

EIH LIMITED

A member of  *The Oberoi Group*

Annual Report 2016-2017



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 2016 by World Travel Awards

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

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

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

The images in the Annual Report showcase the attention to design detail and traditional and authentic craftsmanship that makes each Oberoi hotel special and unique.

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

BOARD OF DIRECTORS

Mr. P.R.S. Oberoi
Executive Chairman

Mr. S.S. Mukherji
Executive Vice Chairman

Mr. Vikram Oberoi
Managing Director 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

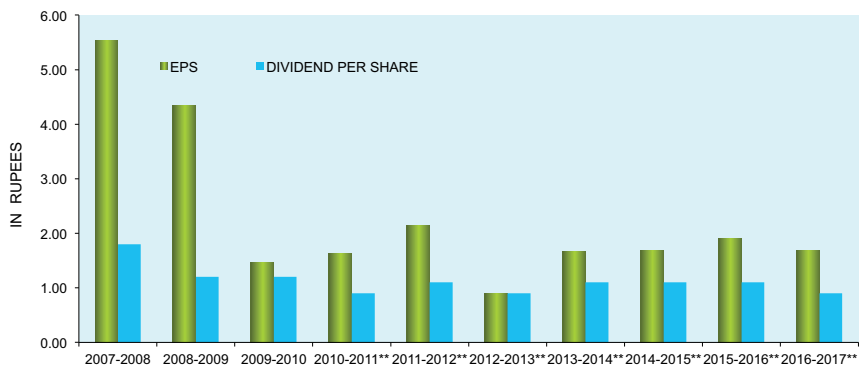
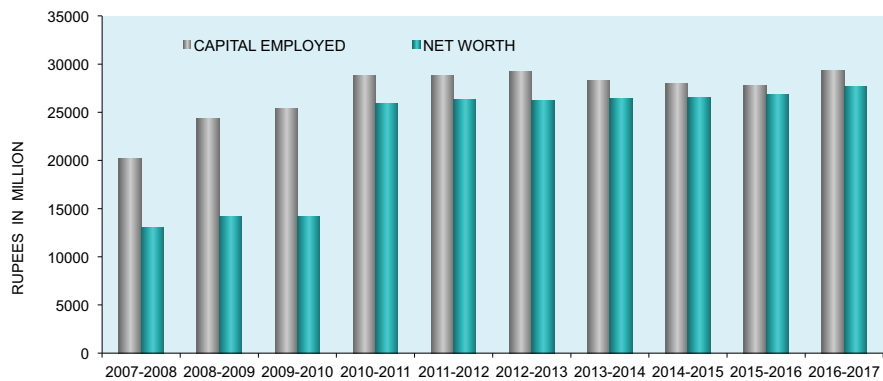
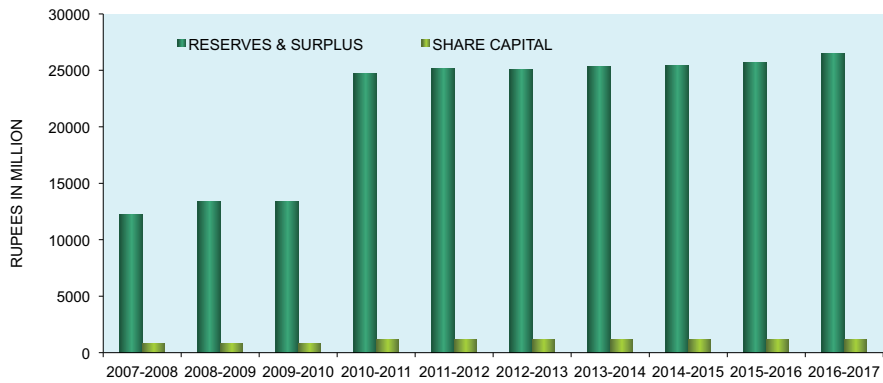
We are committed to the growth, development and welfare of our people upon whom we rely to make this happen.

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

(Conversion Rate : INR 100 = US \$1.513)

	2007 - 2008		2008 - 2009		2009 - 2010		2010 - 2011		2011 - 2012		2012-2013		2013-2014		2014-2015		2015-2016		2016-2017			
	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$		
FOR THE YEAR																						
1. GROSS REVENUE	11551	175	10785	163	9073	137	11429	173	11622	176	11770	178	12789	193	13730	208	14696	222	13768	208		
2. PROFIT BEFORE TAX	3498	53	2733	41	890	13	855	13	1550	23	718	11	1448	22	1512	23	1649	25	1279	19		
3. PROFIT AFTER TAX	2172	33	1704	26	572	9	645	10	1224	19	510	8	950	14	966	15	1090	16	965	15		
4. TOTAL COMPREHENSIVE INCOME FOR THE YEAR																						
5. DIVIDEND	707	11	472	7	472	7	514	8	629	10	514	8	629	10	629	10	629	10	514	8	884	13
6. RETAINED EARNINGS	1798	27	1696	26	705	11	934	14	1435	22	935	14	1248	19	1492	23	1441	22	1415	21	514	8
7. FOREIGN EXCHANGE EARNINGS	5973	90	5009	76	3149	48	4795	73	4630	70	4825	73	5765	87	5148	78	5625	85	4255	64	884	13
AT YEAR END																						
8. GROSS FIXED ASSETS	21520	326	24158	366	26606	403	27255	412	28059	425	28658	434	29101	440	29334	444	18993	287	20990	318	20990	318
9. SHARE CAPITAL	786	12	786	12	786	12	1143	17	1143	17	1143	17	1143	17	1143	17	1143	17	1143	17	1143	17
10. RESERVES AND SURPLUS	12249	185	13390	203	13385	203	24735	374	25208	381	25106	380	25333	383	25430	385	25735	389	26538	402	26538	402
11. NET WORTH	13035	197	14176	214	14171	214	25878	392	26352	399	26249	397	26476	401	26573	402	26878	407	27682	419	27682	419
12. BORROWINGS	8129	123	10230	155	12595	191	8240	125	2601	39	3754	57	2764	42	2039	31	2449	37	2860	43	2860	43
13. CAPITAL EMPLOYED	20153	305	24406	369	25384	384	28868	437	28852	437	29249	443	28326	429	28023	424	27828	421	29382	445	29382	445
PER SHARE (₹)																						
14. NET WORTH PER EQUITY SHARE	33.17	0.50	36.08	0.55	36.06	0.55	45.28*	0.69	46.10*	0.70	45.92*	0.69	46.32*	0.70	46.49*	0.70	47.03*	0.71	48.43*	0.73	48.43*	0.73
15. EARNINGS PER EQUITY SHARE	5.53	0.08	4.34	0.07	1.46	0.02	1.63*	0.02	2.14*	0.03	0.89*	0.01	1.66*	0.03	1.69*	0.03	1.91*	0.03	1.69*	0.03	1.69*	0.03
16. DIVIDEND PER EQUITY SHARE	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	0.90*	0.01	0.90*	0.01
RATIO																						
17. DEBT: EQUITY RATIO	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		0.10:1		0.10:1	

* 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 17 are inclusive of Revaluation Reserve balance as at year end.
- b) Figures have been regrouped/rearranged wherever necessary.
- c) Figures pertaining to the years 2015-16 and 2016-17 are in accordance with Ind AS while figures pertaining to the years upto 2014-15 are in accordance with previous GAAP.

EXECUTIVE CHAIRMAN'S REVIEW

Ladies and Gentlemen,

Last year was an eventful year for the Travel and Tourism industry. The World Travel and Tourism Council's (WTTC's) Economic Impact 2017 Study shows that global tourism grew by 3.3% in 2016. This is a remarkable achievement despite significant challenges facing the global economy. Other serious challenges are terrorism, protectionist postures by several nations, geo-political uncertainties and currency fluctuations. Terrorist attacks are increasing due to misplaced ideologies. It is no longer the bane of traditionally turbulent parts of the globe but is now increasingly prevalent in the heart of the western world. Geo-political uncertainties such as Brexit may have destabilizing effect on the European Travel and Tourism industry.

Prime Minister Modi's demonetisation scheme was a bold initiative. Demonetisation created unprecedented uncertainties and hardships for some people but the public at large appears to have taken the Prime Minister's initiative positively. The strong showing of BJP in the last UP State elections was a referendum on Prime Minister Modi's popularity.

The Real Estate Regulation Act (RERA) came into effect from 1st May 2017. The implementation of RERA will go a long way to rebuild confidence in the important real estate sector and encourage foreign investment in infrastructure projects such as housing etc. This policy bodes well for development of the country.

The Reserve Bank's announcements encouraging public sector banks to increase provisioning on distressed loans, take haircuts and undertake sale of underlying assets will have a positive effect on the banking system and enable the banks to extend lending in the long run.

The introduction of the Good and Services Tax (GST) on 1st July 2017 will have an adverse impact on the Travel and Tourism industry. The announcement that hotels charging over ₹ 7,500 in room charges will attract 28% GST will be detrimental to tourism and employment in the hospitality industry.

We must do more to increase tourism from neighbouring Asian countries. Shorter flights, briefer holidays and unique experiences should increase visitors to India. Chinese nationals are travelling in vast numbers to Thailand, Singapore, Vietnam and other South Asian destinations. We must do more to attract visitors from China.

International travellers contribute over US\$ 25 billion in foreign currency. As per WTTC, India is presently the 3rd largest domestic aviation market with 100 million domestic passengers. Due to increasing affluence of the Indian middle class, it is expected that air travel will increase exponentially. It is well known that India is

not getting its fair share of international travellers. Travel destinations such as Thailand, Singapore, Indonesia, Hong Kong, China and the United Arab Emirates have left us far behind in attracting foreign visitors. The Indian Travel and Tourism industry and the Government must do more to promote India as a unique travel destination.

The Travel and Tourism industry contributes approximately 33% of India's foreign exchange earnings and has the highest employment potential as compared to other sectors. In the past year, Travel and Tourism employed more than 40 million people; thus contributing to 9.3% of total employment in the country which is expected to rise to 50 million jobs by the year 2027 (9.6% of total). The industry plays a very important role in not only employment but integrates society and drives development.

The Oberoi Group continues to excel as a prominent hotel company. In the year 2016, The Oberoi Brand was recognized as the World's Best Hotel Brand by readers of the important Travel + Leisure magazine for the 2nd successive year. In November last year, we opened The Oberoi Sukhvilas Resort and Spa, which is a short distance from Chandigarh. In April this year, we opened The Oberoi Beach Resort, Al Zorah in the United Arab Emirates, which has been acclaimed by international travellers. Later this year we will open The Oberoi, Marrakech. This luxury resort is expected to be the best luxury hotel in the city of Marrakech. I am pleased to announce that The Oberoi, New Delhi, which was closed for renovation in April 2016, will reopen in the first quarter of 2018. The Oberoi, New Delhi is expected to retain its iconic position in the Capital which it has enjoyed since it opened in the year 1965.

I am optimistic about the future as I believe that India's economy will grow from strength to strength.

In conclusion, I thank the Board of Directors, our employees and other stakeholders for their continued support.

Thank you.



P.R.S. Oberoi
Executive Chairman

15th June 2017

DIRECTORS' REPORT

The Board presents the Sixty-seventh Annual Report together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31st March 2017.

Financial Highlights

The Financial Highlights are set out below:

Particulars	(₹ in million)			
	Standalone		Consolidated	
Year	2016-17	2015-16	2016-17	2015-16
Total Revenue	13,767.75	14,696.23	16,182.90	17,003.43
Earnings Before Interest, Depreciation, Taxes, Amortisations and Exceptional items (EBIDTA)	2,910.64	3,194.38	3,506.91	3,839.06
Interest and Finance Charges	145.04	227.36	178.51	283.73
Depreciation	1,104.87	1,135.48	1,281.06	1,333.71
Share of Profit of Associate and Joint Venture Companies	-	-	117.89	203.74
Exceptional Profit/(Loss)	(382.22)	(182.59)	(382.22)	(182.59)
Profit Before Tax	1,278.51	1,648.95	1,783.01	2,242.77
Income Tax	479.45	547.32	711.83	767.69
Deferred Tax	(166.31)	11.39	(141.34)	45.10
Profit for the year	965.37	1,090.24	1,212.52	1,429.98
Other Comprehensive Income/(Loss) for the year, net of tax	(81.38)	(65.74)	(234.54)	156.31
Total Comprehensive Income	883.99	1,024.50	977.98	1,586.29
Less: Share of profit of Non Controlling Interest	-	-	148.47	111.88
Total Comprehensive Income attributable to Group	-	-	829.51	1,474.41
Profit for the Year attributable to the Group	-	-	1,060.73	1,310.67
Balance Brought Forward	3,307.68	3,917.09	3,241.17	3,658.71
Accumulated Balance	4,273.05	5,007.33	4,301.90	4,969.38
Final Dividend paid for the year 2014-15	-	628.73	-	628.73
Interim Dividend paid for the year 2015-16	-	628.73	-	628.73
Dividend Tax	-	176.45	31.53	201.66
Transfer to General Reserve	200.00	200.00	200.00	200.00
Other Comprehensive Income/(Loss) for the year, net of tax	(81.38)	(65.74)	(87.41)	(69.09)
Balance carried over	3,991.67	3,307.68	3,982.96	3,241.17

Directors' Responsibility Statement

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

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

Performance

The annexed Management Discussion and Analysis forms a part of this report and covers, amongst other matters, the performance of the Company during the Financial Year 2016-17 as well as the future outlook.

Corporate Governance Report

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

Dividend

The Board recommends a Dividend of ₹ 0.90 per Equity Share of ₹ 2 each for the Financial Year 2016-17, for approval by the Shareholders at the forthcoming Annual General Meeting. The dividend, if declared at the Annual General Meeting, will be paid on 3rd August 2017 to those Shareholders whose name appear in the Register of Shareholders/Beneficial Owner as on 25th July 2017. As per the Income Tax Act, 1961, the tax on dividend will be borne by the Company.

Board Meetings

During the year, six Board Meetings were held on 26th May 2016, 2nd August 2016, 3rd November 2016, 12th December 2016, 23rd January 2017 and 28th March 2017 respectively.

Directors

Mr. Arjun 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. Arjun Oberoi as a Director on the Board.

At the first meeting of the Board for the Financial Year 2016-17 held on 30th May 2017, the six Independent Directors have confirmed that they meet the criteria of independence required under sub-section (7) of Section 149 of the Act. The Board was also of the opinion that the six Independent Directors meet the criteria of independence under sub-section (6) of Section 149 of the Act.

Corporate Social Responsibility

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

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2016-17 is given in *Annexure 1* and forms a part of this Report. The Annexure also gives the composition of the CSR Committee.

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

- a. **The Oberoi Grand, Kolkata** supports Sasha, an NGO which works with the local artisans for the upliftment and self-employment of women by purchasing hand-crafted products made by them;
- b. **The Oberoi, Udaivilas, Udaipur** employees visited Mother Teresa Orphanage and Asha Dham Ashram for the poor, sick and mentally challenged old people and supported them by taking care of their needs. Furthermore, during the year the hotel team, with the pledge of contributing to the environment, removed 270 kg of plastic items from Lake Pichola.
- c. **The Oberoi and Trident Nariman Point, Mumbai** organized Blood Donation Camps for Thalassemia 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 treating 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 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 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 work with the Concern India Foundation to organise workshops for the underprivileged. In addition to this, the hotels work with Pallavanjali Institute, an NGO that supports education, training and therapy for young adults with special needs.

Business Responsibility Report

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

Audit Committee

The composition of the Audit Committee is as under:

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

For other details relating to the Audit Committee, please refer to page nos. 66 & 67.

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

In accordance with Section 178 of the 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 in the year 2015 are enclosed as *Annexures 3 and 4* and form part of this Report. The policies can also be accessed on the Company’s website www.eihltd.com.

Energy Conservation Measures

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

- installation energy efficient cooling towers;
- installation of energy efficient chilled water control valves;
- replacement of chilled water piping system;
- replacement of incandescent and fluorescent lamps with energy efficient LED lamps;
- enhancement of Business Management Systems;
- installation of variable frequency drives for exhaust fans;
- use of recycled water for cooling tower application;
- installation of occupancy sensors in the back of the house areas;
- installation of aerators to reduce water consumption; and
- replacement of old laundry machines with energy and water efficient laundry machines.

Besides these, hotel teams continued their efforts to reduce energy consumption by:

- controlled use of lighting and other equipment;
- regulating chilled water set points based on ambient temperature; and
- providing high density insulation to avoid temperature losses.

Action planned for next year are:

- installation of solar power generation systems on the rooftop;
- replacement of old chillers with energy efficient chillers;
- replacement of old treated fresh air units;
- replacement of chilled water control valves with energy efficient chilled water control valves;
- upgrading building management systems;
- replacement of fluorescent lamps with energy efficient LED lamps; and
- replacement of old motors with energy efficient motors.

Energy Conservation Committees will continue to closely monitor and control energy consumption. A pilot project initiated for online monitoring for optimal use of energy has been implemented. If this pilot project is successful, it will be extended to other hotels and business units.

Foreign Exchange Earnings and Outgo

During the Financial Year 2016-17, the foreign exchange earnings of the Company amounted to ₹ 4,255 million as against ₹ 5,625 million in the previous year. The expenditure in foreign exchange during the Financial Year was ₹ 1,160 million as compared to ₹ 591 million in the previous year.

Auditors

The Auditors, M/s Ray & Ray (FRN 301072E), Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the 67th Annual General Meeting. They are not eligible for re-appointment as the period of 3 years available to them under third proviso to Section 139 (2) of the Act read with Rule 6 (1) of the Companies (Audit and Auditors) Rules, 2014 ("Rules") will be exhausted at the conclusion of the Annual General Meeting to be held this August 2017.

The Board places on record its deep appreciation of the valuable contributions made by M/s Ray & Ray as Statutory Auditors of the Company for over six decades.

In accordance with the provisions of Section 139 (2) of the Act which provides for rotation of Auditors, the Audit Committee and the Board at their respective meetings held on 12th December 2016, have unanimously recommended to the Shareholders appointment of M/s. Deloitte, Haskins & Sells LLP, Chartered Accountants, (FRN 117366 W/W 100018) ("Deloitte") as the Statutory Auditors of the Company to hold office for 5 (five) consecutive years from the conclusion of the Annual General Meeting scheduled to be held in August 2017 till the conclusion of the Annual General Meeting to be held in the year 2022. This is subject to ratification by Shareholders at every Annual General Meeting.

Deloitte has given a written consent to the Company for appointment as Auditors. Deloitte has also given a certificate that they satisfy the criteria prescribed in Section 141 of the Act and their appointment, if made, shall be in accordance with the conditions laid down under the Act and Rules.

Secretarial Auditor

In accordance with provisions of Section 204 of the Act, the Company had appointed M/s. JUS & Associates as Secretarial Auditors for the Financial Year ended 31st March 2017. 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, arrangements and transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and are on an arm's length basis. During the year, the Company has not entered into any contract, arrangement or transaction with Related Parties that could be considered material in accordance with the Related Party Transaction Policy of the Company. The Policy on Related Party Transactions approved by the Board can be accessed on the Company's website www.eihltd.com.

The details of Related Party Transactions are set out in Note nos. 40 and 42 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 2017 in Form MGT-9 is annexed as *Annexure 5*.

Loan, Guarantees or Investments

Particulars of loans given, investment made, guarantees given, if any, and the purpose for which the loan, guarantee and investment will be utilised are provided in the Standalone Financial Statement in Note nos. 6 & 8.

Deposits

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

Vigil Mechanism/Whistleblower Policy

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

During the year ended on 31st March 2017, the Company did not receive any complaint under the scheme.

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 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 Limited.

A Report on the performance and financial position of each of the Subsidiaries, Associate and Joint Venture Companies are provided in the Annexure to the Consolidated Financial Statement and hence are not repeated here for the sake of brevity. The policy on material subsidiaries as approved by the Board last year is given on the Company's website www.eihltd.com.

Directors/Key Managerial Personnel (KMP) Remuneration

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

(₹ in million)

S. No	Name of the Director	Directors' Remuneration	Median Employees Remuneration	Ratio
1.	Mr. P.R.S Oberoi, Executive Chairman	28.95	0.40	72:1
2.	Mr. S.S Mukherji, Executive Vice Chairman	30.99	0.40	77:1
3.	Mr. Vikram Oberoi Managing Director & CEO	30.54	0.40	76:1
4.	Mr. Arjun Oberoi Managing Director - Development	32.38	0.40	81:1

Directors' remuneration includes retirement benefits, wherever applicable

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

(₹ in million)

S. No	Name	Total Remuneration 2016-17	Total Remuneration 2015-16	Percentage Increase/ Decrease
1.	Mr. P.R.S. Oberoi	28.95	35.84	-19
2.	Mr. S.S. Mukherji	30.99	37.88	-18
3.	Mr. Vikram Oberoi	30.54	36.60	-17
4.	Mr. Arjun Oberoi	32.38	38.96	-17
5.	Chief Financial Officer	14.66	10.48	40
6.	Company Secretary	6.92	6.69	3

Total remuneration includes retirement benefits, wherever applicable

- c) The percentage increase in the median remuneration of employees in the Financial Year is 25%.
- d) The number of permanent employees on the rolls of the Company at the end of the Financial Year is 3,758;
- e) The average percentile increase already made in the salaries of employees of the Company other than the managerial personnel in the last Financial Year is 8.5%. Percentile increase in the managerial remuneration is Nil.

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

Internal Financial Control and Risk Management Systems

Compliance of the above is given in the Management Discussion & Analysis Report on page nos. 60 & 61.

Board Evaluation

In accordance with 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 for the Financial Year 2016-17. Based on the responses received, the Board as a whole, the Committees, the Chairperson and individual Directors were separately evaluated in the meeting of the Independent Directors and at the meeting of the Board of Directors.

The process of review of Non-Independent Directors and the Board as a whole and also its Committees were undertaken in a separate meeting of Independent Directors held on 28th March 2017, 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 information required for the Board to perform its duties properly.

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

The Directors have expressed their satisfaction with the evaluation process.

Based on the findings from the evaluation process, the Board will continue to review its procedures and effectiveness in the Financial Year 2017-18 with a view to practising the highest standards of Corporate Governance.

Significant and Material orders, if any

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

Sexual Harassment

Four complaints were received during the Financial Year 2016-17. All complaints have been disposed off within the statutory period.

Particulars of Employees

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

- 1) List of top ten employees of the Company in terms of Remuneration;
- 2) List of employees employed throughout the year who received remunerations for the year which in aggregate was not less than ₹ 10.2 million. List of employees who were employed for a part of the year and who received remunerations which in the aggregate, was not less than ₹ 0.85 million per month.

Cautionary Statement

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

Acknowledgement

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

For and on behalf of the Board

Gurugram
30th May 2017

VIKRAM OBEROI
Managing Director & Chief Executive Officer

P.R.S. OBEROI
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT**Annual Report on CSR Activities**

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

The Board of Directors at the Board Meeting held on 16th November 2016, on the recommendation of the CSR Committee, approved a CSR spend of ₹ 26.3 million. This equates to 2% of the average Net Profit of the Company during the three preceding Financial Years and an unspent amount of ₹ 1.5 million 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
- iii) Mr. Rajeev Gupta - Independent Director and Member

- 3. Average Net Profit of the Company for the last three Financial Years**
₹ 1,240.73 million.

- 4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above).**
₹ 24.81 million.

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

- a) Total Amount to be spent for the Financial Year including previous year unspent amount : ₹ 26.3 million ;
- b) Amount unspent, if any : ₹ 6.02 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	18.07	18.07	18.07	Through SOS Children's Villages of India
2.	Swachh Bharat Abhiyan sanitation program	Urban	Within 500 meters of the Hotel in the following cities: Delhi, Kolkata, Mumbai, Jaipur, Udaipur, Bengaluru	2.99	2.21	2.21	Direct
TOTAL				21.06	20.28	20.28	

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

The CSR Committee and the Board have approved that the balance unspent amount of Rs. 6.02 million, be carried forward to Financial Yare 2017-18 to be spent on the ongoing CSR projects and/or any other CSR activity as may be identified by the CSR Committee.

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

VIKRAM OBEROI
Managing Director and Chief Executive Officer

S.S. MUKHERJI
Chairperson - CSR Committee

BUSINESS RESPONSIBILITY REPORT

Given below is the Business Responsibility Report of the Company (EIH Limited) for the Financial Year ended on 31st March 2017 pursuant to Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the format prescribed by the Securities and Exchange Board of India (SEBI).

SECTION 1: General Information

1	Corporate Identity Number (CIN) of the Company	L55101WB1949PLC017981
2	Name of the Company	EIH Limited
3	Registered address	4, Mangoe Lane, Kolkata-700 001 Telephone No.- 91-33-4000 2200 Fax No.- 91-33-2248 6785
4	Website	http://www.eihltd.com
5	E-mail address	isdho@oberoigroup.com invcom@oberoigroup.com
6	Financial Year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Hotels- 9963/99631110
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Hoteliering
9	Total number of locations where business activity is undertaken by the Company	<ul style="list-style-type: none"> i. Number of International Locations – Five countries (through wholly owned subsidiary) ii. Number of directly owned hotels in India – Nine (Delhi, Mumbai, Kolkata, Bangalore, Udaipur and Ranthambore) iii. Number of managed hotels in India: Thirteen.
10	Markets served by the Company	The Company caters to both national and international markets

SECTION 2 : Financial Details

1	Paid up Capital (₹ Million)	1,143.14
2	Total Turnover (₹ Million)	13,767.75
3	Total profit after taxes (₹ Million)	965.37

4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	2.1%
5	List of activities in which expenditure in Point 4 above has been incurred:	<ul style="list-style-type: none"> • EIH Ltd. has been supporting SOS Childrens Villages since 2014. Under this project, EIH Ltd provides family-based care including education, healthcare, nutrition, and career development needs for children who have been abandoned, orphaned and are homeless. The program extends to 150 children in 15 family homes in Mumbai (Alibaug), Delhi, Bengaluru and Kolkata. • The Company also sponsors higher education programs for 61 young persons at various educational institutes. <p>Other notable CSR activities:</p> <ul style="list-style-type: none"> • The Oberoi Grand, Kolkata: Supporting Calcutta Rescue and Sasha, an NGO started in 1964, which is present in 21 states with 32 children’s villages in India. The NGO works to educate children and self-employment of women by purchasing their hand-crafted products. • The Oberoi, New Delhi: Supporting the Blind Relief Association and Mother Teresa Home. • The Oberoi and Trident Nariman Point, Mumbai: Organizing Blood Donation Camps for Thalassemia patients as well as organizing vocational training internships for 52 aspirants under the “Hunar se Rozgaar Tak” scheme. • The Oberoi, Bengaluru: Supporting Cheshire Home Trust to nurture physically challenged girls and economically challenged senior citizens. • The Oberoi Vanyavilas, Ranthambore: Supporting welfare of the local forest guards by providing life insurance and basic equipment to forest guards in Ranthambhore.

SECTION 3 : Other Details

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

SECTION 4: BR INFORMATION
1. Details of BR head:

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	00052014
2	Name	Mr. Vikram Oberoi
3	Designation	Managing Director and Chief Executive Officer.
4	Telephone No.	91 11 2389 0505
5	Email id	vikram.oberoi@oberoigroup.com

SECTION 5: Commitment to Responsible Business

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Water saving was estimated at 9% of total annual consumption in 2016-17.

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

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

PRINCIPLE 3: Businesses should promote the wellbeing of all employees

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

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

The Company is committed to making the employee experience enriching. This is done by ensuring a work culture that is caring, open, respectful and provides opportunity for learning, development and growth. Through various policies which guide employee

engagement, we have fostered a culture that ensures guest centricity, high standards of personalised service and an enabling work environment.

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

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

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

1	Total number of employees (total number of permanent employees).	3,758
2	Total number of employees hired on temporary / contractual / casual basis.	1,731
3	Number of permanent women employees.	654
4	Number of permanent employees with disabilities	1
5	List of employee associations that are recognized by management	The Company's business is spread over several states and comprises of multiple hotels, business units and offices. There are several employees associations recognised by the management depending on the laws of the particular state.
6	Percentage of permanent employees who are members of recognized employee associations	Because of multiple employees associations in various hotels, business units and offices, permanent employees change their membership to the various associations from time to time. Accordingly, the exact percentage keeps on changing. However recognised associations are always having majority numbers.
7	Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in FY 2016-17.	

	Category	No. of complaints filed during the Financial Year	No. of complaints pending as at end of the Financial Year
7.1	Child labor/forced labor/ involuntary labour	We do not employ child labour, forced labour or involuntary labour.	
7.2	Sexual harassment	Four	NIL
7.3	Discriminatory employment	We do not discriminate while selecting employees.	
7.4	Number of man-days of executive level training		5,406
7.5	Number of man-days of staff level training		102,780

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

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

OCLD offers four main streams: Guest Service Management (GSM) focuses on Front Office and Food and Beverage Service, the Housekeeping Management (HM) has housekeeping as the main focus, the Kitchen Management (KM)

develops talent in various sections of the kitchen and the Sales Management trains and develops individuals to work in hotel Sales. The Sales programme is for a duration of 18 months whereas all other programmes are of two years.

All four management programmes are highly structured with robust systems for the management, delivery and quality assurance of the programmes. Rigorous evaluations are carried out to ensure that they are consistent in status, standards, level and career trajectory.

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

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

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

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

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

Some notable initiatives are:

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

PRINCIPLE 5: Businesses should respect and promote human rights

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

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

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

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

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

- Rain water harvesting systems are installed in the majority of hotels.
- Hotels have Sewage Treatment Plants (STPs). Treated water from STPs get recycled for use in horticulture and cooling towers. Thus water consumption is minimised.
- The use of natural fertilizers and bio-pesticides support sustainable practices.
- Use of sustainable building materials:
 - Fly-ash, a waste product from power plants is used extensively in building structures
 - Low embedded energy materials (material with recycled content, rapidly renewable wood/composite wood products) are extensively used in developing interiors
 - FSC certified wood and composite products made from recycled wood scrap are used
 - Priority is given on use of locally available materials like tiles, granite, marble etc. This reduces transportation and minimises carbon emissions.
- Waste Reduction, recycle and reuse:
 - Wet garbage is treated in organic waste converters and recycled in several hotels. Alternatively, it is used as animal feed.
 - Metal, plastic and other recyclable waste are segregated and sold as scrap for recycling.
 - Electronic waste is disposed responsibly to authorized agencies as per regulations.
 - Fresh leftover food is given to the needy.
 - Printed stationary is reused.
 - Old linen is recycled.
 - Business kits and cards are made from recyclable paper.
 - Biodegradable organic chemicals are used in washing machines.
 - Bathroom amenities are made from natural botanical extracts and herbs.
 - Use of plastics is discouraged and there is preference for renewable and organic products.
- Air quality and noise:
 - Wet and dry scrubbers are installed to reduce emissions of gases and particulate matter.
 - The refrigerants used have low global warming and low ozone depletion properties.

- Care is taken to keep noise levels low from equipment.
- Special attention is paid towards safety and detailed safety procedures are listed for operational guidance of hotels.
- Hotel designs ensure accessibility for differently abled guests.

In addition, the Company continues to ramp up its reliance on renewable energy, some of which is listed below:

- The Company has invested in a local wind generating company and 3.6 million units of electricity per year from wind energy have been contracted on a long term basis for The Oberoi, Bangalore.
- The Company and its Associate have invested in a local wind generating company and 1.5 million units of electricity per year from wind energy have been contracted on a long term basis for Oberoi Flight Services, Chennai besides 2.8 million units for the Trident, Chennai.
- Roof top solar panels have been installed at The Oberoi Gurgaon, Trident Gurgaon, Trident Udaipur, The Oberoi Udaivilas and The Trident Agra. The installation is in process at The Oberoi Amarvilas, The Oberoi Grand Kolkata, The Oberoi Mumbai, The Oberoi Rajvilās, The Oberoi Vanyavilas, Trident Bhubaneshwar, Trident Chennai, Trident Jaipur, Trident Hyderabad, Trident BKC, Maidens and The Oberoi Vanyavilas staff accommodation.

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

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

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

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

PRINCIPLE 8: Businesses should support inclusive growth and equitable development

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

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

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

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

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

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

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

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

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

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

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

For and on behalf of the Board

Gurugram
30th May 2017

VIKRAM OBEROI
Managing Director & Chief Executive Officer

P.R.S. OBEROI
Executive Chairman

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 **Attachment-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, Manager, 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.

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 4
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.
- 4.3 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.
- 4.4 Remuneration is annually reviewed for all the executives who are eligible for compensation review in accordance with the remuneration philosophy.

