

ElH Limited
A MEMBER OF THE OBEROI GROUP

Annual Report 2018-2019



Oberoi Hotels & Resorts has been voted the Best Hotel Group for two consecutive years by the readers of The Telegraph, UK – 2017 & 2018

Oberoi Hotels & Resorts has been voted second as the “World’s Best Hotel Brand” by the readers of Travel + Leisure, USA in the World’s Best Awards, Readers’ Survey, 2019.

Our endeavour is to create memories for our guests that last a lifetime. We are unrelenting in our quest for perfection in everything 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 2018, Oberoi Hotels & Resorts was voted the Best Hotel Group by the readers of The Telegraph, UK for a second consecutive year. The Oberoi Group has also been recognized as one of the Best Employers in the 'Aon Best Employers India – 2018' survey.

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.

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

BOARD OF DIRECTORS

Mr. P.R.S. Oberoi
Executive Chairman

Mr. S.S. Mukherji
Executive Vice Chairman

Mr. Vikram Oberoi
Managing Director & Chief Executive Officer

Mr. Arjun Oberoi
Managing Director – Development

Mrs. Nita M. Ambani
Director

Mr. Manoj Harjivandas Modi
Director

Mr. Anil Nehru
Independent Director

Mr. L. Ganesh
Independent Director

Mr. S.K. Dasgupta
Independent Director - (upto 28th March 2019)

Mr. Sudipto Sarkar
Independent Director

Mr. Rajeev Gupta
Independent Director

Dr. Chhavi Rajawat
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Kallol Kundu

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S.N. Sridhar

AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City, Phase-II
Gurugram-122002
Haryana

REGISTERED OFFICE

4, Mangoe Lane
Kolkata-700001

CORPORATE OFFICE

7, Shamnath Marg
Delhi-110054



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

The Oberoi Dharma

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

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

The Oberoi Group Mission

Our Guests

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

Our People

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

Our Distinctiveness

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

Our Shareholders

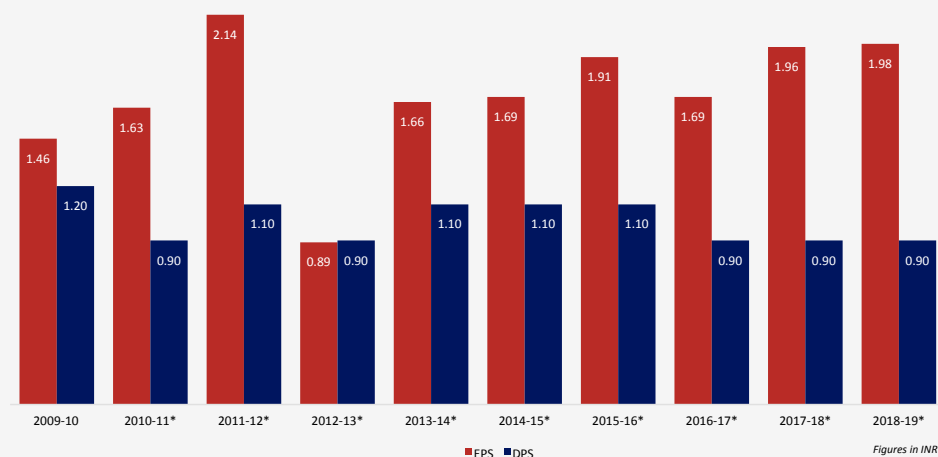
As a result, we will create extraordinary value for our shareholders.

Highlights

Revenue	Profit Before Tax	Profit After Tax	Dividend	Retained Earnings	Forex Earnings
2018-19	1,637	1,133	514	1,792	5,145
2017-18	1,739	1,123	514	1,592	4,355
2016-17	1,279	965	514	1,496	4,255
2015-16	1,649	1,090	629	1,507	5,625
2014-15	1,512	966	629	1,492	5,148
2013-14	1,448	950	629	1,248	5,765
2012-13	718	510	514	935	4,825
2011-12	1,550	1,224	629	1,435	4,630
2010-11	855	645	514	934	4,795
2009-10	890	572	472	705	3,149

Figures in INR Million

Earning Per Share and Dividend Per Share

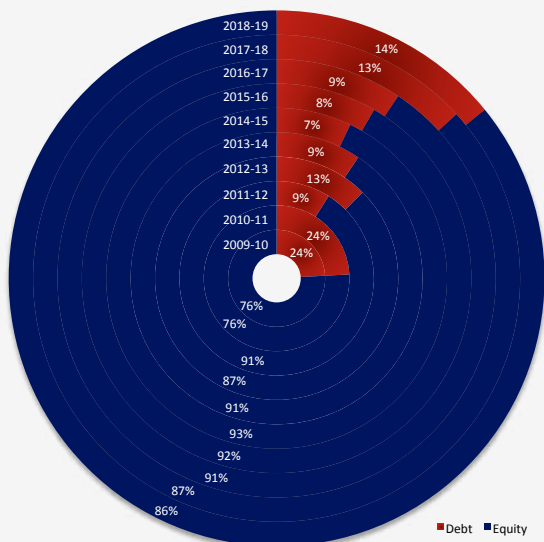


Highlights

Net Worth	Share Capital	Reserves & Surplus	Borrowings	Capital Employed	Gross Fixed Assets
2018-19	1,143	27,408	4,711	31,015	24,112
2017-18	1,143	27,016	4,293	31,052	24,637
2016-17	1,143	26,538	2,860	29,382	20,990
2015-16	1,143	25,735	2,449	27,828	18,993
2014-15	1,143	25,430	2,039	28,023	29,334
2013-14	1,143	25,333	2,764	28,326	29,101
2012-13	1,143	25,106	3,754	29,249	28,658
2011-12	1,143	25,208	2,601	28,852	28,059
2010-11	1,143	24,735	8,240	28,868	27,255
2009-10	786	13,385	12,595	25,384	26,606

Figures in INR Million

Debt to Equity Ratio



HIGHLIGHTS

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

(Conversion Rate : INR 100 = US \$1.420)

	2009 - 2010		2010 - 2011		2011 - 2012		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19	
	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$
1. GROSS REVENUE	9073	129	11429	162	11622	165	11770	167	12789	182	13730	195	14696	209	13768	196	14340	204	16273	231
2. PROFIT BEFORE TAX	890	13	855	12	1550	22	718	10	1448	21	1512	21	1649	23	1279	18	1739	25	1637	23
3. PROFIT AFTER TAX	572	8	645	9	1224	17	510	7	950	13	966	14	1090	15	965	14	1123	16	1133	16
4. TOTAL COMPREHENSIVE INCOME FOR THE YEAR													1025	15	884	13	1051	15	1125	16
5. DIVIDEND	472	7	514	7	629	9	514	7	629	9	629	9	629	9	514	7	514	7	514	7
6. RETAINED EARNINGS	705	10	934	13	1435	20	935	13	1248	18	1492	21	1507	21	1496	21	1592	23	1792	25
7. FOREIGN EXCHANGE EARNINGS	3149	45	4795	68	4630	66	4825	69	5765	82	5148	73	5625	80	4255	60	4355	62	5145	73
AT YEAR END																				
8. GROSS FIXED ASSETS	26606	378	27255	387	28059	398	28658	407	29101	413	29334	417	18993	270	20990	298	24637	350	24112	342
9. SHARE CAPITAL	786	11	1143	16	1143	16	1143	16	1143	16	1143	16	1143	16	1143	16	1143	16	1143	16
10. RESERVES AND SURPLUS	13385	190	24735	351	25208	358	25106	357	25333	360	25430	361	25735	365	26538	377	27016	384	27408	389
11. NET WORTH	14171	201	25878	367	26352	374	26249	373	26476	376	26573	377	26878	382	27682	393	28159	400	28551	405
12. BORROWINGS	12595	179	8240	117	2601	37	3754	53	2764	39	2039	29	2449	35	2860	41	4293	61	4711	67
13. CAPITAL EMPLOYED	25384	360	28868	410	28852	410	29249	415	28326	402	28023	398	27828	395	29382	417	31052	441	31015	440
PER SHARE (₹)																				
14. NET WORTH PER EQUITY SHARE	36.06	0.51	45.28*	0.64	46.10*	0.65	45.92*	0.65	46.32*	0.66	46.49*	0.66	47.03*	0.67	48.43*	0.69	49.27*	0.70	49.95*	0.71
15. EARNINGS PER EQUITY SHARE	1.46	0.02	1.63*	0.02	2.14*	0.03	0.89*	0.01	1.66*	0.02	1.69*	0.02	1.91*	0.03	1.69*	0.02	1.96*	0.03	1.98*	0.03
16. DIVIDEND PER EQUITY SHARE	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	0.90*	0.01
RATIO																				
17. DEBT: EQUITY RATIO	0.89 : 1		0.32 : 1		0.10 : 1		0.14 : 1		0.10 : 1		0.08 : 1		0.09 : 1		0.10 : 1		0.15 : 1		0.17 : 1	

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

Notes :

- Serial nos. 8,10,11,13,14 and 17 are inclusive of Revaluation Reserve balance as at year end.
- Figures have been regrouped/rearranged wherever necessary.
- Figures pertaining to the years 2015-16, 2016-17, 2017-18 and 2018-19 are in accordance with Ind AS while figures pertaining to the years upto 2014-15 are in accordance with previous GAAP.

EXECUTIVE CHAIRMAN'S REVIEW

Ladies and Gentlemen,

The Indian Travel and Tourism Industry enjoyed reasonable growth in 2018 /2019.

The contribution of the Travel and Tourism Industry this year was 9.2% of India's GDP. However, it was marginally lower compared to 9.4% in the previous year.

Worldwide the growth has been lower due to various factors. The interest rate hikes by the Federal Reserve in United States have had a predictable adverse effect on the emerging markets. Institutional investors have been selling equity and debt investments as relative returns have become less attractive due to the weakness of local currencies.

Geopolitical instability has become more pronounced in the past one year. The United States Government's negotiations with the North Korean regime have ended abruptly. The rhetoric against Iran has sharpened with the deployment of aircraft carriers in region by the United States. The Brexit conundrum continues as the United Kingdom has obtained a further extension until the end of October. Crude oil prices have seen recent fluctuations due to serious differences between the United States and Iran. Uncertainty is never good for the Travel and Tourism Industry.

The Modi Government has received a strong endorsement from the electorate in the recent General Election. The next 5 years are critical for economic growth, creation of jobs and further improvement in India's infrastructure thus creating prosperity. We have full confidence in Prime Minister Modi and his newly nominated cabinet.

We continue to be impacted adversely by GST for published tariffs for hotel rooms charging ₹ 7,500 and above. Much lower rates of between 6% to 10% in Asian countries such as China, Thailand and Malaysia will attract leisure travellers away from India. With leisure spending accounting for 95% of total Travel and Tourism spending it is not something that we should take lightly.

It is our earnest hope that the Government will lower the GST rate by at least to 12%. It is estimated that over 120 million will travel out of China to travel destinations around the world. International travellers bring valuable foreign exchange which India presently needs. The Government should take note not only of visitor numbers but also the quality of visitors. We must take immediate steps to attract travellers from China who account for 20% of Tourism proceeds worldwide.

The Travel and Tourism Industry should work with the Government to create a comprehensive campaign to improve India's image as a global tourist destination.

The e-visa scheme has made significant progress in the last 5 years and can now be availed of by residents from 166 countries; the Government of India must consider eliminating visa applicants from certain markets and simplify the process so that travellers can stay longer in the country.

In summary, the hotel sector has demonstrated that improvement in Tourism infrastructure increases the demand for hotel rooms.

The Oberoi Group is recognised as a premium hospitality company. In December 2018 for the second consecutive year, The Oberoi Group was recognised as "The Best Hotel Group" by the Telegraph travel awards, U.K. The Oberoi Group's Hotels were voted as the best business hotel chain by TripAdvisor.

The Company's hotels in India and abroad continue to be awarded and recognised by travellers and the hospitality Industry.

The Oberoi, New Delhi has completed its first full year of operations. This property has set very high benchmarks in room rates and in financial performance.

I continue to be optimistic about the future of the Indian hospitality Industry but the Government must pay heed to the suggestions made by the Indian Hospitality Industry.

In conclusion, I thank our Board of Directors, our employees who work so hard to serve our guests. I also thank other stakeholders for their continued support.

Thank you.



P.R.S. Oberoi
Executive Chairman

New Delhi, 15th June, 2019

DIRECTORS' REPORT

The Board presents the Sixty Ninth Annual Report together with the Audited Financial Statement and the Auditor's Report for the Financial Year ended on 31st March 2019.

Financial Highlights

The financial highlights are set out below:

Particulars	(₹ in million)			
	Standalone		Consolidated	
Year	2018-19	2017-18	2018-19	2017-18
Total Income	16,272.62	14,340.43	18,796.07	17,048.30
Earnings Before Interest, Depreciation, Taxes, Amortisations and Exceptional items (EBIDTA)	4,061.38	3,024.11	4,747.05	4,049.27
Finance Costs	463.60	195.70	504.41	231.12
Depreciation	1,230.08	1,089.72	1,325.57	1,173.33
Exceptional Income/ (Expenditure)	(730.66)	-	(730.66)	-
Share of Profit of Associate and Joint Venture Companies	-	-	122.96	168.54
Profit Before Tax	1,637.04	1,738.69	2,309.37	2,813.36
Current Tax	610.29	589.70	862.24	817.17
Deferred Tax	(106.63)	26.24	(42.45)	38.13
Net Profit for the year	1,133.38	1,122.75	1,489.57	1,958.06
Other Comprehensive Income/(Loss) for the year, net of tax	(8.86)	(71.63)	(16.32)	(196.59)
Total Comprehensive Income	1,124.52	1,051.12	1,473.25	1,761.47
Less: Share of profit of Non-Controlling Interest	-	-	170.86	160.04
Total Comprehensive Income attributable to Group	-	-	1,302.39	1,601.42
Profit for the Year attributable to the Group	-	-	1,315.41	1,792.02
Balance Brought Forward	4,468.78	3,991.67	4,910.16	3,765.93
Accumulated Balance	5,490.02	5,114.42	6,225.57	5,557.95
Adjusted to Opening Retained Earnings	-	-	(193.82)	-
Final Dividend paid for the year 2017-18	(514.41)	(514.41)	(514.41)	(514.41)
Dividend Tax	(105.74)	(59.60)	(105.73)	(59.60)
Transfer to General Reserve	-	-	-	-
Other Comprehensive Income/(Loss) for the year, net of tax	(8.86)	(71.63)	(13.02)	(73.78)
Balance carried over	4,861.01	4,468.76	5,398.59	4,910.16

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 2018-19 as well as the future outlook.

Business Responsibility Report

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

Corporate Governance Report

In accordance with regulation 34(3) read with Schedule V(C) of the listing regulations, the report on Corporate Governance along with the Auditor's Certificate is attached and forms part of this Report.

Dividend

The Board recommends a Dividend of ₹ 0.90 per equity share of ₹ 2 each for the Financial Year 2018-19, for approval by the Shareholders at the forthcoming Annual General Meeting. The dividend, if declared at the Annual General Meeting, will be paid on 16th August 2019 to those Shareholders whose name appear in the Register of Shareholders / Beneficial Owners as on 6th August 2019. In accordance with the Income Tax Act, 1961, the tax on dividend will be borne by the Company.

Board Meetings

During the year, seven Board Meetings were held on 18th April 2018, 30th May 2018, 31st July 2018, 27th September 2018, 30th October 2018, 30th January 2019 and 28th March 2019 respectively.

Directors

Mr. Santosh Kumar Dasgupta (DIN-00038804), a Non-executive Independent Director, resigned from the Board from the close of the Board meeting held on 28th March 2019. The Board places on record its deep appreciation of the outstanding and valuable contributions made by Mr. Santosh Kumar Dasgupta in all areas of Board's functioning during his long tenure of 18 years as a Non-executive Independent Director on the Board.

Mr. Anil Kumar Nehru (DIN: 00038849), a Non-executive Independent Director was re-appointed on the Board for a second term of 5 (five) consecutive years with effect from 1st April 2019 up to 31st March 2024, notwithstanding that he has attained the age of 75 years. In accordance with regulation 17(1A) of the listing regulations, the Shareholders have approved re-appointment of Mr. Anil Kumar Nehru by passing a special resolution by way of postal ballot and remote e-voting on 16th March 2019.

Mr. Lakshminarayan Ganesh (DIN:00012583), Mr. Rajeev Gupta (DIN: 00241501) and Mr. Sudipto Sarkar (DIN: 00048279), Non-executive Independent Directors first term in office expires on 6th August 2019 (Mr. Lakshminarayan Ganesh and Mr. Rajeev Gupta) and on 29th October 2019 (Mr. Sudipto Sarkar).

The Nomination and Remuneration Committee and the Board at their respective meetings held on 28th May 2019 and 30th May 2019, noted that the above Non-executive Independent Directors are highly renowned professionals drawn from diverse fields, who bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's functioning and its decision making process. The Company and the Board has immensely benefitted from their vast experience, knowledge and strategic insights on various matters relating to Company's business. Considering the enormous contributions of the Directors to the functioning and performance of the Company, the Board was of the unanimous view that it will be in the best interest of the Company to re-appoint them as Non-executive Independent Directors for a second term of 5 (five) consecutive years.

Taking into consideration the outcome of the performance evaluation report of the aforesaid three independent directors, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, approved and recommended to Shareholders re-appointment of Mr. Lakshminarayan Ganesh, Mr. Rajeev Gupta and Mr. Sudipto Sarkar as Non-executive Independent Directors on the Board of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years from the respective expiry date of their current term.

Mr. Vikramjit Singh Oberoi (DIN: 00052014), Managing Director and Chief Executive Officer and Mr. Arjun Singh Oberoi (DIN: 00052106), Managing Director-Development term of office as Executive Directors expires on 30th June 2019, by efflux of time. On the recommendation of the Nomination and Remuneration Committee at its meeting held on 28th May 2019, the Board, at its meeting held on 30th May 2019, has re-appointed Mr. Vikramjit Singh Oberoi and Mr. Arjun Singh Oberoi for a period of 5 (five) years with

effect from 1st July 2019 and approved their remuneration, subject to the approval of the Shareholders. The Directors recommend to Shareholders re-appointment of Mr. Vikarmjit Singh Oberoi as Managing Director and Chief Executive Officer and Mr. Arjun Singh Oberoi as Managing Director-Development for a period of 5 (five) years from 1st July 2019 and their remuneration.

At the first meeting of the Board of Directors for the Financial Year 2018-19 held on 18th April 2018, the Independent Directors have confirmed, as required under sub section (7) of Section 149 of the Act read with Regulation 25(8) of the listing regulations, that they meet the criteria of independence required under sub-section (6) of Section 149 of the Act and clause (b) of sub-regulation (1) of Regulation 16 of the listing regulations. The Board, after undertaking due assessment of the veracity of the declaration submitted by the Independent Directors under sub section (6) of Section 149 of the Act read with sub-regulation (9) of Regulation 25 of the listing regulations, was of the opinion that the Independent Directors meet the criteria of independence.

Mrs. Nita Mukesh Ambani retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The Directors recommend re-appointment of Mrs. Nita Mukesh Ambani as a Director on the Board.

Key Managerial Personnel

Mr. Kallol Kundu was appointed as the Chief Financial Officer of the Company with effect from 1st October 2018, in place of Mr. Biswajit Mitra at the Board Meeting held on 27th September 2018, on the recommendation of the Nomination and Remuneration Committee. Mr. Biswajit Mitra ceased to be the Chief Financial Officer of the Company with effect from 1st October 2018.

Corporate Social Responsibility

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

The Annual Report on Corporate Social Responsibility activities for the Financial Year 2018-19 is given in **Annexure 1** and forms a part of this Report. The Annexure also gives the composition of the CSR Committee.

