Net Profit after Tax	<b>1,232.90</b>	631.00
Weighted average number of Equity shares outstanding	<b>571,569,414</b>	571,569,414
Earnings per equity share of face value ₹ 2 (in Rupees)		
- Basic	<b>2.16</b>	1.10
- Diluted	<b>2.16</b>	1.10

46. The Oberoi, New Delhi, one of the hotels of EIH Limited has been closed from 1st April, 2016 for major renovation and is expected to be ready by 1st April, 2018. Revenue earned by the hotel during the year ended 31st March, 2016 was ₹ 1,966.63 Million and the Net Worth as on that date was ₹ 980.51 Million.

47. Other Long Term Liabilities and Other Current Liabilities inter alia include advances of ₹ 35.40 Million (2015 - ₹ 25.75 Million) received by Mercury Car Rentals Private Limited against the residual value of the vehicles in fixed sums which would be adjusted when the vehicle will be transferred / sold to parties.

48. Advances in note 21 include cost of land of ₹ 5.19 Million acquired by the Uttar Pradesh Shasan Van Anubhag In case of Mumtaz Hotels Limited. The Company's claim for compensation is pending adjudication before the Additional District Judge, Agra, Uttar Pradesh.

## Notes to Accounts — *Contd.*

49. The details of transactions entered into with Related Parties during the year are as follows :

**(A) NAMES OF THE RELATED PARTIES**

<b>(I) Associates &amp; Joint Ventures</b>	<b>Country of Incorporation</b>
(i) EIH Associated Hotels Limited	India
(ii) Oberoi Mauritius Ltd	British Virgin Islands
(iii) Island Resort Ltd	Mauritius
(iv) Mercury Car Rentals Private Limited	India
<b>(II) Enterprises in which Key Management Personnel have significant influence</b>	<b>Country of Incorporation</b>
(i) Oberoi Hotels Private Limited	India
(ii) Oberoi Properties Private Limited	India
(iii) Oberoi Holdings Private Limited	India
(iv) Oberoi Investments Private Limited	India
(v) Oberoi Buildings and Investments Private Limited	India
(vi) Oberoi Plaza Private Limited	India
(vii) Oberoi Leasing & Finance Company Private Limited	India
(viii) Oberoi Holdings Hongkong Ltd	Hong Kong
(ix) Oberoi Investments (BVI) Ltd	British Virgin Islands
(x) Oberoi Services International Ltd	British Virgin Islands
(xi) Oberoi Services Pte. Ltd	Singapore
(xii) Saudi Oberoi Co. Ltd.	Saudi Arabia
(xiii) Oberoi International LLP	India
(xiv) Aravali Polymers LLP	India
(xv) Bombay Plaza Private Limited	India
(xvi) Golden Jubilee Hotels Private Limited	India
(xvii) Mercury Travels Limited	India
(xviii) Mercury Himalayan Exploration Limited	India
(xix) B I Publications Private Limited	India
(xx) Vikramaditya Exports Private Limited	India
<b>(III) Key Management Personnel</b>	
(i) Mr. P.R.S. Oberoi	- Executive Chairman
(ii) Mr. S.S. Mukherji	- Executive Vice Chairman
(iii) Mr. V.S. Oberoi	- Managing Director and Chief Executive Officer
(iv) Mr. A.S. Oberoi	- Managing Director Development
(v) Mr. Biswajit Mitra	- Chief Financial Officer
(vi) Mr. S.N.Sridhar	- Company Secretary

## Notes to Accounts — Contd.

**(B) Transactions with Related Parties for the year ended 31st March, 2016 and Outstanding Balances as on 31st March, 2016**