Annexure 5
ANNEXURE TO THE DIRECTORS' REPORT
**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**
As at the Financial Year ended on 31st March 2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.
I. REGISTRATION & OTHER DETAILS:

CIN	L55101WB1949PLC017981
Registration Date	26th May 1949
Name of the Company	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: isdho@oberoigroup.com : invcom@oberoigroup.com
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Investors Services Division 7, Sham Nath Marg Delhi – 110 054

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hotel	9963/99631110	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Mumtaz Hotels Limited 4, Mangoe Lane, Kolkata – 700 001	U55101WB1990PLC095270	Subsidiary	60.00	2(87)
2	Mashobra Resort Limited Wildflower Hall, Chharabra, Shimla – 171 012	U55101HP1995PLC017440	Subsidiary	78.79	2(87)

S. No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
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	EIH Investments N.V. Chuchubiweg 17, Curacao, Netherlands Antilles	Foreign Company	Subsidiary	100.00	2(87)
8	EIH Management Services B.V. Locatellikade 1, Parnassustoren, 1076 AZ Amsterdam, The Netherlands	Foreign Company	Subsidiary	100.00	2(87)
9	PT Widja Putra Karya Jl. Kayu Aya- Seminyk Beach, Kuta, Denpasar 80033, Bali, Indonesia	Foreign Company	Subsidiary	70.00	2(87)
10	PT Waka Oberoi Indonesia Patai Medana, Tanjung 83352, Lombok Utara-Nusa, Tenggara Barat (NTB) Indonesia	Foreign Company	Subsidiary	83.23	2(87)
11	PT Astina Graha Ubud Dsn/Br. Jambangan Singekerta, Ubud-Gianyar, Indonesia	Foreign Company	Subsidiary	60.00	2(87)
12	EIH Flight Services Limited The Oberoi Mauritius, Baie aux Tortues Pointe aux Piments Mauritius	Foreign Company	Subsidiary	100.00	2(87)
13	EIH Associated Hotels Limited 1/24, G.S.T. Road, Meenambakkam Chennai-600 027	L92490TN1983PLC009903	Associate	36.81	2(6)
14	Mercury Car Rentals Private Limited 4, Mangoe Lane, Kolkata – 700 001	U63011WB1995PTC068029	Associate	40.00	2(6)
15	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 as percentage of Total Equity)

A) Category-wise Share Holding										
Category Code	Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) PROMOTER AND PROMOTER GROUP										
(1) INDIAN										
(a)	Individual/HUF	29,989,233	-	29,989,233	5.25	29,989,233	-	29,989,233	5.25	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	171,469,006	-	171,469,006	30	171,469,006	-	171,469,006	30.01	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	201,458,239	-	201,458,239	35.25	201,458,239	-	201,458,239	35.26	-
(2) FOREIGN										
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	201,458,239	-	201,458,239	35.25	201,458,239	-	201,458,239	35.26	-
(B) PUBLIC SHAREHOLDING										
(1) INSTITUTIONS										
(a)	Mutual Funds /UTI	23,894,981	37,575	23,932,556	4.19	28,380,774	37,575	28,418,349	4.97	18.74
(b)	Financial Institutions /Banks	699,354	13,723	713,077	0.12	690,418	14,098	704,516	0.12	-1.20
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	54,994,830	-	54,994,830	9.62	53,629,876	-	53,629,876	9.38	-2.48
(f)	Foreign Institutional Investors	18,081,815	6,379	18,088,194	3.16	20,167,055	6,379	20,173,434	3.53	11.53
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	97,670,980	57,677	97,728,657	17.10	102,868,123	58,052	102,926,175	17.99	5.32
(2) NON-INSTITUTIONS										
(a)	Bodies Corporate	208,709,829	24,948	208,734,777	36.52	207,198,103	24,948	207,223,051	36.26	-0.72
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	42,069,755	9,438,344	51,508,099	9.01	40,568,049	9,032,461	49,600,510	8.68	3.70
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10,067,551	51,030	10,118,581	1.77	8,828,016	51,030	8,879,046	1.55	12.25
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Others									
	NON RESIDENT INDIANS	1,490,662	114,390	1,605,052	0.28	1,055,558	112,885	1,168,443	0.20	-27.20
	TRUSTS	22,438	-	22,438	-	12,524	-	12,524	-	-44.18
	FOREIGN NATIONALS	-	38,953	38,953	0.01	-	38,953	38,953	0.01	-
	DIRECTORS RELATIVES	-	435	435	-	859	1,579	2,438	-	460.45
	CLEARING MEMBERS	21,153	-	21,153	-	260,035	-	260,035	0.05	1129.31
	Sub-Total B(2) :	262,381,388	9,668,100	272,049,488	47.60	257,923,144	9,261,856	267,185,000	46.75	-1.79
	Total Public Shareholding B = B(1)+B(2) :	360,052,368	9,725,777	369,778,145	64.70	360,791,267	9,319,908	370,111,175	64.74	0.09
	Total (A+B) :	561,510,607	9,725,777	571,236,384	99.94	562,249,506	9,319,908	571,569,414	100	0.06
(C) SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED										
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	332655	375	333030	0.06	-	-	-	-	100
	GRAND TOTAL (A+B+C) :	561,843,262	9,726,152	571,569,414	100	562,249,506	9,319,908	571,569,414	100	-

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Oberoi Hotels Private Limited	83,646,328	14.63	-	83,646,328	14.63	-	-
2	Oberoi Holdings Private Limited	33,438,993	5.85	-	33,438,993	5.85	-	-
3	Oberoi Investments Private Limited	28,150,008	4.93	-	28,150,008	4.93	-	-
4	Oberoi Buildings & Investments Private Ltd	18,061,376	3.16	-	18,061,376	3.16	-	-
5	Shib Sanker Mukherji	9,092,363	1.59	-	9,092,363	1.59	-	-
6	Deepak Madhok	9,011,677	1.58	-	9,011,677	1.58	-	-
7	Arjun Singh Oberoi	6,450,258	1.13	-	6,450,258	1.13	-	-
8	Vikramjit Singh Oberoi	5,127,325	0.90	-	5,127,325	0.90	-	-
9	Oberoi Properties Private Limited	3,114,340	0.54	-	3,114,340	0.54	-	-
10	Oberoi Leasing & Finance Company Pvt Ltd	2,152,365	0.38	-	2,152,365	0.38	-	-
11	Bombay Plaza Private Limited	1,913,190	0.33	-	1,913,190	0.33	-	-
12	Oberoi Plaza Private Ltd	710,391	0.12	-	710,391	0.12	-	-
13	P R S Oberoi	307,610	0.05	-	307,610	0.05	-	-
14	Aravali Polymers LLP	282,015	0.05	-	282,015	0.05	-	-

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

SN	Particulars	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	83,646,328	14.63	83,646,328	14.63
2	Oberoi Holdings Private Limited	No Change	33,438,993	5.85	33,438,993	5.85
3	Oberoi Investments Private Limited	No Change	28,150,008	4.93	28,150,008	4.93
4	Oberoi Buildings & Investments Private Ltd	No Change	18,061,376	3.16	18,061,376	3.16
5	Shib Sanker Mukherji	No Change	9,092,363	1.59	9,092,363	1.59
6	Deepak Madhok	No Change	9,011,677	1.58	9,011,677	1.58
7	Arjun Singh Oberoi	No Change	6,450,258	1.13	6,450,258	1.13
8	Vikramjit Singh Oberoi	No Change	5,127,325	0.90	5,127,325	0.90
9	Oberoi Properties Private Limited	No Change	3,114,340	0.54	3,114,340	0.54
10	Oberoi Leasing & Finance Company Pvt Ltd	No Change	2,152,365	0.38	2,152,365	0.38
11	Bombay Plaza Private Limited	No Change	1,913,190	0.33	1,913,190	0.33
12	Oberoi Plaza Private Ltd	No Change	710,391	0.12	710,391	0.12
13	P R S Oberoi	No Change	307,610	0.05	307,610	0.05
14	Aravali Polymers LLP	No Change	282,015	0.05	282,015	0.05

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

SN	For Each of the Top 10 Shareholders	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	85,621,473	14.98	85,621,473	14.98
2	Reliance Industrial Investments and Holdings Ltd. *	No Change	84,592,273	14.80	84,592,273	14.80
3	Reliance Industrial Investments and Holdings Ltd. *	No Change	21,315,000	3.73	21,315,000	3.73
4	General Insurance Corporation of India	No Change	10,015,795	1.75	10,015,795	1.75
5	Russell Credit Limited	No Change	6,556,551	1.15	6,556,551	1.15
6	Morgan Stanley Asia (Singapore) Pte. At The End of The Year (Not in Top 10)		4,000,000 -	0.70 -		
7	Life Insurance Corporation of India		32,106,838	5.62		
		31/03/2016			32,106,838	5.62
		09/09/2016			31,916,400	5.58
		16/09/2016			31,891,400	5.58
		23/09/2016			31,851,260	5.57
		30/09/2016			31,801,260	5.56
		07/10/2016			31,741,260	5.55
	At The End of The Year		31,741,260	5.55		
8	Reliance Capital Trustee Co. Ltd A/C Reliance Equity Opportunities Fund		15,903,040	2.78		
		31/03/2016			15,903,040	2.78
		13/05/2016			16,027,140	2.80
		27/05/2016			16,150,322	2.83
		09/09/2016			16,345,122	2.86
		16/09/2016			16,377,922	2.87
		30/09/2016			16,466,594	2.88
		07/10/2016			16,548,791	2.90
		18/11/2016			16,612,954	2.91
		25/11/2016			16,684,554	2.92
		31/03/2017			16,872,568	2.95
	At The End of The Year		16,872,568	2.95		
9	The New India Assurance Company Limited		10,688,783	1.87		
		31/03/2016			10,688,783	1.87
		08/04/2016			10,694,111	1.87
		15/04/2016			10,704,332	1.87
		22/04/2016			10,705,834	1.87
		29/04/2016			10,820,047	1.89
		06/05/2016			10,988,522	1.92
		13/05/2016			11,115,235	1.94
		20/05/2016			11,121,937	1.95
		27/05/2016			11,188,783	1.96
		10/02/2017			11,171,237	1.95
		17/02/2017			10,901,229	1.91
		24/02/2017			10,663,844	1.87
		03/03/2017			10,345,543	1.81
		10/03/2017			10,121,136	1.77
		17/03/2017			10,005,340	1.75
		24/03/2017			9,765,952	1.71
		31/03/2017			9,745,543	1.71
	At the End of the year		9,745,543	1.71		

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		Date of change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	Franklin Templeton Mutual Fund A/C Franklin India High Growth Companies Fund		3,600,000	0.63		
		31/03/2016			3,600,000	0.63
		22/04/2016			4,000,000	0.70
		16/09/2016			4,497,964	0.79
		23/09/2016			4,500,000	0.79
		21/10/2016			4,600,000	0.80
		13/01/2017			5,225,000	0.91
	At The End of The Year		5,225,000	0.91		
11	Jp Morgan Indian Investment Company (Mauritius) Ltd. At The Beginning of The Year (Not In Top 10)		3,317,218	0.58		
		31/03/2016			3,317,218	0.58
		06/05/2016			3,417,218	0.60
		15/07/2016			3,461,234	0.61
		22/07/2016			3,567,218	0.62
		29/07/2016			3,620,271	0.63
		05/08/2016			3,799,659	0.66
		12/08/2016			4,051,363	0.71
		19/08/2016			4,191,443	0.73
		26/08/2016			4,366,206	0.76
		02/09/2016			4,432,248	0.78
		23/12/2016			4,607,248	0.81
	(At the End of the year)		4,607,248	0.81		

* Holding shares into different Demat Accounts

E) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		Date of change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Arjun Singh Oberoi	No Change	6,450,258	1.13	6,450,258	1.13
2	Vikramjit Singh Oberoi	No Change	5,127,325	0.90	5,127,325	0.90
3	P R S Oberoi	No Change	307,610	0.05	307,610	0.05
4	Shib Sanker Mukherji	No Change	9,092,363	1.59	9,092,363	1.59
5	Sudipto Sarkar	No Change	1,144	-	1,144	-

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year*				
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
Total (i+ii+iii)	1,953.55	500.00	-	2,453.55
Change in Indebtedness during the financial year				
• Addition	1,599.72	300.00	-	1,899.72
• Reduction	1,235.33	250.00	-	1,485.33
Net Change	364.39	50.00	-	414.39
Indebtedness at the end of the financial year				
i) Principal Amount	2,309.69	550.00	-	2,859.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.25	-	-	8.25
Total (i+ii+iii)	2,317.94	550.00	-	2,867.94

* 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)

S.No.	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	11.96*	12.08*	35.26
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	3.46	0.66	2.65	4.37	11.14
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	25.49	19.11	15.93	15.93	76.46
	- as % of profit	2.00%	1.50%	1.25%	1.25%	6.00%
5	Others, please specify	-	-	-	-	-
	Total (A)	28.95	30.99	30.54	32.38	122.86
	Ceiling as per the Act	10% of the Net Profits				

* Includes retirement benefits

B. Remuneration to other directors

(₹ in Million)

S.No	Particulars of Remuneration	Name of Directors					Total Amount	
		S.K. Dasgupta	Anil Nehru	Sudipto Sarkar	L Ganesh	Renu Sud Karnad		Rajeev Gupta
1	Independent Directors							
	Fee for attending board/ committee meetings	1.20	0.75	0.35	0.65	0.30	0.40	3.65
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	1.20	0.75	0.35	0.65	0.30	0.40	3.65
2	Other Non-Executive Directors		Nita Ambani			Manoj H Modi		
	Fee for attending board/ committee meetings		0.15			0.20		0.35
	Commission		-			-		-
	Others, please specify		-			-		-
	Total (2)		0.15			0.20		0.35
	Total (B)=(1+2)							4.00*
	Total Managerial Remuneration							122.86
	Overall Ceiling as per the Act				11% of the Net Profit			

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

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

(₹ 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	12.31	6.82	19.13
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2.35	0.10	2.45
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	others, please specify	-	-	-
	Total	14.66	6.92	21.58

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Gurugram
30th May 2017

VIKRAM OBEROI
Managing Director & Chief Executive Officer

P.R.S. OBEROI
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure, Developments and Outlook

The Global Economy – Performance & Prospects

Global GDP growth declined in 2016 at 3.1% however, growth projections are more encouraging in 2017 and 2018. Led by improved trade and manufacturing, as well as the strength of emerging and developing nation's economies, Global GDP is projected to increase to 3.5% in 2017 and 3.6% in 2018. The increase in Global GDP will be positive for the travel and tourism sectors.

The United States (US), a major contributor to Global Travel and Tourism saw its economy grow at a modest 1.6% in 2016. The US economy is forecast to grow at 2.2% in 2017 and 2.1% in 2018. This is of significance as the United States is the second largest source market for hotels of the Company after India.

The slow-down in the global economy in 2016 had an impact on arrivals from the Western Hemisphere and in particular the United States. The total number of room nights produced by travelers from the US, UK and Western Europe for EIH Limited in 2015-16 and 2016-17, remained flat. As is evident from this lack of growth, the dependence of the hospitality industry on the Indian leisure and corporate traveler has increased. This trend will continue in the coming years.

The India Economy

At the close of 2015 – 16, the Economic Survey of India estimated GDP growth of 7.6% for the country. The overall macroeconomic stability was the result of a reduction in the fiscal deficit, the current account deficit and inflation.

The Economist Intelligence Unit forecasts a GDP growth of 7.2% in 2017, and an average of 7.5% annually over the next five years.

The year 2016-17 also witnessed a major policy initiative that will positively impact the economy - the Constitutional Amendment leading to the implementation of the Goods & Services Tax (GST) from 1st July 2017.

The goal of the GST is to create a common Indian marketplace, improve tax compliance, governance and increase investments and growth.

The taxes applicable to the various stakeholders in travel and tourism have been announced. While it is commendable that GST rates applicable to travel, tours & transportation have been lowered, it is disappointing that a tax rate of up to 28% has been applied to hotels who charge in excess of ₹ 5000 per night. The application of the highest rate of 28% to a significant part of the Hospitality Industry will make the destination more expensive and will adversely affect its capability to generate revenue and employment. We hope that the tax rate of 28% will be reviewed and revised in the interest of the hospitality industry and the nation.

Travel and Tourism

Global Scenario

Notwithstanding a decline in Global GDP growth, the Travel and Tourism industry continued to show resilience in 2016. According to the World Travel and Tourism Council

(WTTC), Travel and Tourism, despite escalating political instability and unpredictable terrorist attacks, contributed 10.2% of global GDP and 292 million jobs in 2016 – this equates to 1 in 10 jobs in the global economy.

Travel and Tourism GDP growth is anticipated to accelerate to 3.8% in 2017, up from 3.1% in 2016. The industry is expected to continue to drive employment in the global economy, grow by 3.9% per annum over the next decade and represent 11.4% of GDP in 2027.

India

The Indian Travel and Tourism Industry has been a strong contributor to the nation's economic growth, emerging as a significant source of foreign exchange and a large generator of employment.

As per the WTTC's Economic Impact 2017 - India Report, Travel and Tourism contributed 9.6% to the nation's GDP equating to ₹ 14 trillion (US\$ 209 billion). The contribution of this sector is forecast to double, reaching over ₹ 28 trillion (US\$ 424 billion) and representing 10% of the nation's GDP by 2027.

Travel and Tourism accounts for one third of India's foreign exchange earnings, and has the highest employment when compared to other sectors. In 2016, the sector employed approximately 40 million people, contributing 9.3% to total employment in the country. This is expected to rise to 50 million jobs by 2027. The travel and tourism sectors ability to create employment is significant especially given the demographics of India's population and the need of the India Economy and its people. It plays an important role in integrating society, driving development and employment in rural areas and creating employment for women.

Domestic tourism, driven by India's expanding middle class and increasing disposable incomes, has emerged as a key driver for the growth of travel and tourism. As per the Ministry of Tourism, Domestic Tourist Visits (DTVs) to the States/Union Territories (UTs) grew by 15.5% annually to 1.65 billion during 2016.

Furthermore, Foreign Tourist Arrivals (FTAs) in 2016 grew by 10.7% over the previous year to reach nearly 9 million. The foreign tourist arrivals on e-visas more than doubled to 1 million as the e-visa facility was extended to 161 countries from 113 previously.

India is anticipated to rank among the top five business travel markets globally over the next ten years. Business travel spending in the country is expected to grow by 5.5% in 2017 to over ₹ 700 billion, and double to over ₹ 1.4 trillion by 2027.

Tourism & Hospitality - Trends and Opportunities for Growth

Branded supply grew at a CAGR of 11.1% over the past five years while demand outpaced supply growth at 13.0% for the same period. As a consequence, hotel occupancies in India exceeded 60% in 2016-17. However, in a number of primary and secondary cities, hotel room inventories increased substantially with new hotel openings. This was not offset with a corresponding increase in demand, putting pressure on both occupancy levels and room rates in these cities. With GDP forecast to grow annually at 7.5% over the next five years and limited hotels under construction, the industry will benefit with improved occupancy levels and higher room rates.

Financial and Operating Performance

During the Financial Year 2016 – 17, the Company's Revenue, EBIDTA, Profit before Tax and Profit after Tax were affected due to closure of The Oberoi, New Delhi for major renovations. The Oberoi, New Delhi is amongst the most profitable hotels of the Company. The Oberoi, New Delhi is scheduled to re-open in April 2018.

The Company's Total Revenue was ₹ 13,768 million in 2016-17 as compared to ₹ 14,696 million in the previous year. The revenue growth of the Company for the year with reference to the other properties, after factoring the closure of The Oberoi, New Delhi, increased by over 8% as compared to the previous year.

The Profit before Exceptional Items and Tax was ₹ 1,661 million as compared to ₹ 1,831 million in the previous year.

Profit Before Tax was ₹ 1,279 million as compared to ₹ 1,649 million in the previous year.

The Net Profit for the year was ₹ 965 million as compared to ₹ 1,090 million in the previous year.

Total comprehensive income was ₹ 884 million as against ₹ 1,025 Million in the previous year.

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

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

Internal Control Mechanism and Adequacy

The Company is committed to ensuring effective internal controls, operational efficiencies, prevention and detection of frauds and errors, security of organizational assets, and accurate and timely financial information.

Internal control mechanisms have been designed in a way to reflect the necessary concomitance to the principle of governance where the freedom of operations and management is exercised within a framework of appropriate checks and balances.

Internal Financial Controls (IFC)

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

Furthermore, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (3) of the Companies Act, 2013, the Independent Directors have satisfied themselves on the integrity of financial information and have ensured that Financial Controls and systems of Risk Management are robust and secure.

In order to enable the Directors to meet these responsibilities, the Board has devised the necessary systems, frameworks and mechanisms within the Company. The Board has

empowered the Audit Committee to periodically review and confirm that the mechanism remains effective and fulfill the objectives for which they have been created.

In keeping 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.

With increasing instances of information security breaches being reported from across the globe, the Company has initiated measures during the year to review its information technology security infrastructure. The Company's practices have been benchmarked with the best in class and steps are being taken to scale up infrastructure wherever required. Furthermore, a multidisciplinary audit team is responsible for devising adequate monitoring mechanisms and procedures to ensure the prevention and detection of potential lack of controls. This team reports its observations and plans for mitigation with timelines to the Audit Committee of the Board of Directors every quarter.

Internal Audit Mechanism and Review Systems

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

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

Senior Executives meet periodically along with the Managing Director and Chief Executive Officer to address and resolve pending audit issues. The Chief Internal Auditor is responsible to and presents findings to the Audit Committee every quarter. Risks are prioritised and presented based on their probability of occurrence, the pendency of issues in various units and status thereof.

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

During the Financial Year 2016-17, separate presentations on internal audit findings and internal financial controls were shared with the Audit Committee in its meetings on four occasions. The Audit Committee was satisfied with the adequacy of the internal control systems and procedures of the Company and the performance of the Internal Audit Department in respect of monitoring of these systems.

Risk Management Systems

During the year, the Risk Management Committee comprising of the Managing Director & Chief Executive Officer and Senior Executives of the Company presented to the Board of Directors, Risk Reports in November 2016 and in March 2017. The Risk Management Committee identified potential risks associated with the Company's business and assigned responsibility to various Risk Owners who were responsible for monitoring and addressing the risks with commensurate mitigating plans. Based on data received from Risk Owners, the organizational criteria of Critical, Watch and Good were applied to each Risk.

The Board was apprised of the performance of the Company against each risk parameter and the measures taken to mitigate these risks. On the whole, the Board was satisfied with the Company's performance against each identified risk parameter.

Business consolidation and expansion

The Oberoi, Marrakech, is in the final phase of completion. The luxury hotel, consisting of 84 rooms and suites with private swimming pools, is scheduled to open in the last quarter of 2017. The Oberoi branded villas for sale are planned within the development.

The Oberoi, Casablanca, located on a prime ocean front site close to the central business district, is presently under development. The project is undergoing a review by the Government of Morocco.

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

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

Planning consent for the Company's 55 acre beach front site at Goa is awaited. 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 has been held up due to changes in planning guidelines.

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 2019. 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, scheduled to open in the last quarter of 2019 will be managed by the Company and shall consist of 22 Luxury Tents.

The Company, through its wholly owned subsidiary, will manage a Luxury Wildlife Resort on the edge of Maasai Mara National Reserve, Kenya. The Oberoi Resort will be located on a 5,000 acre site overlooking the Mara River, offering guests unrivalled views of the Mara Triangle and the annual migration. The accommodation will consist of 32 luxury tents, two restaurants, a bar and a spa. The project is in the planning phase and scheduled to open in third 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.

Other major recognition received by The Oberoi Group during the Financial Year 2016-17 have been:

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

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

HOTEL	AWARD	AWARDED BY
The Oberoi Vanyavilas, Ranthambhore Rajasthan, India	Top 25 Small Hotels in the World (Ranked 1st)	Trip Advisor, Travellers' Choice Awards 2017
	Top 25 Luxury Hotels in the World (Ranked 2nd)	Trip Advisor, Travellers' Choice Awards 2017
	Top 5 Resort Hotels in India (Ranked 2nd)	Travel + Leisure, World's Best Awards, Readers' Survey 2016
	Top 10 Resort Hotels in Asia (Ranked 3rd)	Travel + Leisure, World's Best Awards, Readers' Survey 2016
	Top 25 Luxury Hotels in India (Ranked 1st)	Trip Advisor, Travellers' Choice Awards 2016
	Top 25 Small Hotels in India (Ranked 1st)	Trip Advisor, Travellers' Choice Awards 2016 The Outlook Traveller Awards, 2016
The Oberoi Udaivilas, Udaipur, Rajasthan, India	Best Luxury Resort in India	Travel + Leisure, India & South Asia India's Best Awards, 2016
	Top 10 Resorts in Asia (Ranked 2nd)	Travel + Leisure, World's Best Awards, Readers' Survey 2016
	Top 5 Resorts in India (Ranked 1st)	Travel + Leisure, World's Best Awards, Readers' Survey 2016
The Oberoi Rajvilas, Jaipur, Rajasthan, India	India's Leading Resort	World Travel Awards 2016
	Top 5 Resorts in India (Ranked 3rd)	Travel + Leisure, World's Best Awards, Readers' Survey 2016
	Top 10 Resorts in Asia (Ranked 7th)	Travel + Leisure, World's Best Awards, Readers' Survey 2016
The Oberoi Amarvilas, Agra, Uttar Pradesh, India	Top 25 Hotels for Romance (Ranked 2nd)	Trip Advisor, Travellers' Choice Awards 2016
	Top Resorts in India (Ranked 5th)	Travel + Leisure, World's Best Awards, Readers' Survey 2016

Wildflower Hall, Shimla in the Himalayas, Himachal Pradesh, India	Top 25 Hotels for Service in India (Ranked 1st) Favourite Indian Hotel Spas (Ranked 5th)	Trip Advisor, Travellers' Choice Awards 2016 Condé Nast Traveller, India Readers' Travel Awards, 2016
The Oberoi, Gurgaon, Delhi National Capital Region	Favourite Indian Business Hotel (Ranked 1st)	Condé Nast Traveller, India, Readers' Travel Awards 2016
Trident, Gurgaon Delhi National Capital Region	India's Leading Business Hotel	World Travel Awards 2016
The Oberoi, Sukhvilas & Spa, Siswan Forest Range, Near Chandigarh	The Best New Hotels in the World	Travel + Leisure, US, IT List 2016
The Oberoi, Mauritius	Top 10 Hotels for Service in Mauritius (Ranked 1st)	TripAdvisor, Travellers' Choice Awards 2016
The Oberoi, Sahl Hasheesh, Red Sea, Egypt	Top 25 Hotels in Egypt (Ranked 1st) Top 25 Hotels in Egypt (Ranked 1st)	TripAdvisor, Travellers' Choice Awards 2017 TripAdvisor, Travellers' Choice Awards 2016
The Oberoi, Dubai United Arab Emirates	Middle East's Leading Luxury City Hotel	World Travel Awards 2016

Development in Human Resources and Industrial Relations

The Company continuously reviews and re-aligns its people practices and policies with an aim to provide its employees with the best working environment. Employees demonstrate The Oberoi Dharma by placing guests first, the Company second and themselves last.

The Company has been recognized as one of the Best Employers in the 'Aon Best Employers India - 2017' survey.

In another independent study conducted by the Great Place to Work® Institute, India, in partnership with The Economic Times, the Company was featured amongst the Top 10 organisations to work for in India during 2016. The Great Places to Work® Institute also rated the Company amongst the Best Employers in Asia 2017.

Belief in "people being our biggest asset" has guided the Company to continuously strive to create people practices that are best in class. This has strengthening the Comapnies position as an employer of choice. Some of these initiatives are listed below:

1. In addition to the Employee Engagement survey, the Company has introduced an app-based quarterly survey for its employees. The survey helps the Company to receive and respond promptly to employee feedback and resolve points of dissatisfaction without delay.
2. The existing Performance Appraisal system assesses employee performance against mutually agreed performance parameters. The Company has introduced a Competency Framework that assesses an individual on personality attributes and skills that are key to the Organisation's success and unique to its distinctiveness. In 2017-18 this will be integrated with the Executive Appraisal Process and will also

- lay the foundation for informed decision making while developing individual career paths, assessment of potential and succession plans.
3. Implementation of the SAP Human Resource Module has substantially improved data sanctity, reporting and consolidation and brought better control over payroll.

Learning and Development

1. The Oberoi Centre of Learning and Development (OCLD) remained focused on its core programmes. The two-year Post Graduate Management Programme and the three-year Undergraduate STEP (Systematic Training and Education) Programme. Several training modules, which form a part of the academic curricula of the Management Programmes, were redesigned to align them with the needs of the Company and the expectations from graduating Assistant Managers.
2. Implementation of SAP Learning System (LSO) was completed to support the execution of the Company's business goals. LSO will help structure, deliver and track knowledge transfer. This will enable better focus of training resources towards desired goals.
3. As part of the Corporate Learning and Development initiatives, several programmes were organised in the Financial Year 2016-17 for executives across all levels. These Management Development Programmes were based on individual needs identified during the Appraisal process. Each training programme – whether run by The Oberoi Centre of Learning and Development or in partnership with top Business Universities in India and overseas were individually curated to ensure that both content and delivery was tailored to the needs of the executive and the Organisation.

Industrial relations remained stable throughout the year.

As on 31st March 2017, the number of people employed by the Group was 9,464.

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

For and on behalf of the Board

Gurugram
30th May 2017

VIKRAM OBEROI
Managing Director & Chief Executive Officer

P.R.S. OBEROI
Executive Chairman

REPORT ON CORPORATE GOVERNANCE

1. The Company's philosophy on Code of governance

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

The texts of "The Oberoi Dharma" and the "Mission Statement" appear on page nos. 10 and 11 of this Annual Report.

2. Board of Directors

As on 31st March 2017, 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 26th May 2016, 2nd August 2016, 3rd November 2016, 12th December 2016, 23rd January 2017 and 28th March 2017.

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

Name	Designation	Category	Attendance		No. of other Directorships*	@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	Yes	2	2
Mr. Vikram Oberoi	Managing Director & Chief Executive Officer	Executive	6	Yes	4	2
Mr. Arjun Oberoi	Managing Director - Development	Executive	5	Yes	2	1
Mr. S.K. Dasgupta	Director	Non-Executive Independent	6(4)	Yes	3	1**
Mr. Sudipto Sarkar	Director	Non-Executive Independent	6	No	4	5***
Mr. Anil Nehru	Director	Non-Executive Independent	6(1)	Yes	3	3**
Mr. L.Ganesh	Director	Non-Executive Independent	5(1)	Yes	6	6
Mrs. Nita Mukesh Ambani	Director	Non-Executive Non-Independent	3(2)	No	2	0
Mrs. Renu Sud Karnad	Director	Non-Executive Independent	5(2)	Yes	9	6**

Mr. Manoj Harjivandas Modi	Director	Non-Executive Non-Independent	4(4)	No	2	2
Mr. Rajeev Gupta	Director	Non-Executive Independent	4(1)	No	7	5

* 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 conference

@ 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 2017, affirmed their compliance with:-

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

3. Audit Committee

Composition, Meetings and Attendance

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

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

Mr. Anil Nehru, Chairperson of the Audit Committee has studied Business Management from IIM, Ahmedabad, Harvard University and Columbia University. Mr. Rajeev Gupta is a Management Graduate from IIM, Ahmedabad and an Investment Banker, Mr. S.S. Mukherji is a Chartered Accountant, Mr. L. Ganesh is a Chartered Accountant and holds a Masters degree in Business Administration and Mr. S.K. Dasgupta is a Chartered Accountant and past President of the Institute of Chartered Accountants of India. Accordingly, Chairman and all 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 five times during the Financial Year on 25th May 2016, 2nd August 2016, 3rd November 2016, 12th December 2016 and 23rd January 2017.

Attendance of the members of the Audit Committee during the Financial Year 2016-17 is given below:

Name of the Member	Number of Meetings attended
Mr. Anil Kumar Nehru, Chairperson	5(1)
Mr. S.K. Dasgupta	5(3)
Mr. L. Ganesh	4(1)
Mr. S.S. Mukherji*	4
Mr. Arjun Singh Oberoi	4
Mr. Rajeev Gupta [#]	-

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

* Appointed as Member w.e.f 29th June 2016

[#] Appointed as Member w.e.f 23rd January 2017

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

Terms of Reference

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

4. Stakeholders Relationship Committee

Composition, Meetings & Attendance

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

The quorum for a meeting of SRC is two members.

The SRC met nine times during the Financial Year on 19th April 2016, 25th May 2016, 8th July 2016, 1st August 2016, 26th September 2016, 26th October 2016, 16th November 2016, 23rd January 2017 and 20th February 2017.

Attendance of the members of the SRC during the Financial Year 2016-17 is given below:

Name of the Member	Number of Meetings attended
Mr. S.K. Dasgupta, Chairperson	9 (3)
Mr. Prithviraj Singh Oberoi	2
Mr. Shib Sanker Mukherji	7
Mr. Vikramjit Singh Oberoi	6
Mr. Arjun Singh Oberoi	5

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

Terms of Reference

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

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

As on 31st March 2017, there were no pending demat and physical transfer requests.

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

5. Nomination and Remuneration Committee

Composition, Meetings & Attendance

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

Mr. Anil Nehru is the Chairperson of the NRC.

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

The NRC met three times during the Financial Year on 26th May 2016, 1st August 2016 and 27th March 2017.

Attendance of the members of the NRC during the Financial Year 2016-17 is given below:

Name of the Member	Number of Meetings attended
Mr. Anil Kumar Nehru, Chairperson	3
Mr. L Ganesh	3
Mr. S.K. Dasgupta	3(2)
Mr. Prithviraj Singh Oberoi	3
Mr. Rajeev Gupta [#]	1(1)

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

Appointed as Member w.e.f. 23rd January 2017

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

6. Corporate Social Responsibility Committee**Composition, Meetings and Attendance**

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

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

The CSR Committee met two times during the Financial Year on 16th November 2016 and 27th March 2017.

Attendance of members of the CSR Committee during the Financial Year 2016-17 is given below:

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

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

Terms of Reference

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

7. Subsidiary Companies

The names of the Company's Subsidiary Companies appear on page no. 82 of this report.

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

8. General Body Meetings

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

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

(ii) Special Resolution passed through postal ballot:

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

a) Special Resolution for Re-appointment of Mr. P.R.S. Oberoi (DIN-00051894) as Executive Chairman

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

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

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

(iii) Person who conducted the postal ballot exercise

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

(iv) Procedure for postal ballot

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

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

None.

9. Remuneration of Executive Directors

(₹ in million)

Name	Salary	Perquisites	Commission on Profits (Accrued)	Total
Mr. P.R.S.Oberoi	-	3.46	25.49	28.95
Mr. S.S.Mukherji	11.22	0.66	19.11	30.99
Mr. Vikram Oberoi	11.96*	2.65	15.93	30.54
Mr. Arjun Oberoi	12.08*	4.37	15.93	32.38
TOTAL	35.26	11.44	76.46	122.86

*Includes retirement benefits

Apart from the sitting fee, no remuneration is paid to Non-Executive Directors. Non-Executive Directors who attend Board or Committee Meetings are paid a sitting fee of ₹ 50,000 per meeting. During the Financial Year, the total amount paid to Non-Executive Directors for attending Board and Committee Meetings amounted to Rs.4.00 Million. No stock option was given to Directors of the Company.

Service Contracts of Executive Directors

Name	Tenure	Notice Period	Severance Fees
Mr. P.R.S.Oberoi	27.06.2012-26.06.2017 & 27.06.2017- 26.06.2022	6 months	As per Agreement
Mr. S.S.Mukherji	27.06.2012 - 26.06.2017 & 27.06.2017-26.06.2022	6 months	As per Agreement
Mr. Vikram Oberoi	01.07.2014- 30.06.2019	6 months	As per Agreement
Mr. Arjun Oberoi	01.07.2014- 30.06.2019	6 months	As per Agreement

10. General Disclosures

- (i) A summary of transactions with related parties, in the ordinary course of business and at arm's length is placed before the Audit Committee;
- (ii) there were no material individual transactions with related parties that were not in the ordinary course of business and at arm's length during the Financial Year ended 31st March 2017;
- (iii) there were no materially significant transactions during the Financial Year with related parties such as the Promoters, Directors, Key Managerial Personnel, Relatives or Subsidiaries that could have potential conflict of interest with the Company;
- (iv) the mandatory disclosure of transactions with related parties, in compliance with the Indian Accounting Standard (IndAS-24), forms part of this annual report;
- (v) none of the Non-Executive Directors hold any shares in the company except Mr. Sudipto Sarkar who holds 1,144 shares in the Company;
- (vi) in preparing the Annual Accounts for the Financial Year ended 31st March 2017, no accounting treatment was different from that prescribed in the Indian Accounting Standards;
- (vii) there were no instance of non-compliance on any matter relating to the capital markets during the past three years;
- (viii) the Company has a Code of Conduct for Prevention of Insider Trading in the shares of the Company for Directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (ix) the Company has a Whistleblower Policy which can be accessed on the Company's website www.eihltd.com. It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee in terms of the policy. During the Financial Year, the company did not receive any complaint.
- (x) the Company has a policy on Related Party Transactions. The policy can be accessed on the Company's website www.eihltd.com.
- (xi) the Company has a Policy on Distribution of Dividend to Shareholders. The Policy can be accessed on the Company's website www.eihltd.com.
- (xii) the Company has a policy on Determination and Disclosure of Material Events. The policy can be accessed on the Company's website www.eihltd.com.
- (xiii) the Company has a policy on Preservation and Archival of Documents. The policy can be accessed on the Company's website www.eihltd.com.
- (xiv) the familiarisation program for Independent Directors is provided as part of the Director's Appointment and Remuneration policy. The policy and details of the familiarisation program is given on the Company's website www.eihltd.com.
- (xv) Independent Directors met on 28th March 2017 to review the performance of the Non-Independent Directors and the Board as a whole, performance of the Chairperson and quality, quantity and timeliness of information exchange between the Company Management and the Board.

- (xvi) The Company has put in place a Board Evaluation process. A note on this is provided in the Directors' Report.
- (xvii) The Company has put in place adequate Internal Control Systems and Procedures including adequate financial controls with reference to the financial statement.
- (xviii) The Company has put in place a Risk Management Committee comprising of Executive Directors and Senior Executives of the Company which identifies potential risks associated with the Company's business and take steps to mitigate such risks. The Company is not required to constitute a Board Committee on Risk Management. The Risk Management Policy formulated by the Company is available on the Company's website www.eihltd.com.
- (xix) The Company is complying with the non-mandatory requirement of a separate post of Chairperson and Managing Director and Chief Executive Officer.

11. Means of Communication

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

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

SL No	Nature of Communication	Media used for Publication	Dates of Publication	Forwarded/to be forwarded to Stock Exchanges on
1	Quarterly unaudited financial statement (first quarter 2016-17)	Newspapers	04.08.2016	02.08.2016
2	Half-yearly unaudited financial statement (second quarter 2016-17)	Newspapers	04.11.2016	03.11.2016
3	Quarterly unaudited financial statement (third quarter 2016-17)	Newspapers	24.01.2017	23.01.2017
4	Annual audited financial statements 2016-2017	Newspapers	On or before 02.06.2017	30.05.2017

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

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

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

12. General Shareholder Information

a. The Sixty Seventh Annual General Meeting will be held at 11.30 A.M. on Wednesday, 2nd August 2017, at The Oberoi Grand, Kolkata.

b. The tentative financial calendar is as follows:

Audited Financial Statement for 2016-17	Tuesday	30th May 2017
Mailing of Annual Report for 2016-17	On or before	7th July 2017
Unaudited First Quarter Financial Result 2017-18	Tuesday	1st August 2017
Sixty Seventh Annual General Meeting	Wednesday	2nd August 2017
Payment of Dividend for 2016-17	Thursday	3rd August 2017
Unaudited Second Quarter Financial Result 2017-18	Monday	30th October 2017

c. Register of Shareholders

The Register of Shareholders will remain closed from 26th July 2017 to 28th July 2017, both days inclusive.

d. Payment of dividend

Dividend through ECS and warrants in respect of Dividend for the Financial Year 2016-17, if declared by the Company at the Sixty Seventh Annual General Meeting, will be paid on 3rd August 2017 to those shareholders whose name appear in the Register of members/ list of beneficial owners as on 25th July 2017.

e. Listing of Shares on Stock Exchanges

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

Name & Address of the Stock Exchange	Stock Code
The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata-700 001	05
BSE Limited Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001	500840
The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400 051	EIHOTEL

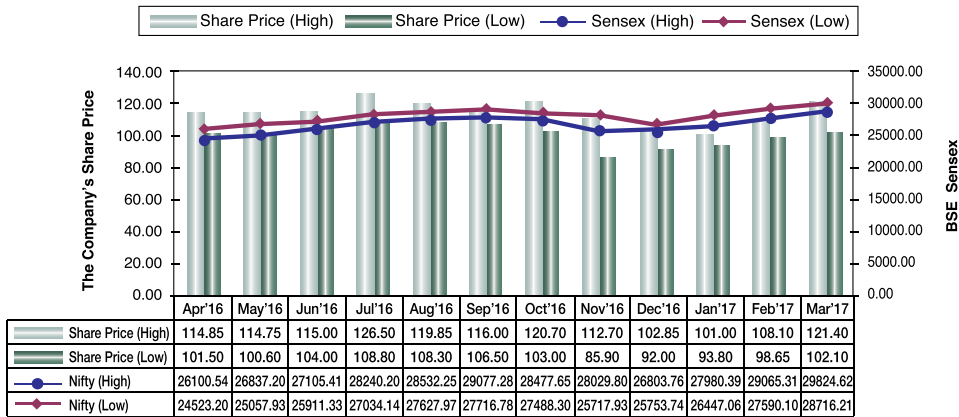
The ISIN Number of the company's shares in the dematerialised mode is INE 230A01023.

There are no arrears of listing fees.