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

- a. **The Oberoi Grand, Kolkata** supports Sasha, an NGO which works with local artisans for the upliftment and self-employment of women by purchasing hand-crafted products made by them. The hotel also invited Ankur Kala and Shri Rajchandra Aatma Tatva Research Centre, NGO's working for the rehabilitation and empowerment of marginalised and economically challenged women and children to showcase and sell their products viz. batik, tie-n-dye, tailoring, appliqué, block printing, silk-screen, handmade gift packets, candles, bags and stationery products. The hotel had also organised one day breakfast for 1200 children in the Jungle Crows 'Khelo Rugby' 10 day winter camp which was coordinated by Mr. Paul Walsh and Chef Shaun Kenworthy for economically deprived sections of the city who are trained to play Rugby.

- b. The Oberoi, Udaivilas, Udaipur** employees visited Mother Teresa Orphanage and Asha Dham Ashram for the poor, sick, mentally challenged and old people and supports them by taking care of their daily needs. Visits were also organised to government primary school, local vendors/kiosks, where importance of hygiene was demonstrated and toiletries were distributed. Visit was also organised for deaf and dumb school on Children's day to bring moments of joy in the life of special children, cake cutting was done and toys were distributed. Collaterals in all the guest rooms are placed and donations given by guests are collected and sent to CRY (Child Relief and You). As a green initiative, the hotel also organised, sapling plantation drives at fatehsagar lake area. The hotel also provided financial aid to Annual Bird Festival for tourists and nature lovers where wild life enthusiasts and naturalists from across the world came to Udaipur during the festival.
- c. The Oberoi and Trident Nariman Point, Mumbai** donated blankets, bedsheets and personal hygiene kits etc. to three NGOs', namely, Cashpor Trust, Sherig Phuntsok Ling Bong Society and Bal Jeevan Trust. The hotel Team spent an afternoon with students from The Aditya Birla Integrated High School which offers education programme to students with learning disabilities such as dyslexia, dysgraphia, dyscalculia, dyspraxia and Attention Deficit Hyperactivity Disorder (ADHD). The training team organized a show around for 30 students in the Kitchen and laundry departments. They were introduced to various departments within Kitchen. A cooking workshop was conducted by our Executive Chef. The students also learnt about different kinds of flower arrangements in the hotel. Diwali Exhibition Shop for a cause initiative was also organized in the hotel in which five NGO's, namely, Advitya, Kubrkabi Foundation, Welfare of Stray Dogs, National Association of Blind and Shramik Nari Sangh participated. Young ladies from the Saifee Hospital Ladies Home Science Trust visited the hotel. They were given a brief presentation on housekeeping department followed by a show around in all housekeeping areas, namely, flower room, uniform room, laundry and a guest room.
- d. The Oberoi, Bengaluru** nurtures physically challenged girls and economically challenged senior citizens in association with Cheshire Home Trust. The hotel team hosts a lunch for the children, care givers and supervisors at the Home. Girls and their teachers were invited for a fun afternoon followed by lunch at the hotel. The hotel team also organized interactive and engaging activities for the children of the home.
- e. The Oberoi Vanyavilas, Ranthambore** was involved in the welfare of local communities by providing life insurance and basic equipment to forest guards in Ranthambore. The hotel also promotes "Dhonk", a socially responsible enterprise that aims at creating sustainable jobs for local villagers through art and crafts. The hotel also contributed to the Ranthambore Tiger Conservation foundation to deal with the water crisis in the jungle. On the recommendation of the Chief Conservator of Forest, the hotel recognized the exceptional work done by the forest guards at the Ranthambore National Park.
- f. The Oberoi, Gurgaon and Trident, Gurgaon** engage with communities at various levels, supporting initiatives in domains of education, community development, skill development and basic needs of food. The hotels are associated with Happy School, which is a school for underprivileged children. Both hotels provide mid-day

meal of high-protein soya biryani once a week. The hotels are also associated with Ritinjali, which is a volunteer-based organization that works with the marginalized communities in education and development related projects. The hotels provide basic food and essentials like rice, wheat flour and oil once a month. The hotels hire differently abled persons from Pallavanjali Institute for the Actualization of Individual Potential (PIAP) which is an NGO that focus on the needs of children and youth with disabilities. In the area of skill development and livelihood generation, the hotels are partnered with Youth Career Initiative (YCI) which is an innovative, high-impact approach to combating global youth unemployment. It work with young people who are unlikely to have a viable route into legitimate employment and improve their situation without external help. This is a 6 months programme and every year candidates are trained by the hotels. The candidates are paid a stipend and transportation during the training period.

- g. Maidens Hotels, Delhi** employees visited Palna and Mother Teresa Home where breakfast and gifts were distributed. Blood Donation campaign was organised where the employees also donated bloods.
- h. The Oberoi, Sukhvilas** on the occasion of Children's day celebrations distributed stationary and food hampers in a nearby village school.
- i. The Oberoi, New Delhi** partnered with the Delhi Blind Relief Association to support the students of the Delhi Blind School. Students were invited to the hotel to demonstrate their skills to the hotel team members and were offered an opportunity to earn monetary compensation against their services. The hotel organized Blood Donation Camps in association with the Rotary Blood Bank, Delhi to create awareness about the benefits of safe and regular blood donation. The hotel also supports numerous underprivileged citizens through Goonj, an NGO. Several team members donated woolens, blankets, shawls, shoes in addition to other items of basic necessity that are used to protect against the winter cold.

Audit Committee

The composition of the Audit Committee is as under:

- Mr. Anil Nehru - Independent Director & Chairperson
- Mr. L. Ganesh - Independent Director
- Mr. Sudipto Sarkar - 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 72 to 73.

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

The Company's Policy on Director Appointment and Remuneration Policy (revised), 2019, ("Director Appointment Policy") and Senior Management Appointment and Remuneration Policy ("Senior Management Policy") formulated in accordance with Section 178 of the Act read with regulation 19(4) of the listing regulations can be accessed on the Company's website www.eihltd.com.

The salient features of the Director Appointment Policy are as under:

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

The Salient features of the "Senior Management Policy" are as under:

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

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

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

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

Energy Conservation Measures

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

- replacement of incandescent & CFL lamps with energy efficient LED lamps;
- replacement of old chiller with energy efficient Variable Refrigerant Flow (VRF) system;
- installation of primary & secondary pumps in chilled water system along with two way energy valves for air handling units;
- installation of two way valves for fan coil units;
- installation of automatic tube condenser cleaning system for chillers;
- installation of variable frequency drives in chilled water system;
- installation of variable frequency drives in air handling units;
- de-scaling of heat exchangers;
- installation of energy efficient cooling towers;
- installation of solar panels for generation of electricity;
- installation of water conservation devices in taps and showers and installation of eco washer in water closets.

Besides these, conservation measures were continued to control energy consumption by tight operational control of lighting and other equipment, regulation of air conditioning set points according to ambient temperatures, taking guest floors out of order during low occupancy, optimization of laundry and boiler operation.

Energy audits and thermography of electrical panels are carried out which will substantially help in tracing out more ways of saving the energy

Actions planned for the next year are:

- installation of two way valves for fan coil units;
- automatic tube cleaning systems for more number of chillers;
- replacement of remaining incandescent and CFL lamps with energy efficient LED lamps;
- upgradation of sewage treatment plants;
- installation of new energy efficient pumps;
- upgrading chiller's with variable frequency drives operations;
- installation of PLC units for Air Handling Units;
- installation of heat pumps for hot water generation;
- installation for condensate recovery system from calorifiers;
- installation of variable frequency drives for Air Handling Units;
- replacement of old chiller with more efficient chiller;
- cooling tower replacement with more efficient cooling tower for chiller and installation of eco washer for water closets.

Operational measures include setting of benchmarks with respect to the current year with targets for increased savings, initiatives by energy conservation committees comprising of cross functional groups, close monitoring & performance evaluation of plant and machinery by conducting energy audits.

Foreign Exchange Earnings and Outgo

During the Financial Year 2018-19, the foreign exchange earnings of the Company amounted to ₹ 5,144.68 million as compared to ₹ 4,354.88 million in the previous year. The expenditure on foreign exchange during the Financial Year was ₹ 598.28 million as compared to ₹ 841.09 million in the previous year.

Auditor and Auditor's Report

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

The Report of Auditors does not contain any qualification, reservation or adverse remark.

Secretarial Auditors

In accordance with the provisions of Section 204 of the Act, M/s. JUS & Associates was appointed as the Secretarial Auditors of the Company for the Financial Year ending on 31st March 2019. The Secretarial Audit Report submitted by the Secretarial Auditor does not contain any qualification, reservation or adverse remark. The Secretarial Auditor Report forms part of the Annual Report.

Secretarial Standards

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

Related Party Transactions

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

The details of Related Party Transactions are set out in Note nos. 42 and 43 to the Standalone and Consolidated Financial Statements respectively.

Extract of Annual Return

The Extract of the Annual Return for the Financial Year ended on 31st March 2019 in Form MGT-9 is annexed as **Annexure 2**.

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. 7 & 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 whistle blower Policy can be accessed on the Company's website www.eihltd.com.

During the year ended 31st March 2019, one complaint was received from an employee of the Company's Managed Hotel, Trident Gurgaon in respect of data theft from a competitor against *The Oberoi Dharma*, misuse of guest/ administration cars. The Complaint was thoroughly investigated by the Whistle Officer and the Whistle Committee. The Report of the Whistle Officer and the Whistle Committee and its recommendation was placed before the Audit Committee. The Audit Committee deliberated and approved the recommendation of the Whistle Committee for Management action. The Management took necessary action to the satisfaction of the Audit Committee.

Subsidiaries, Associates and Joint Ventures

Subsidiaries/ 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 i) EIH Flight Services Ltd, Mauritius; ii) EIH International Ltd, BVI; iii) EIH Holdings Ltd, BVI; iv) EIH Investments NV Netherlands; v) EIH Management Services BV, Netherlands; vi) PT Widja Putra Karya, Indonesia; vii) PT Waka Oberoi Indonesia, Indonesia and viii) PT Astina Graha Ubud, Indonesia.

In accordance with regulation 16 read with regulation 24 of the listing regulations, at the meeting held on 29th May 2019, the Audit Committee has identified the following unlisted subsidiary companies of the Company as "material subsidiary":

S.No.	Name of the Subsidiary	Criteria for determination of "material subsidiary"
1.	Mumtaz Hotels Ltd	Income in the preceding accounting year 2017-18 exceeds 10% of the consolidated income of the Company but is less than 20%.
2.	EIH International Ltd	Net Worth in the preceding accounting year 2017-18 exceeds 10% of the consolidated Net Worth of the Company but is less than 20%.

Therefore, in accordance with regulation 24A of the listing regulations, Secretarial Audit of the records of the unlisted material subsidiary, Mumtaz Hotels Limited which is incorporated in India, as on 31st March 2019, was conducted by JUS & Associates, Secretarial

Auditor. The Secretarial Audit Report submitted by the Secretarial Auditor does not contain any qualification, reservation, or adverse remark. The Secretarial Audit Report forms part of the Annual Report.

Associates

The Company has three domestic Associate Companies, namely, EIH Associated Hotels Ltd (a listed entity), Mercury Travels Ltd (an unlisted entity) and USmart Education Ltd (an unlisted entity). During the year, Company has divested its entire holding in Mercury Travels Ltd. As a result, Mercury Travels Ltd has ceased to be an “associate” of the Company with effect from 7th August 2018. By virtue of Share Purchase Agreement (SPA) for sale of Mercury Travels Ltd, its wholly owned subsidiary, USmart Education Ltd has become an “associate” of the Company with effect from 31st July 2018 as the Company has 25.10% investment in USmart Education Ltd.

Joint Ventures

The Company has three Joint Venture Companies, one domestic, namely, Mercury Car Rentals Private Ltd and two foreign Companies, namely, Oberoi Mauritius Ltd and La Roseraie De L’Atlas (also an Associate as per IndAS requirement) through its wholly owned foreign subsidiary.

A Report on the performance and financial position of each of the Subsidiaries, Associate and Joint Venture Companies are provided in the **Annexure** to the Consolidated Financial Statement and hence are not repeated here for the sake of brevity.

The policy on material subsidiaries can be accessed on the Company’s website www.eihltd.com.

Directors/Key Managerial Personnel (KMP) Remuneration

- a) During the year, in accordance with regulation 17(6)(e) of the listing regulations, special resolutions were passed by the shareholders by way of postal ballot and remote e-voting on 16th March 2019 in respect of remuneration of Mr. Prithviraj Singh Oberoi (DIN: 00051894), Mr. Shib Sanker Mukherji (DIN: 00103770), Mr. Vikramjit Singh Oberoi (DIN: 00052014), and Mr. Arjun Singh Oberoi (DIN: 00052106).
- b) The ratio of the remuneration of each Director to the median employees remuneration for the Financial Year is as under:

(₹ Million)				
S.No	Name of the Director	Directors’ Remuneration	Median Employees Remuneration	Ratio
1.	Mr. Prithviraj Singh Oberoi, Executive Chairman	33.02	0.40	83:1
2.	Mr. Shib Sanker Mukherji, Executive Vice Chairman	32.93	0.40	82:1
3.	Mr. Vikramjit Singh Oberoi Managing Director & CEO	35.84	0.40	90:1
4.	Mr. Arjun Singh Oberoi Managing Director- Development	33.31	0.40	83:1

Directors’ remuneration includes retirement benefits, wherever applicable

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

(₹ Million)

S.No	Name	Total Remuneration 2018-19	Total Remuneration 2017-18	Percentage Increase / Decrease
1.	Mr. Prithviraj Singh Oberoi	33.02	40.05	(17.55)
2.	Mr. Shib Sanker Mukherji	32.93	36.89	(10.73)
3.	Mr. Vikramjit Singh Oberoi	35.84	44.70	(19.82)
4.	Mr. Arjun Singh Oberoi	33.31	42.16	(20.99)
5.	Chief Financial Officer *	15.75	15.90	(0.94)
6.	Chief Financial Officer**	10.97	-	-
7.	Company Secretary	6.88	6.59	4.21

Total remuneration includes retirement benefits, wherever applicable

* Mr. Biswajit Mitra- CFO up to 30th September 2018

** Mr. Kallol Kundu – CFO with effect from 1st October 2018

- d) The percentage increase in the median remuneration of employees in the Financial Year is 3.02%.
- e) The number of permanent employees on the rolls of the Company at the end of the Financial Year 3,919.
- f) The average percentage increase already made in the salaries of employees of the Company other than the managerial personnel in the last Financial Year is 7.1%. The average percentage 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 Controls and Risk Management Systems

Compliance of the above is given in the Management Discussion & Analysis Report on page nos. 49 to 50.

Board Evaluation

In accordance with the provisions of the Act and Regulation 17(10) of the Listing Regulations, a Board Evaluation Policy is in place. A structured questionnaire by an independent external agency covering various aspects of the Board's functioning, Board culture, performance of specific duties by Directors and contribution to the Board proceedings was circulated to the members of the Board for the Financial Year 2018-19. Based on the responses received, the Board as a whole, the Committees, the Chairperson and individual Directors were separately evaluated in the meeting of the Independent Directors and at the meeting of the Board of Directors.

The process of review of Non-Independent Directors, the Board as a whole and also its Committees were undertaken in a separate meeting of Independent Directors held on 28th March 2019, without the attendance of Non-Independent Directors and members of management. At the meeting, the performance of the Chairman of the Company was reviewed taking into account the views of the Executive Directors, Non-executive Directors and Independent Directors. The meeting also assessed the quality, quantity and timeliness of information required for the Board to perform its duties properly.

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

The Directors have expressed their satisfaction with the evaluation process conducted by the independent external agency.

Based on the findings from the evaluation process, the Board will continue to review its procedures, processes and effectiveness of Board's functioning, individual directors effectiveness and contribution to the Board's functioning in the Financial Year 2019-20 as well with a view to practice the highest standards of Corporate Governance.

Cost Records

Company is not required to maintain cost records in accordance with Section 148 of the Act read with Rule 3 of the Companies (Cost Record and Audit) Rules, 2014 as the services of the Company are not covered under the said rules.

Significant and Material orders, if any

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

Prevention of Sexual Harassment at Workplace

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

Particulars of Employees

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

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

Cautionary Statement

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

Acknowledgement

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

For and on behalf of the Board

Gurugram
30th May 2019

ARJUN SINGH OBEROI
Managing Director - Development

VIKRAMJIT SINGH OBEROI
*Managing Director &
Chief Executive Officer*

ANNEXURE TO THE DIRECTORS' REPORT

Annual Report on CSR Activities

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

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

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

The Board of Directors at its Board Meeting held on 27th September 2018, on the recommendation of the CSR Committee, approved a CSR spend of ₹ 31.31 Million. This includes 2% of the average Net Profit of the Company during the three preceding Financial Years aggregating to ₹ 27.38 Million for the Financial Year 2018-19 and unspent amount of ₹ 3.93 Million for the Financial Year 2017-18.

- 2. Composition of the CSR Committee**

The CSR Committee comprises of the following Board Members:

- Mr. Shib Sanker Mukherji- Chairperson;
- Mr. Vikramjit Singh Oberoi- Member;
- Mr. Arjun Singh Oberoi- Member; and
- Mr. Rajeev Gupta- Independent Director and Member

- 3. Average Net Profit of the Company for the last three Financial Years**
₹ 4,107.10 Million

- 4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)**
₹ 27.38 Million.

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

- The total amount to be spent for the Financial Year including the previous year's unspent amount : ₹ 31.31 Million
- Amount unspent, if any : NIL

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ Million)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Over-heads : (₹ Million)	Cumulative expenditure up to the reporting period (₹ Million)	Amount spent Direct or through implementing agency
1	Promoting social, economic and educational needs of the marginalised under-privileged children.	Urban/Rural	Kolkata, Mumbai, Delhi, Bhubaneswar, Jaipur, Agra and Udaipur	24.00	24.77	24.77	Through SOS Children's Villages of India
2.	Swachh Bharat Abhiyan sanitation program	Urban	Within 500 meters of the Hotel in the following cities: Delhi, Kolkata, Mumbai, Jaipur, Udaipur, Bengaluru	3.20	3.04	3.04	Direct
3.	Primary health care services for India's elderly population (60+ years) for the poor and needy	Urban	Shimla	-	3.50	3.50	Help Age India
TOTAL				27.20	31.31	31.31	

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

The Company has fully spent the CSR amount of ₹ 31.31 Million in the Financial Year which includes the carry forward amount from previous year of ₹ 3.93 Million.

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.