NATURE OF TRANSACTIONS	(Rupees Million)					
	Associate & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel / Relative of Key Management Personnel	
	2016	2015	2016	2015	2016	2015
<b>PURCHASES</b>						
<b>Purchase of Goods &amp; Services</b>						
Mercury Car Rentals Private Limited	68.83	61.02	-	-	-	-
EIH Associated Hotels Limited	15.78	11.01	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	2.16	1.15	-	-
Mercury Travels Limited	-	-	69.11	69.36	-	-
Island Resort Ltd	0.66	0.18	-	-	-	-
Oberoi Hotels Private Limited	-	-	0.02	0.05	-	-
Oberoi International LLP	-	-	2.03	2.90	-	-
<b>Total</b>	<b>85.27</b>	<b>72.21</b>	<b>73.32</b>	<b>73.46</b>	<b>-</b>	<b>-</b>
<b>Purchase of Fixed Assets</b>						
EIH Associated Hotels Limited	0.29	0.57	-	-	-	-
<b>Total</b>	<b>0.29</b>	<b>0.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>						
<b>Rent</b>						
EIH Associated Hotels Limited	1.41	1.21	-	-	-	-
Oberoi Hotels Private Limited	-	-	0.36	0.36	-	-
Mrs. Goodie Oberoi, W/o Mr. P.R.S.Oberoi	-	-	-	-	0.36	0.36
<b>Total</b>	<b>1.41</b>	<b>1.21</b>	<b>0.36</b>	<b>0.36</b>	<b>0.36</b>	<b>0.36</b>
<b>Royalty</b>						
Oberoi Hotels Private Limited	-	-	144.38	133.53	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>144.38</b>	<b>133.53</b>	<b>-</b>	<b>-</b>
<b>Remuneration</b>						
Mr. P.R.S. Oberoi	-	-	-	-	35.84	34.15
Mr.S.S. Mukherji	-	-	-	-	37.88	52.02
Mr. V.S.Oberoi	-	-	-	-	34.18	27.17
Mr. A.S. Oberoi	-	-	-	-	36.80	26.50
Mr. Samit Guha*	-	-	-	-	-	6.73
Mr. Biswajit Mitra	-	-	-	-	9.57	2.21
Mr. S N Sridhar	-	-	-	-	6.43	6.58
Ms. Priyanka Mukherjee, D/o Mr. S.S. Mukherji	-	-	-	-	1.42	1.51
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162.12</b>	<b>156.87</b>
<i>*Chief Financial Officer upto 28th November 2014</i>						
<b>SALES</b>						
<b>Sale of Goods and Services</b>						
Mercury Car Rentals Private Limited	18.92	5.98	-	-	-	-
EIH Associated Hotels Limited	303.36	297.14	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	99.49	92.52	-	-
Mercury Travels Limited	-	-	16.87	9.10	-	-
Island Resort Ltd	2.21	3.20	-	-	-	-
Oberoi Hotels Private Limited	-	-	1.17	0.71	-	-
Silhouette Beauty Salon (Owned by Mrs Prem Mehra, sister of Mr P.R.S. Oberoi)	-	-	-	-	0.39	0.30
<b>Total</b>	<b>324.49</b>	<b>306.32</b>	<b>117.53</b>	<b>102.33</b>	<b>0.39</b>	<b>0.30</b>
<b>Sale of Fixed Assets</b>						
EIH Associated Hotels Limited	-	0.23	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INCOME</b>						
<b>License Agreement</b>						
Mercury Car Rentals Private Limited	1.15	0.96	-	-	-	-
EIH Associated Hotels Limited	0.24	0.24	-	-	-	-
Oberoi Holdings Private Limited	-	-	1.48	1.49	-	-
Oberoi Investments Private Limited	-	-	0.78	0.83	-	-
Oberoi Buildings & Investments Private Limited	-	-	1.94	2.04	-	-
Oberoi Plaza Private Limited	-	-	3.43	3.39	-	-
Bombay Plaza Private Limited	-	-	2.68	2.52	-	-
Mercury Travels Limited	-	-	3.72	4.11	-	-
Silhouette Beauty Salon (Owned by Mrs Prem Mehra, sister of Mr P.R.S. Oberoi)	-	-	-	-	17.13	15.78
<b>Total</b>	<b>1.39</b>	<b>1.20</b>	<b>14.03</b>	<b>14.38</b>	<b>17.13</b>	<b>15.78</b>
<b>Management Contract</b>						
EIH Associated Hotels Limited	172.07	156.36	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	41.22	28.33	-	-
<b>Total</b>	<b>172.07</b>	<b>156.36</b>	<b>41.22</b>	<b>28.33</b>	<b>-</b>	<b>-</b>