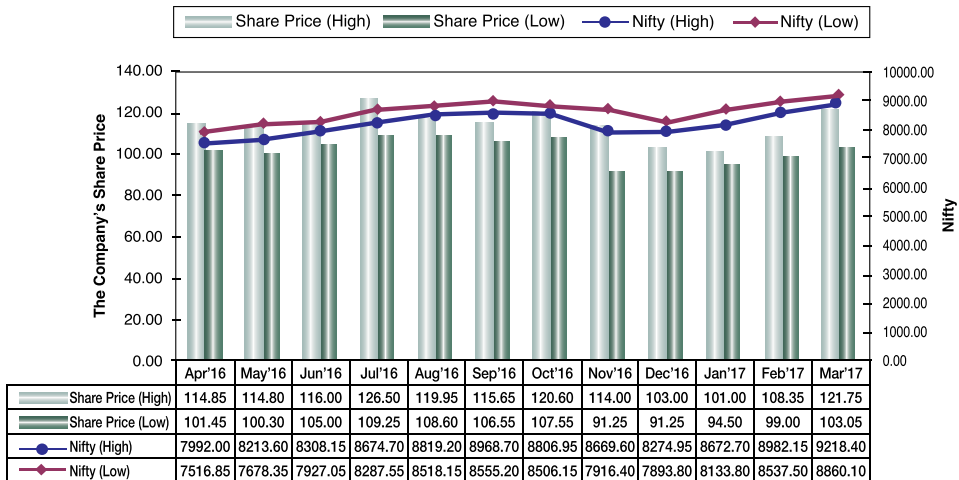
f. Market Price of the Company’s share versus Sensex and Nifty (in Rupees)

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

A. The Company’s Share Price versus Sensex



B. The Company’s Share Price versus Nifty



- g. The Company has a demat account namely “EIH Ltd-Unclaimed Suspense A/c” with ICICI Bank Limited. The Shares remaining unclaimed as on 31st March 2017 in the said Suspense Account are as under:

Particulars	No. of Shareholders	No. of Shares	% of Shares capital
Aggregate number of Shareholders and outstanding shares as on 1st April, 2016	3,034	1,405,971	0.25
Number of Shareholders who had approached the Company and whose shares were transferred from the suspense account during the year	23	10,786	0.01
Aggregate number of Shareholders and outstanding shares lying as on 31st March 2017	3,011	1,395,185	0.24

- h. In accordance with Section 20,101 and 136 of the Companies Act, 2013 and rules made there under, the Annual Report, Notices of the Annual General Meeting, Postal Ballot notice, circulars etc, are being sent by electronic means to those Shareholders whose e-mail addresses are made available to the Company by the Shareholders and the depository. Documents e-mailed to Shareholders are also available on the Company’s website www.eihltd.com to enable Shareholders to read and download a copy, if required. Physical copies of the documents are sent to those Shareholders who have made a specific request in writing for the same. For the Financial Year 2016-17, the Company will follow the same procedure.

13. Global Depository Receipts (GDR’s)

During the Financial Year 2016-17, the Company has terminated its Depository Agreement with the Depository, Bank of New York Mellon (BONY) and got its GDR’s delisted from the London Stock Exchange. All the GDR holders were given notice to either get their GDR’s converted into underlying shares in the Company or they would be paid sale proceeds of the underlying shares by the Depository. The Depository has taken appropriate action as required. At the close of the Financial Year there are no outstanding GDR’s.

14. Share Transfers

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

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

As on 31st March 2017, 562.25 million Shares of the Company (representing 98.37% of the total Shares issued) were held in the dematerialised form and 9.32 million Shares (representing 1.63% of the total shares) were held in the physical form. As on 31st March 2017, the total number of Shareholders were 67,078 out of which 52,336 (78.02%) were holding shares in a dematerialised form. The balance 14,742 (21.98%) Shareholders continued to hold shares in the physical form.

15. Distribution of Shareholding as on 31st March 2017

Shareholding Range	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
Upto – 1000	53,758	80.14	13,263,195	2.32
1001 – 5000	11,597	17.29	23,779,380	4.16
5001 – 10000	1,088	1.62	7,520,548	1.32
10001 – 50000	505	0.75	9,543,810	1.67
50001 – 100000	45	0.07	3,082,668	0.54
100001 and above	85	0.13	514,379,813	89.99
Total	67,078	100.00	571,569,414	100.00

16. Pattern of Shareholding as on 31st March 2017

Category of Shareholders	No of Shareholders	Total No. of Shares	Percentage
PROMOTER AND PROMOTER GROUP			
INDIAN			
Individual/HUF	5	29,989,233	5.25
Central Government/State Government(s)	-	-	-
Bodies Corporate	9	171,469,006	30.00
Financial Institutions / Banks	-	-	-
Others	-	-	-
Sub-Total A(1) :	14	201,458,239	35.25
FOREIGN			
Individuals (NRIs/Foreign Individuals)	-	-	-
Bodies Corporate	-	-	-
Institutions	-	-	-
Qualified Foreign Investor	-	-	-
Others (specify)	-	-	-
Sub-Total A(2) :	-	-	-
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) :	14	201,458,239	35.25

Category of Shareholders	No of Shareholders	Total No. of Shares	Percentage
PUBLIC SHAREHOLDING			
INSTITUTIONS			
Mutual Funds /UTI	14	28,418,349	4.97
Financial Institutions /Banks	37	704,516	0.12
Central Government/State Government(s)	-	-	-
Venture Capital Funds	-	-	-
Insurance Companies	6	53,629,876	9.38
Foreign Institutional Investors	73	20,173,434	3.53
Foreign Venture Capital Investors	-	-	-
Qualified Foreign Investor	-	-	-
Others (specify)	-	-	-
Sub-Total B(1) :	130	102,926,175	18.00
NON-INSTITUTIONS			
Bodies Corporate	1,006	207,223,051	36.26
Individuals			
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	64,889	50,874,924	8.90
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	19	7,604,632	1.33
Qualified Foreign Investor	-	-	-
Others			
NON RESIDENT INDIANS	852	1,168,443	0.20
TRUSTS	7	12,524	0.00
FOREIGN NATIONALS	6	38,953	0.01
DIRECTORS RELATIVES	3	2,438	0.00
CLEARING MEMBERS	152	260,035	0.05
Sub-Total B(2) :	66,934	267,185,000	46.75
Total Public Shareholding B = B(1)+B(2) :	67,064	370,111,175	64.75
Total (A+B) :	67,078	571,569,414	100.00
Shares held by custodians, against which Depository Receipts have been issued			
Promoter and Promoter Group	-	-	-
Public	-	-	-
GRAND TOTAL (A+B+C) :	67,078	571,569,414	100.00

17. Unclaimed Dividends

All Unclaimed Dividends upto and including the Financial Year ended on 31st March 2009, have been transferred to the Investor Education and Protection Fund (“IEPF”) as mandated under law.

In accordance with Rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules), the Company has uploaded a Statement of Unclaimed Dividend amounts as on the date of the last Annual General Meeting in Form IEPF-2 on the website of Ministry of Corporate Affairs, www.mca.gov.in. This statement and details of Unclaimed Dividends have also been uploaded on the Company’s website, www.eihltd.com. The year wise Unclaimed Dividend position as on 31st March 2017 are 2010 - ₹ 4.18 Million, 2011 - ₹ 3.46 Million, 2012 - ₹ 4.41 Million, 2013 - ₹ 3.81 Million, 2014 - ₹ 3.41 Million, 2015 - ₹ 3.47 Million and 2016 - ₹ 3.09 Million.

Shareholders who have not encashed their Dividend Warrants relating to the subsequent Financial Years are reminded by the Investors Services Division (ISD) of the Company, from time to time, to claim their Dividends before transfer to the IEPF. Shareholders who have not encashed their Dividend Warrants relating to the Financial Year ended on 31st March 2010 and subsequent years are requested to contact the ISD.

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

In accordance with the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules)(as amended), the Company is required to statutorily transfer the shares held by the Shareholders whose Dividend has remained unclaimed for a consecutive period of seven years or more to IEPF. Company had sent Notices by Registered Post to all the Shareholders who have not claimed their Dividend for the past seven years or more to claim their Dividend. Notices were also published in the Newspapers on 18th November 2016 and 11th April 2017 respectively requesting Shareholders to claim their Dividend failing which their Shares will be transferred to IEPF. As per IEPF Rules, the Company is required to transfer the Shares relating to the Shareholders who have not claimed their Dividend to the IEPF on or before 30th June 2017. The list of Shareholders who have not claimed their Dividend for seven years or more is available on the Company’s website www.eihltd.com.

19. 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.

20. 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, Shamnath Marg,
Delhi-110 054

Telephone No. : 91-11-2389 0505
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Investors Grievances

21. 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.

22. Compliance Certificate of the Auditors

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

For and on behalf of the Board

Gurugram
30th May 2017

VIKRAM OBEROI
Managing Director & 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 2017.

Gurugram
30th May 2017

VIKRAM OBEROI
Managing Director & Chief Executive Officer

List of Subsidiary Companies

A. Companies Incorporated in India

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

B. Companies Not Incorporated in India

- (1) EIH Flight Services Ltd
- (2) EIH International Ltd
- (3) EIH Holdings Ltd
- (4) J&W Hong Kong Ltd
- (5) EIH Investments NV
- (6) EIH Management Services BV
- (7) PT Widja Putra Karya
- (8) PT Waka Oberoi Indonesia
- (9) 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, Ranthambhore |
| 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 a Subsidiary
- | | |
|---|----------------------|
| The Oberoi Amarvilās, Agra | Trident, Chennai |
| The Oberoi Rajvilās, Jaipur | Trident, Agra |
| Wildflower Hall, Shimla
(An Oberoi Resort) | Trident, Jaipur |
| The Oberoi Cecil, Shimla | Trident, Udaipur |
| The Oberoi, Bali | Trident, Cochin |
| The Oberoi, Lombok | Trident, Bhubaneswar |
| The Oberoi, Mauritius | Trident, Hyderabad |
| The Oberoi, Sahl Hasheesh, Egypt | |
| The Oberoi, Al Zohra, Ajman (UAE) | |
- C. Hotels managed by EIH Limited or a Subsidiary
- The Oberoi, Gurgaon
 - The Oberoi, Dubai
 - The Oberoi Zahra, Nile Cruiser
 - Trident, Gurgaon
 - The Oberoi Sukhvilās, Near Chandigarh
- D. Other Business Units owned and operated by EIH Limited
- | | | |
|---|--------------------------|--|
| Motor Vessel Vrinda, Cochin
(A Luxury Cruiser) | Oberoi Flight Services, | Mumbai,
Delhi,
Chennai,
Kolkata |
| | Oberoi Airport Services, | Mumbai |
| Maidens Hotel, Delhi | | |
| Printing Press, Manesar, Gurgaon | | |
| Business Aircraft Charters | | |
- E. Other Business owned and operated through Jointly Controlled Entity
- Luxury car hire and car leasing

Note:

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

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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 31 March 2017, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C,D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on use

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

For RAY & RAY
Chartered Accountants
Firm's Registration no. 301072E

Place: Gurugram
Date: 30th May 2017

R.N. ROY
Partner
Membership no. 8608

SECRETARIAL AUDIT REPORT **(for the financial year ended March 31, 2017)**

*[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 conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2017, according to the provisions of:

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

Regulations, 2015, as amended from time to time.

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time. However, the regulations are not applicable to the Company during the audit period since the Company has not raised any money from the public.
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. However, the regulations are not applicable to the Company during the audit period since the Company does not have any such scheme in operation.
 - (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.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended from time to time, since the Company has obtained registration with SEBI under these regulations.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time. However, the regulations are not applicable to the Company during the audit period since the Company has not got its securities delisted from stock exchanges in India.
 - (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.
- vi) Other significant policies and regulations specifically applicable to the Company, including:
- a) Tourism Policy of Government of India and Classification of Hotels.
 - b) Food Safety and Standards Act, 2006 and Rules made there under.
 - c) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made there under.
 - d) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made there under.
 - e) Hazardous Material (Management, Handling and Trans-boundary Movement) Rules, 2008.
 - f) Phonographic and Performance License.
 - g) Indian Explosives Act, 1884 and Rules made there under.

- h) The Static and Mobile Pressure Vessels (Unfired) Rules, 1981
- i) 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.
- (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 Regulation 17 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review; agenda and detailed notes on agenda were sent properly before the scheduled meeting; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions were carried out unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the financial year under review.
4. The Company got its Global Depository Receipts de-listed from The London Stock Exchange with effect from February 28, 2017 after complying with requisite formalities.
5. The Board approved temporary closure of The Oberoi Hotel at New Delhi for the purpose of renovation. The Hotel will remain closed from April 1, 2016 and is expected to reopen on April 1, 2018.

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 pertaining to the operations of the Company, including those relating to Environment, Apprentices, Food Safety & Standards and Performance License. However, notices received from the statutory authorities, if any, are reported as part of Board process for compliance reporting and appropriate action is taken from time to time.

For JUS & Associates
Company Secretaries

Place: New Delhi
Date: 30th May 2017

Jyoti Upmanyu
FCS- 7985
CP No.- 8987

INDEPENDENT AUDITOR'S REPORT

To
The Members
EIH Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

Emphasis of Matter

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

- a) Note No 6 and Note No 45 to the standalone Ind AS financial statements wherein the Company has stated that adjustments for impairment is not considered necessary in respect of investments of Rs. 1184.88 Million in EIH Flight Services Limited Mauritius in view of the business valuation made by the independent valuer even though the net worth of EIH Flight Services Limited Mauritius continues to be negative.
- b) Note No 3(ii) to the standalone Ind AS 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. The said note describes the uncertainty related to the outcome of the above legal matters and accordingly the impact, if any, on the standalone Ind AS financial statements has not been ascertained. As such the uncertainty of the allotment of shares still continues.

Our opinion is not modified in respect of these matters.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by us and on which we expressed an unmodified opinions in our reports for the year ended March 31, 2016 and March 31, 2015 dated May 26, 2016 and

May 30, 2015 respectively, as adjusted for the differences in accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

Our opinion is not qualified in respect of this matter.

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 Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations against the Company on its financial position in its standalone Ind AS financial statements in respect of claims and demands on the Company which are being contested as mentioned in Note 41 (a) and 3 (ii).
 - 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.
- iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and produced to us by the management. Refer Note 47 to the standalone Ind AS financial statements.

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

R. N. ROY
Partner
Membership No 8608

Place : Gurugram
Date : 30th May 2017

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 not violated the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- 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, 2017 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, service tax and luxury tax have not been deposited by the Company on account of disputes:

Sl. No	Name of Statute	Nature of Dues	Forum where dispute is pending	Rupees Million
1	Income Tax Act, 1961	Income Tax	CIT (Appeals), Kolkata for FY 1999-2000, 2006-07 to 2007-08, 2009-2010 to 2010-2011 and 2013-14	333.29
			ITAT, Kolkata for FY 2007-2008 to 2008-2009 and 2010-11 to 2011-12	124.50
Total				457.79
2	Value Added Tax of various States	Value Added Tax/Sales Tax	Additional Commissioner of Sales Tax & Vat, Kolkata for FY 2011-2012	0.62
			Senior Jt. Commissioner Sales Tax, Kolkata for FY 2013 -2014	1.68
			Maharashtra Sales Tax Tribunal/ Joint Commissioner of Sales Tax Appeals, Mumbai for FY 1999-2000, 2008-2009 and 2009-2010	7.88
			Additional Commissioner (Appeals) Commercial Tax Debt, Udaipur for FY 2011-12 to 2013-2014	3.63
			Appellate and Revision Board Commercial Taxes, West Bengal. Kolkata for FY 2005-2006 to 2009-2010	10.39
			Tax Tribunal, Chandigarh for FY 2011-2012	0.25
Total				24.45
3	Customs Act, 1962	Customs Duty	CESTAT Tribunal, Delhi for FY 2008-2009	429.66
Total				429.66
4	Rajasthan Tax on Luxuries (In Hotels and Lodging House) Act, 1990	Luxury Tax	Rajasthan Tax Board, Ajmer for Luxury Tax for FY 2010-2011 to 2013-2014	3.50
Total				3.50
5	Service Tax	Service Tax	Commissioner of Service Tax, Division-1 Delhi for FY 2007-2008 to 2009-2010	6.40
			Commissioner of Central Excise (Appeal-I), Kolkata for FY 2001-2006	0.27
			CEST Appellate Tribunal, Kolkata for FY 2008-2009 to 2011-12	2.63
			CEST Appellate Tribunal, Bangalore for FY 2004-2006.	1.11
			CEST Appellate Tribunal, New Delhi for FY 2010-2011 to 2013-2014	24.15
			Commissioner of Service Tax (Appeal), Mumbai for FY 2012-13	33.54
			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
			CESTAT Tribunal, Delhi for FY 2008-2011	1.26
Total				122.12

- 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 Ind AS 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)

R.N. ROY
Partner
Membership No. 8608

Place: Gurugram
Date: 30th May 2017

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 Act”)

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

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 standalone Ind AS 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 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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Gurugram
Date: 30th May 2017

R.N. ROY
Partner
Membership No. 8608

Balance Sheet

As at March 31, 2017

Rupees Million

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
NON-CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	4	15,591.12	16,745.07	17,320.15
CAPITAL WORK-IN-PROGRESS	4	3,134.36	1,045.15	790.38
INTANGIBLE ASSETS	5	88.51	84.64	3.68
INTANGIBLE ASSETS (UNDER DEVELOPMENT)		-	-	69.11
FINANCIAL ASSETS				
(i) Investments	6	7,636.80	6,993.67	7,313.18
(ii) Trade Receivables	7	-	-	-
(iii) Other Financial Assets	8	1,439.20	2,598.35	1,914.34
TAX ASSETS (NET)	9	807.01	915.96	801.08
OTHER NON-CURRENT ASSETS	10	2,588.31	2,358.98	2,407.12
TOTAL NON-CURRENT ASSETS		31,285.31	30,741.82	30,619.04
CURRENT ASSETS				
INVENTORIES	11	413.33	415.23	390.92
FINANCIAL ASSETS				
(i) Trade Receivables	12	1,692.10	1,860.29	1,886.67
(ii) Cash and Cash Equivalents	13	67.90	57.90	129.77
(iii) Other Bank Balances	14	30.10	37.71	106.91
(iv) Other Financial Assets	15	511.89	50.45	81.30
OTHER CURRENT ASSETS	16	790.98	410.03	399.77
TOTAL CURRENT ASSETS		3,506.30	2,831.61	2,995.34
TOTAL ASSETS		34,791.61	33,573.43	33,614.38
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	17	1,143.14	1,143.14	1,143.14
OTHER EQUITY	18	26,538.42	25,735.21	26,144.62
TOTAL EQUITY		27,681.56	26,878.35	27,287.76
LIABILITIES				
NON-CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
(i) Borrowings	19	1,519.41	271.82	668.25
(ii) Other Financial Liabilities	20	25.62	45.98	52.20
EMPLOYEE BENEFIT OBLIGATIONS	23	209.96	169.56	166.17
OTHER NON-CURRENT LIABILITIES	21	2.33	3.64	6.42
DEFERRED TAX LIABILITIES (NET)	22	1,741.20	1,919.75	1,908.63
TOTAL NON-CURRENT LIABILITIES		3,498.52	2,410.75	2,801.67
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
(i) Borrowings	24	1,159.69	1,848.50	1,038.75
(ii) Trade Payables	25	1,295.12	1,187.74	1,090.38
(iii) Other Financial Liabilities	26	427.35	559.85	543.71
OTHER CURRENT LIABILITIES	27	578.66	565.41	800.90
EMPLOYEE BENEFIT OBLIGATIONS	23	150.71	122.83	51.21
TOTAL CURRENT LIABILITIES		3,611.53	4,284.33	3,524.95
TOTAL EQUITY AND LIABILITIES		34,791.61	33,573.43	33,614.38

THE ACCOMPANYING NOTES
FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

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

For RAY & RAY
Chartered Accountants
Firm's Registration Number 301072E

P.R.S. OBEROI
Executive Chairman

VIKRAM OBEROI
Managing Director and Chief Executive Officer

ANIL NEHRU
Director

R.N. ROY
Partner
Membership Number 8608
Gurugram, 30th May 2017

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Profit and Loss

For the year ended March 31, 2017

		Rupees Million	
		Year ended March 31	
	Note	2017	2016
INCOME			
REVENUE FROM OPERATIONS	28	12,775.49	14,197.46
OTHER INCOME	29	992.26	498.77
TOTAL REVENUE		13,767.75	14,696.23
EXPENSES			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	30	1,917.53	2,062.28
EMPLOYEE BENEFITS EXPENSE	31	3,792.93	3,869.73
FINANCE COSTS	32	145.04	227.36
DEPRECIATION AND AMORTISATION EXPENSE	33	1,104.87	1,135.48
EXCISE DUTY		18.14	20.53
OTHER EXPENSES	34	5,128.51	5,549.31
TOTAL EXPENSES		12,107.02	12,864.69
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		1,660.73	1,831.54
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	35	(382.22)	(182.59)
PROFIT BEFORE TAX		1,278.51	1,648.95
TAX EXPENSE			
INCOME TAX	36	479.45	547.32
DEFERRED TAX	36	(166.31)	11.39
PROFIT FOR THE YEAR		965.37	1,090.24
OTHER COMPREHENSIVE INCOME			
Items that may not be reclassified to Profit and Loss			
- Remeasurement of Post-employment benefit obligations		(124.45)	(100.53)
- Tax relating to these items		43.07	34.79
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR, NET OF TAX		(81.38)	(65.74)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		883.99	1,024.50
EARNINGS PER EQUITY SHARE (in INR) Face Value INR 2			
(1) BASIC	46	1.69	1.91
(2) DILUTED		1.69	1.91

THE ACCOMPANYING NOTES
FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

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

For RAY & RAY

Chartered Accountants

Firm's Registration Number 301072E

R.N. ROY

Partner

Membership Number 8608

Gurugram, 30th May 2017

P.R.S. OBEROI
Executive Chairman

BISWAJIT MITRA
Chief Financial Officer

VIKRAM OBEROI
Managing Director and Chief Executive Officer

S.N. SRIDHAR
Company Secretary

ANIL NEHRU
Director

Statement of Cash Flow

For the year ended March 31, 2017

	Rupees Million	
	Year ended March 31	
	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,278.51	1,648.95
Adjustments for		
Depreciation and amortisation expense	1,104.87	1,135.48
(Gain)/loss on disposal of property, plant and equipment	403.50	(225.93)
Provision for impairment in value of investments	-	418.58
Fair value changes on equity investments measured at fair value through profit and loss	(6.10)	(6.16)
Dividend income classified as investing cash flows	(238.93)	(255.68)
Interest income classified as investing cash flows	(167.63)	(123.78)
Finance costs	145.04	227.36
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	168.19	26.38
(Increase)/Decrease in inventories	1.90	(24.31)
Increase/(Decrease) in trade payables	107.38	97.36
(Increase)/ Decrease in other financial assets	60.85	(15.50)
(Increase)/Decrease in other non-current assets	(74.58)	65.04
(Increase)/Decrease in other current assets	(380.95)	(10.26)
Increase/(Decrease) in employee benefit obligations	(56.16)	(25.53)
Increase/(Decrease) in other financial liabilities	(38.65)	11.58
Increase/(Decrease) in other non-current liabilities	(1.31)	(2.78)
Increase/(Decrease) in other current liabilities	13.25	(235.51)
Cash generated from operations	2,319.18	2,705.29
Income taxes paid (net of refund)	(339.66)	(627.69)
Net cash inflow from operating activities	1,979.52	2,077.60
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(2,584.58)	(857.35)
(Purchase)/ Sale of Investments	0.06	(730.01)
Proceeds from sale of property, plant and equipment	56.57	243.19
Changes in other bank balances	7.61	69.22
Dividends received	238.93	255.68
Interest received	167.39	123.21
Net cash outflow from investing activities	(2,114.02)	(896.06)

Statement of Cash Flow

For the year ended March 31, 2017 - *Contd.*

	Rupees Million	
	Year ended March 31 2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
Term Loan	1,500.00	-
Cash Credit	-	409.75
Short Term Loan	-	400.00
Repayment of borrowings		
Term Loan	(400.00)	(400.00)
Cash Credit	(388.81)	-
Short Term Loan	(300.00)	-
Interest paid	(264.96)	(224.56)
Dividends paid	(1.73)	(1,262.15)
Tax on Dividend	-	(176.45)
Net cash inflow/ (outflow) from financing activities	144.50	(1,253.41)
Net increase/(decrease) in cash and cash equivalents	10.00	(71.87)
Cash and cash equivalents at the beginning of the year	57.90	129.77
Cash and cash equivalents at the end of the year	67.90	57.90

THE ACCOMPANYING NOTES FORM
AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

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

For RAY & RAY
Chartered Accountants
Firm's Registration Number 301072E

R.N. ROY
Partner
Membership Number 8608

Gurugram, 30th May 2017

P.R.S. OBEROI
Executive Chairman

BISWAJIT MITRA
Chief Financial Officer

VIKRAM OBEROI
Managing Director and Chief Executive Officer

S.N. SRIDHAR
Company Secretary

ANIL NEHRU
Director

Statement of Changes in Equity

For the year ended March 31, 2017

Rupees Million

A. Equity share capital

As at April 1, 2015	1,143.14
Changes in equity share capital during the year	-
As at March 31, 2016	1,143.14
Changes in equity share capital during the year	-
As at March 31, 2017	1,143.14

B. Other equity

	Reserves and surplus					Total
	Capital Redemption Reserve	Securities Premium Reserve	Revaluation Reserve	General Reserve	Retained Earnings (Surplus)	
Balance at April 1, 2015	1,024.21	12,373.41	2,208.53	6,621.38	3,917.09	26,144.62
Profit for the year	-	-	-	-	1,090.24	1,090.24
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	(65.74)	(65.74)
Total comprehensive income for the year	-	-	-	-	1,024.50	1,024.50
Allocations/Appropriations:						
Final dividend paid for the year 2014-15	-	-	-	-	(628.73)	(628.73)
Interim Dividend paid for the year 2015-16	-	-	-	-	(628.73)	(628.73)
Dividend distribution tax	-	-	-	-	(176.45)	(176.45)
Transferred (to)/from General Reserve	-	-	(21.34)	221.34	(200.00)	-
	-	-	(21.34)	221.34	(1,633.91)	(1,433.91)
Balance as at March 31, 2016	1,024.21	12,373.41	2,187.19	6,842.72	3,307.68	25,735.21
Balance at April 1, 2016	1,024.21	12,373.41	2,187.19	6,842.72	3,307.68	25,735.21
Profit for the year	-	-	-	-	965.37	965.37
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	(81.38)	(81.38)
Total comprehensive income for the year	-	-	-	-	883.99	883.99
Adjustment to Revaluation Reserve on building of The Oberoi, New Delhi	-	-	(80.78)	-	-	(80.78)
Allocations/Appropriations:						
Transferred (to)/from General Reserve	-	-	(19.84)	219.84	(200.00)	-
	-	-	(100.62)	219.84	(200.00)	(80.78)
Balance as at March 31, 2017	1,024.21	12,373.41	2,086.57	7,062.56	3,991.67	26,538.42

The accompanying notes form an integral part of the Financial Statements

This is the Statement of changes in equity referred to in our report of even date.

For RAY & RAY

Chartered Accountants

Firm's Registration Number 301072E

R.N. ROY

Partner

Membership Number 8608

Gurugram, 30th May 2017

P.R.S. OBEROI
Executive Chairman

BISWAJIT MITRA
Chief Financial Officer

VIKRAM OBEROI
Managing Director and Chief Executive Officer

S.N. SRIDHAR
Company Secretary

ANIL NEHRU
Director

Notes to Accounts

GENERAL INFORMATION

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

1

SIGNIFICANT ACCOUNTING POLICIES

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

a) BASIS OF PREPARATION

(i) Compliance with Ind AS

The separate financial statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 as a going concern on an accrual basis.

The financial statements up to year ended 31 March 2016 were prepared earlier in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the company under Ind AS and the transition was carried out in accordance with Ind AS 101, "First time adoption of Indian Accounting Standards. Refer note 48 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

(ii) Historical cost convention

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

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

(iii) Use of estimates

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

b) REVENUE RECOGNITION

(i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

(ii) Revenue from interest is recognized on accrual basis and determined by contractual rate of interest.

(iii) Dividend income is stated at gross and is recognized when right to receive payment is established

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

Timing of revenue recognition from major business activities

- *Hospitality Services:* Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable.
- *Sale of printed material:* Revenue from sale of printed and other materials is recognised on dispatch of materials.
- *Others:* Revenue from Shop License Fee, Management and Marketing Fee included under "Other Services" is recognised on accrual basis as per terms of the contract.
- Revenue in respect of customer loyalty are recognized when loyalty points are redeemed by the customers.

Notes to Accounts — *Contd.*

c) FOREIGN CURRENCY TRANSLATION

(i) Presentation Currency

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

(ii) Transactions and balances

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 realization or translation at the year end.

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

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

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

d) INCOME TAX

Current income tax is recognized based on the amount expected to be paid to the tax authorities, using tax rates and tax laws that have been enacted or substantially enacted on the date of balance sheet.

e) DEFERRED TAX

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements.

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f) SEGMENT REPORTING

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

The board of directors of EIH Limited generally assesses the financial performance and position of the company, and makes strategic decisions. Refer note 44 for segment information.

g) LEASES

As a lessee :

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

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

Notes to Accounts — *Contd.*

As a lessor :

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

h) IMPAIRMENT OF ASSETS

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

i) CASH AND CASH EQUIVALENTS

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

j) TRADE RECEIVABLES

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

k) INVENTORIES

Inventories are valued at cost 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 or Loss.

l) INVESTMENTS AND OTHER FINANCIAL ASSETS

(i) Classification

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

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

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

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

(ii) Measurement

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

Debt instruments

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

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

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

Notes to Accounts — *Contd.*

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

Equity instruments

The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the company determines whether there has been a significant increase in credit risk.

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

(v) Income recognition

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

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

m) PROPERTY, PLANT AND EQUIPMENT

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

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

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

Transition to Ind AS

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

Notes to Accounts — *Contd.*

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than land, the hotel buildings, certain buildings on leasehold land and leased vehicles and machinery is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013. Leased vehicles, and building installed on leasehold land (other than perpetual lease) are depreciated over the lives of the respective asset or over the remaining lease period from the date of installation whichever is shorter.

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

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which ranges between 30 years and 60 years with effect from March 31, 2015 and are higher than those specified by Schedule II to the Companies Act; 2013. The management believes that the balance useful lives so assessed best represent the periods over which the hotel buildings are expected to be in use. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

n) INTANGIBLE ASSETS

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

Transition to Ind AS

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

o) TRADE AND OTHER PAYABLES

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

p) BORROWING COSTS

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

q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

r) EMPLOYEE BENEFITS

(i) Short-term obligations

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

Notes to Accounts — *Contd.*

(ii) *Post-employment obligations*

The company operates the following post-employment schemes:

Gratuity obligations –

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

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

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

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

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

Leave encashment on termination of service –

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

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

Provident Fund –

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

s) **DIVIDENDS**

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

t) **EARNINGS PER SHARE**

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

Notes to Accounts — *Contd.*

u) GOVERNMENT GRANTS/INCENTIVES

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

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

v) INVESTMENT IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

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

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

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

Transition to Ind AS

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

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

The investment in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

Transition to Ind AS

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

w) ROUNDING OF AMOUNTS

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

Notes to Accounts — *Contd.*

2 NEW STANDARDS/AMENDMENTS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED:

As set out below, amendments to standards are effective for annual periods beginning on or after April 1, 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company:

Amendments to Ind AS 102, Share-based Payment

The amendment to Ind AS 102 clarifies the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled.

Since the Company does not have any share based plan outstanding at the reporting date, the abovementioned amendment will not have any impact on the financial statements of the Company. The amendment is effective for accounting periods beginning on or after April 1, 2017 and early adoption of the same is not permitted.

Amendments to Ind AS 7, Cash Flow Statements

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The said amendment will not have any impact on the Company's cash flow. The amendment is effective for accounting periods beginning on or after April 1, 2017 and early adoption of the same is not permitted.

3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

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

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

i) Useful life of the Hotel Building

The Company has adopted useful life of fixed assets as stipulated by Schedule II to the Companies Act, 2013 except for the hotel buildings for computing depreciation. In the case of the hotel building of the Company, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificates of the technical expert, the balance useful life of the hotel buildings ranges between 30 years and 60 years with effect from 31st March, 2015 and are higher than those specified by Schedule II to the Companies Act, 2013. The carrying amount of the hotel building is being depreciated over its residual life.

ii) Advance towards Equity Shares

In the case of Mashobra Resort Limited ("MRL"), several disputes with the Government of Himachal Pradesh, the joint venture partner, were referred by the High Court of Himachal Pradesh on 17th December, 2003 to an arbitral tribunal consisting of a single arbitrator whose award has been challenged by both the 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 INR 1,361.93 Million provided to MRL upto 31st March, 2012 as 'Advance Towards Equity', including INR 130.00 Million being the opening balance of 'Advance Towards Equity'. In view of the above, the Company has shown the said amount of INR 1,361.93 Million as 'Advance Towards Equity' in its books.

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

iii) Recognition of Revenue (customer loyalty programs)

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

Notes to Accounts — Contd.

Rupees Million

4 (i) PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2016
	Deemed cost as at April 01, 2015	Additions during the year	Sales/ Adjustments during the year	Balance as at March 31, 2016	As at April 1, 2015	For the Year	Less: Sales/ Adjustments	As at March 31, 2016	
Freehold Land (including development cost)	1,412.03	-	-	1,412.03	-	-	-	-	1,412.03
Leasehold Land	641.88	-	-	641.88	-	4.85	-	4.85	637.03
Buildings	10,053.21	168.08	7.67	10,213.62	-	234.98	3.24	231.74	9,981.88
Plant & Equipment	4,177.49	238.62	37.50	4,378.61	-	658.49	19.47	639.02	3,739.59
Furniture & Fittings	462.46	13.24	(16.59)	492.29	-	126.90	(6.20)	133.10	359.19
Vehicles	138.83	107.57	1.30	245.10	-	35.92	0.53	35.39	209.71
Office Equipment	22.36	3.49	6.95	18.90	-	7.13	0.93	6.20	12.70
Leased Vehicles	60.52	35.77	4.36	91.93	-	30.33	2.98	27.35	64.58
Boats	32.08	-	(6.21)	38.29	-	1.94	(3.23)	5.17	33.12
Aircrafts	319.29	-	-	319.29	-	24.05	-	24.05	295.24
TOTAL	17,320.15	566.77	34.98	17,851.94	-	1,124.59	17.72	1,106.87	16,745.07

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

Notes to Accounts — Contd.

4. (ii) CAPITAL WORK-IN-PROGRESS

Capital Work-In-Progress shown in the Balance Sheet inter-alia includes :

- a) INR 727.42 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.
- b) INR 2,182.73 Million being the cost of renovation of the Company's hotel, The Oberoi, New Delhi, one of the hotels of the company which continues to remain closed from 1st April, 2016 for major renovation and is expected to be ready by 1st April, 2018.
- c) INR 1.04 Million being depreciation on Rajgarh Palace project capitalised during the year.
- d) INR 123.12 Million being borrowing cost capitalised during the year.

4. (iii) CONTRACTUAL OBLIGATIONS

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

Rupees Million

5. INTANGIBLE ASSETS

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2016
	Deemed cost as at April 01, 2015	Additions during the year	Sales/ Adjustments during the year	Balance as at March 31, 2016	As at April 1, 2015	For the Year	Less: Sales/ Adjustments	As at March 31, 2016	
Computer Software	3.68	91.85	-	95.53	-	10.89	-	10.89	84.64
TOTAL	3.68	91.85	-	95.53	-	10.89	-	10.89	84.64

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2017
	As at April 01, 2016	Additions during the year	Sales/ Adjustments during the year	Balance as at March 31, 2016	As at April 1, 2016	For the Year	Less: Sales/ Adjustments	As at March 31, 2017	
Computer Software	95.53	23.68	0.52	118.69	10.89	19.81	0.52	30.18	88.51
TOTAL	95.53	23.68	0.52	118.69	10.89	19.81	0.52	30.18	88.51

Notes to Accounts — Contd.