VIKRAMJIT SINGH OBEROI
Managing Director and CEO

SHIB SANKER MUKHERJI
Chairperson – CSR Committee

ANNEXURE TO THE DIRECTORS' REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As at the Financial Year ended on 31st March 2019

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 Services	9963 / 99631110	94.80

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	EIH Investments N.V. Chuchubiweg 17, Curacao, Netherlands Antilles	Foreign Company	Subsidiary	100.00	2(87)
7	EIH Management Services B.V. Locatellikade 1, Parnassustoren, 1076 AZ Amsterdam, The Netherlands	Foreign Company	Subsidiary	100.00	2(87)
8	PT Widja Putra Karya Jl. Kayu Aya- Seminyk Beach, Kuta, Denpasar 80033, Bali, Indonesia	Foreign Company	Subsidiary	70.00	2(87)
9	PT Waka Oberoi Indonesia Patai Medana, Tanjung 83352, Lombok Utara-Nusa, Tenggara Barat (NTB) Indonesia	Foreign Company	Subsidiary	83.23	2(87)
10	PT Astina Graha Ubud Dsn/Br. Jambangan Singekerta, Ubud-Gianyar, Indonesia	Foreign Company	Subsidiary	60.00	2(87)
11	EIH Flight Services Limited The Oberoi Mauritius, Baie aux Tortues Pointe aux Piments Mauritius	Foreign Company	Subsidiary	100.00	2(87)
12	EIH Associated Hotels Limited 1/24, G.S.T. Road, Meenambakkam Chennai-600 027	L92490TN1983PLC009903	Associate	36.81	2(6)
13	Mercury Car Rentals Private Limited 4, Mangoe Lane, Kolkata – 700 001	U63011WB1995PTC068029	Associate	40.00	2(6)
14	Mercury Travels Limited Everest House, Ground Floor 46-C Chowringhee Road, Kolkata-700 071*	U63040WB1948PLC016503	Associate	25.10	2(6)
15	USmart Education Ltd Everest House, Ground Floor 46-C Chowringhee Road, Kolkata-700 071**	U80901WB2013PLC199259	Associate	25.10	2(6)
16	Oberoi Mauritius Limited Romasco Place, Wickhams Cay 1, Road Town, Tortola, British Virgin Island	Foreign Company	Associate	50.00	2(6)
17	La Roseaie De L'Atlas, Rhemena Tribe, Fraction Touihina, Ghezoula, Marrakech, Morocco	Foreign Company	Associate	46.00	2(6)

*ceased to be "associate" with effect from 7th August 2018

** became an "associate" with effect from 31st July 2018

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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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	30.00	171,469,006	-	171,469,006	30.00	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	201,458,239	-	201,458,239	35.25	201,458,239	-	201,458,239	35.25	-
(2)	FOREIGN									
(a)	Individuals (NRIs/For- eign 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	35.25	-

(B) PUBLIC SHAREHOLDING

(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	44,053,220	37,425	44,090,645	7.71	57,022,509	37,425	57,059,934	9.98	29.42
(b)	Financial Institutions / Banks	59,898	11,114	71,012	0.01	102,768	10,750	113,518	0.02	59.86
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	43,837,383	-	43,837,383	7.67	29,203,739	-	29,203,739	5.11	-33.38
(f)	Foreign Institutional Investors	23,308,007	-	23,308,007	4.08	22,777,175	-	22,777,175	3.99	-2.28
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	111,258,508	48,539	111,307,047	19.47	109,106,191	48,175	109,154,366	19.10	-1.93

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

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	204,170,047	24,111	204,194,158	35.73	208,233,563	20,161	208,253,724	36.44	1.99
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	36,717,825	7,183,215	43,901,040	7.68	36,153,776	6,014,306	42,168,082	7.38	-3.95
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6,458,856	-	6,458,856	1.13	6,159,471	-	6,159,471	1.07	-4.63
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Others									
	NON RESIDENT INDIANS	856,931	91,635	948,566	0.17	1,182,221	89,199	1,271,420	0.22	34.04
	TRUSTS	10,650	-	10,650	-	10,660	-	10660	0.00	0.09
	FOREIGN NATIONALS	-	35,699	35,699	0.01	-	-	-	0.00	-100.00
	DIRECTORS RELATIVES	859	1,579	2,438	-	859	435	1,294	0.00	-46.92
	CLEARING MEMBERS	683,618	-	683,618	0.12	389,464	-	389,464	0.07	-43.03
	Investor Education and Protection Fund	2,569,103	-	2,569,103	0.45	2,702,694	-	2,702,694	0.47	5.20
	Sub-Total B(2) :	251,467,889	7,336,239	258,804,128	45.28	254,832,708	6,124,101	260,956,809	45.65	0.83
	Total Public Shareholding B = B(1)+B(2) :	362,726,397	7,384,778	370,111,175	64.75	363,938,899	6,172,276	370,111,175	64.75	-1.10
	Total (A+B) :	564,184,636	7,384,778	571,569,414	100.00	565,397,138	6,172,276	571,569,414	100.00	-1.10
(C) SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED										
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C) :	564,184,636	7,384,778	571,569,414	100.00	564,184,636	7,384,778	571,569,414	100.00	

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	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)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year			
		Date of change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	ITC Limited	No Change	85,621,473	14.98	85,621,473	14.98	
2	Reliance Industrial Investments and Holding Ltd*	No Change	84,592,273	14.80	84,592,273	14.80	
3	Reliance Industrial Investments and Holding Ltd*	No Change	21,315,000	3.73	21,315,000	3.73	
4	Russell Credit Limited	No Change	6,556,551	1.15	6,556,551	1.15	
5	Reliance Capital Trustee Co. Ltd A/C Reliance Multi Cap Fund		13,277,568	2.32			
					31/03/2018	13,277,568	2.32
					06/04/2018	13,477,568	2.36
					20/04/2018	13,536,568	2.37
					15/06/2018	13,636,568	2.39
					22/06/2018	13,761,568	2.41
					30/06/2018	14,011,568	2.45
					06/07/2018	14,332,288	2.51
					13/07/2018	14,407,288	2.52
					20/07/2018	14,463,888	2.53
					24/07/2018	14,499,888	2.54
					27/07/2018	12,099,888	2.12
					17/08/2018	11,970,265	2.09
					28/09/2018	12,137,684	2.12
					05/10/2018	12,237,684	2.14
					12/10/2018	12,400,684	2.17
					01/02/2019	12,554,853	2.20
					08/02/2019	13,656,153	2.39
					22/02/2019	13,805,653	2.42
					01/03/2019	13,705,653	2.40
					22/02/2019	13,805,653	2.42
	At The End of The Year		13,805,653	2.42			
6	JP Morgan Indian Investment Company (Mauritius) Limited		4,950,510	0.87			
					31/03/2018	4,950,510	0.87
					20/04/2018	5,350,510	0.94
					16/11/2018	5,287,245	0.93
					23/11/2018	5,250,510	0.92
	At The End of The Year		5,250,510	0.92			
7	J P Morgan Funds		4,646,868	0.81			
					31/03/2018	4,646,868	0.81
					25/05/2018	4,589,318	0.8
					30/06/2018	4,504,113	0.79
					06/07/2018	4,490,858	0.79

D) Shareholding Pattern of top ten Shareholders – Contd...

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		Date of change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		19/10/2018			4,219,068	0.74
		14/12/2018			4,144,048	0.73
		21/12/2018			3,586,538	0.63
		31/12/2018			3,536,854	0.62
		04/01/2019			3,522,998	0.62
		15/02/2019			3,388,358	0.59
		22/02/2019			3,257,758	0.57
	At The End of the year		3,257,758	0.57		
8	Life Insurance Corporation of India		24,600,145	4.30		
		31/03/2018			24,600,145	4.30
		06/04/2018			23,489,940	4.11
		13/04/2018			22,142,838	3.87
		20/04/2018			20,264,398	3.55
		27/04/2018			19,252,384	3.37
		04/05/2018			18,933,395	3.31
		11/05/2018			18,580,592	3.25
		01/06/2018			18,260,646	3.19
		08/06/2018			17,625,539	3.08
		15/06/2018			16,703,147	2.92
		22/06/2018			16,384,296	2.87
		30/06/2018			16,330,721	2.86
		06/07/2018			15,781,187	2.76
		13/07/2018			15,447,520	2.70
		20/07/2018			15,357,206	2.69
		27/07/2018			15,181,016	2.66
		03/08/2018			15,176,016	2.66
		22/02/2019			13,332,796	2.33
		03/08/2018			15,176,016	2.66
		08/03/2019			14,926,101	2.61
		15/03/2019			14,1631,34	2.48
		22/03/2019			13,863,796	2.43
		22/02/2019			13,332,796	2.33
	At The End of the year		13,332,796	2.33		
9	General Insurance Corporation of India		10,015,795	1.75		
		31/03/2018			10,015,795	1.75
		08/02/2019			9,830,584	1.72
		15/02/2019			9,673,263	1.69
		22/02/2019			8,815,795	1.54

D) Shareholding Pattern of top ten Shareholders – Contd...

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		Date of change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		08/03/2019			9,196,713	1.61
		15/03/2019			8,976,713	1.57
		22/02/2019			8,815,795	1.54
	At The End of The Year		8,815,795	1.54		
10	The New India Assurance Company Limited		7,984,134	1.40		
		31/03/2018			7,984,134	1.40
		01/06/2018			7,934,134	1.39
		08/06/2018			7,904,134	1.38
		22/06/2018			7,894,949	1.38
		10/08/2018			7,819,045	1.37
		17/08/2018			7,754,045	1.36
		24/08/2018			7,739,070	1.35
		31/08/2018			7,734,134	1.35
		14/12/2018			7,658,061	1.34
		21/12/2018			7,557,829	1.32
		28/12/2018			7,550,222	1.32
		04/01/2019			7,441,900	1.30
		18/01/2019			7,401,683	1.30
		25/01/2019			7,330,736	1.28
		01/02/2019			7,081,027	1.24
		08/02/2019			7,010,930	1.23
		15/02/2019			6,839,071	1.20
		22/02/2019			6,207,122	1.09
		01/03/2019			6,707,122	1.17
		08/03/2019			6,363,755	1.11
		22/02/2019			6,207,122	1.09
	At The End of The Year		6,207,122	1.09		
11	HDFC Small Cap Fund		2,648,000	0.46		
		31/03/2018			2,648,000	0.46
		06/04/2018			3,602,378	0.63
		20/04/2018			3,802,378	0.67
		10/08/2018			4,057,978	0.71
		21/09/2018			4,557,978	0.80
		28/09/2018			5,702,978	1.00
		05/10/2018			6,069,178	1.06
		19/10/2018			6,169,178	1.08
	At The End of The Year		6,169,178	1.08		

D) Shareholding Pattern of top ten Shareholders – Contd...

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		Date of change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	Sundaram Mutual Fund A/C Sundaram Mid Cap Fund		2,583,673	0.45		
		13/04/2018			5,021,806	0.88
		20/04/2018			5,346,176	0.94
		10/08/2018			5,381,042	0.94
		17/08/2018			5,588,108	0.98
		24/08/2018			56,21,964	0.98
		21/09/2018			5,718,181	1.00
		28/12/2018			5,735,189	1.00
		04/01/2019			5,747,429	1.01
		11/01/2019			5,947,517	1.04
	At The End of The Year		5,947,517	1.04		

*Holding shares in two different Demat Accounts

E) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Date of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year		At the end of the year	
			No. of shares	% of total shares of the company	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	6,450,258	1.13
2	Vikramjit Singh Oberoi	No Change	5,127,325	0.90	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	307,610	0.05
4	Shib Sanker Mukherji	No Change	9,092,363	1.59	9,092,363	1.59	9,092,363	1.59
5	Sudipto Sarkar	06/04/2018	1,144	-	-	-	-	-

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

(₹ Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year*				
i) Principal Amount	3,042.58	1,250.00	-	4,292.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.09	-	-	9.09
Total (i+ii+iii)	3,051.67	1,250.00	-	4,301.67
Change in Indebtedness during the Financial Year				
• Addition	354.92	500.00	-	854.92
• Reduction	437.66	-	-	437.66
Net Change	(82.74)	500.00	-	417.26
Indebtedness at the end of the Financial Year				
i) Principal Amount	2,960.92	1,750.00	-	4,710.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.99	-	-	7.99
Total (i+ii+iii)	2,968.93	1,750.00	-	4,718.93

* 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:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				(₹ Million)
		Prithviraj Singh Oberoi	Shib Sanker Mukherji	Vikramjit Singh Oberoi	Arjun Singh Oberoi	Total Amount
	Gross salary					
1	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	-	8.82	11.67*	11.63*	32.12
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	2.18	0.98	4.90	2.41	10.47
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	30.84	23.13	19.27	19.27	92.51
	- as % of profit	2.00%	1.50%	1.25%	1.25%	6.00%
5	Others, please specify	-	-	-	-	-
	Total (A)	33.02	32.93	35.84	33.31	135.10
	Ceiling as per the Act		10% of the Net Profits			

*include Retirement benefits.

B. Remuneration to other directors

(₹ Million)

S. No	Particulars of Remuneration	Name of Directors						Total Amount
		Santosh Kumar Dasgupta	Anil Nehru	Sudipto Sarkar	Lakshminarayan Ganesh	Rajeev Gupta	Chhavi Rajawat	
1	Independent Directors	1.35	0.90	0.40	0.75	0.90	0.25	4.55
	Fee for attending board/ committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	1.35	0.90	0.40	0.75	0.90	0.25	4.55
2	Other Non-Executive Directors	Nita Mukesh Ambani		Manoj Harjivandas Modi				
	Fee for attending board/ committee meetings			0.30		0.25		0.55
	Commission			-		-		-
	Others, please specify			-		-		-
	Total (2)			0.30		0.25		0.55
	Total (B)=(1+2)							5.10*
	Total Managerial Remuneration							
	Overall Ceiling as per the Act					11% of the Net Profit		

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

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

(₹ Million)

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	CS	
	Gross Salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	26.53*#	6.71	33.24
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.19##	0.17	0.36
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission			
4	- as % of profit	-	-	-
5	others, please specify	-	-	-
	Total	26.72	6.88	33.60

* include Retirement benefits

Includes salary of Mr. Biswajit Mitra ₹ 15.62 Million (Chief Financial Officer up to 30.09.2018) and Mr. Kallol Kundu ₹ 10.91 Million (Chief Financial Officer w.e.f 01.10. 2018)

Includes value of perquisites of Mr. Biswajit Mitra ₹ 0.13 Million (Chief Financial Officer up to 30.09.2018) and Mr. Kallol Kundu ₹ 0.06 Million (Chief Financial Officer effective w.e.f 01.10. 2018)

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 2019

ARJUN SINGH OBEROI
Managing Director - Development

VIKRAMJIT SINGH OBEROI
Managing Director and Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure, Developments and Outlook

The Global Economy – Performance & Prospects

The world economy is estimated to have grown by 3.1% in 2018, as a fiscally induced growth acceleration in the United States of America offset a slower expansion in a few large economies, including Argentina, Canada, China, and Turkey. In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions.

Growth in global industrial production and merchandise trade volumes has been tapering since early 2018, particularly in the trade-intensive capital and intermediate goods sectors. In several countries, leading indicators point to some softening in economic momentum, amid escalating trade disputes, risks of financial stress and volatility, and an undercurrent of geopolitical tensions. At the same time, a few developed economies are facing capacity constraints, which may weigh on growth in the short term.

As the impulse from fiscal stimulus decreases, the growth momentum in the United States is projected to slow from 2.8% in 2018 to 2.5% in 2019 and 2% in 2020. While the European Union is projected to experience a steady growth of 2%, the risks are tilted to the downside, including a potential fallout from Brexit.

In China, growth is expected to moderate from 6.6% in 2018 to 6.3% in 2019, with policy support partly offsetting the negative impact of trade tensions. Several large commodity-exporting countries, including Brazil, Nigeria and the Russian Federation, are likely to see a moderate pickup in growth in the outlook period, albeit from a low base.

The India Story

Major reforms were undertaken over the past year. The transformational Goods and Services Tax (GST) was launched on 1st July 2017. The Indian Bankruptcy Code was introduced to facilitate early resolution of Companies in financial crisis. As a result of these measures, the dissipating effects of earlier policy actions, and the export uplift from the global recovery, the economy began to accelerate in the second half of the year. The advance estimates released by the Central Statistics Office anticipates GDP growth for 2018-19 to be 7.2% as compared to the 6.75% growth achieved in 2017-18, thereby re-instating India as the world's fastest growing major economy. This growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio.

Travel & Tourism

Global Scenario

The global Travel & Tourism industry generated US\$8.8 trillion (10.4% of global GDP) in 2018 and is expected to grow by 3.6% to US\$9.1 trillion continuing to be 10.4% of GDP in 2019.

Travel & Tourism generated 122 million jobs directly in 2018 (3.8% of total employment) and this is forecast to grow by 2.2% in 2019 to 125 million. This includes employment by hotels, travel agents, airlines and other passenger transportation services.

India

The Travel & Tourism Industry has been a major growth engine for the Indian economy. Over the past few years, tourism has witnessed steady growth, aided by the shift from foreign to domestic tourism, coupled with the rising purchasing power of the expanding middle class. The 2019 edition of the WTTC's Economic Impact - India states that the Travel & Tourism industry's total contribution to the country's GDP equalled 10.4% of the total GDP or ₹ 16.9 trillion (US\$247 billion). Additionally, the industry is fundamental in generating employment for the skilled and unskilled alike. In 2018, 8.1% of total jobs (42.6 million) were supported by the Travel & Tourism industry.

Foreign Exchange Earnings have witnessed a significant growth in 2017, registering an estimated growth rate of 19.1% over 2016 to reach US\$27 billion, as per the Indian Tourism Statistics. 2017 saw 16.3 million visitor arrivals to the country, a growth of 14.0% over 2016. On the domestic front, Domestic Tourist Visits (DTVs) to the States / Union Territories (UTs) grew by 2.3% to reach 1.65 billion during 2017.

₹ 13 billion of India's direct Travel & Tourism GDP was generated by leisure travel spending, both international and domestic, which represents 95% of the direct Travel & Tourism GDP of the country. This is anticipated to rise by 7.6% in 2018 and 7% annually thereafter, to reach ₹ 28 trillion in 2028. Similarly, business travel spending (which represents 5.4% of GDP) is anticipated to grow by 6.7% in 2018 and 7% annually thereafter, to reach ₹ 1.6 trillion by 2028.

There is still significant opportunity for inbound tourism to India. The CAPA India inbound tourism report highlights that in 2017, only 2.5 million international visitors were holidaymakers. This is significantly less than many destinations in the region and should be seen as an opportunity given the enormous employment and foreign exchange potential from increased international holidaymakers to India. In contrast, Thailand and Indonesia received 31 million and 7.6 million international holidaymakers respectively in 2017 and even the island country of Sri Lanka received 1.8 million holidaymakers.

In addition to improving India's image internationally on women's safety, addressing poor air quality during the winter months in particular and the cleanliness of many of our cities, more can also be done to promote India, its history, culture, geographic diversity and cuisine especially in important source markets like Europe and North America. The highest slab of 28% on the Good & Services Tax for hotels is also a deterrent for holidaymakers to visit as this tax is considerably higher than any other country in the region. The World Travel and Tourism Council, the Hotel Association of India and other associations have made a number of representations to the Government to reduce this tax and to make it competitive with other countries in the region where taxes on hotel accommodation are 7-11%.

Tourism & Hospitality - Trends and Opportunities for Growth

India's tourism sector attracted capital investments of US\$ 48 billion in 2017 and expected to reach US\$95 billion by 2028. The collective government spending in India on travel and tourism is expected to reach ₹ 368 billion (US\$5.85 billion) in 2028 from ₹ 170 billion (US\$2.81 billion) in 2017.

The year 2017-18 marked the third year of the up cycle for the Indian Hospitality Industry. The nationwide occupancy of 67% in 2017-18 was the highest the industry has witnessed

in a decade and was a key driver of the Rev PAR clocking its best performance since 2010-11, to reach ₹ 3,837. Despite the addition of close to 9,000 rooms last year, the sustained growth in occupancy was expected to encourage hotels to push up room rates significantly, but instead at ₹ 5,759, the weighted average rate appreciated by a mere 1.5% over the previous fiscal.

Steady demand and diminishing supply coupled with the government's commitment to strengthening the Travel & Tourism Industry is likely to have a positive impact on the industry. We believe that this is the time operators, lenders and advisors will all jointly appreciate the opportunity ahead and make decisive plans to capitalize on it.

Financial and Operating Performance

The Company's Total Revenue was ₹ 16,273 million in 2018-19 as compared to ₹ 14,340 million in the previous year, an increase of 13%.

Earnings Before Interest, Depreciation, Taxes, Amortisations and Exceptional Items (EBIDTA) was ₹ 4,061 million as compared to ₹ 3,024 million, an increase of 34%.

The operating performance of the Company's Hotel businesses have been exemplary. But for a one off provision of ₹ 847.49 million against receivable from a single customer in the flight catering business, the Profit Before Tax would have been higher than the previous year by 42.9%. However, after considering this exceptional provision, Profit Before Tax was ₹ 1,637 million as compared to ₹ 1,739 million in the previous year.

The Net Profit for the year was ₹ 1,133 million as compared to ₹ 1,123 million in the previous year.

Total comprehensive income was ₹ 1,125 million as against ₹ 1,051 Million in the previous year.

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

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

Internal Control Mechanism and Adequacy

The organisation's commitment to internal control mechanism flows from *The Oberoi Dharma* which states that we as members of The Oberoi Group, are committed to a conduct which is of the highest standards – ethical, intellectual, financial and moral. Adequate internal control processes have been laid down to provide an assurance on the orderly and efficient conduct of operations, safeguarding of assets, prevention and detection of fraud and errors, accurate and timely completion of accounting records and timely preparation of reliable financial information.