## Notes to Accounts — Contd.

NATURE OF TRANSACTIONS	(Rupees Million)					
	Associate & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel / Relative of Key Management Personnel	
	2016	2015	2016	2015	2016	2015
<b>Dividend Received</b>						
EIH Associated Hotels Limited	67.29	33.65	-	-	-	-
Mercury Travels Limited	-	-	0.51	-	-	-
<b>Total</b>	<b>67.29</b>	<b>33.65</b>	<b>0.51</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCE</b>						
<b>PAYMENTS</b>						
<b>Refund of Collections to Related Party</b>						
Mercury Car Rentals Private Limited	0.04	-	-	-	-	-
EIH Associated Hotels Limited	158.72	123.13	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	0.12	0.19	-	-
Oberoi Hotels Private Limited	-	-	0.15	0.54	-	-
<b>Total</b>	<b>158.76</b>	<b>123.13</b>	<b>0.27</b>	<b>0.73</b>	<b>-</b>	<b>-</b>
<b>Expenses reimbursed to Related Party</b>						
EIH Associated Hotels Limited	15.17	11.71	-	-	-	-
Oberoi Hotels Private Limited	-	-	2.51	-	-	-
Golden Jubilee Hotels Private Limited	-	-	0.27	0.86	-	-
Mercury Travels Limited	-	-	1.18	-	-	-
<b>Total</b>	<b>15.17</b>	<b>11.71</b>	<b>3.96</b>	<b>0.86</b>	<b>-</b>	<b>-</b>
<b>RECEIPTS</b>						
<b>Recovery of Collections by Related Party</b>						
Mercury Car Rentals Private Limited	0.14	-	-	-	-	-
EIH Associated Hotels Limited	27.37	-	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	0.08	-	-	-
<b>Total</b>	<b>27.51</b>	<b>-</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses Reimbursed by Related Party</b>						
Mercury Car Rentals Private Limited	0.85	-	-	-	-	-
EIH Associated Hotels Limited	14.03	13.86	-	-	-	-
Oberoi Hotels Private Limited	-	-	0.51	0.07	-	-
Golden Jubilee Hotels Private Limited	-	-	0.74	1.20	-	-
<b>Total</b>	<b>14.88</b>	<b>13.86</b>	<b>1.25</b>	<b>1.27</b>	<b>-</b>	<b>-</b>
<b>OUTSTANDING BALANCES</b>						
<b>PAYABLES</b>						
<b>For Goods &amp; Services</b>						
Mercury Car Rentals Private Limited	6.49	4.71	-	-	-	-
EIH Associated Hotels Limited	4.96	2.10	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	0.21	-	-	-
Mercury Travels Limited	-	-	4.68	4.29	-	-
Island Resort Ltd	0.12	0.01	-	-	-	-
Oberoi Investments Private Limited	-	-	-	0.05	-	-
Oberoi International LLP	-	-	0.31	0.38	-	-
<b>Total</b>	<b>11.57</b>	<b>6.82</b>	<b>5.20</b>	<b>4.72</b>	<b>-</b>	<b>-</b>
<b>Royalty</b>						
Oberoi Hotels Private Limited	-	-	33.10	34.45	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>33.10</b>	<b>34.45</b>	<b>-</b>	<b>-</b>
<b>Security Deposit</b>						
Bombay Plaza Private Limited	-	-	0.50	0.50	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.50</b>	<b>0.50</b>	<b>-</b>	<b>-</b>
<b>LOANS &amp; ADVANCES AND RECEIVABLES</b>						
<b>For Goods &amp; Services</b>						
Mercury Car Rentals Private Limited	2.58	0.29	-	-	-	-
EIH Associated Hotels Limited	12.10	24.45	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	82.07 *	92.70	-	-
Mercury Travels Limited	-	-	4.34	0.47	-	-
Island Resort Ltd	-	1.66	-	-	-	-
Oberoi Hotels Private Limited	-	-	0.38	0.11	-	-
Bombay Plaza Private Limited	-	-	0.02	-	-	-
Silhouette Beauty Salon (Owned by Mrs Prem Mehra, sister of Mr P.R.S. Oberoi)	-	-	-	-	0.63	0.02
<b>Total</b>	<b>14.68</b>	<b>26.40</b>	<b>86.81</b>	<b>93.28</b>	<b>0.63</b>	<b>0.02</b>
<b>Management Contract</b>						
EIH Associated Hotels Limited	73.52	50.28	-	-	-	-
Golden Jubilee Hotels Private Limited	-	-	14.04	10.03	-	-
<b>Total</b>	<b>73.52</b>	<b>50.28</b>	<b>14.04</b>	<b>10.03</b>	<b>-</b>	<b>-</b>

\*Out of this, ₹ 76.34 Million has been provided as doubtful debt.