	Rupees Million		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
6			
NON-CURRENT INVESTMENTS			
A. Investments in equity instruments (fully paid)			
(i) Quoted -			
In Associate entity (Equity investments at cost)			
11,215,118 (2016 & 2015-11,215,118) Equity Shares of INR 10 each of EIH Associated Hotels Limited fully paid	1,010.72	1,010.72	1,010.72
In Other entities (Equity investments at Fair value through profit & loss)			
25,000 (2016 & 2015-25,000) Equity Shares of INR 10 each of Tourism Finance Corporation of India Limited fully paid	2.06	1.06	1.70
(ii) Unquoted -			
In Joint Venture entity (Equity investments at cost)			
12,117,652 (2016 -12,117,652 , 2015-9,796,632) Equity Shares of INR 10 each of Mercury Car Rentals Private Limited fully paid	308.25	308.25	215.36
In Subsidiary Companies (Equity investments at cost)			
96,607,800 (2016 & 2015-96,607,800) Equity Shares of USD 1 each of EIH International Limited fully paid	4,401.67	4,401.67	4,401.67
25,999,995 (2016 & 2015-25,999,995) Equity Shares of INR 10 each of Mashobra Resort Limited fully paid	260.04	260.04	260.04
2,176,000 (2016 & 2015-2,176,000) Equity Shares of INR 10 each of Oberoi Kerala Hotels and Resorts Limited fully paid	21.76	21.76	21.76
12,390,000 (2016 & 2015-12,390,000) Equity Shares of INR 10 each of Mumtaz Hotels Limited fully paid	394.72	394.72	394.72
69,044,006 (2016 & 2015- 35,338,006) Equity Shares of MUR 10 each of EIH Flight Services Limited, Mauritius fully paid (Note 45)	1,184.88	547.89	547.89
In Other entities (Equity investments at Fair value through profit & loss)			
41,858,400 (2016 & 2015-41,858,400) Equity Shares of INR 10 each of Golden Jubilee Hotels Private Limited fully paid	418.58	418.58	418.58
Provision for impairment in the value of Investments (Note 35)	418.58	418.58	-
	-	-	418.58
849,575 (2016 & 2015-849,575) Equity Shares of INR 10 each of Mercury Travels Limited fully paid	51.82	46.73	39.93
18,000 (2016 & 2015-18,000) Equity Shares of INR 10 each of Green Infra Wind Generation Limited fully paid	0.18	0.18	0.18
4,200 (2016 & 2015-3,200) Equity Shares of INR 10 each of ReNew Wind Energy (Karnataka) Pvt. Ltd. fully paid	0.42	0.32	0.32
Total investments in equity instruments	<u>7,636.52</u>	<u>6,993.34</u>	<u>7,312.87</u>
B. Investment in Government Securities (Unquoted)			
National Savings Certificate (lodged with Government Authorities as Security Deposit)	0.28	0.33	0.31
Total investments in government securities	<u>0.28</u>	<u>0.33</u>	<u>0.31</u>
Total non-current investments	<u>7,636.80</u>	<u>6,993.67</u>	<u>7,313.18</u>
Aggregate amount of quoted investments	1,012.78	1,011.78	1,012.42
Market value of quoted investments	3,927.35	3,253.45	2,491.45
Aggregate amount of unquoted investments	7,042.60	6,400.47	6,300.76
Aggregate amount of impairment in the value of investment	418.58	418.58	-

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 1, 2015
7			
TRADE RECEIVABLES			
Receivables other than from related parties - considered doubtful	117.03	92.47	17.20
Less: Provision for doubtful debts	117.03	92.47	17.20
Total trade receivables	-	-	-
8			
OTHER NON-CURRENT FINANCIAL ASSETS			
Advances towards Equity shares in:			
(i) Subsidiary Companies			
- Mashobra Resort Limited (note 3(ii))	1,361.93	1,361.93	1,361.93
- EIH Flight Services Limited, Mauritius (note 45)	-	636.99	-
(ii) Other company			
- ReNew Wind Energy (Karnataka) Pvt. Ltd.	-	0.10	-
Security Deposits	77.27	599.33	552.41
Total other non-current financial assets	1,439.20	2,598.35	1,914.34
9			
TAX ASSETS (NET)			
Income Tax Asset (Net)			
Opening balance	910.96	815.55	818.30
Less: Tax payable for the year	(512.76)	(519.73)	(488.42)
Add: Taxes paid	513.63	608.21	485.67
Add/(Less): Refund/ adjustment for earlier years	(109.82)	6.93	-
Closing balance	802.01	910.96	815.55
Wealth Tax Asset (Net)			
Opening balance	5.00	(14.47)	(14.30)
Less: Tax payable for the year	-	-	(3.28)
Add: Taxes paid	-	17.62	0.25
Add: Provision written back	-	1.85	2.86
Closing balance	5.00	5.00	(14.47)
Total tax assets	807.01	915.96	801.08
10			
OTHER NON-CURRENT ASSETS			
Capital Advances	186.63	31.87	14.97
Prepaid Expenses	20.75	10.48	4.82
Other Advances recoverable - considered doubtful	186.44	186.44	186.74
Less: Provision for doubtful advances	186.44	186.44	186.74
Other Advances recoverable - considered good	9.02	7.97	27.20
Prepaid Rent	2,371.91	2,308.66	2,360.13
Total other non-current assets	2,588.31	2,358.98	2,407.12

Notes to Accounts — Contd.

	Rupees Million		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
11			
INVENTORIES*			
Provisions, Wines & Others	175.94	178.12	178.02
Stores & Operating Supplies	237.39	237.11	212.90
Total inventories	413.33	415.23	390.92
*Inventories are valued at cost which is based on 'Cumulative Weighted Average Method' or net realisable value, whichever is lower.			
12			
TRADE RECEIVABLES			
Unsecured, considered good			
Receivable from related parties	164.88	149.38	120.66
Receivable from other than related parties	1,527.22	1,710.91	1,766.01
Total trade receivables	1,692.10	1,860.29	1,886.67
13			
CASH & CASH EQUIVALENTS			
Balances with Banks			
- Current Accounts	35.76	29.99	82.13
Cash in hand	9.41	13.41	15.94
Cheques in hand	19.59	6.92	28.09
Fixed Deposits with maturity within three months	3.14	7.58	3.61
Total cash and cash equivalents	67.90	57.90	129.77
14			
OTHER BANK BALANCES			
Margin Deposits	0.55	3.91	4.53
Unpaid Dividend Accounts	25.82	27.55	32.25
Escrow Accounts / Fractional Share sale proceeds (against Bonus Issue)	-	0.17	0.17
Fixed Deposits maturing within 3 - 12 months	3.73	6.08	69.96
Total other bank balances	30.10	37.71	106.91
15			
OTHER CURRENT FINANCIAL ASSETS			
Interest Accrued on deposits	2.56	2.32	1.75
Other Receivables	21.66	19.24	62.58
Security Deposits	487.67	28.89	16.86
Assets held for disposal	-	-	0.11
Total other current financial assets	511.89	50.45	81.30
16			
OTHER CURRENT ASSETS			
Prepaid Expenses	116.98	113.84	95.66
Prepaid Rent	54.84	86.39	84.64
Advances to Related Parties	13.25	-	-
Other Advances	441.83	204.87	125.27
Services Exports Incentive	159.95	-	-
Deposits of non-financial nature	4.13	4.93	94.20
Total other current assets	790.98	410.03	399.77

Notes to Accounts — Contd.

	Rupees Million		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
17			
EQUITY SHARE CAPITAL			
AUTHORISED			
1,500,000,000 Equity Shares of INR 2 each (2016 & 2015-1,500,000,000)	3,000.00	3,000.00	3,000.00
	<u>3,000.00</u>	<u>3,000.00</u>	<u>3,000.00</u>
ISSUED, SUBSCRIBED & FULLY PAID			
571,569,414 Equity Shares of INR 2 each (2016 & 2015-571,569,414)	1,143.14	1,143.14	1,143.14
	<u>1,143.14</u>	<u>1,143.14</u>	<u>1,143.14</u>

(i) Reconciliation of equity share capital

	Number of shares	Equity share capital (par value) Rupees Million
As at April 1, 2015	571,569,414	1,143.14
Change during the year	-	-
As at March 31, 2016	571,569,414	1,143.14
Change during the year	-	-
As at March 31, 2017	<u>571,569,414</u>	<u>1,143.14</u>

(ii) Rights and preferences attached to equity shares :

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

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

	As at					
	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of Shares	% holding	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	105,907,273	18.53
(2) ITC Limited	85,621,473	14.98	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	83,646,328	14.63
(4) Life Insurance Corporation of India	31,741,260	5.55	32,106,838	5.62	32,433,881	5.67
(5) Oberoi Holdings Private Limited	33,438,993	5.85	33,438,993	5.85	35,257,278	6.17

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 1, 2015
18			
OTHER EQUITY			
RESERVES AND SURPLUS			
Capital Redemption Reserve	1,024.21	1,024.21	1,024.21
Securities Premium Reserve	12,373.41	12,373.41	12,373.41
Revaluation Reserve	2,086.57	2,187.19	2,208.53
General Reserve	7,062.56	6,842.72	6,621.38
Surplus	3,991.67	3,307.68	3,917.09
Total other equity	26,538.42	25,735.21	26,144.62
(i) CAPITAL REDEMPTION RESERVE			
Opening Balance	1,024.21	1,024.21	
Adjustment during the year	-	-	
Closing Balance	1,024.21	1,024.21	
(ii) SECURITIES PREMIUM RESERVE			
Opening Balance	12,373.41	12,373.41	
Adjustment during the year	-	-	
Closing Balance	12,373.41	12,373.41	
(iii) REVALUATION RESERVE			
Opening Balance	2,187.19	2,208.53	
Less : Adjustment of Revaluation Reserve on building of The Oberoi, New Delhi	80.78	-	
Less : Transfer to general reserve	19.84	21.34	
Closing Balance	2,086.57	2,187.19	
(iv) GENERAL RESERVE			
Opening Balance	6,842.72	6,621.38	
Add : Transfer from Revaluation Reserve	19.84	21.34	
Add: Transfer from Surplus	200.00	200.00	
Closing Balance	7,062.56	6,842.72	
(v) SURPLUS			
Opening Balance	3,307.68	3,917.09	
Add: Profit during the year as per Statement of Profit & Loss	965.37	1,090.24	
Less : Transfer to General Reserve	(200.00)	(200.00)	
Final Dividend for year 2014-15	-	(628.73)	
Interim Dividend for the year 2015-16	-	(628.73)	
Dividend distribution tax	-	(176.45)	
Other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	(81.38)	(65.74)	
Closing Balance	3,991.67	3,307.68	

Nature and purpose of Reserves

(i) Capital Redemption Reserve

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

(ii) Revaluation Reserve

Revaluation Reserves was created under previous GAAP on upward revaluation on land and building. An amount equivalent to additional amortisation/depreciation charged during the period on leased land and building due to upward revaluation is transferred directly from Revaluation Reserve to General Reserve at each reporting period.

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Rupees Million			
19			
NON-CURRENT BORROWINGS			
Term Loans from Banks			
Secured			
ICICI Bank Limited (ICICI)	-	200.00	600.00
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	1,446.43	-	-
Long Term maturities of Finance Lease Obligations:			
Secured			
Long Term maturity of Finance Lease Obligations- Vehicles	44.88	43.70	40.12
Unsecured			
Long Term maturity of Finance Lease Obligations- Land	28.10	28.12	28.13
Total non-current borrowings	1,519.41	271.82	668.25
Current maturities of long term debt (included in note 26)	253.57	400.00	400.00
Current maturities of finance lease obligations (included in note 26)	22.63	27.04	26.67
Total	1,795.61	698.86	1,094.92

PARTICULARS OF TERM BORROWINGS :

i) Security :

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 .

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

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

ii) Terms of repayment and Interest rate :

Term Loan From The Hong Kong & Shanghai Banking Corporation Limited (HSBC) is repayable in 28 quarterly installment starting from February 2018 and carries interest which is linked to banks MCLR, presently effective rate is 8.88%

Term Loan From ICICI Bank carries interest at the rate of 0.55% above bank's base rate, repayable in quarterly installments of INR 100.00 Million each. Repayment will be complete in July 2017.

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

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

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 1, 2015
20			
OTHER NON-CURRENT FINANCIAL LIABILITIES			
Liability for Lease Equalisation	10.93	11.49	11.92
Security Deposits	13.37	34.45	37.59
Liability for Capital Expenditure	-	-	0.16
Other liabilities	1.32	0.04	2.53
Total other non-current financial liabilities	25.62	45.98	52.20
21			
OTHER NON-CURRENT LIABILITIES			
Advance Rent	2.33	3.64	6.42
Total other non-current liabilities	2.33	3.64	6.42
22			
DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities on account of :			
Depreciation	1,956.70	2,079.62	2,071.07
Fair Valuation of Equity Investment	2.61	1.80	0.70
Restatement of liability at fair value	0.21	30.98	32.12
Total deferred tax liabilities (A)	1,959.52	2,112.40	2,103.89
Deferred Tax Assets on account of :			
Statutory Expenses claimable on payment	76.92	57.74	62.98
Provision for Debts, Advances and Investments	105.02	96.52	70.58
Fair Valuation of Security Deposit-Assets	24.14	23.53	21.78
Liability for Lease Equalisation	3.99	4.14	4.22
Other temporary differences	8.25	10.72	35.70
Total deferred tax assets (B)	218.32	192.65	195.26
Deferred Tax Liabilities (Net - A-B)	1,741.20	1,919.75	1,908.63

Notes to Accounts — Contd.

Rupees Million

Movement in deferred tax liabilities :

	Depreciation	Restatement of liability at fair value	Fair Valuation of Equity Investment	Total
As at April 1, 2015	2,071.07	32.12	0.70	2,103.89
Charged/(Credited):				
- to profit and loss	8.55	(1.14)	1.10	8.51
- to other comprehensive income	-	-	-	-
As at March 31, 2016	2,079.62	30.98	1.80	2,112.40
Charged/(Credited):				
- to profit and loss	(122.92)	(30.77)	0.81	(152.88)
- to other comprehensive income	-	-	-	-
As at March 31, 2017	1,956.70	0.21	2.61	1,959.52

Movement in deferred tax assets :

	Statutory Expenses claimable on payment	Provision for Debts, Advances and Investments	Fair Valuation of Security Deposit-Assets	Liability for Lease Equalisation	Others temporary differences	Total
As at April 1, 2015	62.98	70.58	21.78	4.22	35.70	195.26
(Charged)/Credited:						
- to profit and loss	(5.51)	25.94	1.75	(0.08)	(24.98)	(2.88)
- to other comprehensive income	0.27	-	-	-	-	0.27
As at March 31, 2016	57.74	96.52	23.53	4.14	10.72	192.65
(Charged)/Credited:						
- to profit and loss	6.93	8.50	0.61	(0.15)	(2.47)	13.42
- to other comprehensive income	12.25	-	-	-	-	12.25
As at March 31, 2017	76.92	105.02	24.14	3.99	8.25	218.32

23

EMPLOYEE BENEFIT OBLIGATIONS

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Leave Encashment - Unfunded									
Present value of obligation	33.46	209.96	243.42	28.42	169.56	197.98	22.41	166.17	188.58
Gratuity - Funded									
Present value of obligation	579.06	-	579.06	514.41	-	514.41	492.26	-	492.26
Fair value of plan assets	461.81	-	461.81	420.00	-	420.00	463.46	-	463.46
Net Liability	117.25	-	117.25	94.41	-	94.41	28.80	-	28.80
Total employee benefit obligations	150.71	209.96	360.67	122.83	169.56	292.39	51.21	166.17	217.38

Notes to Accounts — Contd.

(i) **Defined benefit plans**

a) **Gratuity**

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

b) **Leave Encashment**

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

(ii) **Defined contribution plans**

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

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

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

	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
April 1, 2015	492.26	463.46	28.80	188.58
Current service cost	29.06	-	29.06	39.33
Interest expense/(income)	32.75	32.97	(0.22)	13.02
Total amount recognised in profit and loss	61.81	32.97	28.84	52.35
Remeasurements				
Loss due to experience	104.92	-	104.92	0.78
Return on plan assets (greater)/less than discount rate	-	5.16	(5.16)	-
Total amount recognised in other comprehensive income	104.92	5.16	99.76	0.78
Employer contributions	-	62.99	(62.99)	-
Benefit payments	(144.58)	(144.58)	-	(43.73)
March 31, 2016	514.41	420.00	94.41	197.98
April 1, 2016	514.41	420.00	94.41	197.98
Current service cost	29.65	-	29.65	38.12
Interest expense/(income)	36.65	33.15	3.50	13.81
Total amount recognised in profit and loss	66.30	33.15	33.15	51.93
Remeasurements				
Loss due to experience	25.46	-	25.46	4.28
Loss due to change in financial assumptions	62.12	-	62.12	31.10
Return on plan assets (greater)/less than discount rate	-	(1.47)	1.47	-
Total amount recognised in other comprehensive income	87.58	(1.47)	89.05	35.38
Employer contributions	-	99.36	(99.36)	-
Benefit payments	(89.23)	(89.23)	-	(41.87)
March 31, 2017	579.06	461.81	117.25	243.42

Notes to Accounts — Contd.

(iv) Post-Employment benefits

The significant actuarial assumptions were as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.00%	7.80%	7.80%
Salary growth rate	4.00%	3.00%	3.00%
Expected Return on Assets	8.50%	8.50%	8.50%
Mortality	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate
Withdrawal Rate	2.00%	2.00%	2.00%

Rupees Million

(v) Sensitivity analysis

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

	Change in assumption		Impact on defined benefit obligation			
			Increase by 1%		Decrease by 1%	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Gratuity						
Discount rate	1%	1%	(35.36)	(28.56)	40.13	32.11
Salary growth rate	1%	1%	40.90	33.37	(36.65)	(30.09)
Leave Encashment						
Discount rate	1%	1%	(17.87)	(13.24)	20.78	15.32
Salary growth rate	1%	1%	21.22	15.93	(18.51)	(13.94)

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

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

	March 31, 2017		March 31, 2016		April 1, 2015	
	Unquoted	in %	Unquoted	in %	Unquoted	in %
Investment funds with LIC of India *	461.82	100%	420.00	100%	463.46	100%
Total	461.82		420.00		463.46	

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

Notes to Accounts — Contd.

(vii) Risk exposure

The defined benefit obligations have the undermentioned risk exposures :

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

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

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

(viii) Defined benefit liability and employer contributions

Expected contribution to post employment benefit plan for the year ending March 31, 2018 is INR 117.25 Million.

The weighted average duration of the defined benefit obligation is 9 years in case of Gratuity and 11 years in case of Leave encashment in all the three years.

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

	Rupees Million						
	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Beyond 5 years	Total
March 31, 2017							
Defined benefit obligation							
Gratuity	69.92	51.44	52.58	80.32	67.71	378.30	700.27
Leave encashment	34.61	19.75	22.59	33.32	31.88	186.16	328.31
Total	104.53	71.19	75.17	113.64	99.59	564.46	1,028.58
March 31, 2016							
Gratuity	61.86	60.07	55.66	53.10	79.11	345.11	654.91
Leave encashment	29.50	23.37	22.30	22.35	31.43	149.02	277.97
Total	91.36	83.44	77.96	75.45	110.54	494.13	932.88
April 1, 2015							
Gratuity	49.72	60.06	58.32	54.04	51.56	343.22	616.92
Leave encashment	23.27	28.65	22.69	21.65	21.70	145.99	263.95
Total	72.99	88.71	81.01	75.69	73.26	489.21	880.87

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 1, 2015
24			
CURRENT BORROWINGS			
SECURED			
Short Term Loan From Bank			
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	-	350.00	450.00
Cash Credit From Banks			
United Bank Of India *	391.99	619.42	424.27
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	151.70	60.23	164.48
ICICI Bank Limited (ICICI)	66.00	318.85	-
UNSECURED			
Short Term Loan From Banks			
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	250.00	500.00	-
Federal Bank Limited	300.00	-	-
Total current borrowings	1,159.69	1,848.50	1,038.75

* Net of current account balances.

PARTICULARS OF SHORT TERM BORROWINGS :

- i) **Security :**
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.
- ii) **Terms of repayment and Interest rate :**
Cash Credit from United Bank Of India is repayable on demand and carries Interest at bank's base rate + 0.80%
Cash Credit from HSBC is repayable on demand and carries Interest at banks base rate + 2.90%
Cash Credit from ICICI is repayable on demand and carries Interest at 6 months MCLR +1.15%
Short term loan from HSBC is repayable on maturity and carries Interest @ 8.90%.
Short term loan from Federal Bank Limited is repayable on maturity and carries Interest @ 8.70%.

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 1, 2015
25			
TRADE PAYABLES			
Trade Payables	1,219.86	1,131.46	1,044.91
Trade Payables to related parties	75.26	56.28	45.47
Total trade payables	1,295.12	1,187.74	1,090.38
Classification as required by MSME Act			
Total Outstanding dues of Micro Enterprises and Small Enterprises*	5.18	4.43	3.62
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,289.94	1,183.31	1,086.76
Total trade payables	1,295.12	1,187.74	1,090.38
* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act) are based on information made available to the Company. Neither was there any delay in payment nor is any interest due and remaining unpaid on the above.			
26			
OTHER CURRENT FINANCIAL LIABILITIES			
Current Maturities of Long Term Debt	253.57	400.00	400.00
Current Maturities of Finance Lease Obligations	22.63	27.04	26.67
Interest accrued but not due on borrowings	8.25	5.05	2.26
Unclaimed Dividend	25.82	27.55	32.25
Security Deposits	45.75	60.74	47.23
Others:			
- Unclaimed Fractional Share sale proceeds (against Bonus Issue)	-	0.17	0.17
- Liability for Capital Expenditure	70.74	38.84	34.85
- Liability for Lease Equalisation	0.59	0.46	0.28
Total current financial liabilities	427.35	559.85	543.71
27			
OTHER CURRENT LIABILITIES			
Advance from Customer	288.54	214.07	400.07
Statutory and other dues	229.18	271.64	304.09
Advance Rent	2.88	5.06	4.00
Deferred Revenue	58.06	74.64	92.74
Total other current liabilities	578.66	565.41	800.90

Notes to Accounts — Contd.

	Year ended March 31, 2017	Rupees Million Year ended March 31, 2016
28		
REVENUE FROM OPERATIONS		
Rooms	5,055.95	5,585.14
Food and Beverage	5,252.84	5,975.80
Other Services	1,833.01	2,025.57
Sale of Printed Materials	633.69	610.95
Total revenue from operations	12,775.49	14,197.46
29		
OTHER INCOME		
Interest income from financial assets at amortised cost	64.29	117.79
Interest income on Income Tax refund	103.33	5.99
Dividend income from Subsidiary Companies	221.64	187.46
Dividend income from Associate and Joint Ventures Companies	17.27	67.29
Dividend income from equity investments measured at fair value through profit and loss	0.02	0.93
Income on account of Services Exports Incentive	484.24	-
Other gains/(losses) :		
Net foreign exchange gain	7.13	8.99
Fair value changes on equity investments measured at fair value through profit and loss	6.10	6.16
Provisions/ Liabilities Written Back	9.31	20.30
Miscellaneous Income	78.93	83.86
Total other income	992.26	498.77
30		
CONSUMPTION OF PROVISIONS, WINES, & OTHERS		
Opening Stock	178.12	178.02
Add: Purchases	1,915.35	2,062.38
	2,093.47	2,240.40
Less : Closing Stock	175.94	178.12
Total Consumption of provisions, wines & others	1,917.53	2,062.28
31		
EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	3,290.13	3,370.44
Contribution to Provident fund and Other Funds	166.26	156.51
Staff Welfare Expenses	336.54	342.78
Total employee benefits expense	3,792.93	3,869.73

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2017	Year ended March 31, 2016
32		
FINANCE COSTS		
Interest Expense	268.06	227.36
Other Borrowing Costs	0.10	-
	<u>268.16</u>	<u>227.36</u>
<i>Less: Amount capitalised</i>	<u>123.12</u>	<u>-</u>
Total finance costs	<u>145.04</u>	<u>227.36</u>

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case it is 9.72% (March 31, 2016 – Nil).

33 **DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation of property, plant and equipment	1,085.06	1,124.59
Amortisation of intangible assets	19.81	10.89
Total depreciation and amortisation expense	<u>1,104.87</u>	<u>1,135.48</u>

34 **OTHER EXPENSES**

Power & Fuel	965.18	1,117.87
Rent	392.76	377.97
Repairs and Maintenance:		
- Buildings	170.62	190.09
- Plant & Machinery	424.25	421.80
- Others	43.23	81.44
Insurance	39.18	40.03
Rates & Taxes	324.07	380.96
Expenses on Apartment & Board	221.08	227.59
Royalty	111.87	126.33
Advertisement, Publicity & Other Promotional Expenses	327.66	373.91
Commission to Travel Agents & others	275.64	268.09
Passage & Travelling	338.65	385.25
Postage, Telephone, etc.	80.79	90.14
Professional Charges	169.73	178.93
Linen, Uniform Washing & Laundry Expenses	43.19	44.85
Renewals & Replacement	130.40	97.29
Musical, Banquet & Kitchen Expenses	64.75	81.74
Auditors' Remuneration (refer note 34(a))	16.68	16.95
Directors' Fees and Commission	80.46	106.70
Bad Debts & Advances Written Off	23.98	4.04

Contd....

Notes to Accounts — Contd.

	Year ended March 31, 2017	Rupees Million Year ended March 31, 2016
34		
OTHER EXPENSES (Contd.)		
Miscellaneous Expenses	410.58	443.05
CSR Expenses (refer note 34(b))	20.28	18.23
Expenses on Contracts for service	405.99	386.91
Provision for Doubtful Debts & Advances	26.21	79.08
Loss on Sale/Discard of Assets etc. (Net)	21.28	10.07
Total other expenses	5,128.51	5,549.31
(a) Details of Auditors' remuneration		
As auditor:		
Audit fee	15.00	15.00
Tax audit fee	1.00	1.00
In other matters:		
For Taxation Matters	0.55	0.55
For other services such as certification	0.13	0.40
Total payments to auditors	16.68	16.95
(b) Details of CSR Expenditure		
SOS Children's Villages of India	18.07	15.67
Expenses for Swachh Bharat Abhiyan	2.21	2.56
Total CSR expenditure	20.28	18.23
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	24.81	19.75

35 **EXCEPTIONAL ITEMS**

Write-off of assets arising out of renovation of The Oberoi, New Delhi	(382.22)	-
Profit on sale of Property at Darjeeling, West Bengal	-	109.90
Profit on sale of Land at Delhi	-	126.10
Provision for diminution in value of investments in Golden Jubilee Hotels Private Limited *	-	(418.59)
Total exceptional items	(382.22)	(182.59)

*The Company's investments (Note No. 6) 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 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.

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2017	Year ended March 31, 2016
36		
TAX EXPENSE		
(a) Income tax		
Tax on profits for the year	543.59	554.26
Adjustments for prior periods	<u>(64.14)</u>	<u>(6.94)</u>
Total income tax	<u>479.45</u>	<u>547.32</u>
(b) Deferred tax		
Decrease / (Increase) in deferred tax assets	(25.68)	2.62
(Decrease) / Increase in deferred tax liabilities	<u>(152.88)</u>	<u>8.51</u>
	<u>(178.56)</u>	<u>11.13</u>
<i>Less</i> : Recognised in OCI	12.25	0.26
Total deferred tax expense/(benefit)	<u>(166.31)</u>	<u>11.39</u>
Total tax expense	<u>313.14</u>	<u>558.71</u>
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before income tax expense	1,278.51	1,648.95
Tax at the rate of 34.608% (2016 – 34.608%)	442.47	570.67
Tax effect of amounts which are not deductible in calculating taxable income:		
Corporate social responsibility expenditure	0.77	0.89
Fair value changes in the value of equity investments	-	145.08
Expenses related to exempted income	1.04	0.97
Donations	<u>0.46</u>	<u>0.60</u>
	<u>2.27</u>	<u>147.54</u>
Adjustments related to property, plant and equipments:		
Adjustment on account of depreciable & leased assets	4.98	18.55
	<u>4.98</u>	<u>18.55</u>
Tax effect of amounts which are not taxable in calculating taxable income:		
Provision for wealth tax written back	(0.35)	(0.64)
Profit on sale of property	-	(81.67)
Dividend	(59.58)	(66.49)
Adjustment in 43B as per Tax audit report	<u>-</u>	<u>(10.05)</u>
	<u>(59.93)</u>	<u>(158.85)</u>
Other differences:		
Difference in tax rate on foreign dividend	(11.55)	(11.00)
Difference in tax rate for impairment on investment in subsidiary	<u>(0.96)</u>	<u>(1.26)</u>
	<u>(12.51)</u>	<u>(12.26)</u>
Tax expense related to prior periods	<u>(64.14)</u>	<u>(6.94)</u>
Tax expense as per Income Tax	<u>313.14</u>	<u>558.71</u>

Notes to Accounts — Contd.

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FAIR VALUE MEASUREMENTS

Financial instruments by category

	Rupees Million					
	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Investments						
Equity instruments	54.48		48.29		460.71	
Government securities	-	0.28	-	0.33	-	0.31
Advances towards Equity shares	-	1,361.93	-	1,999.02	-	1,361.93
Trade Receivables	-	1,692.10	-	1,860.29	-	1,886.67
Cash and cash equivalents	-	67.90	-	57.90	-	129.77
Other Bank Balance	-	30.10	-	37.71	-	106.91
Other receivables	-	24.22	-	21.56	-	64.44
Security deposits	-	564.94	-	628.22	-	569.27
Total financial assets	54.48	3,741.47	48.29	4,605.03	460.71	4,119.30
Financial liabilities						
Borrowings	-	2,859.69	-	2,448.50	-	2,038.75
Security deposits	-	59.12	-	95.19	-	84.82
Finance Lease Obligations	-	95.61	-	98.86	-	94.92
Liability for Lease equilisation	-	11.52	-	11.95	-	12.20
Trade payables	-	1,295.12	-	1,187.74	-	1,090.38
Capital creditors	-	70.74	-	38.84	-	35.01
Others	-	35.39	-	32.81	-	37.21
Total financial liabilities	-	4,427.19	-	3,913.89	-	3,393.29

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
	Financial Investments at FVPL					
Investment in equity shares (Note 6)						
Tourism Finance Corporation of India Limited	2.06	-	1.06	-	1.70	-
Mercury Travels Limited	-	51.82	-	46.73	-	39.93
Green Infra Wind Generation Limited	-	0.18	-	0.18	-	0.18
ReNew Wind Energy (Karnataka) Pvt. Ltd.	-	0.42	-	0.32	-	0.32
Golden Jubilee Hotels Private Limited	-	-	-	-	-	418.58
Total financial assets	2.06	52.42	1.06	47.23	1.70	459.01

Notes to Accounts — Contd.

(ii) Fair value hierarchy

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

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

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

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

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

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

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

Rupees Million

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

	Unquoted Equity Investments
As at April 1, 2015	459.01
Acquisitions	-
Gains/losses recognised in profit and loss	(411.78)
As at March 31, 2016	47.23
Acquisitions	0.10
Gains/losses recognised in profit and loss	5.09
As at March 31, 2017	52.42

(vi) Valuation inputs and relationships to fair value

Particulars	Fair Value as at			Significant unobservable inputs *	Probability-weighted range		
	March 31, 2017	March 31, 2016	April 1, 2015		March 31, 2017	March 31, 2016	April 1, 2015
Unquoted equity shares	51.82	46.73	39.93	Terminal (perpetuity) value CARG	5.50%	5.50%	5.50%
				Cost of Equity	15%	15%	15%

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

Notes to Accounts — Contd.

(vii) Valuation processes

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

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

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

Significant estimates

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

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FINANCIAL RISK MANAGEMENT

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

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

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

(A) Market risk

(i) Foreign currency risk

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

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

Currency	Rupees Million	
	Receivables	Payables
March 31, 2017		
EURO	-	85.27
US Dollar (USD)	41.10	216.43
Hong Kong Dollar (HKD)	-	0.88
UAE Dirham (AED)	1.38	0.01
Great Britain Pound (GBP)	5.16	4.50
Net exposure to foreign currency risk	47.64	307.09

Notes to Accounts — Contd.

Currency	Rupees Million	
	Receivables	Payables
March 31, 2016		
EURO	0.03	7.15
US Dollar (USD)	21.46	45.16
Mauritius Rupee (MUR)	16.88	-
Swiss Franc (CHF)	0.04	-
Singapore Dollar (SGD)	-	0.16
Australian Dollar (AUD)	0.01	0.17
Great Britain Pound (GBP)	0.06	11.60
Net exposure to foreign currency risk	38.48	64.24
April 1, 2015		
EURO	0.03	5.48
US Dollar (USD)	17.77	29.75
Mauritius Rupee (MUR)	10.90	-
Swiss Franc (CHF)	-	0.03
Great Britain Pound (GBP)	1.22	1.76
Net exposure to foreign currency risk	29.92	37.02
Sensitivity		
If INR is depreciated or appreciated by 5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss of the company are given below:		
	Impact on profit	
	March 31, 2017	March 31, 2016
EURO sensitivity		
INR/EURO Increases by 5% (March 31, 2016 - 5%)	(4.26)	(0.36)
INR/EURO Decreases by 5% (March 31, 2016 - 5%)	4.26	0.36
USD sensitivity		
INR/USD Increases by 5% (March 31, 2016 - 5%)	(8.77)	(1.18)
INR/USD Decreases by 5% (March 31, 2016 - 5%)	8.77	1.18
Mauritius Rupee sensitivity		
INR/MUR Increases by 5% (March 31, 2016 - 5%)	-	0.84
INR/MUR Decreases by 5% (March 31, 2016 - 5%)	-	(0.84)
HKD		
INR/HKD Increases by 5% (March 31, 2016 - 5%)	(0.04)	-
INR/HKD Decreases by 5% (March 31, 2016 - 5%)	0.04	-
AED sensitivity		
INR/AED Increases by 5% (March 31, 2016 - 5%)	0.07	-
INR/AED Decreases by 5% (March 31, 2016 - 5%)	(0.07)	-
GBP sensitivity		
INR/GBP Increases by 5% (March 31, 2016 - 5%)	0.03	(0.58)
INR/GBP Decreases by 5% (March 31, 2016 - 5%)	(0.03)	0.58

Notes to Accounts — Contd.

(ii) Interest rate risk

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

	Rupees Million		
	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	2,309.69	1,598.50	1,588.75
Fixed rate borrowings	550.00	850.00	450.00
Total borrowings	2,859.69	2,448.50	2,038.75

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

	Weighted average interest rate	Balance	% of total loans
March 31, 2017			
Bank overdrafts, bank loans, Cash Credit	9.30%	2,309.69	81%
March 31, 2016			
Bank overdrafts, bank loans, Cash Credit	10.32%	1,598.50	65%
April 1, 2015			
Bank overdrafts, bank loans, Cash Credit	11.46%	1,588.75	78%

Sensitivity

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

	Impact on profit	
	March 31, 2017	March 31, 2016
Interest rates – increase by 50 basis points (50 bps)	(11.55)	(7.99)
Interest rates – decrease by 50 basis points (50 bps)	11.55	7.99

(iii) Price risk

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

(B) Credit risk

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

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

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

Reconciliation of loss allowance provision – Trade receivables

Loss allowance on April 1, 2015	17.20
Changes in loss allowance	75.27
Loss allowance on March 31, 2016	92.47
Changes in loss allowance	24.56
Loss allowance on March 31, 2017	117.03

Change in loss allowances for the financial year 2015-16 is primarily relating to GJHPL.

Notes to Accounts — Contd.

(C) Liquidity risk

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

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

Floating rate	Rupees Million		
	March 31, 2017	March 31, 2016	April 1, 2015
Expiring within one year (cash credit facilities and bank overdraft)			
HSBC Cash Credit/WCTL Facility	398.30	139.77	-
HSBC Short term Facility	500.00	250.00	750.00
UBI Cash Credit Facility	408.01	180.58	375.73
ICICI Cash Credit Facility	334.00	81.15	400.00
	<u>1,640.31</u>	<u>651.50</u>	<u>1,525.73</u>

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

(ii) Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities:

	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31, 2017				
Borrowings	1,541.11	1,895.60	-	3,436.71
Obligations under finance lease	36.23	65.36	127.13	228.72
Trade payables	1,295.12	-	-	1,295.12
Security Deposits	42.47	18.87	3.58	64.92
Other financial liabilities	106.13	-	-	106.13
Lease Equalisation liability	0.59	2.74	8.20	11.53
Total non-derivative liabilities	<u>3,021.65</u>	<u>1,982.57</u>	<u>138.91</u>	<u>5,143.13</u>
March 31, 2016				
Borrowings	2,302.13	207.35	-	2,509.48
Obligations under finance lease	40.96	67.17	130.04	238.17
Trade payables	1,187.74	-	-	1,187.74
Security Deposits	69.86	31.96	2.85	104.67
Other financial liabilities	71.65	-	-	71.65
Lease Equalisation liability	0.46	3.13	8.36	11.95
Total non-derivative liabilities	<u>3,672.80</u>	<u>309.61</u>	<u>141.25</u>	<u>4,123.66</u>
April 1, 2015				
Borrowings	1,537.64	647.13	-	2,184.77
Obligations under finance lease	35.82	62.29	132.96	231.07
Trade payables	1,090.38	-	-	1,090.38
Security Deposits	49.32	42.25	4.23	95.79
Other financial liabilities	72.06	2.69	-	74.75
Lease Equalisation liability	0.28	2.62	9.30	12.20
Total non-derivative liabilities	<u>2,785.50</u>	<u>756.98</u>	<u>146.49</u>	<u>3,688.96</u>

Notes to Accounts — Contd.

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CAPITAL MANAGEMENT

(a) Risk management

The company's objectives when managing capital are to

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

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

	Rupees Million		
	March 31, 2017	March 31, 2016	April 1, 2015
Net debt (net of cash and cash equivalents)	2,791.79	2,390.61	1,908.98
Total equity	27,681.56	26,878.35	27,287.75
Net debt to equity ratio	10%	9%	7%

(b) Dividends

	March 31, 2017	March 31, 2016
Final dividend for the year ended March 31, 2016 of INR Nil, March 31, 2015 – INR 1.10)	-	628.73
Dividend Distribution Tax	-	86.62
Interim dividend for the year ended March 31, 2017 of INR Nil (March 31, 2016 – INR 1.10)	-	628.73
Dividend Distribution Tax	-	89.83
Dividends not recognised at the end of the reporting period		
Liability for proposed dividend *	514.41	-
Dividend Distribution Tax on proposed dividend	59.60	-

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

Notes to Accounts — Contd.