Appropriate checks and balances have been built in the internal control mechanisms to reflect its necessary concomitance to the principle of governance without affecting the ease of operations and their management.

Internal Financial Controls (IFC)

The Directors have devised a framework for internal financial controls to be followed by the Company that conforms to the requirements of Section 134(5)(e) of the Companies Act, 2013, and incorporates measures that ensure the adequacy and continuing operating effectiveness of such internal financial controls. Furthermore, in accordance with Section 149(8), read with the Code for Independent Directors laid down under Schedule IV, Clause II (4) of the Companies Act, 2013, the Independent Directors have satisfied themselves on the integrity of financial information and ensured that financial controls and systems of risk management are robust and defensible.

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

In line with global best practices applicable to organisations of a similar size, nature and complexity, the Company's internal control framework has been designed through structured control risk assessments by way of Standard Operating Procedures (SOPs), Risk and Control Matrices (RACM), Information Technology (IT) Policies, ERP-based Information Systems including MIS and automated system controls inbuilt within the ERP and other IT Systems. RACM's control effectiveness is ensured through self-certification mechanism in ERP by respective process owners. Management testing which is done by Internal Audit is now being implemented to be processed through data analytics tool.

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

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

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

Internal Audit Mechanism and Review Systems

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

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

observations of audits are maintained in online databases for comprehensiveness, ease of accessibility and structured follow up.

Periodically, IT Security Audits are conducted by joint teams of Internal Audit and the IT Department. Vulnerability assessment and penetration testing, etc., audits are also done by specialised external agencies.

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

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

During the Financial Year 2018-19, 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 such systems.

Risk Management

Risk Management is an integral and important component of Corporate Governance. Robust risk management ensures adequate controls and monitoring mechanisms for the smooth and efficient running of the business.

The policy framework enables the company to identify and evaluate Risk and Opportunities.

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

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

The Risk Management Committee comprising the Managing Director & Chief Executive Officer and Senior Executives of the Company presented to the Board of Directors, Risk Reports in October 2018 and in March 2019. The potential risks associated with the Company's business are assigned as responsibility to various Risk Owners who were responsible for monitoring and addressing the risks with commensurate mitigating plans.

Based on data received from Risk Owners, the organisational criteria of Critical, Good and Watch 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.

The Securities and Exchange Board of India vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, has mandated that the top 500 listed entities determined on the basis of market capitalization at the end of the previous Financial Year are required to constitute a Board Committee on Risk Management. This is applicable with effect from 1st April 2019.

The Company is within the top 500 list in terms of market capitalization on both NSE and BSE as at the end of the previous Financial Year. Accordingly, as required under Regulation 21(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Board Committee on Risk management has been constituted with a combination of Board Members and Senior Executives of the Company with majority of the Members belong to the members of the Board as under:

- (i) Mr. Anil Nehru - Independent Director and Chairperson;
- (ii) Mr. Vikram Oberoi - Managing Director & Chief Executive Officer;
- (iii) Mr. Arjun Oberoi - Managing Director - Development;
- (iv) Mr. Kallol Kundu - Chief Financial Officer;
- (v) Mr. Sameer Nayar - Executive Vice President - Strategic Development

Business consolidation and expansion

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

The Oberoi, Marrakech is in the final phase of completion. This luxury hotel consisting of rooms and suites, all with private swimming pools, is scheduled to open in the last quarter of 2019. Oberoi branded villas for sale are planned within the development at a later date. The hotel will be managed by a wholly owned subsidiary of the Company.

Construction of The Oberoi, Doha is currently underway. The hotel and service apartments are located on a prime site in the central business district of the city. This hotel is scheduled to open in the second quarter of 2021. The property will be managed by a wholly owned overseas subsidiary of the Company.

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

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

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

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

The Oberoi Gir, a Luxury Wildlife Resort on a 50 acre site, is located on the periphery of Gir National Park in Gujarat. Gir National Park is the sole home of the Asiatic Lion and also supports a variety of wildlife, flora and fauna. The Resort shall consist of luxury air-conditioned tents.

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

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

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

Awards

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

Oberoi Hotels & Resorts has been voted the best Hotel Group for the second consecutive year by Telegraph Travel Awards 2018, UK.

Oberoi Hotels & Resorts has won Best Business Hotel Brand in India by Business Traveller UK Reader Awards, 2018.

Oberoi Hotels & Resorts has been voted as the World’s Leading Luxury Hotel Brand for the sixth consecutive year by World Travel Awards, 2017.

HOTEL	AWARD	AWARDED BY
The Oberoi, Mumbai	10 Best City Hotels in Asia (Ranked 2nd)	<i>Travel + Leisure USA World’s Best Awards Readers’ Survey 2018.</i>
	Best Business Hotel in Mumbai (2nd consecutive year)	Business Traveller Asia-Pacific Award 2018.
	10 Best City Hotels in Asia (Ranked 5th)	<i>Travel + Leisure USA World’s Best Awards Readers’ Survey 2017</i>

HOTEL	AWARD	AWARDED BY
The Oberoi, New Delhi, India	IT List 2019	<i>Travel + Leisure, USA</i>
	The World's Best Hotels and Resorts for families 2019	<i>Travel + Leisure, USA</i>
	Hot List 2018	Condé Nast Traveller, UK
The Oberoi Vanyavilās, Wildlife Resort, Ranthambhore, Rajasthan, India	Top 25 Small Hotels – India (Ranked 1st)	Trip Advisor Travelers' Choice Awards 2019
	The Best Resort Hotels in India (Ranked 1st)	<i>Travel + Leisure USA, World's Best Awards, Readers' Survey 2017</i>
	Top 25 Small Hotel 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
The Oberoi Udaivilās, Udaipur, Rajasthan, India	Gold List, 2019	Condé Nast Traveller, USA
	Gold List, 2019	Condé Nast Traveller, UK
	Gold List, 2019	Condé Nast Traveller, Middle East
	Best Asia & Indian Subcontinent Hotel	Condé Nast Traveller, UK
	Best Hotel in 5 Star Deluxe Category (2nd consecutive year)	Readers' Travel Awards 2018 National Tourism Award, 2016 - 2017
The Oberoi Rajvilās, Jaipur, Rajasthan, India	Top 25 Hotels – India (Ranked 1st)	Trip Advisor Travelers' Choice Awards 2019
	Top 25 Luxury Hotels – Asia (Ranked 2nd)	Trip Advisor Travelers' Choice Awards 2019
	Top 25 Luxury Hotels – India (Ranked 1st)	Trip Advisor Travelers' Choice Awards 2019
	Top 25 Hotels for Service – India (Ranked 1st)	Trip Advisor Travelers' Choice Awards 2019
	5 Best Resort Hotels in India (Ranked 2nd)	<i>Travel + Leisure, USA World's Best Awards, Readers' Survey 2018</i>
	India's Leading Resort (4th consecutive year)	World Travel Awards, 2017
The Oberoi Amarvilās, Agra, Uttar Pradesh, India	Top 10 Hotels for Romance – India (Ranked 1st)	Trip Advisor Travelers' Choice Awards 2019
	5 Best Resort Hotels in India (Ranked 1st)	<i>Travel + Leisure, USA World's Best Awards, Readers' Survey 2018</i>
Wildflower Hall, Shimla in the Himalayas, Himachal Pradesh, India	Top 25 Luxury Hotels India (Ranked 6th)	Trip Advisor Travelers' Choice Awards 2019
The Oberoi, Gurgaon, Delhi National Capital Region, India	10 Best City Hotels in Asia (Ranked 2nd)	<i>Travel + Leisure, USA World's Best Awards 2018</i>
	Favourite Indian Business Hotel (2nd consecutive year)	Condé Nast Traveller, India, Readers' Travel Awards 2017
Trident, Gurgaon Delhi National Capital Region, India	Best Hotel in the 5-Star Category	National Tourism Award, 2015 - 2016
	India's Leading Business Hotel (3rd consecutive year)	World Travel Awards 2017

HOTEL	AWARD	AWARDED BY
The Oberoi Sukhvilās Spa Resort, New Chandigarh	Best Wellness Cuisine Best Destination Spa World’s Greatest Places 2018 52 Places to go in 2018 Best of the Best New Spas Hot List 2017 Best New and Renovated Hotels Best New and Renovated Hotels	GeoSpa GlobalSpa Awards 2019 GeoSpa GlobalSpa Awards 2019 TIME magazine, USA New York Times Robb Report Best of the Best Awards, 2017 Conde Nast Traveller, Middle East <i>Travel + Leisure, USA,</i> IT List 2017 <i>Travel + Leisure, India & South Asia, IT List 2017</i>
Trident, Hyderabad	India’s Leading Hotel (2nd consecutive year)	World Travel Awards 2017
Trident Privilege	Favourite Hotel Loyalty Programme (4th consecutive year)	Condé Nast Traveller, India, Readers’ Travel Awards 2017
The Oberoi Beach Resort, Sahl Hasheesh, Red Sea, Egypt	Top 10 Luxury Hotels – Egypt (Ranked 2nd) Top 25 Hotels in Egypt (Ranked 1st)	Trip Advisor Travelers’ Choice Awards 2019 Trip Advisor Travellers’ Choice Awards 2017
The Oberoi Beach Resort, Mauritius	Top 10 Luxury Hotels – Mauritius (Ranked 2nd) Top 10 Hotels for Romance – Mauritius (Ranked 2nd) Top 25 Hotels in Africa (Ranked 1st) Top 25 Hotels in Mauritius (Ranked 1st)	Trip Advisor Travelers’ Choice Awards 2019 Trip Advisor Travelers’ Choice Awards 2019 Trip Advisor Travellers’ Choice Awards 2017 Trip Advisor Travellers’ Choice Awards 2017
The Oberoi, Dubai United Arab Emirates	Top 25 Hotels for Service – UAE (Ranked 2nd) Middle East’s Leading Luxury City Hotel (4th consecutive year)	Trip Advisor Travelers’ Choice Awards 2019 World Travel Awards 2017
The Oberoi Beach Resort, Al Zorah	Middle East’s Leading Luxury Villa Resort (2nd Consecutive Year) Ajman’s Leading Luxury Resort 2018 The Hot List 2017 Ajman’s Leading Luxury Resort	World Travel Awards Middle East 2018 & 2017 World Travel Awards Middle East 2018 Condé Nast Traveller, UK World Travel Awards Middle East 2017
The Oberoi, Madina	Top 25 Hotels – Saudi Arabia (Ranked 1st) Top 25 Luxury Hotels – Middle East Top 25 Luxury Hotels – Saudi Arabia (Ranked 1st) Top 25 Hotels for Service – Saudi Arabia (Ranked 2nd)	Trip Advisor Travelers’ Choice Awards 2019 Trip Advisor Travelers’ Choice Awards 2019 TripAdvisor Travelers’ Choice Awards 2019 Trip Advisor Travelers’ Choice Awards 2019

Development in Human Resources and Industrial Relations

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

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

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

1. The Oberoi Group Employee Engagement Survey – Employee engagement has always been a strong focus at The Oberoi Group. We conduct People Pulse Survey to understand engagement levels of our employees during the year. In year 2019, the Company scores of Aon People Pulse was 81%.
2. The Oberoi Group Performance Management system has been further strengthened by creating an Organisational Balance Score Card and score cards for the entire leadership team.
3. The Company continues to focus on its policy of zero tolerance of any non-compliance with labour and other statutory requirements. We have created standard policies for third party manpower engaged in the group companies and streamline practices related to them. Additionally, to ensure compliances related to third party manpower, Team Lease has been engaged to conduct independent audits on third party compliances in the Hotels/ Business Units.
4. With people being our biggest assets; we continue to look at high performers and create individual three year career plan for them. This is monitored at Corporate Human Resources.

Learning & Development

In keeping with The Oberoi Group's philosophy of training and developing people, its hotels and training center, The Oberoi Centre of Learning and Development (OCLD) continue to invest time, effort and money in comprehensive training interventions. These include:

1. The Oberoi Centre of Learning and Development (OCLD) continued to be focused on its core programmes. These are the **Post Graduate Management Programmes** in Guest Service, Housekeeping and Kitchen Management and the three-year Undergraduate **Systematic Training and Education Programme (STEP)**.
2. OCLD had its first batch of the **Sales Management Programme** graduate in January 2019.

3. As part of the Corporate Learning and Development initiatives, several programs were organised in the Financial Year 2018-19 for team members and executives across all levels. These Management Development Programs were based on individual needs identified during the appraisal process.
4. As part of our re-branding exercise OCLD developed a series of training modules to enable team members to provide remarkable experiences to our guests. These training modules were delivered in a Train-the-Trainer format which were then cascaded by Training Managers to every team member.

Industrial Relations remained stable throughout the year.

As on 31st March 2019, the number of people employed by the group was 9,270.

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

For and on behalf of the Board

Gurugram
30th May 2019

ARJUN SINGH OBEROI
*Managing Director-
Development*

VIKRAMJIT SINGH OBEROI
*Managing Director and
Chief Executive Officer*

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of the Company for the Financial Year ended on 31st March 2019 pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) in the prescribed format by the Securities and Exchange Board of India (“SEBI”) is as under:

SECTION 1: General Information

1	Corporate Identity Number (CIN) of the Company	L55101WB1949PLC017981
2	Name of the Company	EIH Limited
3	Registered address	4, Mangoe Lane, Kolkata-700001 Telephone No.- 91-33-40002200 Fax No.- 91-33-22486785
4	Website	www.eihltd.com
5	E-mail address	isdho@oberoigroup.com invcom@oberoigroup.com
6	Financial Year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Hotels- 9963/99631110
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Hotel Services
9	Total number of locations where business activity is undertaken by the Company	<ul style="list-style-type: none"> i. Number of International Locations – Five Countries (through wholly owned subsidiary); ii. Nine directly owned hotels in India – (Delhi, Mumbai, Kolkata, Bengaluru, Udaipur and Ranthambore); iii. Thirteen managed hotels in India.
10	Markets served by the Company	The Company caters to both national and international markets

SECTION 2 : Financial Details

1	Paid up Capital (₹ in Million)	1,143.14
2	Total Turnover (₹ in Million)	16,272.62
3	Total profit after taxes (₹ in Million)	1,133.38

4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	2.76%
	List of activities in which expenditure in Point 4 above has been incurred:	<ul style="list-style-type: none"> • The Company has been supporting SOS Children’s Villages of India under “Project Shaksham” since 2014. Under this project, the Company provides family-based care including education, healthcare, nutrition, and career development needs for children who have been abandoned, orphaned and are homeless. The program extends to 150 children in 15 family homes in Mumbai (Alibaug), Delhi, Bengaluru and Kolkata. • The Company also sponsors higher education programs for 46 young persons at various educational institutes. • The Company is also supporting primary health care services, basic diagnostics tests, awareness regarding communicable and non-communicable diseases along with their prevention through Information Education and Communication (IEC) activities for the elderly in select areas through Help Age India.
		Other notable CSR activities:
		<ul style="list-style-type: none"> • <u>The Oberoi Grand, Kolkata</u>: Supporting Sasha, an NGO which works to educate children and self-employment of women by purchasing their hand-crafted products. Also supporting Ankur Kala and Shri Rajchandra Aatma Tatva Research Center, NGO’s working for the rehabilitation and empowerment of marginalised and economically challenged women and children to showcase and sell their products.
		<ul style="list-style-type: none"> • <u>The Oberoi and Trident Nariman Point, Mumbai</u>: Organizing Blood Donation Camps for Thalassemia patients and facilitated sale of products in the Hotels by NGO’s Advitya, Kurprkabi Foundation, National Association of Blind and Women’s Trust of India.
		<ul style="list-style-type: none"> • <u>The Oberoi, Bengaluru</u>: 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.
- The Oberoi Udaivilas, Udaipur supports Mother Teresa Orphanage and Asha Dham Ashram for the poor, sick and mentally challenged and old people by taking care of their daily needs.
- The Oberoi, New Delhi supports numerous underprivileged citizens through an NGO, Goonj. The hotel organized Blood Donation Camps in association with the Rotary Blood Bank, Delhi to create awareness about the benefits of safe and regular blood donation.

SECTION 3: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	The Company has 11 subsidiaries. Of these, three are domestic companies and the rest are overseas bodies corporate.
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The operative domestic subsidiary companies participate in the Business Responsibility initiatives of the Company. Overseas subsidiary companies are also encouraged to follow the Business Responsibility initiatives of the Company. However, these overseas subsidiaries adhere to their 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	Vikramjit Singh Oberoi
3	Designation	Managing Director and Chief Executive Officer
4	Telephone No.	91 11 23890505
5	Email id	vikram.oberoi@oberoigroup.com

SECTION 5: Commitment to Responsible Business

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

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

This Business Responsibility Report details the various initiatives undertaken by the Group during the Financial 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, Key Managerial Personnel and Senior Management Personnel of the Company, give a written affirmation of compliance to “The Oberoi Dharma”.

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

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

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

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

The implementation of the Whistleblower Policy is anchored by the Executive Vice President, Human Resources and is overseen by the MD & CEO of the Company.

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

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

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

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

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

Safety initiatives underpin the Company’s business and operational practices. These include physical structures resilient to intrusive and/or other damaging interventions to the extent

feasible, fire-safety measures, focus on guest, employee safety, safety towards women in the workplace and overall operational safety across all functions. In addition, initiatives are taken to review the safety and security situation as follows:

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

PRINCIPLE 3: Businesses should promote the wellbeing of all employees

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

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

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

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

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

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

1	Total number of employees (total number of permanent employees).	3,919
2	Total number of employees hired on temporary / contractual / casual basis.	1,752
3	Number of permanent women employees.	677
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 recognised employee associations	Because of multiple employees associations in various hotels, business units and offices, permanent employees change their membership to the various associations from time to time. Accordingly, the exact percentage keeps on changing. However recognised associations are always have majority numbers.
7	Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in FY 2018-19.	
	Category	No. of complaints filed during the Financial Year
		No. of complaints pending as on end of the Financial Year
7.1	Child labor / forced labor / involuntary labour	We do not employ child labour, forced labour or involuntary labour.
7.2	Sexual harassment	Six
7.3	Discriminatory employment	We do not discriminate while selecting employees.
7.4	Number of man-days of executive level training	9,316 (9.54 man-days per executive)
7.5	Number of man-days of staff level training	152,935 (22.08 man-days per staff)

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

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

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

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

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

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 nine years, the hotels have fostered an environment which presents equal opportunities to young adults who do not function optimally in a traditional academic setup to get trained and learn hospitality skills. Students of Pallavanjali get trained at these two hotels, thrice a week, in the uniform room, laundry, flower room, bakery and finance department.
- The company has commenced training and employment of differently abled people and to work with young adults with speech and hearing impairment. This initiative has commenced at The Oberoi Cecil, Shimla, Wildflower Hall, Shimla, The Oberoi Rajvilas 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 drives the Company's central philosophy towards its employees and in its outlook regarding various stakeholders across its value chain. This approach is reiterated through the statement "conduct which demonstrates that people are our key asset, through respect for every employee, and leading from the front regarding performance achievement as well as individual development".

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

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

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

- **Energy efficient building and architectural design:**

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

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

Sustainable landscaping and horticulture are essential features of every hotel. The design of new hotels ensures a high percentage of green areas, trees and shrubs. Local plants species are extensively used to encourage biodiversity. The use of natural fertilisers and bio-pesticides support sustainable practices. While building hotels, natural contours of the site are maintained to limit disturbance to natural water flow and increase infiltration of storm water. Rain water harvesting systems are installed in the majority of hotels. Hotels have Sewage Treatment Plants (STPs). Treated water from STPs gets recycled for use in horticulture and cooling towers. Low water usage plumbing fixtures are used to reduce water consumption. Irrigation systems use automation to control water usage.
- **Use of sustainable materials:**

Fly-ash, a waste product from power plants is used extensively in building structures. Low embedded energy materials (material with recycled content, rapidly renewable wood/composite wood products) are extensively used in developing interiors. FSC certified wood and composite products made from recycled wood scrap are used. Priority is given on use of locally available materials like tiles, granite, marble etc.