## Notes to Accounts — Contd.

50. Financial Reporting of Interest in Joint Ventures :  
Disclosure pursuant to Para 51,52,53 & 54 of Accounting Standard (AS-27) is given below.

Name and Country of Incorporation of the Jointly Controlled Entities	Proportion of ownership Interests (%)	Description of Interest	(Rupees Million)			
			Aggregate amount related to EIH Limited's interest in jointly controlled entities			
			Total Assets	Total Liabilities	Total Income	Total Expenses
Oberoi Kerala Hotels & Resorts Limited (India)	80.00	Jointly Controlled Entity	17.56	17.56	0.51	0.35
Mashobra Resort Limited (India)	78.79	- do -	1,112.93	1,112.93	360.66	206.64
Mumtaz Hotels Limited (India)	60.00	- do -	705.63	705.63	579.69	316.67
Mercury Car Rentals Private Limited (India)	40.00	- do -	1,908.61	1,908.61	1,112.52	1,070.64
Oberoi Mauritius Limited (British Virgin Islands)	50.00	- do -	1,577.28	1,577.28	385.02	358.36

- EIH Limited has neither incurred any contingent liability in relation to its interests in joint ventures nor incurred any contingent liability jointly with other venturers.
- EIH Limited's share of the contingent liabilities of the joint ventures themselves ₹ 94.39 Million (2015 - ₹ 80.24 Million)
- EIH Limited is not liable for the liabilities of the other venturers of any joint venture.
- EIH Limited has a capital commitment for ₹ NIL (2015 - ₹ 100.10 Million) in relation to its interest in joint ventures and there are no other capital commitments that have been incurred jointly with other venturer.
- EIH Limited's share of capital commitments of the joint ventures themselves amounts to ₹ 37.10 Million (2015 - ₹ 23.19 Million).

## Notes to Accounts — Contd.

### 51. Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of the entity	(Rupees Million)			
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
<b>Parent</b>				
EIH Limited	87.21	19,027.22	56.14	759.99
<b>Subsidiaries</b>				
<b>Indian</b>				
1 Mumtaz Hotels Limited	0.42	90.95	12.83	173.63
2 Mashobra Resort limited	(0.34)	(75.23)	9.41	127.34
3 Oberoi Kerala Hotels & Resorts Limited	0.07	15.14	0.01	0.09
<b>Foreign</b>				
1 EIH Flight Services Ltd., Mauritius	(3.92)	(856.26)	(7.25)	(98.17)
2 EIH International Ltd.	2.21	482.60	1.22	16.45
3 EIH Holdings Ltd.	11.68	2,549.56	1.61	21.81
4 J & W Hongkong Limited	-	-	-	-
5 EIH Corporation Limited	-	-	-	-
6 EIH Investments N.V.	(0.08)	(17.00)	(0.17)	(2.29)
7 EIH Management Services B.V.	(3.47)	(756.87)	2.42	32.82
8 PT Widja Putra Karya	0.64	140.08	0.89	12.06
9 PT Waka Oberoi Indonesia	(7.51)	(1,638.49)	(0.82)	(11.12)
10 PT Astina Graha Ubud	0.47	102.68	-	-
Minority Interests in all subsidiaries	4.08	890.81	8.93	120.94
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
1 EIH Associated Hotels Limited	6.89	1,504.02	10.42	141.22
<b>Joint Ventures (as per proportionate consolidation method)</b>				
<b>Indian</b>				
1 Mercury Car Rentals Private Limited	1.79	389.86	2.71	36.70
<b>Foreign</b>				
1 Oberoi Mauritius Limited	(0.14)	(30.65)	1.65	22.37