RELATED PARTY TRANSACTIONS

40 (a) List of Related Parties

Key Management Personnel of the company and close member of Key Management Personnel of the company	Enterprises in which Key Management Personnel and close member of Key management Personnel have Joint Control
Mr. P.R.S. Oberoi	Oberoi Hotels Private Limited
Mr. S.S. Mukherji	Oberoi Properties Private Limited
Mr. Vikram Oberoi	Oberoi Holdings Private Limited
Mr. Arjun Oberoi	Oberoi Investments Private Limited
Mrs. Nita M. Ambani	Oberoi Buildings and Investments Private Limited
Mrs. Renu Sud Karnad	Oberoi Plaza Private Limited
Mr. Manoj Harjivandas Modi	Oberoi Leasing and Finance Company Private Limited
Mr. Rajeev Gupta	Bombay Plaza Private Limited
Mr. S.K. Dasgupta	Oberoi International LLP
Mr. Anil K. Nehru	Aravalli Polymers LLP
Mr. Sudipto Sarkar	Oberoi Holdings Hong Kong Limited
Mr. L. Ganesh	Bhagwanti Oberoi Charitable Trust
Mr. S.N. Sridhar	Ishran Devi Oberoi Family Trust
Mr. Biswajit Mitra	Oberoi Foundation
Mrs. Goodie Oberoi (Wife of Mr. P.R.S. Oberoi)	Vikramaditya Exports Private Limited
Ms. Priyanka Mukherjee (Daughter of Mr. S.S. Mukherji)	Arpwood Consultants LLP
	Arpwood Partners Investments Advisors LLP
Subsidiaries	Arpwood Investments Advisors LLP
Mumtaz Hotels Limited	Vidhya Bharati Trust
Mashobra Resort Limited	M/s Krishna Enterprises
Oberoi Kerala Hotels & Resorts Limited	M/s Durga Enterprises
EIH International Ltd	M/s Deepak Associates
EIH Flight Services Limited	M/s Sonal Enterprises
EIH Holdings Ltd	M/s Alpha Enterprises
EIH Marrakech Ltd*	M/s Balaji Realty
J&W Hong Kong Limited	M/s TMP Enterprises LLP
EIHH Corporation Limited**	Reliance Group Corp.
EIH Investments N.V.	Reliance Corp.
EIH Management Services B.V.	Shivapriya Corporation
PT Widja Putra Karya	Chakradev Enterprises LLP
PT Waka Oberoi Indonesia	Janardan Commercials LLP
Pt Astina Graha Ubud	Shripal Enterprises LLP
	Shivangi Commercials LLP
Associates & Joint Ventures	Rane Foundation, Chennai
Mercury Car Rentals Private Limited	Oberoi Investments (BVI) Limited
Oberoi Mauritius Ltd	Oberoi Services International Limited
EIH Associated Hotels Limited	Oberoi Services Pte Limited
Island Resort Ltd	Oberoi Holdings (Singapore) Pte. Ltd
	Oberoi Corporation Limited
Enterprises which are post employment benefit plan for the benefit of employees	Komensi Pty Limited
EIH Employees' Gratuity Fund	Oberoi UK Limited
EIH Executive Superannuation Scheme	Oberoi Hotels (Australia) Pty Limited
	OBHR Pty Limited
	OBHR (Australia) Pty Limited
	Saudi Oberoi Company Limited
	La Roseaie De L'atlas
	Silhouette Beauty Parlour

* Liquidated during 2015-16 ** Liquidated during 2016-17

Notes to Accounts — Contd.

40 (b) Transactions with Related Parties for the year ended March 31,2017

Rupees Million

NATURE OF TRANSACTIONS	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/ Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
PURCHASES										
Purchase of Goods & Services										
Mercury Car Rentals Private Limited	-	-	104.25	114.71	-	-	-	-	-	-
Mashobra Resort Limited	1.99	1.76	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	1.49	3.43	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.21	0.09	-	-	-	-	-	-	-	-
PT Widja Putra Karya	1.74	0.38	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	8.87	15.79	-	-	-	-	-	-
Island Resort Ltd	-	-	0.67	0.66	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.03	0.02	-	-	-	-
Oberoi International LLP	-	-	-	-	0.78	2.03	-	-	-	-
Total	5.43	5.66	113.79	131.16	0.81	2.05	-	-	-	-
Purchase of Fixed Assets										
Mumtaz Hotels Limited	-	0.02	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	0.29	-	-	-	-	-	-
Total	-	0.02	-	0.29	-	-	-	-	-	-
EXPENSES										
Rent										
Oberoi Kerala Hotels & Resorts Limited	0.64	0.63	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	1.52	1.41	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.36	0.36	-	-	-	-
Mrs. Goodie Oberoi, W/o Mr. P.R.S.Oberoi	-	-	-	-	-	-	0.36	0.36	-	-
Total	0.64	0.63	1.52	1.41	0.36	0.36	0.36	0.36	-	-
Royalty										
Oberoi Hotels Pvt Ltd	-	-	-	-	128.65	144.38	-	-	-	-
Total	-	-	-	-	128.65	144.38	-	-	-	-
Short-term employee benefits										
Mr. P.R.S. Oberoi	-	-	-	-	-	-	28.95	35.84	-	-
Mr. S.S. Mukherji	-	-	-	-	-	-	30.99	37.88	-	-
Mr. V.S. Oberoi	-	-	-	-	-	-	28.18	33.03	-	-
Mr. A.S. Oberoi	-	-	-	-	-	-	29.90	35.65	-	-
Mr. Biswajit Mitra	-	-	-	-	-	-	12.86	9.22	-	-
Mr. S.N. Sridhar	-	-	-	-	-	-	6.29	6.14	-	-
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	-	-	1.48	1.37	-	-
Total	-	-	-	-	-	-	138.65	159.13	-	-
Post-employment benefits										
Mr. V.S. Oberoi	-	-	-	-	-	-	2.36	3.57	-	-
Mr. A.S. Oberoi	-	-	-	-	-	-	2.48	3.31	-	-
Mr. Biswajit Mitra	-	-	-	-	-	-	1.80	1.26	-	-
Mr. S.N. Sridhar	-	-	-	-	-	-	0.63	0.55	-	-
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	-	-	0.16	0.10	-	-
Total	-	-	-	-	-	-	7.43	8.79	-	-
Directors' Sitting Fees										
Mrs. Nita M. Ambani	-	-	-	-	-	-	0.15	0.20	-	-
Mrs. Renu Sud Karnad	-	-	-	-	-	-	0.30	0.25	-	-
Mr. Manoj Harjivandas Modi	-	-	-	-	-	-	0.20	0.30	-	-
Mr. Rajeev Gupta	-	-	-	-	-	-	0.40	0.35	-	-
Mr. S.K. Dasgupta	-	-	-	-	-	-	1.20	0.95	-	-
Mr. Anil K. Nehru	-	-	-	-	-	-	0.75	0.60	-	-
Mr. Sudipto Sarkar	-	-	-	-	-	-	0.35	0.25	-	-
Mr. L. Ganesh	-	-	-	-	-	-	0.65	0.60	-	-
Total	-	-	-	-	-	-	4.00	3.50	-	-
Total Key management personnel compensation							150.08	171.42	-	-
SALES										
Sale of Goods and Services										
Mercury Car Rentals Private Limited	-	-	14.81	31.53	-	-	-	-	-	-
Mashobra Resort Limited	31.77	29.57	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	76.59	71.78	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.53	0.14	-	-	-	-	-	-	-	-
PT Widja Putra Karya	8.87	7.10	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	318.96	303.36	-	-	-	-	-	-
EIH Flight Services Ltd, Mauritius	-	0.08	-	-	-	-	-	-	-	-
Island Resort Ltd	-	-	3.05	2.21	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	10.17	1.17	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	-	-	0.22	0.39	-	-
Oberoi International LLP	-	-	-	-	0.01	-	-	-	-	-
Total	117.76	108.67	336.82	337.10	10.18	1.17	0.22	0.39	-	-
Sale of Fixed Assets										
EIH Associated Hotels Limited	-	-	13.37	-	0.13	-	-	-	-	-
Total	-	-	13.37	-	0.13	-	-	-	-	-

Notes to Accounts — Contd.

Rupees Million

NATURE OF TRANSACTIONS	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/ Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	INCOME									
License Agreement	-	-	1.68	1.92	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	0.44	0.24	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	1.44	1.48	-	-	-	-
Oberoi Holdings Pvt Ltd	-	-	-	-	0.75	0.78	-	-	-	-
Oberoi Investments Pvt Ltd	-	-	-	-	1.87	1.94	-	-	-	-
Oberoi Bldgs & Investments Pvt Ltd	-	-	-	-	3.33	3.43	-	-	-	-
Oberoi Plaza Pvt Ltd	-	-	-	-	2.55	2.68	-	-	-	-
Bombay Plaza Pvt Ltd	-	-	-	-	-	-	4.76	17.13	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	-	-	-	-	-	-
Total	-	-	2.12	2.16	9.94	10.31	4.76	17.13	-	-
Management Contract										
Mumtaz Hotels Limited	93.28	92.48	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	187.14	172.07	-	-	-	-	-	-
EIH Flight Services Ltd, Mauritius	15.06	16.61	-	-	-	-	-	-	-	-
Total	108.34	109.09	187.14	172.07	-	-	-	-	-	-
Dividend Received										
Mercury Car Rentals Private Limited	-	-	6.06	-	-	-	-	-	-	-
Mumtaz Hotels Limited	154.88	123.90	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	11.22	67.29	-	-	-	-	-	-
EIH International Limited	66.77	63.56	-	-	-	-	-	-	-	-
Total	221.65	187.46	17.28	67.29	-	-	-	-	-	-
PAYMENTS										
Advance against Equity Shares										
EIH Flight Services Ltd, Mauritius	-	636.99	-	-	-	-	-	-	-	-
Total	-	636.99	-	-	-	-	-	-	-	-
Investment in Equity Shares										
Mercury Car Rentals Private Limited	-	-	-	92.89	-	-	-	-	-	-
EIH Flight Services Ltd, Mauritius	636.99	-	-	-	-	-	-	-	-	-
Total	636.99	-	-	92.89	-	-	-	-	-	-
Refund of Collections to Related Party										
Mercury Car Rentals Private Limited	-	-	1.30	0.06	-	-	-	-	-	-
Mashobra Resort Limited	0.74	5.53	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	13.24	97.04	-	-	-	-	-	-	-	-
Oberoi Kerala Hotels & Resorts Limited	-	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	9.79	158.72	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.15	0.15	-	-	-	-
Total	13.98	102.57	11.09	158.78	0.15	0.15	-	-	-	-
Expenses reimbursed to Related Party										
Mercury Car Rentals Private Limited	-	-	0.21	-	-	-	-	-	-	-
Mashobra Resort Limited	0.77	0.49	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	0.93	1.46	-	-	-	-	-	-	-	-
PT Widja Putra Karya	0.02	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	2.81	15.17	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	-	2.51	-	-	-	-
Total	1.72	1.95	3.02	15.17	-	2.51	-	-	-	-
Security Deposit										
Oberoi Kerala Hotels & Resorts Limited	0.20	1.30	-	-	-	-	-	-	-	-
Total	0.20	1.30	-	-	-	-	-	-	-	-
RECEIPTS										
Recovery of Collections by Related Party										
Mercury Car Rentals Private Limited	-	-	-	0.23	-	-	-	-	-	-
Mashobra Resort Limited	0.01	1.93	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	6.12	0.93	-	-	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	9.99	27.37	-	-	-	-	-	-
Total	6.13	2.86	9.99	27.60	-	-	-	-	-	-
Expenses Reimbursed by Related Party										
Mercury Car Rentals Private Limited	-	-	0.88	1.41	-	-	-	-	-	-
Mashobra Resort Limited	0.35	3.79	-	-	-	-	-	-	-	-
EIH Flight Services Ltd, Mauritius	0.06	-	-	-	-	-	-	-	-	-
Island Resort Ltd	0.29	-	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.03	-	-	-	-	-	-	-	-	-
PT Widja Putra Karya	0.06	-	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	2.55	5.81	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	5.98	14.03	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.55	0.51	-	-	-	-
Total	3.34	9.60	6.86	15.44	0.55	0.51	-	-	-	-
Contribution of Gratuity Fund										
EIH Employee's Gratuity Fund	-	-	-	-	-	-	-	-	99.36	62.99
Total	-	-	-	-	-	-	-	-	99.36	62.99
Refund of Gratuity										
EIH Employee's Gratuity Fund	-	-	-	-	-	-	-	-	89.23	144.58
Total	-	-	-	-	-	-	-	-	89.23	144.58

Notes to Accounts — Contd.

Rupees Million

40 (c) Outstanding Balances as on March 31, 2017

NATURE OF TRANSACTIONS	Subsidiaries			Associate & Joint Ventures			Enterprises in which Key Management Personnel have Joint Control			Key Management Personnel/Relative of Key Management Personnel		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
PAYABLES												
For Goods & Services												
Mercury Car Rentals Private Limited	-	-	-	3.87	10.82	7.85	-	-	-	-	-	-
Mashobra Resort Limited	2.02	1.94	0.19	-	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	13.53	5.13	0.43	-	-	-	-	-	-	-	-	-
Oberoi Kerala Hotels & Resorts Limited	-	0.02	0.02	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	24.24	4.96	2.10	-	-	-	-	-	-
PT Widja Putra Karya	0.23	-	-	-	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.05	-	-	-	-	-	-	-	-	-	-	-
Island Resort Ltd	-	-	-	0.04	-	0.01	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Oberoi Investments Pvt. Ltd.	-	-	-	-	-	-	-	-	0.06	-	-	-
Oberoi International LLP	-	-	-	-	-	-	-	0.31	0.37	-	-	-
Total	15.83	7.09	0.64	28.15	15.78	9.96	-	0.31	0.43	-	-	-
Royalty												
Oberoi Hotels Private Limited	-	-	-	-	-	-	31.29	33.10	34.45	-	-	-
Total	-	-	-	-	-	-	31.29	33.10	34.45	-	-	-
Security Deposit												
Bombay Plaza Private Limited	-	-	-	-	-	-	0.50	0.50	0.50	-	-	-
Total	-	-	-	-	-	-	0.50	0.50	0.50	-	-	-
Advance from Related Party												
Oberoi Hotels Private Limited	-	-	-	-	-	-	0.16	-	-	-	-	-
Total	-	-	-	-	-	-	0.16	-	-	-	-	-
LOANS & ADVANCES AND RECEIVABLES												
For Goods & Services												
Mercury Car Rentals Private Limited	-	-	-	1.60	4.31	0.49	-	-	-	-	-	-
Mashobra Resort Limited	0.25	0.56	0.26	-	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	10.73	4.75	3.52	-	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	-	-	-	-	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.03	0.07	-	-	-	-	-	-	-	-	-	-
PT Widja Putra Karya	0.06	0.02	0.02	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	38.79	12.10	24.45	-	-	-	-	-	-
Island Resort Ltd	-	-	-	0.28	-	1.66	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	-	-	0.52	0.38	0.11	-	-	-
Bombay Plaza Pvt Ltd	-	-	-	-	-	-	-	0.02	-	-	-	-
EIH Flight Services Ltd, Mauritius	0.06	-	-	-	-	-	-	-	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	-	-	-	-	-	0.50	0.63	0.02
Total	11.13	5.40	3.80	40.67	16.41	26.60	0.52	0.40	0.11	0.50	0.63	0.02
Advance against Equity Shares												
EIH Flight Services Ltd, Mauritius	-	636.99	-	-	-	-	-	-	-	-	-	-
Mashobra Resort Limited	1,361.93	1,361.93	1,361.93	-	-	-	-	-	-	-	-	-
Total	1,361.93	1,998.92	1,361.93	-	-	-	-	-	-	-	-	-
Management Contract												
Mumtaz Hotels Limited	34.72	36.14	28.64	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	62.34	73.52	50.28	-	-	-	-	-	-
EIH Flight Services Ltd, Mauritius	14.99	16.89	11.21	-	-	-	-	-	-	-	-	-
Total	49.71	53.03	39.85	62.34	73.52	50.28	-	-	-	-	-	-
Security Deposit												
Oberoi Kerala Hotels and Resorts Limited	3.10	2.90	1.60	-	-	-	-	-	-	-	-	-
Total	3.10	2.90	1.60	-	-	-	-	-	-	-	-	-
Advance to Related Party												
EIH Associated Hotels Limited	-	-	-	13.25	-	-	-	-	-	-	-	-
Total	-	-	-	13.25	-	-	-	-	-	-	-	-
OUTSTANDING FINANCIAL FACILITIES												
Against Corporate Guarantees												
EIH Flight Services Limited, Mauritius	636.20	635.32	1,199.09	-	-	-	-	-	-	-	-	-
Total	636.20	635.32	1,199.09	-	-	-	-	-	-	-	-	-

Notes to Accounts — Contd.

41 CONTINGENT LIABILITIES

The company had contingent liabilities at March 31, 2017 in respect of:

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

		Rupees Million		
		March 31, 2017	March 31, 2016	April 1, 2015
i.	Value Added Tax	24.45	55.02	57.47
ii.	Income-tax	457.79	333.31	712.49
iii.	Tax Deducted at Source	-	0.43	15.02
iv.	Service Tax	122.12	155.81	175.67
v.	Property Tax	149.34	140.71	60.59
vi.	Entertainment Tax	4.27	4.07	4.33
vii.	Customs Duty	429.66	429.66	429.66
viii.	Excise Duty	-	26.01	95.54
ix.	Luxury Tax	3.50	32.96	32.96
x.	Others	8.28	9.80	12.05
xi.	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, estimated additional liability of INR 9.09 Million may become payable along with interest thereon.			

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

- (b) Guarantees:

- i. Guarantees given to Banks & Financial Institutions for INR 675.60 Million (2016 - INR 1,317.95 Million, 2015 - INR 1,241.59 Million) against financial facilities availed by the subsidiary company.
- ii. Counter guarantees issued to banks and remaining outstanding INR 184.23 Million (2016 - INR 169.26 Million, 2015 - INR 196.94 Million).

42 COMMITMENTS

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

		Rupees Million		
		March 31, 2017	March 31, 2016	April 1, 2015
	Property, plant and equipment	1,821.77	918.17	823.23

- (ii) Investment commitments in subsidiary and joint venture companies - INR Nil (2016-INR Nil; 2015-INR 100.10 Million).

Notes to Accounts — Contd.

43 LEASES

(a) Non-cancellable operating leases

As a Lessee

The Company has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services, land for hotels and residential premises for its employees. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving a notice. During the year, the company has recognised lease rent expense of INR 15.46 Million (2016: INR 13.61 Million) related to such non-cancelable operating lease. The future minimum lease payments payable by the company taken under non-cancellable operating lease, are as under:-

	Rupees Million		
	March 31, 2017	March 31, 2016	April 1, 2015
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	15.47	15.47	13.61
Later than one year but not later than five years	49.26	52.86	47.46
Later than five years	125.18	137.04	148.91
Contingent rents recognized as an expense in the Statement of Profit and Loss for the year	Nil	Nil	Nil
The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance Sheet date.	Nil	Nil	Nil

As a Lessor

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

	Rupees Million		
	March 31, 2017	March 31, 2016	April 1, 2015
Minimum lease payments in relation to non-cancellable operating leases are receivable as follows:			
Within one year	28.07	48.98	112.54
Later than one year but not later than five years	28.37	30.88	76.86
Later than five years	44.95	57.85	67.78
Contingent rents recognized as an income in the Statement of Profit and Loss for the year.	Nil	Nil	Nil

Notes to Accounts — Contd.

(b) Finance Lease
As a lessee

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

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

The year wise break-up of the outstanding lease obligations as on 31st March, 2017 in respect of these assets are as under:

	Rupees Million		
	March 31, 2017	March 31, 2016	April 1, 2015
Assets taken on lease			
Total Minimum Lease Payments at the year end	228.72	238.17	231.07
Present value of Minimum Lease Payments	95.61	98.85	94.93
Not later than one year			
Minimum Lease Payments	36.23	40.96	35.82
Present value	33.32	37.15	33.05
Later than one year but not later than five years			
Minimum Lease Payments	65.36	67.17	62.29
Present value	45.27	44.67	44.18
Later than five years			
Minimum Lease Payments	127.13	130.04	132.96
Present value	17.02	17.03	17.70
Contingent rents recognized as an expense in the Statement of Profit and Loss for the year.	Nil	Nil	Nil
The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance Sheet date.	Nil	Nil	Nil

44 SEGMENT REPORTING

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

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

Notes to Accounts — Contd.

- 45 Company's investment in the equity shares of EIH Flight Services Ltd, Mauritius is long term in nature. During the last year the Company made a further contribution of INR 636.99 Million against which equity shares were issued in the current year. Considering the above and also considering the value as a going concern, assessed by an independent valuer, no adjustment is necessary to impair any part of the carrying cost.

46 EARNINGS PER EQUITY SHARE

	March 31, 2017 Rupees	March 31, 2016 Rupees
(a) Basic earnings per share	1.69	1.91
(b) Diluted earnings per share	1.69	1.91
(c) Reconciliations of earnings used in calculating earnings per share		
	March 31, 2017 Rupees Million	March 31, 2016 Rupees Million
Profit attributable to the equity holders of the company used in calculating basic earnings per share	965.37	1090.24
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	965.37	1090.24
(d) Weighted average number of shares used as the denominator		
	March 31, 2017 Number of shares	March 31, 2016 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	571,569,414	571,569,414
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	571,569,414	571,569,414

47 SPECIFIED BANK NOTES DISCLOSURE (SBN's)

Transactions by the company in Specified Bank Notes (SBNs) and in other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 during the period from November 8, 2016 to December 30, 2016 are given below:

	Rupees Million		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	19.40	3.29	22.69
Add: Permitted Receipts *	-	78.77	78.77
Less: Permitted Payments	-	49.21	49.21
Less: Amount Deposited in Banks	19.40	20.96	40.36
Closing Cash in Hand as on 30.12.2016	-	11.89	11.89

* Includes withdrawal of cash from bank accounts during the period from November 9, 2016 to December 30, 2016

Notes to Accounts — *Contd.*

48 First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (date of transition to Ind AS). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Exemptions and exceptions availed

A.1 Ind AS optional exemptions

(a) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also used for intangible assets covered by Ind AS 38 Intangible Assets.

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

(b) Investments in subsidiaries, joint ventures and associates

Ind AS 101 permits a first-time adopter to measure its investments in subsidiaries, joint ventures and associates at deemed cost, which should be either:

- (i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
- (ii) previous GAAP carrying amount at that date

The company has elected to measure in its separate financial statements all of its investments in subsidiaries, joint ventures and associates at their previous GAAP carrying amount on the date of transition.

(c) Classification and measurement of Lease land

In accordance with Ind AS 101, when a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or an operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing as at the date of transition. Accordingly, applying the same exemption, the Company has classified its land leases into finance lease and operating lease on the basis of the facts and circumstances existing as at the date of transition.

A.2 Ind AS mandatory exceptions

(a) Estimates

Estimates made under Ind AS as at April 1, 2015 are consistent with the estimates as under previous GAAP.

(b) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the company has classified all the financial assets on basis of facts and circumstances that existed on the date of transition, i.e. April 1, 2015.

Notes to Accounts — Contd.

49 Reconciliation between previous GAAP and Ind AS :

a. Reconciliation of total equity as at March 31, 2016 and April 1, 2015

	Note	Rupees Million	
		As at March 31, 2016	As at April 1, 2015
Total equity (shareholder's funds) as per previous GAAP		26,869.37	26,573.18
Adjustments			
Deferred revenue on Customer Loyalty Programs	i	88.72	92.25
Fair valuation of equity investments	ii	28.59	22.43
Fair valuation of security deposits	iii	(67.19)	(62.38)
Reclassification of leases	iv	(34.46)	(43.71)
Other GAAP adjustments	v	0.04	(3.89)
Proposed Dividend including dividend tax	vi	-	715.34
Tax effects of adjustments	vii	(6.72)	(5.46)
Total adjustments		8.98	714.58
Total equity as per Ind AS		26,878.35	27,287.76

b. Reconciliation of total comprehensive income for the year ended March 31, 2016

	Note	Year ended March 31, 2016
Profit after tax as per previous GAAP		1,014.75
Adjustments		
Deferred revenue on Customer Loyalty Programs	i	(3.52)
Fair valuation of equity investments	ii	6.16
Fair valuation of security deposits	iii	(4.82)
Reclassification of leases	iv	9.25
Other GAAP adjustments	v	3.94
Tax effects of adjustments	vii	(1.26)
Remeasurement of Post-employment benefit obligations (Net of Tax)	viii	65.74
Total adjustments		75.49
Profit after tax as per Ind AS		1,090.24
Other comprehensive income (Net of Tax)	viii	(65.74)
Total comprehensive income as per Ind AS		1,024.50

c. Impact of Ind AS adoption on cash flow statement for the year ended March 31, 2016

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	2,106.20	28.60	2,077.60
Net cash flow from investing activities	(931.50)	(35.44)	(896.06)
Net cash flow from financing activities	(1,246.57)	6.84	(1,253.41)
Net increase/(decrease) in cash and cash equivalents	(71.87)	-	(71.87)
Cash and cash equivalents as at April 1, 2015	129.77	-	129.77
Cash and cash equivalents as at March 31, 2016	57.90	-	57.90

Notes to Accounts — *Contd.*

i. Deferred revenue on Customer Loyalty Programs

The company operates multiple customer reward points program under its hotel business. The programs allows customers to accumulate points/complimentary room nights on hotel bookings. The points can be redeemed by the customers on future bookings and other services such as dining, SPA, etc. Under the previous GAAP, the company was creating provision towards its liability under the programs on full value without considering the estimated lapses.

Under Ind AS, sales consideration received has been allocated between the hospitality services and the reward points/complimentary room nights issued. The consideration allocated to the customer reward points/complimentary room nights has been deferred and will be recognised as revenue when the reward points/complimentary room nights are redeemed or lapsed. The consideration to be allocated to the customer reward points/complimentary room nights has been determined considering the past estimated lapses on the basis of past trend. Accordingly, the company has recognised deferred revenue with corresponding adjustment to retained earnings. The provision created under previous GAAP has been reversed with a credit to retained earnings.

ii. Fair valuation of equity investments

The company holds investment in Equity Shares of entities other than subsidiaries, associate and joint venture. Under previous GAAP such investments were measured at cost less provision for other than temporary nature diminution in the value of investment.

Under Ind AS, these investments has been measured at fair value. The company has categorised these investments as fair value through profit and loss (FVTPL) and any changes in fair value of those investment has been recognised in the statement of profit and loss.

iii. Fair valuation of security deposits

Under the previous GAAP, interest free lease security deposits assets (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value at initial recognition and subsequently at amortised cost. Accordingly, The company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

Under the previous GAAP, interest free lease security deposits liability (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, these financial liabilities are required to be recognised at fair value at initial recognition and subsequently at amortised cost. Accordingly, The company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as advance rent.

iv. Reclassification of leases

Under Previous GAAP due to no availability of guidance on how land leases should be classified, the company has capitalised the leasehold land with the initial cost incurred to enter into the lease agreement along with the upfront payment of future lease rent. Annual lease rent payment were charged to the profit and loss on annual basis.

Under Ind AS, land lease has been classified into finance and operating leases. In cases where land leases has been classified as finance lease on the basis of factors such as renewal right with the company, etc., finance lease obligations has been recognised for the future lease rent payable over the primary period of lease with corresponding impact to the retained earnings as these lands were already revalued at there fair value under previous GAAP.

In cases where land leases has been classified as operating leases, carrying value of the respective leasehold land has been reclassified to prepaid rent from property, plant and equipments.

v. Other GAAP adjustments

Other GAAP adjustments include adjustment related to remeasurnment and recognition of certain assets and liabilities in accordance with Ind AS which are not material in nature.

vi. Proposed Dividend including dividend tax

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.

Notes to Accounts — *Contd.*

vii. Tax effects of adjustments

Additional deferred tax asset/(liability) has been recognised corresponding to the adjustments to retained earnings/profit and loss as a result of Ind AS Implementation.

viii. Remeasurement of Post-employment benefit obligations (Net of Tax)

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the period.

50. The financial statements were authorised for issue by the Board of Directors on 30th May, 2017.

EIH Limited
CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
EIH Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of EIH Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, comprising the consolidated balance sheet as at March 31, 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) 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 joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group and its associates and joint ventures as at March 31, 2017, and their consolidated profit/(loss) including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the Notes to the consolidated Ind AS financial statements:

Note 3(ii) to the consolidated Ind AS 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. The said note describes the uncertainty related to the outcome of the above legal matters and accordingly the impact, if any, on the consolidated Ind AS financial statements has not been ascertained. As such the uncertainty of the allotment of shares still continues.

Our opinion is not modified in respect of this matter.

Other Matters

- i. We did not audit the financial statements of Ten subsidiaries, whose financial statements reflect total assets of Rs. 7848.17 Million and net assets of Rs 6438.92 Million as at 31st March, 2017, total revenues of Rs. 2266.64 Million and net cash flows amounting to Rs. (297.25) Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit Rs (70.67) Million and total comprehensive income of Rs (70.20) Million for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements in respect of one joint venture, whose financial statements has not been audited by us. 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.

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

Our opinion on the consolidated Ind AS financial statements, 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.

- ii. The comparative financial information of the Group, its associates and joint ventures for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are the consolidated figures of separate Ind AS financial statements of EIH Limited (holding company), its subsidiaries, its associates and joint ventures incorporated in India and outside India. Separate Ind AS financial statements of holding company, its subsidiaries, associates and its joint venture incorporated in India are audited by us except one subsidiary company whose separate Ind AS financial statements are audited by another auditor. Separate financial statements of nine subsidiaries and one joint venture which are incorporated outside India have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. We have audited the conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and one joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not qualified in respect of these matters.

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 Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The consolidated balance Sheet, the consolidated statement of profit and loss, the consolidated statement of cash flow and consolidated statement of changes in equity, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure.
- (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 read with the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures as noted in the "Other Matters" paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigation on the consolidated financial position in its consolidated Ind AS financial statements in respect of claims and demands of the Group, its associates and joint ventures which are being contested as mentioned in Note 43 (a) and 3 (ii).
 - ii. The Group, its associates and joint ventures 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 joint ventures incorporated in India during the year ended 31.03.2017.
 - iv. The Group has provided requisite disclosures in the consolidated Ind AS financial statements as to the holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 of the holding company and its subsidiaries, which are incorporated in India. Based on the separate financial statements of holding company and the reports of the statutory auditors of subsidiary companies, we report that the disclosures are in accordance with books of account maintained by the Group and its subsidiaries incorporated in India. Refer Note 53 to the consolidated Ind AS financial statements.

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

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

Place: Gurugram
Date: 30th May, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS 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 Ind AS financial statements of the Company for the year ended March 31, 2017, 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 joint ventures incorporated in India, as of that date, except one of its subsidiary company, 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 joint ventures, 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' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS 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 joint ventures, 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, 2017, 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 Limited, whose separate Ind AS financial statements reflect total assets of Rs. 1168.49 Million and net assets of Rs 902.66 Million as at 31st March, 2017, total revenues of Rs. 1014.99 Million, Net profit Rs 293.56 Million (total comprehensive income

Rs 292.89 Million) and net cash flows amounting to Rs. (238.67) Million for the year ended on that date, as considered in the consolidated Ind AS financial statements and which is a company incorporated in India, is based on the corresponding report of the auditor of Mumtaz Hotels Ltd.

Reporting on Internal Financial Controls over financial reporting is not applicable to subsidiaries and joint ventures incorporated outside India.

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

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

Place: Gurugram
Date: 30th May, 2017

Balance Sheet

As at March 31, 2017

Rupees Million

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
NON-CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	4	17,750.83	19,031.95	19,717.78
CAPITAL WORK-IN-PROGRESS	4	3,212.51	1,153.65	875.13
GOODWILL ON CONSOLIDATION		3,082.50	3,184.34	3,015.06
OTHER INTANGIBLE ASSETS	4	89.30	85.67	3.68
INTANGIBLE ASSETS (UNDER DEVELOPMENT)		-	-	69.62
FINANCIAL ASSETS				
(i) Investments Accounted For Using Equity Method	6	2,325.46	2,250.23	2,008.30
(ii) Other Investments	5	742.57	760.11	1,133.16
(iii) Trade Receivables	7	-	-	-
(iv) Other Financial Assets	8	1,017.26	1,502.05	1,198.30
TAX ASSETS - NET	9	848.40	961.57	811.74
DEFERRED TAX ASSETS- NET	10	95.50	118.16	142.46
OTHER NON-CURRENT ASSETS	11	2,637.66	2,394.86	2,438.65
TOTAL NON-CURRENT ASSETS		31,801.99	31,442.59	31,413.88
CURRENT ASSETS				
INVENTORIES	12	495.70	497.06	461.57
FINANCIAL ASSETS				
(i) Investments	13	230.49	-	-
(ii) Trade Receivables	14	1,810.89	2,012.97	2,098.31
(iii) Cash and Cash Equivalents	15	682.05	977.82	1,179.65
(iv) Other Bank Balances	16	881.06	702.91	612.13
(v) Other Financial Assets	17	525.58	64.40	92.43
OTHER CURRENT ASSETS	18	886.48	464.31	443.98
TOTAL CURRENT ASSETS		5,512.25	4,719.47	4,888.07
TOTAL ASSETS		37,314.24	36,162.06	36,301.95
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	19	1,143.14	1,143.14	1,143.14
OTHER EQUITY	20	26,880.39	26,163.18	26,147.89
EQUITY ATTRIBUTABLE TO OWNERS OF EIH LTD		28,023.53	27,306.32	27,291.03
NON CONTROLLING INTEREST		805.32	781.11	768.63
TOTAL EQUITY		28,828.85	28,087.43	28,059.66
LIABILITIES				
NON-CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
(i) Borrowings	21	2,141.83	901.57	1,635.91
(ii) Other Financial Liabilities	22	26.57	46.17	52.30
EMPLOYEE BENEFIT OBLIGATIONS	25	278.37	230.34	222.88
OTHER NON-CURRENT LIABILITIES	23	2.97	3.64	6.52
DEFERRED TAX LIABILITIES - NET	24	1,874.66	2,071.94	2,056.97
TOTAL NON-CURRENT LIABILITIES		4,324.40	3,253.66	3,974.58
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
(i) Borrowings	26	1,167.38	1,849.45	1,038.75
(ii) Trade Payables	27	1,718.07	1,585.01	1,485.17
(iii) Other Financial Liabilities	28	494.09	650.38	864.32
TAX LIABILITIES- NET	29	4.06	3.88	0.39
OTHER CURRENT LIABILITIES	30	626.64	609.39	827.83
EMPLOYEE BENEFIT OBLIGATIONS	25	150.75	122.86	51.25
TOTAL CURRENT LIABILITIES		4,160.99	4,820.97	4,267.71
TOTAL EQUITY AND LIABILITIES		37,314.24	36,162.06	36,301.95

THE ACCOMPANYING NOTES
FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

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

For RAY & RAY
Chartered Accountants
Firm's Registration Number 301072E

P.R.S. OBEROI
Executive Chairman

VIKRAM OBEROI
Managing Director and Chief Executive Officer

ANIL NEHRU
Director

R.N. ROY
Partner
Membership Number 8608
Gurugram, 30th May 2017

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Profit and Loss

For the year ended March 31, 2017

	Note	Year ended March 31, 2017	Rupees Million Year ended March 31, 2016
INCOME			
REVENUE FROM OPERATIONS	31	15,286.49	16,609.31
OTHER INCOME	32	896.41	394.12
TOTAL REVENUE		16,182.90	17,003.43
EXPENSES			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	33	2,225.71	2,344.76
EMPLOYEE BENEFITS EXPENSE	34	4,306.98	4,355.15
FINANCE COSTS	35	178.51	283.73
DEPRECIATION AND AMORTISATION EXPENSE	36	1,281.06	1,333.71
EXCISE DUTY		18.63	20.76
OTHER EXPENSES	37	6,124.67	6,443.70
TOTAL EXPENSES		14,135.56	14,781.81
PROFIT BEFORE EXCEPTIONAL ITEMS, SHARE OF NET PROFITS OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD AND TAX		2,047.34	2,221.62
SHARE OF NET PROFIT OF ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD		117.89	203.74
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		2,165.23	2,425.36
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	38	(382.22)	(182.59)
PROFIT BEFORE TAX		1,783.01	2,242.77
TAX EXPENSE			
INCOME TAX	39	711.83	767.69
DEFERRED TAX	39	(141.34)	45.10
PROFIT FOR THE YEAR		1,212.52	1,429.98
OTHER COMPREHENSIVE INCOME			
A. Items that may not be reclassified to profit or loss			
- Remeasurement of Post-employment benefit obligations		(126.54)	(101.67)
- Share of other comprehensive income of associate and joint ventures accounted for using the equity method		(4.23)	(2.64)
- Tax relating to these items		43.09	34.98
		(87.68)	(69.33)
B. Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(146.86)	225.64
Total Other Comprehensive Income/(Loss) for the year, net of tax		(234.54)	156.31
Total Comprehensive Income for the year		977.98	1,586.29
Profit attributable to:			
- Owners of EIH Limited		1,060.72	1,310.67
- Non-controlling interests		151.80	119.31
Other comprehensive income attributable to:			
- Owners of EIH Limited		(231.21)	163.74
- Non-controlling interests		(3.33)	(7.43)
Total comprehensive income attributable to:			
- Owners of EIH Limited		829.51	1,474.41
- Non-controlling interests		148.47	111.88
Earnings per equity share (in INR) Face Value INR 2	46		
(1) Basic		1.86	2.29
(2) Diluted		1.86	2.29