This reduces transportation and minimises carbon emissions.

Biodegradable organic chemicals are used in washing machines.

Bathroom amenities are made from natural botanical extracts and herbs.

Use of plastics is discouraged and there is preference for renewable and organic products.

The refrigerants used have low global warming and low ozone depletion properties.

- Waste Reduction, recycle and reuse:

Wet garbage is treated in organic waste converters and recycled in majority of hotels. Alternatively, it is used as animal feed.

Metal, plastic and other recyclable waste are segregated and sold as scrap for recycling.

Electronic waste is disposed responsibly to authorised agencies as per regulations.

Printed stationary is reused.

Business kits and cards are made from recycled paper.

- Indoor environmental quality:

Hotel designs give attention to indoor environmental quality for maintaining the environment for users, occupants and guests.

Good ventilation is provided in all areas and air is treated to give good indoor air quality.

Smoking zones are clearly identified and ventilation systems ensure there is no exposure of smoke outside these areas.

Low VOC materials like paints, coatings, plywood, timber and fabrics are used to minimise exposure to VOCs.

Carpets used are environment friendly and comply with CRI standards.

Buildings are carefully treated for acoustic comfort and to minimise ingress of noise from outside.

- Wet and dry scrubbers are installed to reduce emissions of gases and particulate matter.

- Special attention is paid towards safety and detailed safety procedures are listed for operational guidance of hotels.

- Hotel designs ensure accessibility for differently abled guests.

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

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

The Company and its Associate have invested in a local wind generating company and 1.5 million units of electricity per year from wind energy have been contracted on a long term basis for Oberoi Flight Services, Chennai besides 2.8 million units for the Trident Chennai. Upto 70% of the power is sourced from wind power generators for Trident Bandra Kurla.

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

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

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

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

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

PRINCIPLE 8: Businesses should support inclusive growth and equitable development

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

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

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

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

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

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

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

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

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

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

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

For and on behalf of the Board

Gurugram
30th May 2019

ARJUN SINGH OBEROI
Managing Director-Development

VIKRAMJIT SINGH OBEROI
*Managing Director and
Chief Executive Officer*

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

a) Board Composition

As on 31st March 2019, the Company had eleven Directors on the Board. Four Directors are Executive Directors and seven Directors are Non-executive directors. Five of the Non-executive Directors are Independent Directors.

Mr. Santosh Kumar Dasgupta, Independent Director, resigned from the Board on 28th March 2019 (at the close of the Board Meeting) due to his pre-occupation in Kolkata and inability to travel to attend the Board meeting and other committee meetings. Mr. Santosh Kumar Dasgupta has confirmed that there is no material reason other than the one mentioned above.

b) Meetings and Attendance

The Board met seven times during the Financial Year on 18th April 2018, 30th May 2018, 31st July 2018, 27th September 2018, 30th October 2018, 30th January 2019 and 28th March 2019.

Details of attendance of Directors at Board Meetings during the Financial Year and at the Company's Sixty Eighth 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. Prithviraj Singh Oberoi	Executive Chairman	Executive	6	Yes	3	1**
Mr. Shib Sanker Mukherji	Executive Vice Chairman	Executive	7	Yes	2	2
Mr. Vikramjit Singh Oberoi	Managing Director & Chief Executive Officer	Executive	7	Yes	3	1
Mr. Arjun Singh Oberoi	Managing Director- Development	Executive	6	Yes	2	-
Mr. Santosh Kumar Dasgupta#	Director	Non-Executive Independent	7(5)	Yes	-	-

Mr. Sudipto Sarkar	Director	Non-Executive Independent	7(1)	No	3	6**
Mr. Anil Kumar Nehru	Director	Non-Executive Independent	7	Yes	3	3**
Mr. Lakshminarayan Ganesh	Director	Non-Executive Independent	5	No	5	6
Mrs. Nita Mukesh Ambani	Director	Non-Executive Non-Independent	6(6)	No	2	-
Mr. Manoj Harjivandas Modi	Director	Non-Executive Non-Independent	5(4)	No	2	2
Mr. Rajeev Gupta	Director	Non-Executive Independent	6(2)	No	6	4
Dr. Chhavi Rajawat	Director	Non-Executive Independent	4(1)	No	-	-

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

** Chairperson of one committee.

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

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

ceased to be Director with effect from 29th March 2019

c) Names of the listed entities where the above Directors are Director(s) and the category of Directorship

Name of the Director	Name of the listed Company	Category of Directorship
Mr. Prithviraj Singh Oberoi	EIH Associated Hotels Limited	Non-Executive Chairperson
Mr. Shib Sanker Mukherji	EIH Associated Hotels Limited	Non-Executive Director
Mr. Vikramjit Singh Oberoi	EIH Associated Hotels Limited	Managing Director
Mr. Arjun Singh Oberoi	-	-
Mr. Santosh Kumar Dasgupta #	-	-
Mr. Sudipto Sarkar	EIH Associated Hotels Limited	Independent Director
	Vesuvius India Limited	Independent Director
	Triveni Engineering & Industries Limited	Independent Director
Mr. Anil Kumar Nehru	EIH Associated Hotels Limited	Independent Director
Mr. Lakshminarayan Ganesh	Rane Holdings Limited	Chairman and Managing Director
	Rane Brake Linings Limited	Non-executive Director
	Rane (Madras) Limited	Chairman and Managing Director
	Rane Engine Valve Limited	Chairman and Managing Director
	EIH Associated Hotels Limited	Independent Director

Mrs. Nita Mukesh Ambani	Reliance Industries Limited	Non-Executive Director
Mr. Manoj Harjivandas Modi	-	-
Mr. Rajeev Gupta	United Spirits Limited	Independent Director
	VIP Industries Limited	Independent Director
	Vardhaman Special Steels Limited	Independent Director
	Cosmo Films Limited	Independent Director
	TV Today Network Limited	Independent Director
	Rane Holdings Limited	Independent Director
Dr. Chhavi Rajawat	NIL	NIL

ceased to be a Director with effect from 29th March 2019

d) Inter-se Relationship of Directors

Mr. Prithviraj Singh Oberoi and Mr. Vikramjit Singh Oberoi are related to each other, being father and son. None of the other Directors are related to any other Director.

e) Shareholding of Non- executive Directors

None of the Non-executive Directors hold any shares in the Company.

f) Weblink where details of Familiarisation Program for Independent Directors is disclosed

The familiarisation program for Independent Directors is given on the Company's website www.eihltd.com.

g) Skill, Expertise and Competence of the Board of Directors

The matrix setting out the skills/ expertise/ competence of the Board of Directors are as under:

I) 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.

II) Experience

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

III) Skills

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

IV) Abilities and Attributes

- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to observe “*The Oberoi Dharma*” and the fundamental code of conduct.

h) Independent Directors

It is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the management.

i) Confirmation of the Compliance of the Codes

All Directors and members of Senior Management have, as on 31st March 2019, affirmed their compliance with:

- *The Oberoi Dharma*, the fundamental code of conduct for The Oberoi Group;
- The Company’s Code of Conduct for Prevention of Insider Trading in its shares;
- Disclosures relating to all material and financial transactions;
- Annual Disclosure(s) as required under the Code of Conduct of Prevention of Insider Trading.

3. Audit Committee

Composition, Meetings and Attendance

The Audit Committee comprises of six Board Members, namely, Mr. Lakshminarayan Ganesh, Mr. Anil Kumar Nehru, Mr. Rajeev Gupta, Mr. Sudipto Sarkar, Mr. Shib Sanker Mukherji and Mr. Arjun Singh Oberoi. Mr. Anil Kumar Nehru is the Chairperson of the Audit Committee.

The members of the Audit Committee except Mr. Arjun Singh Oberoi and Mr. Shib Sanker Mukherji are Non-executive Independent Directors. The quorum for an Audit Committee Meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

Mr. Anil Kumar 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. Shib Sanker Mukherji is a Chartered Accountant and has completed advanced Management Program from Harvard University. Mr. Lakshminarayan Ganesh is a Chartered Accountant and holds a Masters degree in Business Administration and Mr. Sudipto Sarkar is a graduate in Mathematics from Presidency College, Kolkata and obtained his TRIPOS in law from Jesus College, Cambridge. Accordingly, the Chairperson and all the members of the committee are financially literate within the meaning of explanation under regulation 18(1)

(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The Audit Committee met six times during the Financial Year on 29th May 2018, 31st July 2018, 27th September 2018, 30th October 2018, 30th January 2019 and 28th March 2019.

Attendance of the members of the Audit Committee during the Financial Year 2018-19 is given below:

Name of the Member	Number of Meetings attended
Mr. Anil Kumar Nehru, Chairperson	6
Mr. Santosh Kumar Dasgupta*	6(4)
Mr. Lakshminarayan Ganesh	5
Mr. Shib Sanker Mukherji	6
Mr. Arjun Singh Oberoi	6
Mr. Rajeev Gupta	5(2)
Mr. Sudipto Sarkar#	-

* ceased to be a member with effect from 29th March 2019

Appointed as a member of with effect from 28th March 2019

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

Mr. Vikramjit Singh 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.

Role of Audit Committee

The Role of the audit committee is in accordance with Regulation 18, Part C of Schedule II to the listing regulations and Section 177 of the Companies Act, 2013.

4. Stakeholders Relationship Committee

Composition, Meetings & Attendance

The Stakeholders Relationship Committee (“SRC”) comprises of four Board Members, *namely*, Mr. Anil Kumar Nehru, Mr. Shib Sanker Mukherji, Mr. Vikramjit Singh Oberoi and Mr. Arjun Singh Oberoi. Mr. Anil Kumar Nehru 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 2nd May 2018, 30th May 2018, 31st July 2018, 27th September 2018, 30th October 2018, 30th November 2018, 30th January 2019, 25th February 2019 and 28th March 2019 .

Attendance of the members of the SRC during the Financial Year 2018-19 is given below:

Name of the Member	Number of Meetings attended
Mr. Santosh Kumar Dasgupta, Chairperson*	9(7)
Mr. Prithviraj Singh Oberoi**	3
Mr. Shib Sanker Mukherji	9(1)
Mr. Vikramjit Singh Oberoi	9
Mr. Arjun Singh Oberoi	7(1)
Mr. Anil Kumar Nehru #	-

* ceased to be a member with effect from 29th March 2019

** ceased to be member with effect from 30th October 2018

Appointed as a member / Chairperson with effect from 28th March 2019

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

Role of Stakeholders Relationship Committee

The Role 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 2019, 49 demat requests and 111 physical transfer requests were pending. These have been subsequently processed within the stipulated timelines.

During the Financial Year, 24 complaints were received from investors. These complaints mainly related to dividends and Annual Reports not received by Shareholders. All complaints have been resolved. There were no complaints pending as on 31st March 2019.

5. Risk Management Committee

Committee and its Composition

In accordance with Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the Company is falling within top 500 listed entities determined on the basis of market capitalization at the end of the previous Financial Year, a Board Committee on Risk Management was constituted at the Board meeting held on 28th March 2019.

The members of the Board Committee on Risk Management comprises of a mix of Board Members and senior executives of the Company as under:

- Mr. Anil Kumar Nehru - Independent Director;
- Mr. Vikram Oberoi - Managing Director and Chief Executive Officer;
- Mr. Arjun Oberoi, Managing Director - Development;
- Mr. Kallol Kundu - Chief Financial Officer; and
- Mr. Sameer Nayar - Executive Vice President- Strategic Development.

Mr. Anil Kumar Nehru is the Chairperson of the committee. The quorum of the Board Committee on Risk Management shall be three members comprising of any two Board Member along with any one senior executive. The Company Secretary acts as Secretary to the Committee.

Role of Board Committee on Risk Management

The Role of the Board Committee on Risk Management Committee are as under:

- Identifying new risks facing the company and reviews existing risks for continuity and relevance including risks relating to cyber security;
- Identifying Key Risk Owners who will be responsible for managing individual risks;
- Recommending Key Risk Indicators (KRIs) and measurement criteria;
- Recommending mitigation plans as identified by individual Key Risk Owners;
- The status of each risk along with mitigation plans is presented to the Board / Committee.

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. Shib Sanker Mukherji, Mr. Vikramjit Singh Oberoi and Arjun Singh Oberoi. Mr. Shib Sanker 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 7th September 2018 and 28th March 2019.

Attendance of members of the CSR Committee during the Financial Year 2018-19 is given below:

Name of the member	Number of Meetings attended
Mr. Shib Sanker 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 out of the total number of meetings attended.

Role of CSR Committee

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

7. Nomination and Remuneration Committee

Composition, Meetings & Attendance

The Nomination and Remuneration Committee (“NRC”) comprises of four Board Members, three Non-executive Independent Directors, namely, Mr. Anil Kumar Nehru, Mr. Lakshminarayan Ganesh, Mr. Rajeev Gupta and Mr. Prithviraj Singh Oberoi, Executive Chairman.

Mr. Anil Kumar Nehru is the Chairperson of the NRC.

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

The NRC met four times during the Financial Year on 29th May 2018, 27th September 2018, 30th January 2019 and 28th March 2019.

Attendance of the members of the NRC during the Financial Year 2018-19 is given below:

Name of the Member	Number of Meetings attended
Mr. Anil Kumar Nehru, Chairperson	4
Mr. Lakshminarayan Ganesh	4
Mr. Santosh Kumar Dasgupta*	4(3)
Mr. Prithviraj Singh Oberoi	3
Mr. Rajeev Gupta	4(2)

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

* Ceased to be a member with effect from 29.3.2019

Role of the Nomination and Remuneration Committee

The Role 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) Director Appointment and Remuneration Policy;
- ii) Senior Management Personnel (excluding Executive Directors) Appointment and Remuneration Policy.

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

Performance evaluation criteria for Independent Directors is as per the approved Board Evaluation Policy of the Company

8. Remuneration of Directors

a) Remuneration to Executive Directors

(₹ Million)				
Name	Salary	Perquisites	Commission on Profits (Accrued)	Total
Mr.Prithviraj Singh Oberoi	-	2.18	30.84	33.02
Mr. Shib Sanker Mukherji	8.82	0.98	23.13	32.93
Mr. Vikramjit Singh Oberoi	11.67*	4.90	19.27	35.84
Mr. Arjun Singh Oberoi	11.63*	2.41	19.27	33.31
TOTAL	32.12	10.47	92.51	135.10

* include Retirement Benefits

b) Remuneration to Non-executive Directors

Non-executive directors are not paid any remuneration by the Company. Non-executive directors who attend Board or committee meetings are paid a sitting fee of ₹ 50,000 (Rupees fifty thousand only) for each sitting of the Board or committee thereof. During the Financial Year, the total amount paid to Non-executive directors for attending board and committee meetings amounted to ₹ 5.10 Million. No stock option was given to Directors of the Company.

c) Service Contracts of Executive Directors

Name	Tenure	Notice Period	Severance Fees
Mr. Prithviraj Singh Oberoi	27.06.2017-26.06.2022	6 months	As per Agreement
Mr. Shib Sanker Mukherji	27.06.2017-26.06.2022	6 months	As per Agreement
Mr. Vikramjit Singh Oberoi	01.07.2014-30.06.2019	6 months	As per Agreement
Mr. Arjun Singh Oberoi	01.07.2014-30.06.2019	6 months	As per Agreement

d) Severance Fees

Severance fee, if any to Executive Directors is in accordance with Section 202 of the Companies Act, 2013.

9. 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 2016	The Oberoi Grand, Kolkata	3rd August 2016	11.30 A.M	None
31st March 2017	The Oberoi Grand, Kolkata	2nd August 2017	11.30 A.M	None
31st March 2018	The Oberoi Grand, Kolkata	1st August 2018	11.30 A.M	None

(ii) Special Resolution passed through postal ballot:

During the year, five special resolutions were passed by postal ballot with the requisite majority on 16th March 2019. The details of voting pattern are as under:

a) Remuneration of Mr. Prithviraj Singh Oberoi (DIN: 0051894) as Executive Chairman in the Whole-time employment of the Company in accordance with Regulation 17(6)(e) of the Listing Regulations:

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 & %)
37,50,12,840	65,577	2,90,477	20,121	37,53,03,317 (99.98)	85,698 (00.02)

b) Remuneration of Mr. Shib Sanker Mukherji (DIN:00103770) as Executive Vice Chairman in the Whole-time employment of the Company in accordance with Regulation 17(6)(e) of the Listing Regulations:

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 & %)
37,50,12,453	66,466	2,86,729	20,808	37,52,99,182 (99.98)	87,272 (00.02)

c) Remuneration of Mr. Vikramjit Singh Oberoi (DIN: 00052014) as Managing Director & Chief Executive Officer in the Whole-time employment of the Company in accordance with Regulation 17(6)(e) of the Listing Regulations:

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 & %)
37,50,07,367	68,165	2,88,013	19,514	37,52,95,380 (99.98)	87,679 (00.02)

- d) Remuneration of Mr. Arjun Singh Oberoi (DIN: 00052106) as Managing Director-Development in the Whole-time employment of the Company in accordance with Regulation 17(6)(e) of the Listing Regulations:

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 & %)
37,50,11,369	669,73	2,87,916	19,611	37,52,99,285 (99.98)	86,584 (00.02)

- e) Re-appointment of Mr Anil Kumar Nehru (DIN: 00038849) as a Non-executive Independent Director on the Board of the Company for a second term of five (5) consecutive years with effect from 1st April 2019 up to 31st March 2024, notwithstanding that he has attained the age of 75 years:

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 & %)
37,01,10,220	49,65,359	2,79,448	28,079	37,03,89,668 (98.67)	49,93,438 (01.33)

(iii) Person who conducted the postal ballot exercise

Mr. Ajay Kumar Jain, Advocate and Principal Consultant, 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

We propose to pass special resolutions for re-appointment of Managing Directors and Non-executive Independent Directors through Postal Ballot in June/July 2019.

10. General Disclosures

a) Related Party Transactions

- (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 every quarter;
- (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 2019;

- (iii) There were no material 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) Related Party Transactions policy of the Company can be accessed on the Company's website www.eihltd.com.
- b) Capital Market non- compliances, if any**
There were no instances of non-compliance by the Company on any matter relating to the capital markets during the past three years;
- c) Vigil Mechanism/ Whistleblower Policy**
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, one (1) complaint was received which was duly investigated by the Whistle Committee and reported to the Audit Committee. Action recommended by the Whistle Committee / Audit Committee has been implemented by the management.
- d) Policies**
In accordance with the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has formulated the following policies which can be accessed on the Company's website www.eihltd.com :
- i) Policy on Material Subsidiaries;
 - ii) Policy on Distribution of dividend;
 - iii) Policy on Determination and disclosure of material events;
 - iv) Policy on Preservation and Archival of documents;
 - v) Risk Management Policy.
- e) Insider Trading**
The Company has formulated a Code of Conduct for Prevention of Insider Trading in the shares of the Company for Directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment), Regulations, 2018. The Code of Conduct for Prevention of Insider Trading, Code of fair disclosure of Unpublished Price Sensitive Information and Policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information can be accessed on the Company's website www.eihltd.com.

- f) **Independent Directors Meeting**
Independent Directors met on 28th March 2019 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.
- g) **Board Evaluation**
The Company has put in place a Board Evaluation process. A note on this is provided in the Directors' Report
- h) **Sexual Harassment at Workplace**
In accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the complaints received and resolved during the year is as under:
- | | |
|--|-----|
| Number of Complaints filed during the year | 06 |
| Number of Complaints disposed of during the year | 06 |
| Number of Complaints pending as at the end of the Financial Year | Nil |
- i) **Internal Controls**
The Company has put in place adequate Internal Control Systems and Procedures including adequate financial controls with reference to the financial statement.
- j) **Certificate from Company Secretary in Practice regarding Directors debarred under the Act etc.**
A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached and forms part of this report.
- k) **Fee to Statutory Auditors**
Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which statutory auditor is a part during the Financial Year is ₹ 34.08 million.
- l) **Committee Recommendations**
There have been no instance where the board had not accepted any recommendation of/submission by any committee which is mandatorily required, in the Financial Year 2018-19.
- m) **Non- mandatory requirements**
The Company is complying with the non- mandatory requirement of a separate post of Chairperson and Managing Director.