**Note 52  
Annexure  
Form AOC-I**

**(PURSUANT TO FIRST PROVISIO 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**

	1	2	3	4	5	6	7	8	9	10	11	12	13	
	Sl. No.	(Rupees Million)												
1	Name of the subsidiary	Maashora Resort Limited	Mumtaz Hotels Limited	Oberoi Kerala Hotels and Resorts Limited	EIH International Ltd.	EIH Holdings Ltd	J & W Hong Kong Limited	EIHH Corporation Limited	EIH Investments NV	EIH Management Services BV	PT Widia Putra Karya	PT Waka Oberoi Indonesia	PT Astina Graha Ubud	EIH Flight Services Ltd.
2	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	N/A
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries				US\$	US\$	US\$	US\$	US\$	Euro	US\$	US\$	US\$	Mauritian Rupees
4	Closing rate				65.82	65.82	65.82	65.82	65.82	74.39	65.82	65.82	65.82	1.80
5	Average rate				65.31	65.31	65.31	65.31	65.31	72.10	65.31	65.31	65.31	1.77
6	Share capital	330.00	206.50	27.20	6,358.73	2,440.98	658.20	658.20	0.39	1.35	43.42	753.64	171.13	636.08
7	Reserves & surplus	(405.23)	589.67	(8.28)	(353.09)	376.69	-	-	9.50	(0.07)	162.65	(2,392.13)	-	(1,295.48)
8	Total assets	1,412.53	1,176.06	21.95	6,020.85	2,822.56	658.20	658.20	1,083.33	1,057.60	309.20	163.43	405.41	665.91
9	Total Liabilities	1,412.53	1,176.06	21.95	6,020.85	2,822.56	658.20	658.20	1,083.33	1,057.60	309.20	163.43	405.41	665.91
10	Investments	-	-	-	5,573.32	788.29	658.20	658.20	26.89	757.47	-	-	-	-
11	Turnover	457.75	966.16	0.64	95.39	167.18	3.41	3.41	15.56	20.56	467.92	201.77	-	414.20
12	Profit before taxation	195.48	438.37	0.20	92.19	46.60	3.41	3.41	23.10	56.26	46.66	(5.34)	-	(104.87)
13	Provision for taxation	68.13	148.98	0.09	-	2.26	-	-	0.30	-	24.65	-	-	-
14	Profit after taxation	127.34	289.39	0.11	92.19	44.34	3.41	3.41	22.80	56.26	22.00	(5.34)	-	(104.87)
15	Proposed Dividend	-	103.25	-	-	-	-	-	-	-	-	-	-	-
15	% of shareholding	78.79%	60.00%	80.00%	100.00%	100.00%	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
- > EIHH Corporation Limited
- > PT Astina Graha Ubud

2. Names of subsidiaries which have been liquidated or sold during the year :

- > EIH Marrakech Ltd

**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)		
	EIH Associated Hotels Limited	Mercury Car Rentals Private Limited	Oberoi Mauritius Limited*
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end			
Number	11,215,118	12,117,652	7,375,001
Amount of Investment in Associates/Joint Venture	1,010.72	308.25	4,854.23
Extent of Holding %	36.81%	40%	50%
3. Description of how there is significant influence	More than 20% Shareholding	N.A.	N.A.
4. Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated
6. Networth attributable to Shareholding as per latest audited Balance Sheet	898.46	389.86	454.78
7. Profit / Loss for the year			
i. Considered in Consolidation	141.22	36.70	22.37
ii. Not Considered in Consolidation	242.43	55.05	26.87

\*Includes its 92.91% subsidiary company, Island Resort Limited.

1. Names of associates or joint ventures which are yet to commence operations : None
2. Names of associates or joint ventures which have been liquidated or sold during the year : None

53. The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

P.R.S. OBEROI  
Executive Chairman

VIKRAM OBEROI  
Managing Director and Chief Executive Officer

L. GANESH  
Director

Gurgaon, 26th May, 2016

BISWAJIT MITRA  
Chief Financial Officer

S.N. SRIDHAR  
Company Secretary



## The Oberoi Group

### OBEROI HOTELS & RESORTS

#### INDIA

Agra	The Oberoi Amarvilās
Bangalore	The Oberoi
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
-----------	------------

#### SAUDI ARABIA

Madina	Madina Oberoi
--------	---------------

#### UAE

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 OPENING FOURTH QUARTER 2016 OR UNDER CONSTRUCTION**

#### **INTERNATIONAL**

Marrakech, Morocco	The Oberoi
Al Zorah, UAE	The Oberoi
Casablanca, Morocco	The Oberoi (Under construction)

#### **INDIA**

Chandigarh	The Oberoi (Opening fourth quarter of 2016)
Rajgarh Palace, Madhya Pradesh	The Oberoi, Rajgarh (Under construction)
Bangalore	The Oberoi (Pending approval of new planning guidelines)
Goa	The Oberoi (Awaiting planning approval)