The accompanying notes form an integral part of the Financial Statements

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

For RAY & RAY

Chartered Accountants

Firm's Registration Number 301072E

R.N. ROY

Partner

Membership Number 8608
Gurugram, 30th May 2017

P.R.S. OBEROI
Executive Chairman

BISWAJIT MITRA
Chief Financial Officer

VIKRAM OBEROI
Managing Director and Chief Executive Officer

S.N. SRIDHAR
Company Secretary

ANIL NEHRU
Director

Statement of Consolidated Cash Flow

For the year ended March 31, 2017

	Rupees Million	
	Year ended March 31, 2017	Year ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,783.01	2,242.77
Adjustments for		
Share of Profit of Associate and Joint Venture	(117.89)	(203.74)
Depreciation and amortisation expense	1,281.06	1,333.71
Effect of exchange rate difference	(3.39)	(152.94)
(Gain)/loss on disposal of property, plant and equipment	405.60	(226.07)
Provision for impairment in value of investments	-	418.58
Fair value of equity investments measured at fair value through profit or loss	(6.10)	(6.16)
Provisions & liabilities written back	(6.31)	(3.39)
Unwinding of discount on security deposits	(0.11)	(0.10)
Dividend income classified as investing cash flows	(10.50)	(9.14)
Interest income classified as investing cash flows	(258.33)	(205.14)
Finance costs	178.51	283.73
Change in operating assets and liabilities	-	
(Increase)/Decrease in trade receivables	128.94	(213.27)
(Increase)/Decrease in inventories	1.36	(35.49)
Increase/(Decrease) in trade payables	127.47	184.97
(Increase)/ Decrease in other financial assets	14.85	(20.51)
(Increase)/Decrease in other non-current assets	(74.59)	65.11
(Increase)/Decrease in other current assets	(380.66)	(11.66)
Increase/(Decrease) in employee benefit obligations	(56.51)	(25.13)
Increase/(Decrease) in other financial liabilities	(32.17)	26.00
Increase/(Decrease) in other non-current liabilities	(1.31)	(2.78)
Increase/ (Decrease) in other current liabilities	14.35	(233.48)
Cash generated from operations	2,987.28	3,205.87
Income taxes paid (net of refund)	(554.48)	(893.19)
Net cash inflow from operating activities	2,432.80	2,312.68
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(2,591.55)	(918.63)
Decrease/(Increase) in capital work in progress	0.38	0.50
Purchase of Investments	(230.42)	(93.02)
Proceeds from sale of property, plant and equipment	24.08	244.12
Changes in Other bank balances	(178.09)	(90.73)
Dividends received	27.78	76.43
Interest received	261.28	201.10
Net cash outflow from investing activities	(2,686.54)	(580.23)

Statement of Consolidated Cash Flow

For the year ended March 31, 2017 — *Contd.*

	Year ended March 31, 2017	Rupees Million Year ended March 31, 2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
Term Loan	1,500.00	-
Cash Credit	6.80	410.70
Short Term Loan	-	400.00
Repayment of borrowings		
Term Loan	(400.00)	(1,008.57)
Cash Credit	(388.81)	-
Short Term Loan	(300.00)	-
Repayment of finance lease obligations	(4.67)	(1.59)
Interest paid	(297.82)	(171.58)
Dividends paid including Dividend tax	(157.53)	(1,563.24)
Net cash inflow/(outflow) from financing activities	(42.03)	(1,934.28)
Net increase/(decrease) in cash and cash equivalents	(295.77)	(201.83)
Cash and cash equivalents at the beginning of the financial year	977.82	1,179.65
Cash and cash equivalents at end of the year	682.05	977.82

The accompanying notes form an integral part of the Financial Statements

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

For RAY & RAY
Chartered Accountants
Firm's Registration Number 301072E

P.R.S. OBEROI
Executive Chairman

VIKRAM OBEROI
Managing Director and Chief Executive Officer

ANIL NEHRU
Director

R.N. ROY
Partner
Membership Number 8608
Gurugram, 30th May 2017

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Changes in Equity For the year ended March 31, 2017

Rupees Million

A. Equity share capital	Reserves and Surplus							Total		
	Capital Redemption Reserve	Capital Reserve	Securities Premium Reserve	Reserves and Surplus			Other Reserves		Total Other Equity	Non-Controlling Interest
				Revaluation Reserve	General Reserve	Retained Earnings (Surplus)				
As at April 1, 2015	1,024.21	25.95	12,373.41	2,208.53	6,857.08	3,658.71	-	26,147.89	768.64	26,916.53
Profit for the year	-	-	-	-	-	1,310.67	-	1,310.67	119.31	1,429.98
Other comprehensive income / (loss)	-	-	-	-	-	(69.09)	-	(69.09)	(0.24)	(69.33)
Currency translation difference on foreign operations	-	-	-	-	-	-	232.83	232.83	(7.19)	225.64
Total comprehensive income for the year	-	-	-	-	-	1,241.58	-	1,474.41	111.88	1,586.29
Allocations/Appropriations:	-	-	-	-	-	-	-	-	-	-
Final dividend paid for the year 2014-15	-	-	-	-	-	(628.73)	-	(628.73)	(41.30)	(670.03)
Interim Dividend paid for the year 2015-16	-	-	-	-	-	(628.73)	-	(628.73)	(41.30)	(670.03)
Dividend distribution tax	-	-	-	-	-	(201.66)	-	(201.66)	(16.81)	(218.47)
Transferred (to)/from General Reserve	-	-	-	(21.34)	221.34	(200.00)	-	-	-	-
As at March 31, 2016	1,024.21	25.95	12,373.41	2,187.19	7,078.42	3,241.17	232.83	26,163.18	781.11	26,944.29
Balance at April 1, 2016	1,024.21	25.95	12,373.41	2,187.19	7,078.42	3,241.17	232.83	26,163.18	781.11	26,944.29
Profit for the year	-	-	-	-	-	1,060.73	-	1,060.73	151.80	1,212.53
Other comprehensive income / (loss)	-	-	-	-	-	(87.41)	-	(87.41)	(0.27)	(87.68)
Currency translation difference on foreign operations	-	-	-	-	-	-	(143.80)	(143.80)	(3.06)	(146.86)
Total comprehensive income for the year	-	-	-	-	-	973.32	-	829.52	148.47	977.99
Adjustment to Revaluation Reserve on building of The Oberoi, New Delhi	-	-	-	(80.78)	-	-	-	(80.78)	-	(80.78)
Allocations/Appropriations:	-	-	-	-	-	-	-	-	-	-
Final dividend paid for the year 2015-16	-	-	-	-	-	-	-	-	(61.95)	(61.95)
Interim Dividend paid for the year 2016-17	-	-	-	-	-	-	-	-	(41.30)	(41.30)
Dividend distribution tax	-	-	-	-	-	(31.53)	-	(31.53)	(21.01)	(52.54)
Transferred (to)/from General Reserve	-	-	-	(19.84)	219.84	(200.00)	-	-	-	-
As at March 31, 2017	1,024.21	25.95	12,373.41	2,086.57	7,298.26	3,982.96	89.03	26,880.39	805.32	27,685.71

The accompanying notes form an integral part of the Financial Statements

This is the Statement of changes in equity referred to in our report of even date.

For RAY & RAY

Chartered Accountants

Firm's Registration Number 301072E

R.N. ROY

Partner

Membership Number 8608

Gurgaon, 30th May 2017

P.R.S. OBEROI
Executive Chairman

VIKRAM OBEROI
Managing Director and Chief Executive Officer

ANIL NEHRU
Director

BISWAJIT MITRA
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Notes to Accounts

GENERAL INFORMATION

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

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

Note 1: Significant accounting policies

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

a) *Basis of preparation*

(i) Compliance with Ind AS

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

The consolidated financial statements up to year ended 31 March 2016 were prepared earlier in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These consolidated financial statements are the first financial statements of the Group under Ind AS and the transition was carried out in accordance with Ind AS 101, “First time adoption of Indian Accounting Standards. Refer note 48 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group’s financial position, financial performance and cash flows.

(ii) Historical cost convention

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

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

(iii) Use of estimates

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

b) *Principles of consolidation and equity accounting*

(i) *Subsidiaries*

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) *Associates*

Associates are all entities over which the group has significant influence but not control or joint control.

This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Notes to Accounts — *Contd.*

(iii) *Joint arrangements*

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

Joint ventures

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

(iv) *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

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

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

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

(v) *Changes in ownership interests*

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

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

Timing of revenue recognition from major business activities

- *Hospitality Services:* Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable.
- *Sale of printed material:* Revenue from sale of printed and other materials is recognised on dispatch of materials.
- *Others:* Revenue from Shop License Fee, Management and Marketing Fee included under "Other Services" is recognised on accrual basis as per terms of the contract.
- Revenue in respect of customer loyalty are recognized when loyalty points are redeemed by the customers.

Notes to Accounts — *Contd.*

d) **Foreign currency translation**

(i) Presentation Currency

This Financial Statement is presented in INR which is the Functional Currency of the Group.

(ii) Transactions and balances

Sales made in 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 non-monetary assets are converted at the exchange rate prevailing at the close of the accounting year and Fixed Assets are converted at the month-end exchange rate of the month of acquisition.

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

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the dosing rate.

e) **Income tax**

Current income tax is recognized based on the amount expected to be paid to the tax authorities, using tax rates and tax laws that have been enacted or substantially enacted on the date of balance sheet.

f) **Deferred Tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements.

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

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to Accounts — *Contd.*

g) *Segment reporting*

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

The board of directors of EIH Limited generally assesses the financial performance and position of the company, and makes strategic decisions. Refer note 45 for segment information.

h) *Leases*

As a lessee :

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

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

As a lessor :

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

i) *Impairment of assets*

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

j) *Cash and cash equivalents*

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

k) *Trade receivables*

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

l) *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 or Loss.

m) *Investments and other financial assets*

(i) *Classification*

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

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

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

Notes to Accounts — *Contd.*

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

(ii) **Measurement**

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

Debt instruments

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

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

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

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

Equity instruments

The Group subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

(iii) **Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 41 details how the Group determines whether there has been a significant increase in credit risk.

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

(iv) **Derecognition of financial assets**

A financial asset is derecognised only when

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

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

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

(v) **Income recognition**

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

Notes to Accounts — *Contd.*

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

n) *Property, plant and equipment*

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

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than land, the hotel buildings, certain buildings on leasehold land and leased vehicles and machinery is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013. Leased vehicles, and building installed on leasehold land (other than perpetual lease) are depreciated over the lives of the respective asset or over the remaining lease period from the date of installation whichever is shorter.

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

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which ranges between 30 years and 60 years with effect from 31st March 2015 and are higher than those specified by Schedule II to the Companies Act; 2013. The management believes that the balance useful lives so assessed best represent the periods over which the hotel buildings are expected to be in use. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

o) *Intangible assets*

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

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

Transition to Ind AS

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

p) *Trade and other payables*

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

q) *Borrowing costs*

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

Notes to Accounts — *Contd.*

r) Provisions, contingent liabilities and contingent assets

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

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

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

s) Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

The Group operates the following post-employment schemes:

Gratuity obligations –

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

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

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

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

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

Leave encashment on termination of service –

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

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

Provident Fund –

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

t) Dividends

Liability is created for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Notes to Accounts — *Contd.*

u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

v) Government grants/incentives

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

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

w) Rounding of amounts

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

2

NEW STANDARDS/AMENDMENTS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED:

As set out below, amendments to standards are effective for annual periods beginning on or after April 1, 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company:

Amendments to Ind AS 102, Share-based Payment

The amendment to Ind AS 102 clarifies the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled.

Since the Company does not have any share based plan outstanding at the reporting date, the abovementioned amendment will not have any impact on the financial statements of the Company. The amendment is effective for accounting periods beginning on or after April 1, 2017 and early adoption of the same is not permitted.

Amendments to Ind AS 7, Cash Flow Statements

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The said amendment will not have any impact on the Group's cash flow. The amendment is effective for accounting periods beginning on or after April 1, 2017 and early adoption of the same is not permitted.

Notes to Accounts — *Contd.*

3

SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

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

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

i) **Useful Life of Hotel Buildings**
EIH Limited, Mumtaz Hotels Limited and Mashobra Resort Limited have adopted useful life of fixed assets as stipulated by Schedule II of the Companies Act 2013 except for the hotel buildings for computing depreciation. In the case of the hotel buildings of these companies, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificates of the technical expert as on 31.03.2015, the balance useful life of the hotel buildings of the Group ranges between 50-60 years. The carrying amount of each of the hotel buildings is being depreciated over its residual life.

ii) **Advance towards Equity Shares**
In the case of Mashobra Resort Limited ("MRL"), several disputes with the Government of Himachal Pradesh, the joint venture partner, were referred by the High Court of Himachal Pradesh on 17th December, 2003 to an arbitral tribunal consisting of a single arbitrator whose award has been challenged by both the 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 INR 1,361.93 Million provided to MRL upto 31st March, 2012 as 'Advance Towards Equity', including INR 130.00 Million being the opening balance of 'Advance Towards Equity'. In view of the above, the Company has shown the said amount of INR 1,361.93 Million as 'Advance Towards Equity' in its books.

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

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

Notes to Accounts — Contd.

4 PROPERTY, PLANT AND EQUIPMENT

		Gross Carrying Amount				Accumulated Depreciation				Rupees Million	
	Deemed Cost as at April 01, 2015	Additions	Sales/ Adjustments during the year	Transla-tion Adjust-ment	Balance as at March 31, 2016	As at April 1, 2015	For the Year	Less; Sales/ Adjust-ments	Transla-tion Adjust-ment	As at March 31, 2016	Carrying Value as at March 31, 2016
i) Property Plant and Equipment											
Freehold Land (including development cost)	1,905.55	-	-	19.60	1,925.15	-	-	-	-	-	1,925.15
Leasehold Land	641.88	-	-	-	641.88	-	4.85	-	-	4.85	637.03
Buildings	11,565.39	174.35	7.67	30.05	11,762.12	-	294.71	3.24	(2.51)	288.96	11,473.16
Office Equipment	22.74	3.49	7.01	-	19.22	-	7.22	0.93	-	6.29	12.93
Plant & Machinery	4,491.04	251.33	37.95	8.08	4,712.50	-	776.77	19.53	0.55	757.79	3,954.71
Furniture & Fittings	493.50	24.36	(16.55)	(1.08)	533.33	-	137.81	(6.19)	(2.20)	141.80	391.53
Vehicles	151.85	110.04	1.30	0.51	261.10	-	37.58	0.53	6.74	43.79	217.31
Vehicles on Operating Lease	89.49	35.77	4.66	0.49	121.09	-	35.85	3.02	0.03	32.86	88.23
Vehicles on Finance Lease	4.97	0.51	0.08	-	5.40	-	1.86	-	-	1.86	3.54
Boats	32.08	-	(6.21)	-	38.29	-	1.94	(3.23)	-	5.17	33.12
Aircrafts	319.29	-	-	-	319.29	-	24.05	-	-	24.05	295.24
TOTAL	19,717.78	599.85	35.91	57.65	20,339.37	-	1,322.64	17.83	2.61	1,307.42	19,031.95
ii) Intangible Assets											
Computer Software	3.68	93.06	-	-	96.74	-	11.07	-	-	11.07	85.67
TOTAL	3.68	93.06	-	-	96.74	-	11.07	-	-	11.07	85.67

Notes to Accounts — Contd.
4 PROPERTY, PLANT AND EQUIPMENT (Contd.)

	Gross Carrying Amount				Accumulated Depreciation				Rupees Million		
	As at April 01, 2016	Additions	Sales/ Adjustments during the year	Translation Adjustment	Balance as at 31 March, 2017	As at April 1, 2016	For the Year	Less: Sales/ Adjustments	Translation Adjustment	As at March 31, 2017	Carrying Value as at March 31, 2017
i) Property Plant and Equipment											
Freehold Land (including development cost)	1,925.15	0.06	-	(12.11)	1,913.10	-	-	-	-	-	1,913.10
Leasehold Land	641.88	-	-	-	641.88	4.85	4.85	-	-	9.70	632.18
Buildings	11,762.12	99.00	407.09	(17.82)	11,436.21	288.96	295.22	5.55	(3.86)	574.77	10,861.44
Office Equipment	19.22	1.46	1.51	-	19.17	6.29	2.42	0.28	-	8.43	10.74
Plant & Machinery	4,712.50	179.02	113.19	(4.26)	4,774.07	757.79	703.48	22.37	(4.52)	1,434.38	3,339.69
Furniture & Fittings	533.33	48.76	9.11	(2.42)	570.56	141.80	133.04	1.18	(1.42)	272.24	298.32
Vehicles	261.10	153.43	9.57	(0.51)	404.45	43.79	59.26	4.15	(0.27)	98.63	305.82
Vehicles on operating lease	121.09	37.09	17.20	(0.41)	140.57	32.86	36.19	13.88	(0.13)	55.04	85.53
Vehicles on Finance Lease	5.40	-	2.63	-	2.77	1.86	1.64	1.98	-	1.52	1.25
Boats	38.29	0.76	0.42	-	38.63	5.17	1.90	0.01	-	7.06	31.57
Aircrafts	319.29	-	-	-	319.29	24.05	24.05	-	-	48.10	271.19
TOTAL	20,339.37	519.58	560.72	(37.53)	20,260.70	1,307.42	1,262.05	49.40	(10.20)	2,509.87	17,750.83
ii) Intangible Assets											
Computer Software	96.74	23.68	0.52	-	119.90	11.07	20.05	0.52	-	30.60	89.30
TOTAL	96.74	23.68	0.52		119.90	11.07	20.05	0.52		30.60	89.30

A. Capital work-in-progress

Capital Work-In-Progress shown in the Balance Sheet inter-alia includes

- INR 727.42 Million being the cost of a building under construction by EIH Limited (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.
- INR 2,182.73 Million being the cost of renovation of the Company's hotel, The Oberoi, New Delhi.
- INR 1.04 Million being depreciation on Rajgarh Palace project capitalised during the year.
- INR 123.12 Million being borrowing cost capitalised during the year.

B. Contractual obligations

Refer to note 43(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to Accounts — Contd.

5
NON-CURRENT INVESTMENTS

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 1, 2015
A. Investments In equity instruments (fully paid-up)			
(i) Quoted -(measured at Fair value through profit & loss)			
25,000 (2016 & 2015-25,000) Equity Shares of INR 10 each of Tourism Finance Corporation of India Limited	2.06	1.06	1.70
(ii) Unquoted (measured at Fair value through profit & loss)			
41,858,400 (2016 & 2015-41,858,400) Equity Shares of INR 10 each of Golden Jubilee Hotels Private Limited	418.58	418.58	418.58
Provision for impairment in the value of Investments (Note 38)	(418.58)	(418.58)	-
	-	-	418.58
849,575 (2016 & 2015-849,575) Equity Shares of INR 10 each of Mercury Travels Limited	51.82	46.73	39.93
18,000 (2016 & 2015-18,000) Equity Shares of INR 10 each of Green Infra Wind Generation Limited	0.18	0.18	0.18
1,078,826 (2016 & 2015 -1,078,826) Equity Shares of Egyptian Pound 10 each of Tourism Investments Company at Sahl Hasheesh	323.59	334.73	316.22
2,400 (2016 & 2015 -2,400) Equity Shares of La Roseraie De L'Atlas SA, Marrakech of Face Value Moroccan Dirham 1,000 per share	364.22	376.75	355.92
4,200 (2016 & 2015- 3,200) Equity Shares of INR 10 each of ReNew Wind Energy (Karnataka) Pvt. Ltd.	0.42	0.32	0.32
Total investments in equity instruments	742.29	759.77	1,132.85
B. Investment in Government Securities			
(Unquoted)			
National Savings Certificate (lodged with Government Authorities as Security Deposit)	0.28	0.34	0.31
Total investment in government securities	0.28	0.34	0.31
Total non-current investments	742.57	760.11	1,133.16
Aggregate amount of quoted investments	2.06	1.06	1.70
Market value of quoted investments	2.06	1.06	1.70
Aggregate amount of unquoted investments	1,159.09	1,177.63	1,131.46
Aggregate amount of impairment in the value of investment	418.58	418.58	-

6
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Quoted - In Associate entity			
11,215,118 (2016 & 2015-11,215,118) Equity Shares of INR 10 each of EIH Associated Hotels Limited	1,628.80	1,495.78	1,423.24
(ii) Unquoted - In Joint Venture entity			
4,867,500 (2016 & 2015 - 4,867,500) Equity Shares of USD 1 each of Oberoi Mauritius Ltd	280.00	358.63	317.51
12,117,652 (2016 -12,117,652 , 2015-9,796,632) Equity Shares of INR 10 each of Mercury Car Rentals Private Limited	416.66	395.82	267.55
Total	2,325.46	2,250.23	2,008.30

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 1, 2015
7			
TRADE RECEIVABLES			
Receivables from parties other than related parties - considered doubtful	117.03	92.47	17.20
Less: Provision for doubtful debts	117.03	92.47	17.20
Total trade receivables	-	-	-
8			
OTHER NON-CURRENT FINANCIAL ASSETS			
Advances towards Equity shares in :			
– ReNew Wind Energy (Karnataka) Pvt. Ltd.	-	0.10	-
Security Deposits	80.27	601.67	555.12
Long-term bank deposits	27.24	-	-
Other recoverable	909.75	900.28	643.18
Total other non-current financial assets	1,017.26	1,502.05	1,198.30
9			
TAX ASSETS - NET			
Income Tax Asset (Net)	843.40	956.58	826.20
Wealth Tax Asset (Net)	5.00	4.99	(14.46)
Total tax assets	848.40	961.57	811.74
10			
DEFERRED TAX ASSETS - NET			
Deferred Tax Liabilities on account of :			
Depreciation	84.81	99.21	104.35
Deferred Revenue	-	0.18	-
Others	0.53	0.51	1.83
	85.34	99.90	106.18
Deferred Tax Assets on account of :			
Unabsorbed Depreciation	32.60	128.15	171.21
Unabsorbed Carried Forward Loss	-	-	31.06
Accrued Expenses Deductible on Payment	3.76	1.43	1.36
Employee Benefit	11.87	11.16	9.41
MAT Credit Entitlement	132.61	77.32	35.60
	180.84	218.06	248.64
Deferred tax asset (Net)	95.50	118.16	142.46

Notes to Accounts — Contd.

Movement in Deferred Tax Assets :

	Rupees Million					
	Unabsorbed Depreciation	Unabsorbed Carried Forward Loss	Accrued Expenses Deductible on Payment	Employee Benefit	MAT Credit Entitlement	Total
As at April 2015	171.21	31.06	1.36	9.41	35.60	248.64
(Charged)/Credited:						
- to profit and loss	(43.06)	(31.06)	0.07	1.93	41.72	(30.40)
- to other comprehensive income	-	-	-	(0.18)	-	(0.18)
As at 31 March, 2016	128.15	-	1.43	11.16	77.32	218.06
(Charged)/Credited:						
- to profit and loss	(95.55)	-	2.33	0.73	55.29	(37.20)
- to other comprehensive income	-	-	-	(0.02)	-	(0.02)
As at 31 March, 2017	32.60	-	3.76	11.87	132.61	180.84

Movement in deferred tax liabilities :

	Depreciation	Others	Deferred Revenue	Total
As at April 2015	104.35	1.83	-	106.18
(Credited)/Charged:				
- to profit and loss	(5.14)	(1.32)	0.18	(6.28)
- to other comprehensive income	-	-	-	-
As at 31 March, 2016	99.21	0.51	0.18	99.90
(Credited)/Charged:				
- to profit and loss	(14.40)	0.02	(0.18)	(14.56)
- to other comprehensive income	-	-	-	-
As at 31 March, 2017	84.81	0.53	-	85.34

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 1, 2015
11			
OTHER NON-CURRENT ASSETS			
Capital Advances	206.89	38.29	18.25
Prepaid Expenses	21.15	40.61	33.84
Other Advances recoverable – considered doubtful	186.44	186.44	186.74
Less: Provision for doubtful advances	186.44	186.44	186.74
Other Advances recoverable - considered good	9.02	7.97	27.20
Prepayments for leasehold lands	2,400.60	2,307.99	2,359.36
Total other non-current assets	2,637.66	2,394.86	2,438.65

12			
INVENTORIES			
Provisions, Wines & Others	210.18	218.80	205.82
Crockery, Cutlery, Chinaware, Glassware, Linen etc.	-	14.92	14.04
Stores & Operating Supplies	285.52	263.34	241.71
Total inventories	495.70	497.06	461.57

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

13			
INVESTMENTS			
Investment in Mutual Funds (Quoted)			
Birla Sun Life savings Fund - Daily Dividend- Regular Plan-Reinvestment 931,247.274 Units (2016 & 2015-Nil)	93.31	-	-
Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option Dividend Reinvestment 31527.664 Units (2016 & 2015-Nil)	48.22	-	-
Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option 36989.8 Units (2016 & 2015-Nil)	56.55	-	-
L & T Liquid Fund - Regular Daily Dividend Reinvestment Plan 20698.794 Units (2016 & 2015-Nil)	20.94	-	-
Birla Sunlife Cash Plus - Daily Dividend Reinvestment 114458.503 Units (2016 & 2015-Nil)	11.47	-	-
Total investments	230.49	-	-

14			
TRADE RECEIVABLES (UNSECURED)			
Considered Good			
Receivable from other than related parties	1,706.20	1,803.69	1,855.31
Receivables from related parties	104.69	209.28	243.00
	1,810.89	2,012.97	2,098.31
Doubtful			
Receivable from other than related parties	0.02	0.01	0.19
Less: Provision for doubtful debts	0.02	0.01	0.19
Total trade receivables	1,810.89	2,012.97	2,098.31

Notes to Accounts — Contd.

Rupees Million

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
15			
CASH & CASH EQUIVALENTS			
Balances with Banks:			
- Current Accounts	640.61	702.52	974.97
Cash in hand	11.60	15.12	17.99
Cheques in hand	19.59	9.08	29.67
Fixed Deposits with maturity within less than three months	10.25	251.10	157.02
Total cash and cash equivalents	682.05	977.82	1,179.65

16
OTHER BANK BALANCES

Margin Deposits	0.55	3.91	4.53
Unpaid Dividend Accounts	25.82	27.55	32.25
Escrow Accounts / Fractional Share sale proceeds (against Bonus Issue)	-	0.17	0.17
Fixed Deposits maturing within 3 - 12 months	284.16	199.78	188.90
Earmarked Balances*	570.53	471.50	386.28
Total cash and other bank balance	881.06	702.91	612.13

*Earmarked Balances represent the deposit maintained by Mashobra Resort Limited as per High Court Order dated 17th December, 2003 (Refer Note 3(ii)).

17
OTHER CURRENT FINANCIAL ASSETS

Interest Accrued on deposits	5.54	8.54	4.60
Accrued Incentive Benefit	3.06	-	-
Other Receivables	21.71	20.27	63.36
Security Deposits	490.05	29.74	17.72
Asset Held for disposal	-	-	0.11
Land compensation claim recoverable	5.19	5.19	5.19
Claim Recoverable	0.03	0.66	1.45
Total other current financial assets	525.58	64.40	92.43

18
OTHER CURRENT ASSETS

Advance to suppliers	2.06	2.06	10.76
Advance to staff	0.09	0.84	0.40
Balance with Government Authorities	7.98	13.54	9.60
Accrued Incentive Benefit	19.50	-	-
Prepaid Expenses	169.92	193.45	160.90
Advance to Related Parties	13.25	-	-
Prepaid Rent	32.95	32.95	32.95
Other Advances	471.99	210.94	129.85
Service Export Incentive	159.95	-	-
Deposits of non-financial nature	8.79	10.53	99.52
Total other current assets	886.48	464.31	443.98

Notes to Accounts — Contd.

	Rupees Million		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
19			
EQUITY SHARE CAPITAL			
AUTHORISED			
1,500,000,000 Equity Shares of INR 2 each (2016 & 2015-1,500,000,000)	3,000.00	3,000.00	3,000.00
	<u>3,000.00</u>	<u>3,000.00</u>	<u>3,000.00</u>
ISSUED, SUBSCRIBED & FULLY PAID			
571,569,414 Equity Shares of INR 2 each (2016 & 2015-571,569,414)	1,143.14	1,143.14	1,143.14
	<u>1,143.14</u>	<u>1,143.14</u>	<u>1,143.14</u>

(i) Reconciliation of equity share capital

	Number of shares	Equity share capital (par value) Rupees Million
As at April 1, 2015	571,569,414	1,143.14
Change during the year	-	-
As at March 31, 2016	<u>571,569,414</u>	<u>1,143.14</u>
Change during the year	-	-
As at March 31, 2017	<u>571,569,414</u>	<u>1,143.14</u>

(ii) Rights and preferences attached to equity shares :

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

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

	As at					
	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of Shares	% holding	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	105,907,273	18.53
(2) ITC Limited	85,621,473	14.98	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	83,646,328	14.63
(4) Life Insurance Corporation of India	31,741,260	5.55	32,106,838	5.62	32,433,881	5.67
(5) Oberoi Holdings Private Limited	33,438,993	5.85	33,438,993	5.85	35,257,278	6.17

Notes to Accounts — Contd.

Rupees Million

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
20			
OTHER EQUITY			
A. RESERVES AND SURPLUS			
CAPITAL REDEMPTION RESERVE	1,024.21	1,024.21	1,024.21
CAPITAL RESERVE	25.95	25.95	25.95
SECURITIES PREMIUM RESERVE	12,373.41	12,373.41	12,373.41
REVALUATION RESERVE	2,086.57	2,187.19	2,208.53
GENERAL RESERVE	7,298.26	7,078.42	6,857.08
SURPLUS	3,982.96	3,241.17	3,658.71
Total reserves and surplus	26,791.36	25,930.35	26,147.89
B. OTHER COMPREHENSIVE INCOME			
FOREIGN CURRENCY TRANSLATION RESERVE	89.03	232.83	-
	89.03	232.83	-
Total of Other Equity	26,880.39	26,163.18	26,147.89
(i) CAPITAL REDEMPTION RESERVE			
Opening Balance	1,024.21	1,024.21	
Adjustment during the year	-	-	
Closing Balance	1,024.21	1,024.21	
(ii) CAPITAL RESERVE			
Opening Balance	25.95	25.95	
Adjustment during the year	-	-	
Closing Balance	25.95	25.95	
(iii) SECURITIES PREMIUM ACCOUNT			
Opening Balance	12,373.41	12,373.41	
Adjustment during the year	-	-	
Closing Balance	12,373.41	12,373.41	
(iv) REVALUATION RESERVE			
Opening Balance	2,187.19	2,208.53	-
<i>Less</i> : Adjustment of Revaluation Reserve on building of The Oberoi, New Delhi	80.78	-	
<i>Less</i> : Transfer to general reserve	19.84	21.34	
Closing Balance	2,086.57	2,187.19	
(v) GENERAL RESERVE/Retained Earning			
Opening Balance	7,078.42	6,857.08	-
<i>Add</i> : Transfer from Revaluation Reserve	19.84	21.34	
<i>Add</i> : Transfer from Surplus	200.00	200.00	
Closing Balance	7,298.26	7,078.42	

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016
Rupees Million		
(vi) SURPLUS		
Opening Balance	3,241.17	3,658.71
Add: Profit during the year as per Statement of Profit & Loss	1,060.73	1,310.67
Less: Transfer to General Reserve	(200.00)	(200.00)
Final Dividend for year 2014-15	-	(628.73)
Interim Dividend for the year 2015-16	-	(628.73)
Dividend distribution tax	(31.53)	(201.66)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(83.18)	(66.45)
- Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(4.23)	(2.64)
Closing Balance	<u>3,982.96</u>	<u>3,241.17</u>
(vii) FOREIGN CURRENCY TRANSLATION RESERVE		
Opening Balance	232.83	-
Add/(Less): Currency Translation differences arising during the year	(146.86)	225.64
Less/(Add): Currency Translation differences arising during the year belonging to Non controlling interest	3.06	7.19
Closing Balance	<u>89.03</u>	<u>232.83</u>

Nature and purpose of Reserves

(i) Capital Redemption Reserve

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

(ii) Capital Reserve

Capital reserve represents reserve created on business combination done under previous GAAP in cases where value of net assets acquired exceeds the fair value of the consideration transferred.

(iii) Revaluation Reserves

Revaluation Reserves was created under previous GAAP on upward revaluation on land and building. An amount equivalent to additional amortisation/ depreciation charged during the period on leased land and building due to upward revaluation is transferred directly from Revaluation Reserve to General Reserve at each reporting period.

(iv) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Notes to Accounts — Contd.

Rupees Million

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
21			
NON-CURRENT BORROWINGS			
Term Loans from Banks			
Secured			
ICICI Bank Limited (ICICI)	-	200.00	600.00
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	1,446.43	-	-
State Bank of Mauritius	608.17	616.97	952.69
Unsecured Loans			
From Government Of Himachal Pradesh	5.00	5.00	5.00
Long Term maturities of Finance Lease Obligations:			
Secured			
Long Term maturity of Finance Lease Obligations- Vehicles	54.13	51.48	50.09
Unsecured			
Long Term maturity of Finance Lease Obligations- Land	28.10	28.12	28.13
Total non-current borrowings	2,141.83	901.57	1,635.91
Current maturities of long-term debt (included in note 28)	253.57	400.00	638.17
Current maturities of finance lease obligations (included in note 28)	26.50	30.86	30.95
Total	2,421.90	1,332.43	2,305.03

PARTICULARS OF TERM BORROWINGS :

1) Security :

Term loan from ICICI relates to EIH Limited and 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 .

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

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

Term Loan from State Bank of Mauritius relates to EIH Flight Services Ltd, Mauritius and is secured by charge on building of that company, floating charge on all assets of the company, assignment of leasehold rights on the leasehold land and a corporate guarantee of EIH Limited.

2) Terms of repayment and Interest rate :

- (a) Term Loan From ICICI Bank carries interest at the rate of 0.55% above bank's base rate, repayable in quarterly installments of INR 100 Million each. Repayment will be complete in July 2017.
- (b) Term Loan From The Hong Kong & Shanghai Banking Corporation Limited (HSBC) is repayable in 28 quarterly installment starting from February 2018 and carries interest which is linked to banks MCLR, presently effective rate is 8.88%.
- (c) 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.
- (d) Two pieces of land under finance lease are under lease up to 2064-65 . Another piece of land is under perpetual lease. Rent is payable on a monthly basis.
- (e) 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 1.19 Million starting from September 2018 and ending in June 2020.
- (f) Unsecured borrowings from Government of Himachal Pradesh is repayable at the option of the group and group does not expect repayment in next one year period.

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 1, 2015
22			
OTHER NON-CURRENT FINANCIAL LIABILITIES			
Liability for Lease Equalisation	10.93	11.49	11.92
Security Deposits	14.32	34.64	37.69
Others liabilities	1.32	0.04	2.53
Liability for Capital Expenditure	-	-	0.16
Total other non-current financial liabilities	26.57	46.17	52.30
23			
OTHER NON-CURRENT LIABILITIES			
Deferred Rent Income	0.64	3.64	6.52
Advance Rent	2.33	-	-
Total other non-current liabilities	2.97	3.64	6.52
24			
DEFERRED TAX LIABILITIES - NET			
Deferred Tax Liabilities on account of :			
WDV of Depreciable Assets	2,092.79	2,213.36	2,199.82
Outside Basis Taxation	-	21.02	21.02
Fair Valuation of Equity Investment	2.61	1.80	0.70
Fair Valuation of Security Deposit Liability	0.24	0.02	0.01
Restatement of Liability at Fair Value	-	30.98	32.12
Total deferred tax liabilities (A)	2,095.64	2,267.18	2,253.67
Deferred Tax Assets on account of :			
Statutory Expenses claimable on payment	25.15	57.74	62.98
Employee Benefits	54.43	2.60	1.44
Provision For Debts, Advances and Investments	105.02	96.52	70.58
Fair Valuation of Security Deposit-Assets	24.14	23.53	21.78
Lease Equalisation Reserve	3.99	4.14	4.22
Others temporary differences	8.25	10.71	35.70
Total deferred tax assets (B)	220.98	195.24	196.70
Deferred Tax Liabilities (Net - A-B)	1,874.66	2,071.94	2,056.97

Notes to Accounts — Contd.

25

EMPLOYEE BENEFIT OBLIGATIONS

Rupees Million

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Gratuity (i) (a)	117.25	1.29	118.54	94.43	1.01	95.44	28.82	0.85	29.67
Gratuity (i) (b)	-	3.92	3.92	-	2.90	2.90	-	-	-
Leave Obligation (i) (c)	33.50	215.63	249.13	28.43	173.87	202.30	22.43	169.90	192.33
Pension Benefits (i) (d)	-	57.53	57.53	-	52.56	52.56	-	52.13	52.13
Total employee benefit obligations	150.75	278.37	429.12	122.86	230.34	353.20	51.25	222.88	274.13

(i) Post-employment obligations

a) Gratuity (India)

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to Life Insurance Corporation of India funds.

b) Gratuity (Mauritius)

The Group provides for gratuity for employees in Mauritius under the Employment Rights Act, 2008. The gratuity plan is an unfunded defined benefit plan.

c) Leave Obligation (India)

As per the policy of the company, leave obligations can be settled in cash only at the time of separation of employees with the company. The leave obligations cover the company's liability for earned leaves encashable at the time of termination / retirement of employees. It's a unfunded plan.

d) Pension Benefits

The pension benefit plan pertains to two of the foreign subsidiaries PT Waka Oberoi Indonesia and PT Widja Putra Karya.