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 2018-19)	Newspapers	02.08.2018	31.07.2018
2	Half-yearly unaudited financial statement (second quarter 2018-19)	Newspapers	31.10.2018	30.10.2018
3	Quarterly unaudited financial statement (third quarter 2018-19)	Newspapers	31.01.2019	30.01.2019
4	Annual audited financial statements 2018-19	Newspapers	On or before 01.06.2019	On or before 30.05.2019

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

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

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

12. General Shareholder Information

- a. **The Sixty Ninth Annual General Meeting will be held at 11.30 A.M. on Wednesday, 14th August 2019 at The Oberoi Grand, Kolkata**

b. The tentative Financial calendar is as follows:

Audited Financial Statement for 2018-19	Thursday	30th May 2019
Mailing of Annual Report for 2018-19	on or before	19th July 2019
Unaudited First Quarter Financial Result 2019-20	Tuesday	13th August 2019
Sixty Ninth Annual General Meeting	Wednesday	14nd August 2019
Payment of Dividend for 2018-19	Friday	16th August 2019
Unaudited Second Quarter Financial Result 2019-20	Tuesday	5th November 2019

c. Register of shareholders

The Register of Shareholders will remain closed from 7th August 2019 to 9th August 2019, both days inclusive.

d. Payment of dividend

Dividend through ECS and warrants in respect of Dividend for the Financial Year 2018-19, if declared by the Company at the Sixty Ninth Annual General Meeting, will be paid on 16th August 2019 to those Shareholders whose name appear in the Register of members / list of beneficial owners as on 6th August 2019.

e. Listing of Shares on Stock Exchanges

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

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

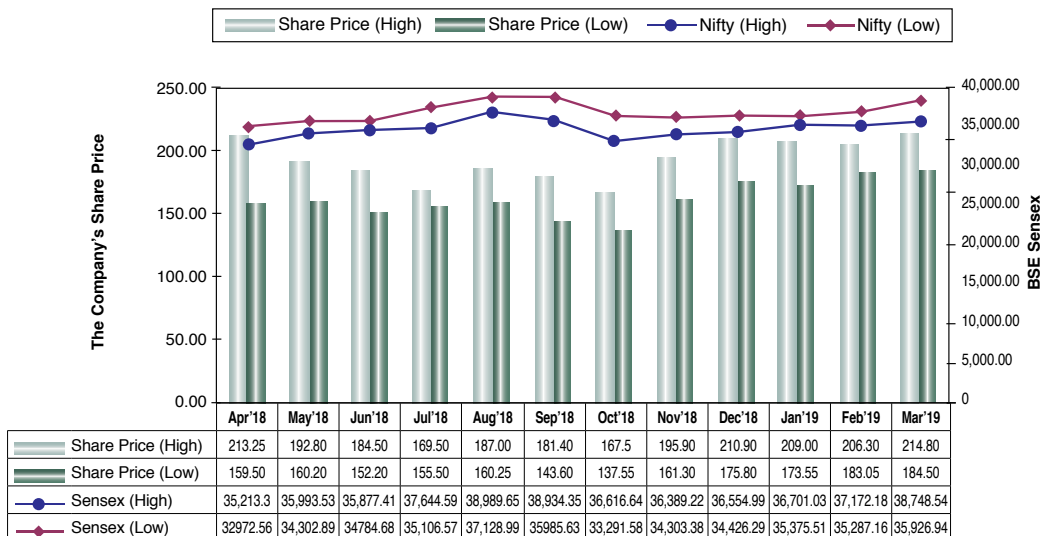
The ISIN Number of the company's shares in the dematerialised mode is INE 230A01023.

There are no arrears of listing fees to the stock exchnages.

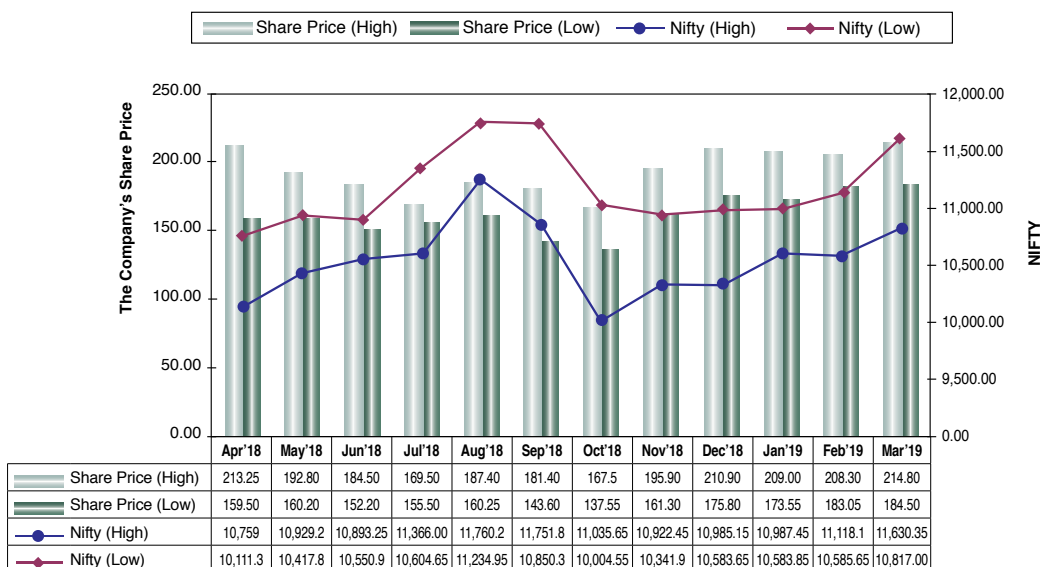
f. Market Price of the Company's share versus Sensex and Nifty (in Rupees)

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. Unclaimed Suspense Account

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 2019 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 2018	387	1,70,142	0.03
Shareholders who had approached the Company and whose shares were transferred from the suspense account during the year	9	10,329	-
Shareholders whose shares were transferred to Investor Education and Protection fund	4	1,065	-
Aggregate number of Shareholders and outstanding shares lying as on 31st March 2018	374	1,58,748	0.02

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

- h. In accordance with Section 20,101 and 136 of the Companies Act, 2013 and rules made there under, the Annual Report, Notices of the Annual General Meeting, Postal Ballot notice, circulars etc, are being sent by electronic means to those Shareholders whose e-mail addresses are made available to the Company by the Shareholders and the depository. Documents e-mailed to Shareholders are also available on the Company's website www.eihltd.com to enable Shareholders to read and download a copy, if required. Physical copies of the documents are sent to those Shareholders who have made a specific request in writing for the same. For the Financial Year 2018-19, the Company will follow the same procedure.

13. Share Transfers

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

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

DematerIALIZATION

As on 31st March 2019, 565.40 million Shares of the Company (representing 98.92% of the total shares) were held in the dematerialised form and 6.17 million Shares (representing 1.08% of the total shares) were held in the physical form. As on 31st March 2019, the total number of Shareholders were 61,491 out of which 51,204 (83.27%) were holding shares in a dematerialised form. The balance 10,287 (16.73%) shareholders continued to hold shares in the physical form. Shares of Company are listed on the two stock exchanges with nationwide terminal viz. BSE and NSE. The shares are frequently traded on these exchanges.

14. Distribution of Shareholding as on 31st March 2019

Shareholding Range	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
Upto – 1000	50,001	81.31	11,555,762	2.02
1001 – 5000	10,018	16.29	20,607,668	3.60
5001 – 10000	920	1.50	6,374,850	1.12
10001 – 50000	414	0.67	7,816,548	1.37
50001 – 100000	40	0.07	2,699,026	0.47
100001 and above	98	0.16	522,515,560	91.42
Total	61,491	100.00	571,569,414	100.00

15. Pattern of Shareholding as on 31st March 2019

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

Category of Shareholders	No of Shareholders	Total No. of Shares	Percentage
PUBLIC SHAREHOLDING			
INSTITUTIONS			
Mutual Funds /UTI	34	5,70,59,934	9.98
Financial Institutions /Banks	27	1,13,518	0.02
Central Government/State Government(s)	-	-	-
Venture Capital Funds	-	-	-
Insurance Companies	6	2,92,03,739	5.11
Foreign Institutional Investors	79	2,27,77,175	3.99
Foreign Venture Capital Investors	-	-	-
Qualified Foreign Investor	-	-	-
Others (specify)	-	-	-
Sub-Total B(1) :	146	10,91,54,366	19.10
NON-INSTITUTIONS			
Bodies Corporate	895	20,82,53,724	36.44
Individuals			
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	59,187	4,30,73,826	7.53
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	13	52,53,727	0.92
Qualified Foreign Investor	-	-	-
Others			
Non Resident Indians	1,095	12,71,420	0.22
Trusts	4	10,660	0.00
Directors Relatives	2	1,294	0.00
Clearing Members	134	3,89,464	0.07
Investor Education And Protection Fund	1	27,02,694	0.47
Sub-Total B(2) :	61,331	26,09,56,809	45.66
Total Public Shareholding	61,477	37,01,11,175	64.75
B = B(1)+B(2) :			
Total (A+B) :	61,491	57,15,69,414	100.00
Shares held by custodians, against which Depository Receipts have been issued			
Promoter and Promoter Group	-	-	-
Public	-	-	-
GRAND TOTAL (A+B+C) :	61,491	57,15,69,414	100.00

16. Unclaimed Dividends

All Unclaimed Dividends upto and including the Financial Year ended on 31st March 2011, 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 2019 are 2012 - ₹ 4.36 Million, 2013 - ₹ 3.71 Million, 2014- ₹ 4.78 Million, 2015- ₹ 4.96 Million, 2016 - ₹ 4.93 Million, 2017- ₹ 4.18 Million and 2018- ₹ 2.42 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, 2012 and subsequent years are requested to contact the ISD.

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

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

The Company had sent Notices by Registered Post to those Shareholders who have not claimed their Dividend for the past seven years or more to claim their Dividend. Notices were also published in the Newspapers on 7th June, 2018 requesting Shareholders to claim their Dividend failing which their Shares will be transferred to IEPF. As per IEPF Rules, the cut-off date for drawing the list of Shareholders was 9th September 2018 and Transfer of shares to IEPF was within 1 month of the cut-off date i.e by 8th October 2018.

Shareholders who have responded to the Notice have been paid the dividend amount. The Shareholders from whom no response was received, the Company had transferred their shareholding to the demat account of the IEPF between 4th October 2018 to 8th October 2018. The details of shares transferred to IEPF are as under:

No. of Shareholders	No. of shares transferred
368	140,069

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

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

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

18. Location of Hotels

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

19. Address for Correspondence

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

Correspondence from Shareholders on all matters should be addressed to:

The Investors Services Division (ISD)

EIH Limited

7, Shamnath Marg,

Delhi-110 054

Telephone No. : 91-11-2389 0505

Fax Nos. : 91-11-2389 0605

e-mail : isdho@oberoigroup.com

e-mail for invcom@oberoigroup.com

Investors Grievances

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

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

21. Compliance Certificate of the Auditors

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

For and on behalf of the Board

Gurugram
30th May 2019

VIKRAMJIT SINGH OBEROI
Managing Director & Chief Executive Officer

Declaration by the Managing Director and 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 2019.

Gurugram
30th May 2019

VIKRAMJIT SINGH 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) EIH Investments NV
- (5) EIH Management Services BV
- (6) PT Widja Putra Karya
- (7) PT Waka Oberoi Indonesia
- (8) 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 / Associate 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	

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
The Oberoi, Al Zorah, Ajman (UAE)

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.

**TO THE MEMBERS OF
EIH LIMITED**

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated September 28, 2018.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of EIH Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Place: Gurugram
Date: 30th May 2019

MANJULA BANERJI
Partner
(Membership No. 086423)

SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
EIH 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**” (“**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, 2019 (“the financial year”), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended March 31, 2019, 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 Financial Year since the Company has not raised any money from the public and hence, these regulations have not been considered for the purpose of this report.
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. However, the regulations are not applicable to the Company during the Financial Year since the Company does not have any such scheme in operation and hence, these regulations have not been considered for the purpose of this report.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time. However, the regulations are not applicable to the Company during the Financial Year since the Company has not raised any money through debt securities from the public and hence, these regulations have not been considered for the purpose of this report.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended from time to time, as the Company has obtained registration with SEBI, as Category I Registrars and Share Transfer Agents, 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 did not become applicable to the Company during the Financial Year.
 - (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 Financial Year since the Company has not bought back any of its securities and hence, these regulations have not been considered for the purpose of this report.
- VI. Other significant policies and regulations specifically applicable to the Company, including:
- a) Tourism Policy of Government of India and Classification of Hotels.
 - b) Food Safety and Standards Act, 2006 and Rules made there under.
 - c) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made there under.
 - d) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made there under.
 - e) Phonographic and Performance License.
 - f) Indian Explosives Act, 1884 and Rules made there under.
 - g) The Apprentices Act, 1961 and Rules made there under.
 - h) India Boiler Act, 1923

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

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

During the Financial Year, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned herein above.

We further report that:

1. The Board of Directors of the Company (“the Board”) is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director in terms of Companies Act, 2013 and Regulation 17 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, Mr. S K Dasgupta, Independent Director, resigned from the Board with effect from the close of business hours on March 28, 2019. We have been informed by the Company that they are taking effective steps for inducting another Independent Director within the time stipulated in the Act.
2. Adequate notice has been given to all directors to schedule the Board Meetings during the Financial Year under review; agenda and detailed notes on agenda were sent properly before the scheduled meeting; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions were carried out unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the Financial Year.
4. The Company has obtained approval of shareholders under Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, through postal ballot in respect of Remuneration to be paid to:
 - i) Mr. Prithviraj Singh Oberoi as Executive Chairman;
 - ii) Mr. Shib Sanker Mukherji as Executive Vice Chairman;
 - iii) Mr. Vikramjit Singh Oberoi as Managing Director & Chief Executive Officer;
 - iv) Mr. Arjun Singh Oberoi as Managing Director- Development; and
 - v) For re-appointment of Mr Anil Kumar Nehru as Non-executive Independent Director under Section 149, 152 read with Schedule IV and other applicable Rules and Regulations of Companies Act, 2013 and Regulation 16 ad 17(1A) and other applicable provisions under Listing Regulations.

We further report on the specific events, as under:

1. The Board in its meeting held on April 18, 2018 approved further investment of USD 10 million in ElH International Limited (a wholly owned subsidiary of the Company) for investment in La Roseraie de L'Atlas S.A, Marrakech, Morocco (Marrakech Project) through ElH Holdings Ltd.
2. The Board in its meeting held on July 31, 2018 approved sale of 25.10% shareholding of the Company in Mercury Travels Ltd. ("MTL") to Centrum Direct Ltd. ("Centrum") for a consideration of ₹ 195.78 Millions in terms of Share Purchase Agreement ("The SPA") entered into amongst Centrum, the Company, MTL and the promoters of MTL represented by Mr. Ashwini Kakkar. In terms of SPA, the entire Shareholding of USmart Education Limited held by MTL being its wholly owned subsidiary, shall be transferred to Ashwini Kakkar & Associates and ElHL in the same shareholding ratio as was held in MTL.
3. The Board in its meeting held on September 27, 2018 approved investment of ₹ 14 million in Mercury Car Rentals Private Limited.
4. The Board in its meeting held on September 27, 2018 approved issuance of Corporate Guarantee on account of its wholly owned subsidiary, ElH Flights Services Limited, Mauritius, amounting to MUR 340 million in favor of SBM Bank (Mauritius) Limited in place of old corporate guarantee of USD 19 million (as reduced to USD 9.5 million) in terms of the provisions of Section 179, 186 and other applicable provisions, if any, of the Companies Act, 2013 and subject to, the provisions of Foreign Exchange Management Act, 1999 (FEMA) and the consent / approval of Reserve Bank of India.

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 and Goods & Services Tax and other applicable taxes including Tax deducted at source. However, cases of disputed tax liabilities of substantial amount are brought up at each Board meeting and appropriate action is taken and recorded in the minutes of meetings. Such cases form part of

the Contingent Liabilities in the 'Notes to Accounts' forming an integral part of the Financial Statement for the Financial Year and brief of the same has also been disclosed in the Independent Auditors' Report.

- iv) Applicable state and central laws, including those related to the Environment, Food Safety & Standards, Apprentice and Performance License, pertaining to the operations of the Company. However, notices from the statutory authorities, whenever received, are reported as part of Board process for compliance reporting and appropriate action is taken from time to time.

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Principal Consultant & Partner
Membership Number: FCS – 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE073000

Date: 24-05-2019
Place: New Delhi

SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
ElH Limited and
Mumtaz Hotels 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 “**Mumtaz Hotels Limited**” (“the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2019 (“the financial year”), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended March 31, 2019, 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. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent applicable in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- III. Secretarial Standards issued by the Institute of Company Secretaries of India.
- IV. Other significant laws specifically applicable to the Company, including:
 - a) Tourism Policy of Government of India and Classification of Hotels.
 - b) Food Safety and Standards Act, 2006 and Rules made there under.
 - c) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made there under.
 - d) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made there under.
 - e) Phonographic and Performance License.
 - f) Indian Explosives Act, 1884 and Rules made there under.
 - g) The Apprentices Act, 1961 and Rules made there under.
 - h) India Boiler Act, 1923

During the Financial Year, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned herein above.

We further report that:

1. The Board of Directors of the Company is duly constituted, in terms of the provisions of the Act. Mr. Bharat Bhushan Goyal, Managing Director of the Company expired on April 07, 2019. As per management confirmation, the Company is taking effective steps to appoint a Managing Director within the time as stipulated in the Act.
2. In accordance with section 149(4) of the Act read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended by Companies (Appointment and Qualification of Directors) Amendment Rules, 2017, with effect from July 05, 2017, the requirement of appointment of Independent Directors for a Joint Venture Company has been dispensed with. However, Mr. Raj Kataria and Mr. Sandeep Kumar Barasia who were appointed in the year 2015 as Independent Directors for a consecutive period of five (5) years continue on the Board as Independent Directors.
3. During the Financial Year, due notice along with agenda and detailed notes on agenda was given to all directors for the meetings of the Board and its Committee(s) and in case of shorter notice, due compliance of relevant provisions of the Act and Secretarial Standards in this regard was made.
4. All the decisions are carried unanimously. None of the members of the Board have expressed dissenting views on any of the agenda items during the Financial Year.
5. The Shareholders in its Extra Ordinary General meeting held on December 19, 2018, approved the re-appointment of Mr. Bharat Bhushan Goyal as Managing Director of the Company, without payment of any remuneration, under section 196 and other applicable provisions of the Companies Act read with Schedule V of the Act, and Rules made there under.
6. The Shareholders of the Company in its Annual General meeting held on August 1, 2018 approved payment of dividend @ ₹ 7.50 per share.

We further report on the following specific events, as under:

- A. The Board of Directors of the Company in its meeting held on May 18, 2018 increased the limit to invest surplus fund of the Company in fixed deposit with banks and mutual funds from ₹ 50 crores to ₹ 100 crores.
- B. The Board of Directors of the Company in its meeting held on December 19, 2018 appointed Mr. Kallol Kundu as the Chief Financial Officer of the Company.

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, under both Central and State legislations, reliance has been placed on the quarterly Compliance Certificate and Reporting by the General Manager of Mumtaz Hotel Limited to the Company Secretary of the Company. Also, the internal auditor's team of EIH Limited ("EIHL") conducts audit of all hotels run by EIHL, along with unlisted material subsidiaries and joint venture

companies of EIHL, as part of its Compliance Management and Reporting System. Based on the aforesaid, a compliance certificate is placed before the Board meeting of EIHL by its Company Secretary. The compliance certificates shall also be placed before the Board of Directors along with the Financial Statements of the Mumtaz Hotels Limited for the Financial Year 2018-19. Based on the aforesaid internal compliance certification mechanism, 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, Goods and Services Tax and other applicable taxes including Tax Deducted at Source. The estimated liability in respect of cases of disputed tax liabilities and other legal cases have been disclosed as contingent liability in the Notes to Accounts forming an integral part of the financial statement for the year under review, and brief of the same has also been disclosed in the Independent Auditors' Report.
- iv) Applicable State and Central laws, including those related to the Environment, Food Safety & Standards and Standards of Weights and Measures, pertaining to the operations of the Company. However, notices from the statutory authorities, whenever received, are reported to the Management and appropriate action is taken from time to time.