(ii) Defined contribution plans

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

Balance sheet amounts – Gratuity and Leave Obligations (India)- Note (i) (a) and (i) (c)

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

	Gratuity			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
April 1, 2015	493.12	463.45	29.67	192.33
Current service cost	29.38	-	29.38	39.64
Interest expense / (income)	32.82	32.97	(0.15)	13.24
Total amount recognised in profit or loss	62.20	32.97	29.23	52.89
Remeasurements				
(Gain)/loss from change in demographic assumptions	104.92	-	104.92	0.78
(Gain)/loss from change in financial assumptions	0.02	-	0.02	0.07
Experience (gains)/losses	0.02	5.17	(5.15)	1.34
Total amount recognised in other comprehensive income	104.96	5.17	99.79	2.19

Notes to Accounts — *Contd.*

	Rupees Million			Leave Encashment
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
Employer contributions	-	62.99	(62.99)	-
Benefit payments	144.84	144.58	0.26	45.10
March 31, 2016	515.44	420.00	95.44	202.30
April 1, 2016	515.44	420.00	95.44	202.30
Current service cost	30.09	-	30.09	39.13
Interest expense/(income)	36.72	33.16	3.55	14.13
Total amount recognised in profit or loss	66.81	33.16	33.64	53.24
Remeasurements				
(Gain)/loss from change in financial assumptions	62.20	-	62.20	31.31
Experience (gains)/losses	25.46	(1.47)	26.93	5.09
Total amount recognised in other comprehensive income	87.66	(1.47)	89.13	36.40
Employer contributions	-	99.36	(99.36)	-
Benefit payments	(89.55)	(89.23)	(0.32)	(42.83)
March 31, 2017	580.36	461.82	118.52	249.13

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

	Gratuity			Leave Obligation		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Present value of funded obligations	579.63	514.84	492.60	-	-	-
Fair value of plan assets	461.82	420.00	463.45	-	-	-
Deficit of funded plan	117.81	94.84	29.15	-	-	-
Unfunded plans	0.73	0.60	0.52	249.13	202.30	192.33
Deficit of Employee Benefit Plans	118.54	95.44	29.67	249.13	202.30	192.33

(iv) **Post Employment Benefits**

The significant actuarial assumptions were as follows:

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.00%	7.80%	7.80%
Salary growth rate	4.00%	3.00%	3.00%
Expected Return on Assets	8.50%	8.50%	8.50%
Mortality	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate
Withdrawal Rate	2.00%	2.00%	2.00%

Notes to Accounts — Contd.

(v) **Sensitivity analysis**

Rupees Million

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

	Impact on defined benefit obligation						
	Change in assumption			Increase in assumption		Decrease in assumption	
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Gratuity							
Discount rate	1%	1%	1%	(53.68)	(42.19)	61.48	47.92
Salary growth rate	1%	1%	1%	62.69	49.79	(55.64)	(44.44)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

	March 31, 2017		March 31, 2016		April 1, 2015	
	Unquoted	in %	Unquoted	in %	Unquoted	in %
Investment funds	461.81	100%	420.00	100%	463.46	100%
Total	461.81		420.00		463.46	

(vii) **Risk exposure**

Through its defined benefit plans, The company is exposed to a number of risks, the most significant of which are detailed below:

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

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

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to Accounts — Contd.

(viii) Defined benefit liability and employer contributions

Expected contributions to post employment benefit plan for the year ending 31 March 2018 are INR 117.25 Million.

The weighted average duration of the defined benefit obligation is 9 years in case of Gratuity and 11 years in case of Leave Obligation in all the three years.

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

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Beyond 5 years	Total
March 31, 2017							
Defined benefit obligation							
Gratuity	69.92	51.45	52.61	80.40	76.72	387.44	718.54
Leave Obligation	34.65	19.79	22.83	33.65	56.18	211.11	378.21
Total	104.57	71.24	75.44	114.05	132.90	598.55	1,096.75
March 31, 2016							
Defined benefit obligation							
Gratuity	61.87	60.07	55.68	53.18	87.56	353.67	672.03
Leave Obligation	29.53	23.40	22.50	22.62	54.27	172.40	324.72
Total	91.40	83.47	78.18	75.80	141.83	526.07	996.75
April 1, 2015							
Defined benefit obligation							
Gratuity	49.74	60.07	58.33	54.10	59.03	350.80	632.07
Leave Obligation	23.28	28.67	22.79	21.93	42.28	167.00	305.95
Total	73.02	88.74	81.12	76.03	101.31	517.80	938.02

Balance sheet amounts – Gratuity (Mauritius)- Note (i) (b)

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

	Gratuity Present value of obligation
April 1, 2015	
Current service cost	2.70
Interest expense/(income)	0.15
Translation Adjustment	0.05
Total amount recognised in profit or loss	<u>2.90</u>
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	-
Experience (gains)/losses	-
Total amount recognised in other comprehensive income	<u>-</u>
Employer contributions	-
Benefit payments	-
March 31, 2016	<u>2.90</u>
April 1, 2016	<u>2.90</u>
Current service cost	0.67
Interest expense/(income)	0.21
Translation Adjustment	(0.10)
Total amount recognised in profit or loss	<u>0.78</u>

Notes to Accounts — Contd.

Rupees Million

Remeasurements

(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(0.01)
Experience (gains)/losses	0.27
Total amount recognised in other comprehensive income	0.26
Employer contributions	-
Benefit payments	-
March 31, 2017	3.94

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

	Gratuity	
	March 31, 2017	March 31, 2016
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Deficit of funded plan	-	-
Unfunded plans	3.92	2.90
Deficit of Employee Benefit Plans	3.92	2.90

(iv) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2017	March 31, 2016
Discount rate	6.50%	7.00%
Salary growth rate	4.00%	4.50%
Average Retirement Age	65 years	65 Years

(v) Sensitivity analysis

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

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Gratuity						
Discount rate	1%	1%	0.70	0.51	0.88	0.65

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(vi) Risk exposure

Through its defined benefit plans, The company is exposed to a number of risks, the most significant of which are detailed below:

Interest Risk: A decrease in the bond interest rate will increase the plan liability, however, this may be partially offset by a decrease in inflationary pressures on the salary increased.

Salary Risk: The Plan liability is calculated by reference to the future projected salaries of plan participants. As such an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

Balance sheet amounts – Pension Benefits (Indonesia)- Note (i) (d)

Notes to Accounts — Contd.

Rupees Million

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

	Pension Benefit Present value of obligation
April 1, 2015	52.13
Current service cost	3.75
Interest expense / (income)	3.68
Total amount recognised in profit or loss	7.43
Remeasurements	
(Gain)/loss from change in financial assumptions	(3.74)
Experience (gains)/losses	(3.67)
Translation Adjustment	2.32
Total amount recognised in other comprehensive income	(5.09)
Employer contributions	-
Benefit payments	(1.91)
March 31, 2016	52.56
April 1, 2016	52.56
Current service cost	4.32
Interest expense / (income)	4.23
Total amount recognised in profit or loss	8.55
Remeasurements	
(Gain)/loss from change in financial assumptions	1.27
Experience (gains)/losses	0.16
Translation Adjustment including translation at EIH India Console	(2.30)
Total amount recognised in other comprehensive income	(0.87)
Employer contributions	-
Benefit payments	(2.69)
March 31, 2017	57.55

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

	March 31, 2017	March 31, 2016	April 1, 2015
Present value of defined benefit obligation	57.53	52.56	52.13
Unrecognized past service cost-unvested	-	-	-
Unrecognized actuarial loss	-	-	-
Deficit of funded plan	57.53	52.56	52.13
Deficit of Employee Benefit Plans	57.53	52.56	52.13

(iv) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	8.00%	8.34%	7.81%
Salary growth rate	8.00%	8.00%	8.00%
Mortality	TMI III	TMI III	TMI III
Retirement Age	55 Years	55 Years	55 Years
Disability Rate	5% of Mortality table TMI III	10% of Mortality table TMI III	10% of Mortality table TMI III

Notes to Accounts — Contd.

Rupees Million

(v) **Sensitivity analysis (To be included for each defined benefit obligation)**

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

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Discount rate	1%	1%	(3.76)	(3.37)	5.01	3.86

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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CURRENT BORROWINGS

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
SECURED			
Short Term Loan From Bank			
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	-	350.00	450.00
Cash Credit From Banks			
United Bank Of India (UBI) *	391.99	619.42	424.27
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	151.70	60.23	164.48
ICICI Bank Limited (ICICI)	66.00	318.85	-
State Bank Of Mauritius	7.69	0.95	-
UNSECURED			
Short Term Loans From Banks			
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	250.00	500.00	-
Federal Bank Limited	300.00	-	-
	1,167.38	1,849.45	1,038.75

* Net of current account balances.

PARTICULARS OF SHORT TERM BORROWINGS :

(i) **Security:**

Cash Credit facilities from UBI, 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 UBI is additionally secured by way of second charge in respect of the Company's hotel in Kolkata known as The Oberoi Grand.

Cash credit facility from State Bank of Mauritius relates to EIH Flight Services Ltd, Mauritius and is secured by charge on building of that company and corporate guarantee of EIH Limited.

(ii) **Terms of repayment and Interest rate :**

Cash Credit From UBI is repayable on demand and carries Interest at banks base rate + 0.80%

Cash Credit From HSBC is repayable on demand and carries Interest at banks base rate + 2.90%

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

Short term loan From HSBC is repayable on maturity and carries Interest @ 8.90%

Short term loan From Federal Bank Limited is repayable on maturity and carries Interest @ 8.70%

Cash Credit From State bank of Mauritius is repayable on demand and carries an interest rate of 8.50%.

Notes to Accounts — Contd.

	As at March 31, 2017	As at March 31, 2016	Rupees Million As at April 1, 2015
27			
TRADE PAYABLES			
Trade Payables	1,661.16	1,512.92	1,452.45
Trade Payables to related parties	56.91	72.09	32.72
Total trade payables	1,718.07	1,585.01	1,485.17
Classification as required by MSME Act			
Total Outstanding dues of Micro Enterprises and Small Enterprises*	5.18	4.43	3.62
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,712.89	1,580.58	1,481.55
Total trade payables	1,718.07	1,585.01	1,485.17
* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act) are based on information made available to the Company. Neither was there any delay in payment nor is any interest due and remaining unpaid on the above.			
28			
OTHER CURRENT FINANCIAL LIABILITIES			
Current Maturities of Long Term Debt	253.57	400.00	638.17
Current Maturities of Finance Lease Obligations	26.50	30.86	30.95
Interest accrued but not due on borrowings	8.25	5.05	2.26
Unclaimed Dividend	25.82	27.55	32.25
Unclaimed Fractional Share sale proceeds (against Bonus Issue)	-	0.17	0.17
Liability for Capital Expenditure	75.54	43.64	40.59
Liability for Lease Equalisation	0.59	0.46	0.28
Retention money	0.55	2.59	5.62
Security Deposits	101.60	90.65	71.72
Other Liabilities	1.67	49.41	42.31
Total current financial liabilities	494.09	650.38	864.32
29			
TAX LIABILITIES - NET			
Income Tax Liabilities - Net	4.06	3.88	0.11
Wealth Tax Asset - Net	-	-	0.28
Total tax liabilities - Net	4.06	3.88	0.39
30			
OTHER CURRENT LIABILITIES			
Advance from Customer	317.51	234.57	410.63
Salary & wages and other dues payable	0.72	0.74	0.52
Statutory and other dues	247.35	294.15	319.92
Deferred Revenue	58.06	74.86	92.74
Advance Rent	3.00	5.07	4.02
Total other current liabilities	626.64	609.39	827.83

Notes to Accounts — Contd.

Rupees Million
**Year ended
March 31, 2017**
**Year ended
March 31, 2016**
31
REVENUE FROM OPERATIONS

Rooms	6,470.55	6,983.50
Food and Beverage	6,182.44	6,849.86
Other Services	2,006.38	2,172.33
Sale of Printed Materials	627.12	603.62
Total revenue from operation	15,286.49	16,609.31

32
OTHER INCOME

Interest income from financial assets at amortised cost	154.99	205.14
Interest income on Income Tax refund	103.33	-
Dividend income from equity investments measured at fair value through profit or loss	10.50	9.14
Unwinding of discount on security deposits	-	-
Net foreign exchange gain	7.24	74.27
Fair value changes on equity investments measured at fair value through profit or loss	6.10	6.16
Rental Income	0.81	5.62
Provisions/ Liabilities Written Back	17.12	23.72
Income on account of Services Exports Incentive	516.80	-
Miscellaneous Income	79.52	70.07
Total other income	896.41	394.12

33
CONSUMPTION OF PROVISIONS, WINES & OTHERS

Opening Stock	218.80	205.82
<i>Add:</i> Purchases	2,217.09	2,357.74
	2,435.89	2,563.56
<i>Less:</i> Closing Stock	210.18	218.80
Total Consumption of provisions, wines & others	2,225.71	2,344.76

34
EMPLOYEE BENEFITS EXPENSE

Salaries & Wages	3,748.86	3,804.03
Contribution to Provident fund and Other Funds	180.81	168.29
Staff Welfare Expenses	377.31	382.83
Total employee benefits expense	4,306.98	4,355.15

Notes to Accounts — Contd.

	Year ended March 31, 2017	Rupees Million Year ended March 31, 2016
35		
FINANCE COSTS		
Interest Expense	301.53	283.73
Other Borrowing Costs	0.10	-
	<u>301.63</u>	<u>283.73</u>
<i>Less: Amount capitalised</i>	<u>123.12</u>	<u>-</u>
Total finance costs	<u>178.51</u>	<u>283.73</u>
<p>The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case it is 9.72% (March 31, 2016 – Nil).</p>		
36		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	1,261.01	1,322.64
Amortisation of intangible assets	20.05	11.07
Total depreciation and amortisation expense	<u>1,281.06</u>	<u>1,333.71</u>
37		
OTHER EXPENSES		
Power & Fuel	1,133.57	1,287.20
Rent	417.52	401.38
Repairs and Maintenance:		
Buildings	198.52	218.81
Plant & Machinery	497.26	499.50
Others	55.74	90.44
Insurance	60.95	62.45
Rates & Taxes	364.24	439.02
Expenses on Apartment & Board	302.06	297.50
Royalty	121.72	147.39
Advertisement, Publicity & Other Promotional Expenses	416.18	445.10
Commission to Travel Agents & others	386.75	364.01
Subscriptions	0.77	0.96
Electricity & Water	9.61	9.87
Passage & Travelling	353.68	399.95
Postage, Telephone, etc.	90.42	99.59
Printing & Stationery	1.12	0.80
Professional Charges	214.71	231.98
Linen, Uniform Washing & Laundry Expenses	59.70	58.63
Renewals & Replacement	138.51	111.43
Musical, Banquet & Kitchen Expenses	73.22	89.97
Auditors' Remuneration (Refer 37 (a))	28.29	28.13
Directors' Fees and Commission	82.46	108.50
Loss on Sale/Discard of Assets etc. (Net)	23.38	9.93
Bad Debts & Advances Written Off	23.98	4.04
Miscellaneous Expenses	510.13	520.12
CSR Expenses (Refer 37(b))	33.34	24.62
Expenses on Contracts for service	444.34	413.30
Provision for Doubtful Debts & Advances	26.21	79.08
Loss on exchange	56.29	-
Total other expenses	<u>6,124.67</u>	<u>6,443.70</u>

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2017	Year ended March 31, 2016
37(a)		
DETAILS OF AUDITOR'S REMUNERATION		
As auditor:		
Audit fee	25.94	25.53
Tax audit fee	1.37	1.37
In other capacities:		
For Taxation Matters	0.65	0.65
For other services such as certification	0.30	0.56
Out of pocket expenses	0.03	0.02
Total payments to auditors	28.29	28.13

37(b)		
DETAILS OF CSR EXPENDITURE		
SOS Children's Villages of India	18.07	15.67
Helpage India	4.50	4.10
Expenses for Swachh Bharat Abhiyan	2.93	2.91
Child Fund-Reading Improvement Programme	5.00	-
Repair work at school for visually impaired at Dhalli in the District of Shimla, Himachal Pradesh	1.03	1.48
Set up of Vocational Training Centre including teachers and teaching aids at the school for the Hearing and Visually impaired	1.65	-
Repair work at Primary School at village at Chharabara in the District of Shimla, Himachal Pradesh	0.16	0.46
Total CSR expenditure	33.34	24.62

38		
EXCEPTIONAL ITEMS		
Profit on sale of Property at Darjeeling, West Bengal	-	109.90
Write-off of assets arising out of renovation of The Oberoi, New Delhi	(382.22)	-
Profit on sale of Land at Delhi	-	126.10
Provision for diminution in value of investments in Golden Jubilee Hotels Private Limited *	-	(418.59)
	(382.22)	(182.59)

*The Group's investments (Note 5) 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 recalled the loan given to GJHPL and declared the same as NPA. There is also winding up petition filed by a creditor. However, considering the facts of the case, Group feels that the viability of GJHPL is at stake and provision for impairment has been made for abundant caution.

Notes to Accounts — Contd.

	Year ended March 31, 2017	Rupees Million Year ended March 31, 2016
39		
TAX EXPENSE		
(a) Income tax		
Tax on profits for the year	764.31	767.93
Adjustments for prior periods	(52.48)	(0.24)
Total income tax	711.83	767.69
(b) Deferred tax		
Decrease/(Increase) in deferred tax assets	13.36	35.43
(Decrease)/Increase in deferred tax liabilities	(154.70)	9.67
Total deferred tax expense/(benefit)	(141.34)	45.10
Total tax expense	570.49	812.79
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before income tax expense	1,783.01	2,242.77
Tax at the respective countries' tax rates	696.84	827.49
Tax effect of amounts which are not deductible in calculating taxable income:		
Corporate social responsibility expenditure	3.64	2.39
Fair value changes in the value of equity investments	-	145.08
Expenses related to exempted income	0.85	0.68
Donations	2.57	7.23
Others	0.03	-
	7.09	155.38
Adjustment on account of depreciable and leased assets	3.48	19.13
	3.48	19.13
Impact of change in tax rate for deferred tax:		
Impact of different tax rates applicable in group entities in India and other jurisdiction	(9.26)	3.51
Tax effect of amounts which are not taxable in calculating taxable income:		
Provision for wealth tax written back	(0.35)	(0.64)
Profit on sale of property	-	(81.67)
Dividend	(63.21)	(69.33)
Adjustment in 43B as per Tax audit report	-	(10.05)
	(63.56)	(161.69)
Other differences:		
Difference in tax rate on foreign dividend	(11.55)	(11.00)
Difference in tax rate for impairment on investment in subsidiary	(0.95)	(1.26)
Deferred tax for earlier year	0.05	(0.04)
Difference in tax rate of subsidiaries	0.83	(18.49)
	(11.62)	(30.79)
Current tax expense related to prior periods	(52.48)	(0.24)
Income tax expense as per Income Tax	570.49	812.79

Notes to Accounts — *Contd.*

40

FAIR VALUE MEASUREMENTS

Financial instruments by category

Rupees Million

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets						
Investments						
- Equity instruments	972.78	-	759.77	-	1,132.85	-
- Government securities	-	0.28	-	0.34	-	0.31
Advances towards Equity shares	-	-	-	0.10	-	-
Trade Receivables	-	1,810.89	-	2,012.97	-	2,098.31
Cash and cash equivalents	-	682.05	-	977.82	-	1,179.65
Other Bank Balance	-	881.06	-	702.91	-	612.13
Other receivables	-	972.52	-	934.94	-	717.89
Security deposits	-	570.32	-	631.41	-	572.84
Total financial assets	972.78	4,917.12	759.77	5,260.49	1,132.85	5,181.13
Financial liabilities						
Borrowings	-	3,480.55	-	3,071.42	-	3,234.61
Security deposits	-	115.92	-	125.29	-	109.41
Finance Lease Obligations	-	108.73	-	110.46	-	109.17
Liability for Lease equilisation	-	11.52	-	11.95	-	12.20
Trade payables	-	1,718.07	-	1,585.01	-	1,485.17
Capital creditors	-	75.54	-	43.64	-	40.75
Others	-	37.61	-	84.81	-	85.14
Total financial liabilities	-	5,547.94	-	5,032.58	-	5,076.45

Notes to Accounts — Contd.

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

	Rupees Million					
	At 31 March 2017		At 31 March 2016		At 1 April, 2015	
	Level 1	Level 3	Level 1	Level 3	Level 1	Level 3
Financial Investments at FVPL						
Investment in Equity Shares of (Note 5)						
Tourism Finance Corporation of India Limited	2.06	-	1.06	-	1.70	-
Mercury Travels Limited	-	51.82	-	46.73	-	39.93
Green Infra Wind Generation Limited	-	0.18	-	0.18	-	0.18
ReNew Wind Energy (Karnataka) Pvt. Ltd.	-	0.42	-	0.32	-	0.32
Golden Jubilee Hotels Private Limited	-	-	-	-	-	418.58
Tourism Investments Company at Sahl Hasheesh	-	323.59	-	334.73	-	316.22
La Roseraie De L'Atlas SA, Marrakech	-	364.22	-	376.75	-	355.92
Investment in Mutual fund of (Note 13)						
Birla Sun Life savings Fund	93.31	-	-	-	-	-
Reliance Liquid Fund	48.22	-	-	-	-	-
Reliance Liquid Fund	56.55	-	-	-	-	-
L & T Liquid Fund	20.94	-	-	-	-	-
Birla Sunlife Cash Plus	11.47	-	-	-	-	-
Total financial assets	232.55	740.23	1.06	758.71	1.70	1,131.15

(ii) Fair Value hierarchy

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

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

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

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

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

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

Notes to Accounts — Contd.

Rupees Million

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investment in Green Infra Wind Generation Limited and ReNew Wind Energy (Karnataka) Pvt. Ltd., are made pursuant to the contract for procuring electricity supply at the hotels units. Investment in said companies is not usually traded in market. Considering the terms of the electricity supply contract and best information available in the market, cost of investment is considered as fair value of the investments.
- For the investment in Golden Jubilee Hotels Private Limited (GJHPL), the management was of the view that carrying value of the investment is representative of its fair value as on 01 April, 2015. As on 01 April, 2015, no indicators of impairment were existing. However, during the financial year 2015-16, due to the non-payment of bank borrowings and other obligations, petition for the winding up has been filed by the creditors and lenders of the GJHPL. Considering the financial position of the GJHPL and legal proceedings initiated by lenders, the management has fully provided for the investment in GJHPL as on March 31, 2016.
- Fair valuation of Mercury Travels Limited has been computed using discounted cash flow valuation method ("DCF Method").

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

	Unquoted Equity Investments
As at April 1, 2015	1,131.15
Acquisitions	-
Gains/losses recognised in profit or loss	(372.44)
As at March 31, 2016	758.71
Acquisitions	0.10
Gains/losses recognised in profit or loss	(18.58)
As at March 31, 2017	740.23

(vi) Valuation inputs and relationships to fair value

	Fair Value as at			Significant unobservable inputs*	Probability-weighted range		
	March 31, 2017	March 31, 2016	April 1, 2015		March 31, 2017	March 31, 2016	April 1, 2015
Unquoted equity shares	51.82	46.73	39.93	Terminal (perpetuity) value CARG	5.50%	5.50%	5.50%
				Cost of Equity	15%	15%	15%

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

(v) Valuation processes

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

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

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

Significant estimates

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

Notes to Accounts — Contd.

41 (a)
FINANCIAL RISK MANAGEMENT

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

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

(A) Market risk
(i) Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the respective companies' functional currency.

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

Currency	Rupees Million		
	Asset (Receivable)	Liability (Payables)	Net
March 31, 2017			
US Dollar (USD)	51.64	829.21	(777.58)
EURO	3.06	85.27	(82.21)
Great Britain Pound (GBP)	47.63	106.09	(58.46)
Mauritius Rupee (MUR)	42.47	101.53	(59.06)
Hongkong Dollar (HKD)	-	0.88	(0.88)
UAE Dirham (AED)	1.39	0.01	1.38
Net exposure to foreign currency risk	146.19	1,122.99	(976.81)
March 31, 2016			
US Dollar (USD)	29.82	668.65	(638.82)
EURO	3.82	7.24	(3.43)
Great Britain Pound (GBP)	0.06	12.27	(12.21)
Mauritius Rupee (MUR)	57.28	93.67	(36.38)
Swiss Franc (CHF)	0.04	-	0.04
Singapore Dollar (SGD)	-	0.16	(0.16)
Australian Dollar (AUD)	0.01	0.17	(0.16)
Net exposure to foreign currency risk	91.03	782.16	(691.12)
April 1, 2015			
US Dollar (USD)	17.87	1,226.09	(1,208.23)
EURO	0.03	5.51	(5.48)
Great Britain Pound (GBP)	1.22	2.35	(1.13)
Mauritius Rupee (MUR)	87.42	852.24	(764.83)
Swiss Franc (CHF)	-	0.03	(0.03)
Net exposure to foreign currency risk	106.54	2,086.22	(1,979.70)

Notes to Accounts — Contd.

Sensitivity

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

	Impact on profit	
	March 31, 2017	March 31, 2016
USD sensitivity		
INR/USD Increases by 5% (March 31 2016 - 5%)	(38.88)	(31.94)
INR/USD Decreases by 5% (March 31 2016 - 5%)	38.88	31.94
EURO sensitivity		
INR/EURO Increases by 5% (March 31 2016 - 5%)	(4.11)	(0.17)
INR/EURO Decreases by 5% (March 31 2016 - 5%)	4.11	0.17
GBP sensitivity		
INR/GBP Increases by 5% (March 31 2016 - 5%)	(2.92)	(0.61)
INR/GBP Decreases by 5% (March 31 2016 - 5%)	2.92	0.61
HKD sensitivity		
INR/HKD Increases by 5% (March 31 2016 - 5%)	(0.04)	(0.01)
INR/HKD Decreases by 5% (March 31 2016 - 5%)	0.04	0.01
AED sensitivity		
INR/AED Increases by 5% (March 31 2016 - 5%)	0.07	(0.01)
INR/AED Decreases by 5% (March 31 2016 - 5%)	(0.07)	0.01
Mauritius Rupee sensitivity		
INR/MUR Increases by 5% (March 31 2016 - 5%)	(2.95)	(1.82)
INR/MUR Decreases by 5% (March 31 2016 - 5%)	2.95	1.82
SGD sensitivity		
INR/USD Increases by 5% (March 31 2016 - 5%)	-	(0.01)
INR/USD Decreases by 5% (March 31 2016 - 5%)	-	0.01
AUD sensitivity		
INR/USD Increases by 5% (March 31 2016 - 5%)	-	(0.01)
INR/USD Decreases by 5% (March 31 2016 - 5%)	-	0.01

(ii) Interest rate risk

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

	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	2,925.55	2,216.42	2,779.62
Fixed rate borrowings	555.00	855.00	455.00
Total borrowings	3,480.55	3,071.42	3,234.62

Sensitivity

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

	Impact on profit	
	March 31, 2017	March 31, 2016
Interest rates – increase by 50 basis points (50 bps) *	(14.63)	(11.08)
Interest rates – decrease by 50 basis points (50 bps) *	14.63	11.08

* Holding all other variables constant

Notes to Accounts — *Contd.*

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group in equity securities and classified in the balance sheet as at fair value through profit or loss (note 5). However, Group does not have a practice of investing in equity securities with a view to earn fair value changes gain. As per the Group policies, whenever any investment is made by the Group company in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement. Further, at the reporting date Group does not hold material value of equity securities. Accordingly, Group is not exposed to significant market price risk.

(B) Credit risk

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

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

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

Reconciliation of loss allowance provision – Trade receivables

Loss allowance on April 1, 2015	17.39
Changes in loss allowance	75.09
Loss allowance on March 31, 2016	92.48
Changes in loss allowance	24.57
Loss allowance on March 31, 2017	117.05

Change in loss allowances for the financial year 2015-16 is primarily relating to GJHPL.

(C) Liquidity risk

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

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

	March 31, 2017	March 31, 2016	April 1, 2015
Floating rate			
Expiring within one year (cash credit facilities and bank overdraft)			
HSBC Cash Credit/WCTL Facility	398.30	139.77	-
HSBC Short term Facility	500.00	250.00	750.00
UBI Cash Credit Facility	408.01	180.58	375.73
ICICI Cash Credit Facility	334.00	81.15	400.00
	<u>1,640.31</u>	<u>651.50</u>	<u>1,525.73</u>

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

Notes to Accounts — Contd.

(ii) Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities:	Rupees Million			
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31, 2017				
Borrowings	1,578.27	2,546.52	5.00	4,129.79
Obligations under finance lease	40.83	74.89	127.13	242.85
Trade payables	1,880.04	-	-	1,880.04
Security Deposits and Other financial liabilities	220.30	21.61	11.78	253.69
Total non-derivative liabilities	3,719.44	2,643.02	143.91	6,506.37
March 31, 2016				
Borrowings	2,332.35	905.83	5.00	3,243.18
Obligations under finance lease	45.25	75.31	130.04	250.60
Trade payables	1,437.52	-	-	1,437.52
Security Deposits and Other financial liabilities	228.41	35.09	11.21	274.71
Total non-derivative liabilities	4,043.53	1,016.23	146.25	5,206.01
April 1, 2015				
Borrowings	1,839.94	1,729.74	5.00	3,574.68
Obligations under finance lease	40.58	73.93	132.96	247.47
Trade payables	1,308.81	-	-	1,308.81
Security Deposits and Other financial liabilities	199.33	241.56	13.53	454.42
Total non-derivative liabilities	3,388.66	2,045.23	151.49	5,585.38

41 (b)

CAPITAL MANAGEMENT

(a) Risk management

The parent company's objectives when managing capital are to

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

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

	March 31, 2017	March 31, 2016	April 1, 2015
Net debt (net of cash and cash equivalents)	2,791.79	2,390.61	1,908.98
Total equity	27,681.56	26,878.35	27,287.75
Net debt to equity ratio	10%	9%	7%

(b) Dividends

	March 31, 2017	March 31, 2016
Final dividend for the year ended 31 March 2016 of INR Nil, 31 March 2015 – INR 1.10)	-	628.73
Dividend Distribution Tax	-	86.62
Interim dividend for the year ended 31 March 2017 of INR Nil (31 March 2016 – INR 1.10)	-	628.73
Dividend Distribution Tax	-	89.83
Dividends not recognised at the end of the reporting period		
Liability for proposed dividend *	514.41	-
Dividend Distribution Tax on proposed dividend	59.60	-

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

Notes to Accounts — Contd.

RELATED PARTY TRANSACTIONS

42 (a)

LIST OF RELATED PARTIES

Key Management Personnel of the company and close member of Key Management Personnel of the company	Enterprises in which Key Management Personnel and close member of Key management Personnel have Joint Control
Mr. P.R.S. Oberoi	Oberoi Hotels Private Limited
Mr. S.S. Mukherji	Oberoi Properties Private Limited
Mr. Vikram Oberoi	Oberoi Holdings Private Limited
Mr. Arjun Oberoi	Oberoi Investments Private Limited
Mrs. Nita M. Ambani	Oberoi Buildings and Investments Private Limited
Mrs. Renu Sud Karnad	Oberoi Plaza Private Limited
Mr. Manoj Harjivandas Modi	Oberoi Leasing and Finance Company Private Limited
Mr. Rajeev Gupta	Bombay Plaza Private Limited
Mr. S.K. Dasgupta	Oberoi International LLP
Mr. Anil K. Nehru	Aravalli Polymers LLP
Mr. Sudipto Sarkar	Oberoi Holdings Hong Kong Limited
Mr. L. Ganesh	Bhagwanti Oberoi Charitable Trust
Mr. S.N. Sridhar	Ishran Devi Oberoi Family Trust
Mr. Biswajit Mitra	Oberoi Foundation
Mrs. Goodie Oberoi (Wife of Mr. P.R.S. Oberoi)	Vikramaditya Exports Private Limited
Ms. Priyanka Mukherjee (Daughter of Mr. S.S. Mukherji)	Arpwood Consultants LLP
	Arpwood Partners Investments Advisors LLP
Associates & Joint Ventures	Arpwood Investments Advisors LLP
Mercury Car Rentals Private Limited	Vidhya Bharati Trust
Oberoi Mauritius Ltd	M/s Krishna Enterprises
EIH Associated Hotels Limited	M/s Durga Enterprises
Island Resort Ltd	M/s Deepak Associates
	M/s Sonal Enterprises
	M/s Alpha Enterprises
Enterprises which are post employment benefit plan for the benefit of employees	
EIH Employees' Gratuity Fund	M/s Balaji Realty
EIH Executive Superannuation Scheme	M/s TMP Enterprises LLP
	Reliance Group Corp.
	Reliance Corp.
	Shivapriya Corporation
	Chakradev Enterprises LLP
	Janardan Commercials LLP
	Shripal Enterprises LLP
	Shivangi Commercials LLP
	Rane Foundation, Chennai
	Oberoi Investments (BVI) Limited
	Oberoi Services International Limited
	Oberoi Services Pte Limited
	Oberoi Holdings (Singapore) Pte. Ltd
	Oberoi Corporation Limited
	Komensi Pty Limited
	Oberoi UK Limited
	Oberoi Hotels (Australia) Pty Limited
	OBHR Pty Limited
	OBHR (Australia) Pty Limited
	Saudi Oberoi Company Limited
	La Roseraie De L'atlas
	Silhoutte Beauty Parlour

Notes to Accounts — Contd.

42(b)
Transactions with Related Parties for the year ended March 31,2017

NATURE OF TRANSACTIONS	Rupees Million							
	Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2017	2016	2017	2016	2017	2016	2017	2016
PURCHASES								
Purchase of Goods & Services								
Mercury Car Rentals Private Limited	104.25	114.71	-	-	-	-	-	-
EIH Associated Hotels Limited	8.87	15.79	-	-	-	-	-	-
Island Resort Ltd	0.67	0.66	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.03	0.02	-	-	-	-
Oberoi International LLP	-	-	0.78	2.03	-	-	-	-
Total	113.79	131.16	0.81	2.05	-	-	-	-
Purchase of Fixed Assets								
EIH Associated Hotels Limited	-	0.29	-	-	-	-	-	-
Total	-	0.29	-	-	-	-	-	-
EXPENSES								
Rent								
EIH Associated Hotels Limited	1.52	1.41	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.36	0.36	-	-	-	-
Mrs. Goodie Oberoi ,W/o Mr. P.R.S.Oberoi	-	-	-	-	0.36	0.36	-	-
Total	1.52	1.41	0.36	0.36	0.36	0.36	-	-
Royalty								
Oberoi Hotels Pvt Ltd	-	-	128.65	144.38	-	-	-	-
Total	-	-	128.65	144.38	-	-	-	-
Short-term employee benefits								
Mr. P.R.S. Oberoi	-	-	-	-	28.95	35.84	-	-
Mr. S.S. Mukherji	-	-	-	-	30.99	37.88	-	-
Mr. V.S. Oberoi	-	-	-	-	28.18	33.03	-	-
Mr. A.S. Oberoi	-	-	-	-	29.90	35.65	-	-
Mr. Biswajit Mitra	-	-	-	-	12.86	9.22	-	-
Mr. S.N. Sridhar	-	-	-	-	6.29	6.14	-	-
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	1.48	1.37	-	-
Total	-	-	-	-	138.65	159.13	-	-
Post-employment benefits								
Mr. V.S. Oberoi	-	-	-	-	2.36	3.57	-	-
Mr. A.S. Oberoi	-	-	-	-	2.48	3.31	-	-
Mr. Biswajit Mitra	-	-	-	-	1.80	1.26	-	-
Mr. S.N. Sridhar	-	-	-	-	0.63	0.55	-	-
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	0.16	0.10	-	-
Total	-	-	-	-	7.43	8.79	-	-
Directors' Sitting Fees								
Mrs. Nita M. Ambani	-	-	-	-	0.15	0.20	-	-
Mrs. Renu Sud Karnad	-	-	-	-	0.30	0.25	-	-
Mr. Manoj Harjivandas Modi	-	-	-	-	0.20	0.30	-	-
Mr. Rajeev Gupta	-	-	-	-	0.40	0.35	-	-
Mr. S.K. Dasgupta	-	-	-	-	1.20	0.95	-	-
Mr. Anil K. Nehru	-	-	-	-	0.75	0.60	-	-
Mr. Sudipto Sarkar	-	-	-	-	0.35	0.25	-	-
Mr. L. Ganesh	-	-	-	-	0.65	0.60	-	-
Total	-	-	-	-	4.00	3.50	-	-
Total Key management personnel compensation	-	-	-	-	150.08	171.42	-	-
SALES								
Sale of Goods and Services								
Mercury Car Rentals Private Limited	14.81	31.53	-	-	-	-	-	-
EIH Associated Hotels Limited	318.96	303.36	-	-	-	-	-	-
Island Resort Ltd	3.05	2.21	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	10.17	1.17	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	0.22	0.39	-	-
Oberoi International LLP	-	-	0.01	-	-	-	-	-
Total	336.82	337.10	10.18	1.17	0.22	0.39	-	-

Notes to Accounts — *Contd.*

NATURE OF TRANSACTIONS	Rupees Million							
	Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/Relative of Key Management Personnel		Enterprises which are post employment benefit plan for the benefit of employees	
	2017	2016	2017	2016	2017	2016	2017	2016
Sale of Fixed Assets								
EIH Associated Hotels Limited	13.37	-	0.13	-	-	-	-	-
Total	13.37	-	0.13	-	-	-	-	-
INCOME								
License Agreement								
Mercury Car Rentals Private Limited	1.68	1.92	-	-	-	-	-	-
EIH Associated Hotels Limited	0.44	0.24	-	-	-	-	-	-
Oberoi Holdings Pvt Ltd	-	-	1.44	1.48	-	-	-	-
Oberoi Investments Pvt Ltd	-	-	0.75	0.78	-	-	-	-
Oberoi Bldgs & Investments Pvt Ltd	-	-	1.87	1.94	-	-	-	-
Oberoi Plaza Pvt Ltd	-	-	3.33	3.43	-	-	-	-
Bombay Plaza Pvt Ltd	-	-	2.55	2.68	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr P.R.S. Oberoi)	-	-	-	-	4.76	17.13	-	-
Total	2.12	2.16	9.94	10.31	4.76	17.13	-	-
Management Contract								
EIH Associated Hotels Limited	187.14	172.07	-	-	-	-	-	-
Total	187.14	172.07	-	-	-	-	-	-
Dividend Received								
Mercury Car Rentals Private Limited	6.06	-	-	-	-	-	-	-
EIH Associated Hotels Limited	11.22	67.29	-	-	-	-	-	-
Total	17.28	67.29	-	-	-	-	-	-
PAYMENTS								
Investment in Equity Shares								
Mercury Car Rentals Private Limited	-	92.89	-	-	-	-	-	-
Total	-	92.89	-	-	-	-	-	-
Refund of Collections to Related Party								
Mercury Car Rentals Private Limited	1.30	0.06	-	-	-	-	-	-
EIH Associated Hotels Limited	9.79	158.72	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.15	0.15	-	-	-	-
Total	11.09	158.78	0.15	0.15	-	-	-	-
Expenses reimbursed to Related Party								
Mercury Car Rentals Private Limited	0.21	-	-	-	-	-	-	-
EIH Associated Hotels Limited	2.81	15.17	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	2.51	-	-	-	-
Total	3.02	15.17	-	2.51	-	-	-	-
RECEIPTS								
Recovery of Collections by Related Party								
Mercury Car Rentals Private Limited	-	0.23	-	-	-	-	-	-
EIH Associated Hotels Limited	9.99	27.37	-	-	-	-	-	-
Total	9.99	27.60	-	-	-	-	-	-
Expenses Reimbursed by Related Party								
Mercury Car Rentals Private Limited	0.88	1.41	-	-	-	-	-	-
EIH Associated Hotels Limited	5.98	14.03	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.55	0.51	-	-	-	-
Total	6.86	15.44	0.55	0.51	-	-	-	-
Contribution of Gratuity Fund								
EIH Employee's Gratuity Fund	-	-	-	-	-	-	99.36	62.99
Total	-	-	-	-	-	-	99.36	62.99
Refund of Gratuity								
EIH Employee's Gratuity Fund	-	-	-	-	-	-	89.23	144.58
Total	-	-	-	-	-	-	89.23	144.58

Notes to Accounts — Contd.