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Principal Consultant & Partner
Membership Number: FCS - 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE073000

Date: 24-05-2019
Place: New Delhi

SECRETARIAL COMPLIANCE REPORT
for the year ended March 31, 2019

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

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

We have examined:

- a) all the documents and records made available to us and explanation provided by **EIH Limited** ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the Financial Year ended March 31, 2019 ("Review Period") in respect of compliance with the provisions of :

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued there under, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; However, the regulations are not applicable to the Company during the Financial Year since the Company has not raised any money from the public and hence, these regulations have not been considered for the purpose of this report.
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; However, the regulations are not applicable to the Company during the Financial Year since the Company has not bought back any of its securities and hence, these regulations have not been considered for the purpose of this report.
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; However, the regulations are not applicable to the Company during the Financial Year since the Company does not have any such scheme in operation and hence, these regulations have not been considered for the purpose of this report.
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; However, the regulations are not applicable to the Company during the Financial Year since the Company has not raised any money through debt securities from the public and hence, these regulations have not been considered for the purpose of this report.
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; However, the regulations are not applicable to the Company during the Financial Year since the Company has not raised any money through issue of Non-Convertible and Redeemable Preference Shares and hence, these regulations have not been considered for the purpose of this report.
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

and circulars/ guidelines issued there under;

and based on the above examination, we hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	N.A.	N.A.	N.A.

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from our examination of those records.

- c) The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued there under:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practicing Company Secretary, if any.
	N.A.	N.A.	N.A.	N.A.

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended...	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	N.A.	N.A.	N.A.	N.A.

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Principal Consultant & Partner
Membership Number: FCS – 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE073000

Date: 24-05-2019
Place: New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of EIH Limited having CIN L55101WB1949PLC017981 and having registered office at 4, Mangoe Lane, Kolkata-700001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Prithviraj Singh Oberoi	00051894	30/03/1961
2.	Shib Sanker Mukherji	00103770	28/05/1999
3.	Vikramjit Singh Oberoi	00052014	15/12/1993
4.	Arjun Singh Oberoi	00052106	15/12/1993
5	Nita Mukesh Ambani	03115198	31/10/2011
6	Manoj Harjivandas Modi	00056207	31/10/2011
7	Anil Kumar Nehru	00038849	23/11/2002
8	Ganesh Lakshminarayan	00012583	30/01/2008
9	Sudipto Sarkar	00048279	30/10/2014
10	Rajeev Gupta	00241501	01/11/2012
11	Chhavi Rajawat	06752959	30/10/2017

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jus & Associates
Company Secretaries

Dr. Ajay Kumar Jain
Principal Consultant & Partner
Membership Number: FCS – 1551
Certificate of Practice Number: 21898
Firm Registration Number: P2010DE073000

Date: 24-05-2019
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To
The Members of EIH Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of EIH Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Carrying value of investment in a wholly owned subsidiary of the Company</p> <p>(Refer Note 1(1)(iii),7,53 to the Ind AS Standalone Financial Statements)</p> <p>The Company performed an impairment assessment and concluded that the recoverable amount exceeded the carrying amount as at March 31, 2019 and accordingly, there was no impairment loss. The recoverable amount was determined on the basis of a valuation performed by an external valuer. The recoverable amount was estimated using projected future cash flows for a period of five years approved by the Board of Directors and a long-term growth rate (estimated based on the country and passenger growth rate) was used to extrapolate cash flows beyond the five years period covered by the projections. The discount rate was based on the weighted average cost of capital comprising risk free rate based on 10 year yield of Government of Mauritius bonds and a market participant risk premium.</p> <p>The valuation, based on the key assumptions in respect of current revenue projections and the discount rate is sensitive to changes, which, if adverse, may cause the carrying amount of this subsidiary to exceed its recoverable amount. Hence this is considered as a key audit matter.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • Considered the external valuation obtained by the Company and assessed the competence and objectivity of the external valuer. • Assessed the appropriateness of the valuation model used by the external valuer to determine the recoverable amount. • Checked mathematical accuracy of the model. • Challenged the key assumptions used in determining the recoverable amount and assessed the reasonableness of the future cash flow projections, the growth rates and the discount rate. • Performed an assessment of the reasonableness of the previously prepared projections to determine management's ability to forecast adequately and understand the reason for material variances. • Considered sensitivity of reasonable possibility of changes in the key assumptions and inputs to determine the effect on the recoverable amount. • Assessed the adequacy of related disclosures in the notes to the standalone financial statements and their compliance with Ind AS.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' report including annexures to the Directors' Report, Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 43
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 40
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer Note 44
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Manjula Banerji
Partner
Membership No. 086423

Place: Gurugram
Date: May 30, 2019

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’
section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of EIH Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Manjula Banerji
Partner
Membership No. 086423

Place: Gurugram
Date: May 30, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Luxury Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Luxury Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax and Luxury Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

(₹ in million)

S. No	Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates ⁽¹⁾	Amount unpaid ⁽²⁾
1	Income Tax Act, 1961	Income Tax	Assessing Officer	2009-10 and 2011-12	-
			Appellate Authority up to Commissioner of Income Tax Appeals	2000-01, 2007-08, 2008-09, 2010-11, 2011-12, 2014-15, 2015-16	-
			Income Tax Appellate Tribunal	2012-13 and 2013-14	-
Total					-
2	Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2004 to 2006	1.05
				2008 to 2010, 2010-11, 2012 to 2014, 2013-14	19.05
				2002 to 2006, 2009 to 2012, 2012-14, 2014-16	8.83
				2012 to 2013	32.28
			Commissioner of Central Excise (Appeals)	2007 to 2011, 2012 to 2016, 2011 to 2016, 2011 to 2015, 2012 to 2016, 2012 to 2014	22.61
			The Honorable Supreme Court of India	2004 to 2006	3.86
Total					87.68

3	Sales Tax	Sales Tax and Value Added Tax	Appellate Authority upto Commissioner level	2005-06, 2008-09, 2009-10, 2010-11, 2013-14, 2013 to 2015, 2015-16, 2016-17	26.52
			Tribunal, Haryana	2011-12	0.16
			Rajasthan Tax Board	2011-12, 2012-13, 2013-14	-
			West Bengal Appellate and Revisional Board	2008-09, 2009-10, 2011-12, 2014-15, 2015-16	4.52
			Mumbai High Court	1999-00	1.23
Total					32.43
4	Customs Act, 1962	Customs Duty	Commissioner of Customs (Preventive)	2008-09	429.66
Total					429.66
5	Rajasthan Tax on Luxuries (In Hotel and Lodging Houses) Act, 1990	Luxury Tax	Rajasthan High Court	2010-11 to 2013-14	1.11
Total					1.11

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

(2) Net of ₹ 557.79 million paid under protest.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to bank. The Company has neither taken any loans or borrowings from financial institutions and government nor has issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) The Company is not a Nidhi company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Manjula Banerji
Partner
Membership No. 086423

Place: Gurugram
Date: 30th May, 2019

Balance Sheet as at March 31, 2019

	Notes	As at March 31, 2019	Rupees Million As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	4	19,314.24	20,120.68
CAPITAL WORK-IN-PROGRESS		639.00	1,340.83
INTANGIBLE ASSETS	5	73.42	87.34
INVESTMENT PROPERTY	6	1,106.88	-
FINANCIAL ASSETS			
(i) Investments	7	8,285.22	7,630.06
(ii) Other non-current financial assets	8	1,758.95	1,693.41
TAX ASSETS (NET)	9	743.46	691.24
OTHER NON-CURRENT ASSETS	10	3,139.39	3,021.57
TOTAL NON-CURRENT ASSETS		35,060.56	34,585.13
CURRENT ASSETS			
INVENTORIES	11	503.59	428.03
FINANCIAL ASSETS			
(i) Trade receivables	12	2,249.20	2,036.90
(ii) Cash and cash equivalents	13	58.28	45.80
(iii) Other bank balances	14	32.75	32.83
(iv) Other current financial assets	15	46.32	38.07
OTHER CURRENT ASSETS	16	568.85	656.75
TOTAL CURRENT ASSETS		3,458.99	3,238.38
TOTAL ASSETS		38,519.55	37,823.51
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	17	1,143.14	1,143.14
OTHER EQUITY	18	27,407.76	27,015.53
TOTAL EQUITY		28,550.90	28,158.67
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
(i) Borrowings	19	2,098.63	2,537.18
(ii) Other non-current financial liabilities	20	91.98	28.50
PROVISIONS - NON-CURRENT	21	243.95	238.01
OTHER NON-CURRENT LIABILITIES	22	14.93	4.64
DEFERRED TAX LIABILITIES - NET	23	1,599.17	1,761.48
TOTAL NON-CURRENT LIABILITIES		4,048.66	4,569.81
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
(i) Borrowings	24	2,246.64	1,399.72
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	25	0.77	2.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	26	1,957.29	1,605.12
(iii) Other current financial liabilities	27	655.49	1,190.36
PROVISIONS - CURRENT	28	161.57	210.84
OTHER CURRENT LIABILITIES	29	898.23	686.34
TOTAL CURRENT LIABILITIES		5,919.99	5,095.03
TOTAL LIABILITIES		9,968.65	9,664.84
TOTAL EQUITY AND LIABILITIES		38,519.55	37,823.51

See accompanying notes to the Financial Statements

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

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2019

For and on behalf of the Board

ANIL NEHRU
Chairman - Audit Committee
(DIN No. : 00038849)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

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

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Profit and Loss For the year ended March 31, 2019

		Rupees Million	
		Year ended March 31	
	Notes	2019	2018
I	REVENUE FROM OPERATIONS	15,432.38	13,502.79
II	OTHER INCOME	840.24	837.64
III	TOTAL INCOME	16,272.62	14,340.43
IV	EXPENSES		
	CONSUMPTION OF PROVISIONS, WINES & OTHERS	2,120.93	1,939.44
	EXCISE DUTY	-	3.85
	EMPLOYEE BENEFITS EXPENSE	4,215.84	4,043.58
	FINANCE COSTS	463.60	195.70
	DEPRECIATION AND AMORTISATION EXPENSE	1,230.08	1,089.72
	OTHER EXPENSES	5,874.47	5,329.45
	TOTAL EXPENSES	13,904.92	12,601.74
V	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	2,367.70	1,738.69
VI	EXCEPTIONAL ITEMS - PROFIT / (LOSS)	(730.66)	-
VII	PROFIT BEFORE TAX	1,637.04	1,738.69
VIII	TAX EXPENSE		
	CURRENT TAX	610.29	589.70
	DEFERRED TAX	(106.63)	26.24
IX	PROFIT FOR THE YEAR	1,133.38	1,122.75
X	OTHER COMPREHENSIVE INCOME / (LOSS)		
	Items that will not be reclassified to profit or loss		
	- Remeasurement of defined benefit obligations	(13.62)	(109.63)
	- Tax relating to these items	4.76	38.00
	OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	(8.86)	(71.63)
XI	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,124.52	1,051.12
	EARNINGS PER EQUITY SHARE (IN INR) FACE VALUE INR 2		
	(1) Basic	1.98	1.96
	(2) Diluted	1.98	1.96

See accompanying notes to the Financial Statements

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

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2019

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KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Cash Flows For the year ended March 31, 2019

	Rupees Million	
	Year ended March 31	
	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,637.04	1,738.69
Adjustments for		
Depreciation and amortisation expense	1,230.08	1,089.72
(Gain)/loss on disposal of property, plant and equipment	(0.58)	13.68
Bad Debts & advances written off	41.23	43.57
Provision for doubtful debts / advances	856.27	67.31
Provisions/Liabilities written back	(48.85)	(103.71)
(Gain)/loss on sale of investment	(116.83)	-
Provision for impairment in value of investments	-	21.76
Fair value changes on equity investments measured at fair value through profit or loss	0.83	(1.74)
Dividend income classified as investing cash flows	(291.65)	(62.64)
Interest income classified as investing cash flows	(91.55)	(215.08)
Finance costs	463.60	195.70
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(1,109.81)	(455.68)
(Increase)/Decrease in inventories	(75.56)	(14.70)
Increase/(Decrease) in trade payables	399.14	416.36
Increase/ (Decrease) in employee benefit obligations	(56.95)	(21.45)
(Increase)/ Decrease in other current /non-current financial assets	(73.88)	219.73
(Increase)/Decrease in other current /non-current assets	15.46	(464.05)
Increase/(Decrease) in other current /non-current financial liabilities	37.38	14.14
Increase/(Decrease) in other current /non-current liabilities	49.82	109.99
Cash generated from operations	2,865.19	2,591.60
Income taxes paid (net of refund)	(653.19)	(441.89)
Net cash inflow from operating activities	2,212.00	2,149.71
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1,387.49)	(2,959.13)
(Purchase)/Sale of investments	(539.15)	(0.24)
Proceeds from sale of property, plant and equipment	19.86	12.71
Changes in other bank balances	0.08	(2.73)
Dividends received	291.65	62.64
Interest received	91.63	215.20
Net cash outflow from investing activities	(1,523.42)	(2,671.55)

Statement of Cash Flows For the year ended March 31, 2019 - *Contd.*

	Rupees Million	
	Year ended March 31	
	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
Non-current borrowings	-	1,501.53
Current borrowings	846.92	700.00
Repayment of borrowings		
Non-current borrowings	(438.16)	(307.14)
Current borrowings	-	(459.97)
Interest paid	(464.71)	(364.19)
Dividends paid	(514.41)	(510.89)
Tax on dividend	(105.74)	(59.60)
Net cash inflow / (outflow) from financing activities	(676.10)	499.74
Net increase / (decrease) in cash and cash equivalents	12.48	(22.10)
Cash and cash equivalents at the beginning of the year	45.80	67.90
Cash and cash equivalents at the end of the year	58.28	45.80

Note :

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

See accompanying notes to the Financial Statements

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

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2019

For and on behalf of the Board

ANIL NEHRU
Chairman - Audit Committee
(DIN No. : 00038849)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

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

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Changes in Equity For the year ended March 31, 2019

Rupees Million

A. Equity share capital

As at April 1, 2017	1,143.14
Changes in equity share capital during the year	-
As at March 31, 2018	1,143.14
Changes in equity share capital during the year	-
As at March 31, 2019	1,143.14

B. Other equity

	Reserves and surplus					Total
	Capital Redemption Reserve	Securities Premium	Revaluation Reserve	General Reserve	Retained earnings (Surplus)	
Balance at April 1, 2017	1,024.21	12,373.41	2,086.57	7,062.56	3,991.67	26,538.42
Profit for the year	-	-	-	-	1,122.75	1,122.75
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	(71.63)	(71.63)
Total comprehensive income for the year	-	-	-	-	1,051.12	1,051.12
Allocations/Appropriations:						
Final dividend paid for the year 2016-17	-	-	-	-	(514.41)	(514.41)
Dividend distribution tax	-	-	-	-	(59.60)	(59.60)
Transferred (to)/from General Reserve	-	-	(2,086.57)	2,086.57	-	-
	-	-	(2,086.57)	2,086.57	(574.01)	(574.01)
Balance as at March 31, 2018	1,024.21	12,373.41	-	9,149.13	4,468.78	27,015.53
Balance at April 1, 2018	1,024.21	12,373.41	-	9,149.13	4,468.78	27,015.53
Profit for the year	-	-	-	-	1,133.38	1,133.38
Adjustments for new IndAS	-	-	-	-	(112.14)	(112.14)
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	(8.86)	(8.86)
Total comprehensive income for the year	-	-	-	-	1,012.38	1,012.38
Allocations/Appropriations:						
Final dividend paid for the year 2017-18	-	-	-	-	(514.41)	(514.41)
Dividend distribution tax	-	-	-	-	(105.74)	(105.74)
	-	-	-	-	(620.15)	(620.15)
Balance as at March 31, 2019	1,024.21	12,373.41	-	9,149.13	4,861.01	27,407.76

See accompanying notes to the Financial Statements

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

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2019

For and on behalf of the Board

ANIL NEHRU
Chairman - Audit Committee
(DIN No. : 00038849)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

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

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Notes to Accounts

General Information

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

1 SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of preparation

(i) Compliance with Indian Accounting Standard (Ind AS)

The standalone financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, and other accounting principles generally accepted in India, as a going concern on accrual basis.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision of an existing Accounting Standard requires a change in accounting policy hitherto in use.

(ii) Historical cost convention

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

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

(iii) Use of estimates

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

b) Revenue recognition

- (i) Effective April 1, 2018, the Company has adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied on contracts that were not completed as on April 1, 2018. Accordingly, the comparative information in the statement of profit and loss has not been restated. The impact of adoption of the standard on financial statements of the Company has been disclosed in the notes to accounts.
- (ii) Performance obligation in contract with customers are met throughout the stay of guest in the hotel or on rendering of services and sale of goods.
- (iii) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes, Goods and Service Tax and amounts collected on behalf of third parties.
- (iv) Interest income from debt instruments is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.
- (v) Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

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

Notes to Accounts — Contd.

Timing of revenue recognition from major business activities

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

c) Foreign currencies

(i) Presentation Currency

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

(ii) Transactions and balances

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment is insignificant.

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

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

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

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

d) Income tax

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

e) Deferred Tax

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

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

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

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

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

Notes to Accounts — *Contd.*

f) Segment reporting

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

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

g) Leases

As a lessee:

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

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

As a lessor:

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

h) Impairment of tangible and intangible assets

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

Impairment losses recognized in prior years are reversed when there is an indicator that the impairment losses recognized no longer exist or have decreased. Such reversals are recognized as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in previous years.

i) Cash and cash equivalents

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

j) Trade receivables

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

k) Inventories

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

Notes to Accounts — *Contd.*

1) Investments and other financial assets

(i) Classification

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

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

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

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

(ii) Measurement

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

(a) Debt instruments

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

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

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

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

(b) Equity instruments

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

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

Notes to Accounts — *Contd.*

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

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

(v) Income recognition

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

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

m) Financial Liabilities

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

n) Property, plant and equipment

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

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

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

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

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

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which ranges between 24 years and 56 years with effect from March 31, 2019 and the total useful life of the buildings are higher than those specified by Schedule II to the Companies Act; 2013. The management believes that the balance useful lives so assessed

Notes to Accounts — *Contd.*

best represent the periods over which the hotel buildings are expected to be in use. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

o) Intangible assets

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

Transition to Ind AS

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

p) Investment Property

Investment properties are properties held to earn rentals and /or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised

q) Trade and other payables

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

r) 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.

s) Provisions, contingent liabilities and contingent assets

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

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

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

t) 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.

u) Dividends

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

v) Earnings per share

(i) **Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

(ii) **Diluted earnings per share**

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

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

Notes to Accounts — *Contd.*

w) **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 and are available to the Company 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.

x) **Investment in Subsidiaries, joint ventures and associates**

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

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

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

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

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

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

Transition to Ind AS

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

y) **Rounding of amounts**

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

Notes to Accounts — *Contd.*

2 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not early adopted.

Ind AS 116, Leases:

On March 30, 2019, MCA has notified Ind AS 116, Leases which will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosures of leases for both lessors and lessees. It introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for leases. It substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual reporting periods beginning April 1, 2019. The Company proposes to use the simplified approach for transitioning to Ind AS 116 and take the cumulative adjustment to retained earnings, on the date of initial application, i.e., April 1, 2019. Accordingly, the comparatives of the year ended March 31, 2019 will not be restated. On transition, the Company will be using certain practical expedients that are available. Currently the operating lease expenses are charged to the statement of Profit and Loss.