42 (c) Outstanding Balances as on March 31, 2017

Rupees Million

NATURE OF TRANSACTIONS	Associate & Joint Ventures			Enterprises in which Key Management Personnel have Joint Control			Key Management Personnel/Relative of Key Management Personnel		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
PAYABLES									
For Goods & Services									
Mercury Car Rentals Private Limited	3.87	10.82	7.86	-	-	-	-	-	-
EIH Associated Hotels Limited	24.24	4.96	2.10	-	-	-	-	-	-
Island Resort Ltd	0.04	-	0.01	-	-	-	-	-	-
Oberoi Investments Pvt. Ltd.	-	-	-	-	-	0.06	-	-	-
Oberoi International LLP	-	-	-	-	0.31	0.37	-	-	-
Total	28.15	15.78	9.96	-	0.31	0.43	-	-	-
Royalty									
Oberoi Hotels Private Limited	-	-	-	31.29	33.10	34.45	-	-	-
Total	-	-	-	31.29	33.10	34.45	-	-	-
Security Deposit									
Bombay Plaza Private Limited	-	-	-	0.50	0.50	0.50	-	-	-
Total	-	-	-	0.50	0.50	0.50	-	-	-
Advance from Related Party									
Oberoi Hotels Private Limited	-	-	-	0.16	-	-	-	-	-
Total	-	-	-	0.16	-	-	-	-	-
LOANS & ADVANCES AND RECEIVABLES									
For Goods & Services									
Mercury Car Rentals Private Limited	1.60	4.31	0.49	-	-	-	-	-	-
EIH Associated Hotels Limited	38.79	12.10	24.45	-	-	-	-	-	-
Island Resort Ltd	0.28	-	1.66	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	0.52	0.38	0.11	-	-	-
Bombay Plaza Pvt Ltd	-	-	-	-	0.02	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs Prem Mehra, sister of Mr P.R.S. Oberoi)	-	-	-	-	-	-	0.50	0.63	0.02
Total	40.67	16.41	26.60	0.52	0.40	0.11	0.50	0.63	0.02
Management Contract									
EIH Associated Hotels Limited	62.34	73.52	50.28	-	-	-	-	-	-
Total	62.34	73.52	50.28	-	-	-	-	-	-
Advance to Related Party									
EIH Associated Hotels Limited	13.25	-	-	-	-	-	-	-	-
Total	13.25	-	-	-	-	-	-	-	-

Notes to Accounts — Contd.

Rupees Million

43 (a) Contingent liabilities

The Group has contingent liabilities at March 31, 2017 in respect of:

(i) Claims against the Group not acknowledged as debts:

	March 31, 2017	March 31, 2016	April 1, 2015
i. Value Added Tax	25.22	57.08	59.27
ii. Income-tax	479.16	355.36	733.86
iii. Tax Deducted at Source	-	0.43	15.02
iv. Service Tax	127.28	160.97	180.83
v. Property Tax	149.34	140.71	60.59
vi. Entertainment Tax	4.27	4.07	4.33
vii. Customs Duty	429.66	429.66	429.66
viii. Excise Duty	-	26.01	95.84
ix. Luxury Tax	13.63	32.96	32.96
x. Expenditure Tax	0.10	0.10	0.10
xi. Stamp Duty	10.23	10.23	10.23
xii. Others	8.28	9.80	12.05
xiii. 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, estimated additional liability of Rs. 9.09 may become payable along with interest thereon.			

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 :

	March 31, 2017	March 31, 2016	April 1, 2015
Counter guarantees issued to banks and remaining outstanding	184.23	169.26	196.94

43 (b) Commitments

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

	March 31, 2017	March 31, 2016	April 1, 2015
Property, plant and equipment	1,821.84	919.15	823.30

44 Leases

(a) Non-cancellable operating leases

As a Lessee

The Group has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services, land for hotels and residential premises for its employees. These leases are generally cancellable in nature and may generally be terminated by either party by serving a notice. However, some of such leases are non-cancellable in nature. During the year, the company has recognised lease rent expense of Rs. 20.35 Million (2016: Rs.18.61 Million) related to such non-cancelable operating lease. The future minimum lease payments payable by the company taken under non-cancellable operating lease, are as under:-

	March 31, 2017	March 31, 2016	April 1, 2015
Within one year	15.47	15.47	13.61
Later than one year but not later than five years	49.26	52.86	47.46
Later than five years	125.18	137.04	148.91

Notes to Accounts — Contd.

As a Lessor

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

	March 31, 2017	March 31, 2016	Rupees Million April 1, 2015
Within one year	28.07	48.98	112.54
Later than one year but not later than five years	28.37	30.88	76.86
Later than five years	44.95	57.85	67.78
Contingent rents recognized as an income in the Statement of Profit and Loss for the year.	3.63	3.20	Nil

(b) **Finance Lease**

As a lessee

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

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

The year wise break-up of the outstanding lease obligations as on March 31, 2017 in respect of these assets are as under:

	March 31, 2017	March 31, 2016	April 1, 2015
Assets taken on lease			
Total Minimum Lease Payments at the year end	237.39	251.82	249.21
Present value of Minimum Lease Payments	108.73	110.46	109.17
Not later than one year			
Minimum Lease Payments	40.77	45.88	41.44
Present value	37.08	40.97	37.34
Later than one year but not later than five years			
Minimum Lease Payments	69.49	75.90	74.81
Present value	53.48	52.45	54.15
Later than five years			
Minimum Lease Payments	127.13	130.04	132.96
Present value	18.17	17.04	17.68

45 **Segment reporting**

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

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

Notes to Accounts — Contd.

	Year ended March 31, 2017 Rupees	Year ended March 31, 2016 Rupees
46 Earnings per share		
(a) Basic earnings per share	1.86	2.29
(b) Diluted earnings per share	1.86	2.29
(c) Reconciliations of earnings used in calculating earnings per share		
	As at March 31, 2017 Rupees Million	As at March 31, 2016 Rupees Million
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	1,060.72	1,310.67
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	1,060.72	1,310.67
(d) Weighted average number of shares used as the denominator		
	As at March 31, 2017 Number of shares	As at March 31, 2016 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	571,569,414	571,569,414
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	571,569,414	571,569,414

47 The parent company's investment in the equity shares of one of its subsidiaries EIH Flight Services Ltd, Mauritius is long term in nature. During the last year the Company made a further contribution of INR 636.99 Million against which equity shares were issued in the current year. Considering the above and also considering the value as a going concern, assessed by an independent valuer, no adjustment is necessary to impair any part of the carrying cost.

48 First-time adoption of Ind AS

Transition to Ind AS

These are the group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

(a) Deemed cost of property, plant & equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also used for intangible assets covered by Ind AS 38, Intangible Assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, which has been considered as deemed cost.

Notes to Accounts — *Contd.*

(b) Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application of Ind AS 103, which would require restatement of all business combinations occurred prior to the transition date. If the entity restates any business combinations that occurred before the date of transition, then it restates all later business combinations and also applies the Ind AS 110, Consolidated Financial Statements from the same date.

The Group has decided to apply this exemption at the transition date. Accordingly, business combination occurred prior to the transition date has not been restated by the Group.

(c) Cumulative Translation Difference

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.

The Group has elected to reset all cumulative translation gains and losses to zero by transferring it to retained earnings at its transition date, i.e., April 1, 2015.

(d) Classification and measurement of lease Land

In accordance with Ind AS 101, when a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or an operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing as at the date of transition. Accordingly, applying the same exemption, the Group has classified its land leases into finance lease and operating lease on the basis of the facts and circumstances existing as at the date of transition.

A.2 Ind AS mandatory exceptions

(a) Estimates

Estimates made under Ind AS as at April 1, 2015 are consistent with the estimates as under previous GAAP.

(b) Non-controlling interest

Ind AS 110 requires that an entity shall attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit (negative) balance. However, Ind AS 101 requires that such requirement should be applied prospectively from the date of transition to Ind ASs.

Accordingly, the group has applied above mentioned requirements of Ind AS 110 prospectively from the date of transition.

(c) Changes in the proportion held by non-controlling interests

Ind AS 110 requires that when the proportion of the equity held by non-controlling interests changes, an entity shall adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary and any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received should be recognised directly in equity. However, Ind AS 101 requires that such requirement should be applied prospectively from the date of transition to Ind ASs.

Accordingly, the group has applied above mentioned requirements of Ind AS 110 prospectively from the date of transition.

(d) Loss of control of subsidiary

Under Ind AS 110, if a parent loses control of a subsidiary, it should derecognise the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts and carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them) and should recognise the fair value of the consideration received, if any, and any investment retained in the former subsidiary at its fair value at the date when control is lost. Further any resulting difference should be recognised as gain or loss in profit or loss attributable to the parent. However, Ind AS 101 requires that such requirement should be applied prospectively from the date of transition to Ind ASs.

Accordingly, the group has applied above mentioned requirements of Ind AS 110 prospectively from the date of transition.

(e) Classification and measurement of financial assets

Ind AS 101 requires that an entity should assess the classification of its financial assets on the basis of facts and circumstances exist on the date of transition. Accordingly, in its Opening Ind AS Balance Sheet, the group has classified all the financial assets on basis of facts and circumstances existed on the date of transition, i.e., April 1, 2015.

Notes to Accounts — Contd.

49 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods.

The following tables represent the reconciliations from previous GAAP to Ind AS.

a) Reconciliation of total equity as at March 31, 2016 and April 1, 2015

	Notes	Rupees Million	
		As at March 31, 2016	As at April 1, 2015
Total equity (shareholder's funds) as per previous GAAP		27,323.21	26,876.90
Adjustments			
Deferred revenue on Customer Loyalty Programme	i	89.25	92.25
Fair valuation of equity investments	ii	28.59	22.43
Fair valuation of security deposits	iii	(67.06)	(62.35)
Reclassification of leases	iv	(35.28)	(43.71)
Proposed Dividend	v	62.32	777.66
Tax effects of adjustments	vi	(37.55)	(33.33)
Other GAAP adjustments	vii	723.95	429.81
Total adjustments		764.22	1,182.76
Total equity as per Ind AS		28,087.43	28,059.66

b) Reconciliation of total comprehensive income for the year ended March 31, 2016

	Notes	Year ended March 31, 2016
Profit after tax as per previous GAAP		1,353.85
Adjustments		
Deferred revenue on Customer Loyalty Programme	i	(3.00)
Fair valuation of equity investments	ii	6.16
Fair valuation of security deposits	iii	(4.71)
Reclassification of leases	iv	8.48
Tax effects of adjustments	vi	(4.23)
Other GAAP adjustments	vii	4.10
Remeasurnment of Post-employment benefit obligations (Net of Tax)	viii	69.33
Total adjustments		76.13
Profit after tax as per Ind AS		1,429.98
Other comprehensive income (Net of Tax)	viii	
Remeasurements of post-employment benefit obligation		(69.33)
Exchange difference on translation of foreign operations		225.64
Total other comprehensive income		156.31
Total comprehensive income as per Ind AS		1,586.29

c) Impact of Ind AS adoption on cash flow statement for the year ended March 31, 2016

	Rupees Million		
	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	2,830.26	517.58	2,312.68
Net cash flow from investing activities	(1,390.63)	(810.40)	(580.23)
Net cash flow from financing activities	(1,576.24)	358.04	(1,934.28)
Net increase/(decrease) in cash and cash equivalents	(136.61)	65.22	(201.83)
Cash and cash equivalents as at April 1, 2015	1,368.51	188.86	1,179.65
Cash and cash equivalents as at March 31, 2016	1,231.90	254.08	977.82

Notes to Accounts — *Contd.*

i. Deferred revenue on Customer Loyalty Programme

The group operates multiple customer reward points program under its hotel business. The programme allows customers to accumulate points/complimentary room nights on hotel bookings. The points can be redeemed by the customers on future bookings and other services such as dining, SPA, etc. Under the previous GAAP, the group was creating provision towards its liability under the programmes on full value without considering the estimated lapses.

Under Ind AS, sales consideration received has been allocated between the hospitality services and the reward points/complimentary room nights issued. The consideration allocated to the customer reward points/complimentary room nights has been deferred and will be recognised as revenue when the reward points/complimentary room nights are redeemed or lapsed. The consideration to be allocated to the customer reward points/complimentary room nights has been determined considering the past estimated lapses on the basis of past trend. Accordingly, the group has recognised deferred revenue with corresponding adjustment to retained earnings. The provision created under previous GAAP has been reversed with a credit to retained earnings.

ii. Fair valuation of equity investments

The group holds investment in Equity Shares of entities other than subsidiaries, associate and joint venture. Under previous GAAP such investments were measured at cost less provision for other than temporary diminution in the value of investment.

Under Ind AS, these investments has been measured at fair value. The group has categorised these investments as fair value through profit & loss (FVTPL) and any changes in fair value of those investment has been recognised in the statement of profit and loss.

iii. Fair valuation of security deposit

Under the previous GAAP, interest free lease security deposits assets (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value at initial recognition and subsequently at amortised cost. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent and recognised over the period of the security deposit.

Under the previous GAAP, interest free lease security deposits liability (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, these financial liabilities are required to be recognised at fair value at initial recognition and subsequently at amortised cost. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as advance rent and recognised over the period of the security deposit.

iv. Reclassification of leases

Under Previous GAAP the group has capitalised the leasehold land with the initial cost incurred to enter into the lease agreement along with the upfront payment of lease rent. Annual lease rent payment were charged to the profit or loss on annual basis.

Under Ind AS, land lease has been classified into finance and operating leases depending on the terms of lease. In cases where land leases has been classified as finance lease on the basis of factors such as renewal right with the group, etc., finance lease obligations has been recognised for the future lease rent payable over the primary period of lease with corresponding impact to the retained earnings as these lands were already revalued at there fair value under previous GAAP.

In cases where land leases has been classified as operating leases, carrying value of the respective leasehold land has been reclassified to prepaid rent from property, plant and equipment.

v. Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.

vi. Tax effects of adjustments

Additional deferred tax asset/(liability) has been recognised corresponding to the adjustments to retained earnings/profit or loss as a result of Ind AS Implementation. Also the group has created deferred tax liability on the undistributed profits of the subsidiaries, associate and joint ventures to the extent it is not able to control the timing of the reversal of temporary difference and it is expected that the temporary difference will reverse in near future.

vii. Other GAAP adjustments

Other GAAP adjustments include adjustments pertaining to goodwill, foreign currency monetary translation reserve account, non controlling interest, change from proportionate consolidation method to equity method, etc.

viii. Remeasurements of post-employment benefit obligation

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Accordingly, loss on remeasurements of post-employment benefit obligation has been reclassified to the Other Comprehensive Income for the period along with share in other comprehensive income of associate and joint ventures.

Further, as required by Ind AS, exchange difference arising on translation of foreign operation has been also recognised in other comprehensive income.

Notes to Accounts — Contd.

50 Interests in other entities

(a) Subsidiaries

The group's subsidiaries at March 31, 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/country of incorporation	Ownership interest held by the group			Ownership interest held by non-controlling interests			Principal activities
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	
Mashobra Resort Limited	India	78.79	78.79	78.79	21.21	21.21	21.21	Hotel Ownership
Mumtaz Hotels Ltd	India	60	60	60	40	40	40	Hotel Ownership
Oberoi Kerala Hotels & Resorts Ltd ***	India	80	80	80	20	20	20	Hotel Ownership
EIH International Ltd	British Virgin Island	100	100	100	0	0	0	Investment
EIH Flight Services Ltd	Mauritius	100	100	100	0	0	0	Flight Catering
EIH Holding Ltd	British Virgin Island	100	100	100	0	0	0	Hotel Investment And Management
EIH Marrakech Limited*	British Virgin Island	100	100	100	0	0	0	Investment
PT Widja Putra Karya	Indonesia	70	70	70	30	30	30	Hotel Ownership
PT Waka Oberoi Indonesia	Indonesia	83.33	83.33	83.33	16.67	16.67	16.67	Hotel Ownership
J&W Hong Kong Limited	Hong Kong	100	100	100	0	0	0	Investment
EIHH Corporation Ltd**	Hong Kong	100	100	100	0	0	0	Investment
EIH Investment N.V.	Netherlands Antilles	100	100	100	0	0	0	Investment And management
EIH Management Services B.V.	Netherlands	100	100	100	0	0	0	Hotel Investment And Management
PT Astina Graha Ubud ***	Indonesia	60	60	60	40	40	40	Hotel development

* EIH Marrakech has been liquidated in 15-16

** EIHH Corporation Ltd has been liquidated in 16-17

*** Oberoi Kerala Hotels & Resorts Ltd and PT Astina Graha Ubud are yet to commence operations

Notes to Accounts — Contd.

50 Interests in other entities (b) Non-controlling interests (NCI)		Rupees Million													
		Mashobra Resort Ltd		Mumtaz Hotels Ltd		Oberoi Kerala Hotels & Resorts Ltd		PT Wijaja Putra Karya		PT Waka Oberoi Indonesia		PT Astina Graha Ubud			
Summarised balance sheet	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2016	March 31, 2016	April 1, 2015	March 31, 2016	March 31, 2016	April 1, 2015	March 31, 2016	March 31, 2016	March 31, 2016	April 1, 2015		
														March 31, 2017	March 31, 2016
Current assets	899.93	727.49	540.03	479.71	465.71	374.50	1.99	1.62	0.37	127.44	109.25	156.50	108.13	97.82	81.51
Current liabilities	31.61	46.87	35.38	127.73	119.19	92.94	1.92	1.54	0.39	92.55	72.81	56.65	1,735.91	1,785.64	1,679.04
Net current assets	868.32	680.62	504.66	351.98	346.51	281.56	0.07	0.08	(0.02)	34.89	36.44	99.85	(1,627.78)	(1,687.82)	(1,597.53)
Non-current assets	604.27	609.16	662.54	688.78	710.33	731.22	20.33	20.33	20.33	195.78	199.95	154.30	53.05	65.61	69.08
Non-current liabilities	7.90	0.77	7.84	138.10	136.39	133.18	1.42	1.44	1.46	39.07	36.28	24.91	18.46	16.27	7.93
Net non-current assets	596.37	608.38	654.70	550.68	573.94	598.03	18.91	18.89	18.87	156.71	163.67	129.39	34.59	49.33	61.15
Net assets	1,464.68	1,289.01	1,159.35	902.66	920.45	879.59	18.98	18.97	18.84	191.61	200.11	229.24	(1,593.19)	(1,638.49)	(1,536.38)
Accumulated NCI	31.15	-	-	599.21	606.05	-	3.79	3.79	-	57.48	60.03	68.77	(1.53)	(1.88)	-
Summarised statement of profit & loss															
Revenue	March 31, 2017	March 31, 2016	Mumtaz Hotels Ltd		Oberoi Kerala Hotels & Resorts Ltd		PT Wijaja Putra Karya		PT Waka Oberoi Indonesia		PT Astina Graha Ubud				
	511.88	457.00	1,015.01	966.38	0.74	0.75	469.23	467.92	195.38	201.77	-	-	-	-	-
Profit for the year	177.69	128.03	293.57	289.99	0.01	0.13	17.10	22.00	(9.47)	(5.34)	-	-	-	-	-
Other comprehensive income	(0.04)	(0.35)	(0.67)	(0.60)	-	-	(5.64)	(3.30)	(0.23)	2.07	-	-	-	-	-
Total comprehensive income	177.64	127.69	292.90	289.39	0.01	0.13	11.45	18.70	(9.70)	(3.27)	-	-	-	-	-
Profit allocated to NCI	31.15	-	117.42	116.00	-	-	(2.55)	(8.74)	0.35	(1.88)	-	-	-	-	-
Dividends paid to NCI	-	-	124.27	99.42	-	-	-	-	-	-	-	-	-	-	-
Summarised Cash Flows															
Cash flows from operating activities	March 31, 2017	March 31, 2016	Mumtaz Hotels Ltd		Oberoi Kerala Hotels & Resorts Ltd		PT Wijaja Putra Karya		PT Waka Oberoi Indonesia		PT Astina Graha Ubud				
	123.50	143.83	297.77	312.54	(0.56)	(0.67)	62.45	40.00	(11.90)	18.96	-	-	-	-	-
Cash flows from investing activities	March 31, 2017	March 31, 2016	Mumtaz Hotels Ltd		Oberoi Kerala Hotels & Resorts Ltd		PT Wijaja Putra Karya		PT Waka Oberoi Indonesia		PT Astina Graha Ubud				
	(130.50)	(129.29)	(223.50)	7.20	0.64	0.63	(26.34)	(45.15)	(9.41)	(10.48)	-	-	-	-	-
Cash flows from financing activities	March 31, 2017	March 31, 2016	Mumtaz Hotels Ltd		Oberoi Kerala Hotels & Resorts Ltd		PT Wijaja Putra Karya		PT Waka Oberoi Indonesia		PT Astina Graha Ubud				
	(1.60)	(1.84)	(312.94)	(249.99)	-	-	(13.39)	(52.25)	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	(8.60)	12.69	(238.67)	69.75	0.07	(0.04)	22.72	(57.40)	(21.31)	8.48	-	-	-	-	-

Notes to Accounts — *Contd.*

50 Interests in other entities		(c) Interests in associates and joint ventures		Rupees Million							
				Name of entity	Place of business	Ownership interest	Relationship	Accounting method	Quoted fair value		Carrying amount
March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017						March 31, 2016	April 1, 2015	
EIH Associated Hotels Ltd		India	36.81%	Associate	Equity Method	3,925.29	3,252.38	2,489.76	1,628.80	1,495.78	1,423.24
Mercury Car Rentals Pvt. Ltd*		India	40%	Jointly Controlled Entity	Equity Method	-	-	-	416.66	395.82	267.55
Oberoi Mauritius Ltd*		British Virgin Islands	50%	Jointly Controlled Entity	Equity Method	-	-	-	280.00	358.63	317.51
Total equity accounted investments						3,925.29	3,252.38	2,489.76	2,325.46	2,250.23	2,008.30
* Oberoi Mauritius Ltd & Mercury Car Rentals Pvt. Ltd are unlisted entities. Hence, no quoted price available. 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.											
Commitments and contingent liabilities in respect of associates and joint ventures											
Commitments - joint ventures											
Commitment to provide funding for joint venture's capital commitments, if called											
Contingent liabilities - associates											
Share of contingent liabilities incurred jointly with other investors of the associate											
Contingent liabilities relating to liabilities of the associate for which the group is severally liable											
Contingent liabilities - joint ventures											
Share of joint venture's contingent liabilities in respect of a legal claim lodged against the entity											
Total commitments and contingent liabilities						12.03	94.39	80.24	12.03	94.39	80.24

Notes to Accounts — Contd.

50 Interests in other entities
(c) Interests in associates and joint ventures
Summarised financial information for associates and joint ventures

Summarised balance sheet	Rupees Million											
	EIH Associated Hotels Ltd		Mercury Car Rentals Pvt. Ltd		Oberoi Mauritius Ltd		Island Resort Limited					
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	March 31, 2017	April 1, 2015		
Current assets												
Cash and cash equivalents	99.16	31.45	72.06	27.34	37.88	30.30	25.39	27.04	27.81	479.78	489.04	353.25
Other assets	437.64	210.33	188.62	379.97	326.31	225.92	-	-	-	62.46	70.84	61.81
Total current assets	536.81	241.78	260.68	407.32	364.19	256.22	25.39	27.04	27.81	542.24	559.88	415.06
Total non-current assets	2,684.49	2,788.41	2,800.51	4,552.85	3,993.66	2,746.81	938.54	970.85	917.16	535.82	582.56	567.88
Current liabilities												
Financial liabilities (excluding trade payables)	11.97	353.29	429.80	1,682.79	1,416.58	871.80	-	-	-	-	-	-
Other liabilities	123.17	110.26	77.26	71.47	77.85	64.59	-	-	-	-	-	-
Total current liabilities	135.14	463.55	507.07	1,754.26	1,494.43	936.39	-	-	-	-	-	-
Non-current liabilities												
Financial liabilities (excluding trade payables)	12.78	10.52	209.54	2,252.41	1,990.40	1,478.85	-	-	-	67.95	67.03	51.87
Other liabilities	217.81	139.80	96.58	77.51	41.19	47.75	-	-	-	-	-	-
Total non-current liabilities	230.58	150.32	306.12	2,329.92	2,031.58	1,526.60	-	-	-	67.95	67.03	51.87
Net assets	2,855.58	2,416.32	2,248.00	875.99	831.84	540.05	963.93	997.88	944.97	1,010.11	1,075.41	931.07
Reconciliation to carrying amounts												
Opening net assets	4,063.53	3,860.25		989.55	898.02		717.27	725.69				
Profit for the year	427.79	389.39		77.71	95.11		(157.27)	(8.42)				
Other comprehensive income	(8.06)	(3.30)		(4.31)	(3.58)		-	-				
Dividends paid	(58.30)	(182.81)		(21.31)	-		-	-				
Closing net assets	4,424.96	4,063.53		1,041.65	989.55		560.00	717.27				
Group's share in %	36.81%	36.81%		40%	40%		50%	50%				
Group's share in INR	1,628.80	1,495.76		416.66	395.82		280.00	358.63				
Goodwill	-	-		-	-		-	-				
Carrying amount	1,628.80	1,495.76		416.66	395.82		280.00	358.63				

Notes to Accounts — *Contd.*
Summarised statement of profit and loss

	EIH Associated Hotels Ltd		Mercury Car Rentals Pvt. Ltd		Oberoi Mauritius Ltd		Island Resorts Ltd	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Revenue	2,699.27	2,480.78	3,156.44	2,783.23	-	-	712.60	771.16
Interest income	17.50	2.16	-	-	55.91	58.37	3.77	1.00
Depreciation and amortisation	141.94	155.33	946.83	765.33	-	-	49.48	47.09
Interest expense	19.26	54.41	386.21	328.26	70.00	64.40	55.64	(58.05)
Income tax expense	221.55	157.68	56.01	14.46	125.65	1.79	(0.32)	(7.40)
Profit from continuing operations	2,334.02	2,115.52	1,767.38	1,675.18	(139.74)	(7.82)	611.57	790.51
Profit from discontinued operations	-	-	-	-	-	-	-	-
Profit for the year	427.79	389.39	77.71	95.11	(140.53)	(8.42)	(0.87)	57.65
Other comprehensive income	(8.06)	(3.30)	(4.31)	(3.58)	-	-	-	-
Total comprehensive income	419.74	386.09	73.40	91.53	(140.53)	(8.42)	(0.87)	57.65

Notes to Accounts — Contd.

51(a) Annexure
Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures
Part 'A': Subsidiaries

(Information in respect of each subsidiary with amounts in INR Million)

1	2	3	4	5	6	7	8	9	10	11	12	
1	Sl. No.											
2	Name of the subsidiary	Mashora Resort limited	Mumtaz Hotels Limited	Oberoi Kerala Hotels and Resorts Limited	EIH International Limited	EIH Holdings Ltd	J & W Hong Kong Limited	EIH Investments NV	EIH Management Services BV	PT Widja Putra Karya	PT Wakti Graha Ubud	EIH Flight Services Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	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\$	Euro	US\$	Euro	US\$	US\$	Mauritian Rupees
5	Share capital	330.00	206.50	27.20	6,147.15	2,359.76	636.30	0.38	1.23	41.97	728.56	1,184.88
6	Reserves & surplus	(227.24)	696.16	(8.22)	(320.27)	330.08	-	8.92	(40.48)	149.64	(2,321.75)	(1,344.04)
7	Total assets	1,504.20	1,168.49	22.32	6,477.89	2,694.18	636.30	1,046.98	975.91	323.22	161.18	391.92
8	Total Liabilities	1,401.44	265.83	3.35	651.00	4.33	-	1,037.68	1,015.16	131.61	1,754.37	718.37
9	Investments	-	230.48	-	6,024.18	742.72	-	26.00	687.82	-	-	-
10	Turnover	511.88	1,015.01	0.74	92.34	138.84	3.50	16.80	20.68	469.26	208.41	444.95
11	Profit before taxation	259.14	443.80	0.16	89.15	32.52	3.50	5.78	(37.98)	39.43	(9.47)	110.55
12	Provision for taxation	81.46	150.23	0.15	1.42	1.42	-	0.30	-	22.33	-	-
13	Profit after taxation	177.69	293.57	0.01	89.15	31.10	3.50	5.48	(37.98)	17.10	(9.47)	110.55
14	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
15	% of shareholding	78.79%	60.00%	80.00%	100.00%	100.00%	100.00%	100.00%	100.00%	70.00%	83.23%	60.00%

1. Names of subsidiaries which are yet to commence operations :

- Oberoi Kerala Hotels and Resorts Limited
- PT Astina Graha Ubud

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

- EIH Corporation Ltd

Notes to Accounts — Contd.

51(b) Annexure

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	EIH Associated Hotels Limited	Mercury Car Rentals Pvt Limited	Oberoi Mauritius Limited *
1. Latest audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.	11.22	12.12	7.38
	-	-	-
Amount of Investment in Associates/Joint Venture	1,010.72	308.25	4,692.71
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	1,034.50	419.14	725.75
7. Profit / Loss for the year			
i. Considered in Consolidation	157.47	31.09	(70.67)
i. Not Considered in Consolidation	270.32	46.63	(70.73)

* 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.

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

Notes to Accounts — Contd.

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

Rupees Million

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
1	2	3	4	5	6	7	8	9
Parent								
EIH Limited	82.36	19,486.48	59.91	726.45	(34.70)	(81.38)	65.96	645.08
Subsidiaries								
Indian								
1 Mumtaz Hotels Limited	1.28	303.46	15.57	188.75	(0.17)	(0.40)	19.26	188.34
2 Mashobra Resort limited	0.30	71.60	12.08	146.53	(0.02)	(0.04)	14.98	146.49
3 Oberoi Kerala Hotels & Resorts Limited	0.06	15.19	-	-	-	-	-	-
Foreign								
1 EIH Flight Services Limited Mauritius	(0.67)	(159.46)	(9.12)	(110.55)	1.74	4.08	(10.89)	(106.47)
2 EIH International Limited	(0.63)	(148.68)	1.61	19.54	(63.16)	(148.13)	(13.15)	(128.59)
3 EIH Holdings Limited	10.27	2,430.65	2.09	25.34	-	-	2.59	25.34
4 J & W Hongkong Limited	2.69	636.30	-	-	-	-	-	-
5 EIH Investments N.V.	(0.07)	(16.70)	(0.03)	(0.41)	-	-	(0.04)	(0.41)
6 EIH Management Services B.V.	(3.09)	(731.56)	(3.67)	(44.48)	-	-	(4.55)	(44.48)
7 PT Widja Putra Karya	0.57	134.12	1.01	12.25	(1.71)	(4.01)	0.84	8.24
8 PT Waka Oberoi Indonesia	(6.73)	(1,591.65)	(0.65)	(7.86)	(0.07)	(0.16)	(0.82)	(8.01)
9 PT Astina Graha Ubud	0.42	99.26	-	-	-	-	-	-
Minority Interests in all subsidiaries	3.40	805.32	12.52	151.81	(0.11)	(0.27)	15.49	151.54
Associate (Investment as per the equity method)								
Indian								
1 EIH Associated Hotels Limited	6.88	1,628.80	12.14	147.20	(1.26)	(2.97)	14.75	144.23
Joint Ventures (investment as per the equity method)								
Indian								
1 Mercury Car Rentals Pvt Ltd	1.18	280.00	2.36	28.62	(0.74)	(1.72)	2.75	26.89
Foreign								
1 Oberoi Mauritius Limited	1.76	416.66	(5.83)	(70.67)	0.20	0.46	(7.18)	(70.20)

Notes to Accounts — *Contd.*

53 SPECIFIED BANK NOTES DISCLOSURE (SBN's)

Transactions by the group in Specified Bank Notes (SBNs) and in other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 during the period from November 8, 2016 to December 30, 2016 are given below:

	Rupees Million		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	26.41	4.04	30.45
<i>Add:</i> Permitted Receipts *	-	88.19	88.19
<i>Less:</i> Permitted Payments	-	55.69	55.69
<i>Less:</i> Amount Deposited in Banks	26.41	23.36	49.77
Closing Cash in Hand as on 30.12.2016	-	13.18	13.18

* Includes withdrawal of cash from bank accounts during the period from November 9, 2016 to December 30, 2016

54 The financial statements were authorised for issue by the Board of Directors on 30th May, 2017.



The Oberoi Group

OBEROI HOTELS & RESORTS

INDIA

Agra	The Oberoi Amarvilās
Bangalore	The Oberoi
Chandigarh	The Oberoi Sukhvilās
Gurgaon	The Oberoi
Jaipur	The Oberoi Rajvilās
Kolkata	The Oberoi Grand
Shimla in the Himalayas	Wildflower Hall
Mumbai	The Oberoi
New Delhi	The Oberoi
Ranthambhore	The Oberoi Vanyavilās
Shimla	The Oberoi Cecil
Udaipur	The Oberoi Udaivilās
Cochin	Motor Vessel Vrinda (A luxury backwater cruiser)

TRIDENT HOTELS

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

EGYPT

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

INDONESIA

Bali	The Oberoi
Lombok	The Oberoi

MAURITIUS

Mauritius	The Oberoi
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SAUDI ARABIA

Madina	Madina Oberoi
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UAE

Ajman	The Oberoi Beach Resort, Al Zorah
Dubai	The Oberoi

OTHER BUSINESS UNITS

Delhi	Maidens Hotel
Manesar, Gurgaon	Printing Press
Mumbai, Delhi, Kolkata and Chennai	Oberoi Flight Services
Mumbai	Oberoi Airport Services
	Luxury Car Hire and Car Leasing
	Business Aircraft Charters



The Oberoi Group

PROJECTS UNDER CONSTRUCTION

INTERNATIONAL

Marrakech, Morocco

The Oberoi

Casablanca, Morocco

The Oberoi
(Construction commenced but
under hold for environmental
clearances)

INDIA

Rajgarh Palace,
Madhya Pradesh

The Oberoi, Rajgarh
(Under construction)

Bangalore

The Oberoi
(Pending approval of
new planning guidelines)

Goa

The Oberoi
(Awaiting planning approval)