The Company is in the process of evaluating the impact of application of the new standard on the financial statements.

Ind AS 12, Income Taxes

- a) On March 30, 2019, MCA issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

- b) On March 30, 2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax treatments, which is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company proposes to adjust the cumulative effect in equity on the date of initial application i.e., April 1, 2019 without adjusting comparatives.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of application of the new standard on the financial statements.

Ind AS 19, Employee Benefits :

On March 30, 2019, MCA has issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

This amendment requires an entity to:

- (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of application of the new standard on the financial statements.

3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

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

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

Detailed information about each of these estimates or judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the financial statements.

A Significant estimates :

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 24 years and 56 years as at March 31, 2019 and the total useful life of the buildings are higher than those specified by Schedule II to the Companies Act, 2013. The carrying amount of the hotel building is being depreciated over its residual life.

ii) Claims, Provisions and Contingent Liabilities:

The Company has ongoing litigations with various regulatory authorities and third parties with respect to tax/legal matters. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. These are subjective in nature and involves estimation uncertainty in determining the likely outcome of such tax/legal matters.

B Significant judgements:

Advance towards Equity Shares

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

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

Notes to Accounts — Contd.

4. PROPERTY, PLANT AND EQUIPMENT Rupees Million

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

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2019
	As at April 01, 2018	Additions during the year	Sales/ Adjustments during the year	Balance as at March 31, 2019	As at April 1, 2018	For the Year	Less: Sales/ Adjustments	As at March 31, 2019	
Freehold Land (including development cost)	1,607.87	-	-	1,607.87	-	-	-	-	1,607.87
Land under finance lease	641.88	-	-	641.88	14.55	4.85	-	19.40	622.48
Buildings	12,670.98	38.76	33.71	12,676.03	689.20	270.01	32.77	926.44	11,749.59
Plant & Equipment	6,000.18	202.27	96.13	6,106.32	1,696.04	633.52	86.31	2,243.25	3,863.07
Furniture & Fittings	1,199.56	36.44	3.98	1,232.02	355.23	115.72	3.50	467.45	764.57
Vehicles	530.34	76.31	71.78	534.87	143.91	85.48	66.72	162.67	372.20
Office Equipment	36.47	6.65	5.77	37.35	9.82	6.07	5.49	10.40	26.95
Vehicles under finance lease	103.07	19.44	16.54	105.97	39.33	25.94	13.84	51.43	54.54
Boats	40.24	0.59	-	40.83	8.97	1.98	-	10.95	29.88
Aircrafts	319.29	-	-	319.29	72.15	24.05	-	96.20	223.09
TOTAL	23,149.88	380.46	227.91	23,302.43	3,029.20	1,167.62	208.63	3,988.19	19,314.24

Notes to Accounts — Contd.

4 (i) Assets held as security

Refer to note 19 & 24 for disclosure of assets held as security.

(ii) Interest capitalised to qualifying assets

Refer to note 34 for disclosure of amount capitalised to qualifying assets.

(iii) Contractual obligations

Refer to note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

5. INTANGIBLE ASSETS

Rupees Million

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

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2019
	As at April 01, 2018	Additions during the year	Sales/ Adjustments during the year	Balance as at March 31, 2019	As at April 01, 2018	For the Year	Less: Sales/ Adjustments	As at March 31, 2019	
Computer Software	145.91	24.75	-	170.66	58.57	38.67	-	97.24	73.42
TOTAL	145.91	24.75	-	170.66	58.57	38.67	-	97.24	73.42

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

6. INVESTMENT PROPERTY

	Gross carrying amount				Accumulated Depreciation				Carrying Value As at March 31, 2019
	As at April 01, 2018	Additions during the year	Sales/ Adjustments during the year	Balance as at March 31, 2019	As at April 01, 2018	For the Year	Less: Sales/ Adjustments	As at March 31, 2019	
Buildings	-	989.66	-	989.66	-	14.43	-	14.43	975.23
Plant & Equipment	-	141.01	-	141.01	-	9.36	-	9.36	131.65
TOTAL	-	1,130.67	-	1,130.67	-	23.79	-	23.79	1,106.88

The assets relating to The Oberoi Corporate Tower, Gurgaon has been classified as Investment Property as per IndAS 40. The fair value of the same is INR 1,726.60 Million.

The rental income generated from Investment property is INR 88.01 Million

The expenses incurred by investment property are as follows :

- i) Directly relating to rental income - INR 73.39 Million
- ii) Not Directly relating to rental income - INR 26.22 Million

Notes to Accounts — Contd.

		Rupees Million	
		As at March 31, 2019	As at March 31, 2018
7			
NON-CURRENT INVESTMENTS			
A.	Investments in equity instruments (fully paid)		
(i)	Quoted -		
	In Associate entity (Equity investments at cost)		
	11,215,118 (2018 -11,215,118) Equity Shares of INR 10 each of EIH Associated Hotels Limited fully paid	1,010.72	1,010.72
	In Other entities (Equity investments at Fair value through profit & loss)		
	25,000 (2018 -25,000) Equity Shares of INR 10 each of Tourism Finance Corporation of India Limited fully paid	2.98	3.80
(ii)	Unquoted -		
	In Joint Venture entity (Equity investments at cost)		
	12,705,884 (2018 -12,117,652) Equity Shares of INR 10 each of Mercury Car Rentals Private Limited fully paid	348.25	308.25
	In Associate entity (Equity investments at cost)		
	NIL (2018 - 1,066,750) Equity Shares of INR 10 each of Mercury Travels Limited fully paid	-	65.10
	125,500 (2018 - Nil) Equity Shares of INR 10 each of Usmart Education Limited fully paid *	-	-
	In Subsidiary Companies (Equity investments at cost)		
	106,607,800 (2018 -96,607,800) Equity Shares of USD 1 each of EIH International Limited fully paid	5,082.76	4,401.67
	25,999,995 (2018 -25,999,995) Equity Shares of INR 10 each of Mashobra Resort Limited fully paid	260.04	260.04
	2,176,000 (2018 -2,176,000) Equity Shares of INR 10 each of Oberoi Kerala Hotels and Resorts Limited fully paid	21.76	21.76
	Less: Provision for impairment in value of Investments	(21.76)	(21.76)
		-	-
	12,390,000 (2018 -12,390,000) Equity Shares of INR 10 each of Mumtaz Hotels Limited fully paid	394.72	394.72
	69,044,006 (2018- 69,044,006) Equity Shares of Mauritian Rupees 10 each of EIH Flight Services Limited, Mauritius fully paid (note 53)	1,184.88	1,184.88
	In Other entities (Equity investments at Fair value through profit & loss)		
	41,858,400 (2018 -41,858,400) Equity Shares of INR 10 each of Golden Jubilee Hotels Private Limited fully paid	418.58	418.58
	Less: Provision for impairment in value of Investments	(418.58)	(418.58)
		-	-
	18,000 (2018 -18,000) Equity Shares of INR 10 each of Green Infra Wind Generation Limited fully paid	0.18	0.18
	4,200 (2018 - 4,200) Equity Shares of INR 10 each of ReNew Wind Energy (Karnataka) Pvt. Ltd. fully paid	0.42	0.42
	Total Investments in equity instruments	8,284.95	7,629.78
B.	Investment in Government Securities (Unquoted)		
	National Savings Certificate (lodged with Government Authorities as Security Deposit)	0.27	0.28
	Total investments in government securities	0.27	0.28
	Total non-current investments	8,285.22	7,630.06
	Aggregate carrying amount of quoted investments	1,013.70	1,014.52
	Aggregate market value of quoted investments	4,315.19	5,331.54
	Aggregate carrying amount of unquoted investments	7,711.86	7,055.88
	Aggregate amount of impairment in the value of investment	440.34	440.34

* Usmart Education Limited has become an Associate of the Company during the current year by virtue of acquisition of 25.10% shareholding at a cost of INR 251.

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
8		
OTHER NON-CURRENT FINANCIAL ASSETS		
Advances towards Equity shares in:		
Subsidiary Company		
- Mashobra Resort Limited (note 3B)	1,361.93	1,361.93
Security Deposits	397.02	331.48
Total other non-current financial assets	1,758.95	1,693.41

9		
TAX ASSETS (Net)		
Income Tax Asset (Net)		
Opening balance	686.24	802.01
Add/(Less): Tax payable for the year	(591.54)	(568.36)
Add: Taxes paid	619.62	462.38
Add/(Less): Refund / adjustment for earlier years	24.14	(9.79)
Closing balance	738.46	686.24
Wealth Tax Asset (Net)		
Opening balance	5.00	5.00
Add: Taxes paid	-	-
Closing balance	5.00	5.00
Total tax assets	743.46	691.24

10		
OTHER NON-CURRENT ASSETS		
Capital Advances	80.27	34.89
Prepaid Expenses	17.44	16.95
Other Advances recoverable considered good - unsecured	14.04	14.03
Other Advances recoverable which have significant increase in credit risk - unsecured	185.89	186.42
Less: Provision for doubtful advances	(185.89)	(186.42)
	-	-
Advances paid under protest	216.13	188.91
Services exports incentive	182.21	114.65
Prepaid rent relating to security deposit (assets)	657.06	646.99
Prepayments for lands on operating leases	1,972.24	2,005.15
Total other non-current assets	3,139.39	3,021.57

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
11		
INVENTORIES*		
Provisions, Wines & Others	260.02	193.85
Stores & Operating Supplies	243.57	234.18
Total inventories	503.59	428.03

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

The cost of inventories recognised as an expense during the year as consumption of provisions, wines & others INR 2,120.93 Million (2018: INR 1,939.44 Million).

12 **TRADE RECEIVABLES *** **Unsecured, considered good**

Receivable from related parties	152.25	174.28
Receivable from other than related parties	2,096.95	1,862.62
	2,249.20	2,036.90

Unsecured, which have significant increase in credit risk

Receivable from other than related parties	999.16	184.34
Less: Provision for doubtful debts	(999.16)	(184.34)
	-	-
Total trade receivables	2,249.20	2,036.90

* Read with note 40

13 **CASH & CASH EQUIVALENTS**

Balances with Banks		
- Current Accounts	39.13	26.35
Cash in hand	14.12	15.01
Cheques in hand	0.80	2.49
Fixed Deposits with original maturity of less than three months	4.23	1.95
Total cash and cash equivalents	58.28	45.80

14 **OTHER BANK BALANCES**

Margin Deposits	0.30	0.46
Unpaid Dividend Accounts	29.34	29.34
Fixed Deposits with original maturity of more than 3 months & having remaining maturity of less than 12 months from the Balance Sheet date	3.11	3.03
Total other bank balances	32.75	32.83

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
15		
OTHER CURRENT FINANCIAL ASSETS		
Interest accrued on deposits	2.36	2.44
Other receivables	17.45	12.31
Security deposits	26.51	23.32
Total other current financial assets	46.32	38.07
16		
OTHER CURRENT ASSETS		
Prepaid expenses	138.47	114.56
Prepayments for lands on operating leases	32.92	32.94
Prepaid rent relating to security deposits (assets)	47.02	40.21
Advances recoverable in cash or in kind or for value to be received	199.49	170.76
Services exports incentive	130.35	159.85
Balance with government authorities	20.60	138.43
Total other current assets	568.85	656.75

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
17		
EQUITY SHARE CAPITAL		
AUTHORISED		
1,500,000,000 Equity Shares of INR 2 each (2018 - 1,500,000,000)	3,000.00	3,000.00
	3,000.00	3,000.00
ISSUED, SUBSCRIBED & FULLY PAID		
571,569,414 Equity Shares of INR 2 each (2018 - 571,569,414)	1,143.14	1,143.14
	1,143.14	1,143.14

(i) Reconciliation of equity share capital

	Number of shares	Equity share capital (par value) INR
As at April 1, 2017	571,569,414	1,143.14
Change during the year	-	-
As at March 31, 2018	571,569,414	1,143.14
Change during the year	-	-
As at March 31, 2019	571,569,414	1,143.14

(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,			
	2019		2018	
	Number of Shares	% holding	Number of Shares	% holding
(1) Reliance Industrial Investments and Holdings Limited	105,907,273	18.53	105,907,273	18.53
(2) ITC Limited	85,621,473	14.98	85,621,473	14.98
(3) Oberoi Hotels Private Limited	83,646,328	14.63	83,646,328	14.63
(4) Oberoi Holdings Private Limited	33,438,993	5.85	33,438,993	5.85

	Rupees Million	
	March 31, 2019	March 31, 2018
(iv) Dividends		
Final dividend for the year ended March 31, 2018 of INR 0.90, March 31, 2017 – INR 0.90)	514.41	514.41
Dividend Distribution Tax	105.74	59.60
Dividends not recognised at the end of the reporting period		
Liability for proposed dividend*	514.41	514.41
Dividend Distribution Tax on proposed dividend	57.42	105.74

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

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
18		
OTHER EQUITY		
RESERVES AND SURPLUS		
Capital Redemption Reserve	1,024.21	1,024.21
Securities Premium	12,373.41	12,373.41
Revaluation Reserve	-	-
General Reserve	9,149.13	9,149.13
Retained Earnings	4,861.01	4,468.78
Total Other Equity	27,407.76	27,015.53
(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		
Opening Balance	12,373.41	12,373.41
Adjustment during the year	-	-
Closing Balance	12,373.41	12,373.41
(iii) REVALUATION RESERVE		
Opening Balance	-	2,086.57
Less : Transfer to general reserve	-	2,086.57
Closing Balance	-	-
(iv) GENERAL RESERVE		
Opening Balance	9,149.13	7,062.56
Add : Transfer from Revaluation Reserve	-	2,086.57
Closing Balance	9,149.13	9,149.13
(v) RETAINED EARNINGS		
Opening Balance	4,468.78	3,991.67
Add: Profit during the year as per Statement of Profit & Loss	1,133.38	1,122.75
Less : Adjustments for new IndAS (refer note 50)	112.14	-
Final dividend	514.41	514.41
Dividend distribution tax	105.74	59.60
Other comprehensive income recognised directly in retained earnings		
- Remeasurements of defined benefit obligations, net of tax	8.86	71.63
Closing Balance	4,861.01	4,468.78

Nature and purpose of Reserves

(i) Capital Redemption Reserve

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

(ii) Securities Premium

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

(iii) Revaluation Reserve

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

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
19		
NON-CURRENT BORROWINGS - at amortised cost		
Term Loans from Banks		
Secured		
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	2,035.71	2,464.29
Long Term maturities of Finance Lease Obligations:		
Secured		
Long Term maturity of Finance Lease Obligations - Vehicles	34.86	44.81
Unsecured		
Long Term maturity of Finance Lease Obligations - Land	28.06	28.08
Non-current borrowings	2,098.63	2,537.18
Current maturities of long-term debt (included in note 27)	428.57	428.57
Current maturities of finance lease obligations (included in note 27)	24.64	24.25
Total	2,551.84	2,990.00

PARTICULARS OF TERM BORROWINGS :

i) Security

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

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

ii) Terms of repayment and Interest rate :

Term loan from The Hong Kong & Shanghai Banking Corporation limited (HSBC) is repayable in 28 quarterly installments of INR 107.14 Million starting from February 2018 and ending on November 2024 and carries interest which is linked to banks MCLR, presently effective rate is 9.10%.

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

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

Notes to Accounts — *Contd.*

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
20		
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Lease Rent Equalisation	9.48	10.25
Security Deposits	82.50	18.25
Total other non-current financial liabilities	91.98	28.50
21		
PROVISIONS - NON-CURRENT		
Employee benefit obligations		
Leave Encashment - Unfunded		
Present value of obligation	243.95	238.01
Total Provisions - Non-current	243.95	238.01
22		
OTHER NON-CURRENT LIABILITIES		
Advance Rent	14.93	4.64
Total other non-current liabilities	14.93	4.64

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
23		
DEFERRED TAX LIABILITIES - NET		
Deferred Tax Liabilities on account of :		
Depreciation	2,195.13	2,031.85
Fair Valuation of Equity Investment	-	2.77
Restatement of liability at fair value	0.32	0.19
Total deferred tax liabilities (A)	2,195.45	2,034.81
Deferred Tax Assets on account of :		
Statutory expenses claimable on payment	95.10	88.11
Provision for debts, advances and investments	414.10	129.56
Fair Valuation of Security Deposit -Assets	38.76	31.33
Loyalty and Membership fee -IndAS effect	25.01	-
Lease rent equalisation	3.59	3.83
Other temporary differences	19.72	20.50
Total deferred tax assets (B)	596.28	273.33
Deferred Tax Liabilities (Net - A-B)	1,599.17	1,761.48

Movement in deferred tax liabilities

	Deprecia- tion	Restatement of liability at fair value	Fair Valuation of Equity Investment	Total
As at April 2017	1,956.70	0.21	2.61	1,959.52
Charged/(Credited):				
- to profit and loss	75.15	(0.02)	0.16	75.29
- to other comprehensive income	-	-	-	-
As at March 31, 2018	2,031.85	0.19	2.77	2,034.81
Charged/(Credited):				
- to profit and loss	163.28	0.13	(2.77)	160.64
- to other comprehensive income	-	-	-	-
As at March 31, 2019	2,195.13	0.32	-	2,195.45

Notes to Accounts — Contd.

Movement in deferred tax assets							Rupees Million	
	Statutory Expenses claimable on payment	Provision for Debts, Advances and Investments	Fair Valuation of Security Deposit-Assets	Lease Rent Equalisation	Adjustments on account of IndAS 115	Others temporary differences	Total	
As at April 2017	76.92	105.02	24.14	3.99	-	8.25	218.32	
IndAS P&L adjustment done through opening reserves								
(Charged)/Credited:								
- to profit and loss	5.23	24.54	7.19	(0.16)	-	12.25	49.05	
- to other comprehensive income	5.96	-	-	-	-	-	5.96	
As at March 31, 2018	<u>88.11</u>	<u>129.56</u>	<u>31.33</u>	<u>3.83</u>	<u>-</u>	<u>20.50</u>	<u>273.33</u>	
IndAS P&L adjustment done through opening reserves	-	-	-	-	60.23	-	60.23	
(Charged)/Credited:								
- to profit and loss	11.54	284.54	7.43	(0.24)	(35.22)	(0.78)	267.27	
- to other comprehensive income	(4.55)	-	-	-	-	-	(4.55)	
As at March 31, 2019	<u>95.10</u>	<u>414.10</u>	<u>38.76</u>	<u>3.59</u>	<u>25.01</u>	<u>19.72</u>	<u>596.28</u>	

Rupees Million	
As at March 31, 2019	As at March 31, 2018

24

CURRENT BORROWINGS

SECURED – at amortised cost

Cash Credit From Banks

United Bank of India (UBI)	67.44	51.13
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	219.17	93.31
ICICI Bank Limited (ICICI)	10.89	5.28
HDFC Bank Limited (HDFC)	199.14	-

UNSECURED – at amortised cost

Short Term Loan From Banks

ICICI Bank Limited (ICICI)	750.00	500.00
Federal Bank Limited	1,000.00	750.00
	<u>2,246.64</u>	<u>1,399.72</u>

PARTICULARS OF SHORT TERM BORROWINGS :

i) Security :

Cash Credit facilities from banks are secured by way of hypothecation of all stock of inventories, book debts and other current assets of the company, both present and future, ranking pari passu. Cash credit with UBI 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 UBI is repayable on demand and carries Interest at bank's base rate + 0.80%

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

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

Cash Credit from HDFC is repayable on demand and carries Interest at 1 year MCLR +0.15%

Short term loan from ICICI for INR 500 Million is repayable on June 25, 2019 and carries Interest @ 8.40%.

Short term loan from ICICI for INR 250 Million is repayable on June 28, 2019 and carries Interest @ 8.40%.

Short term loan from Federal bank limited INR 500 Million is repayable on June 21, 2019 and carries Interest @ 8.60%.

Short term loan from Federal bank limited INR 500 Million is repayable on September 13, 2019 and carries Interest @ 7.98%.

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
25		
TRADE PAYABLES TO MICRO AND SMALL ENTERPRISES		
(i) Principal amount remaining unpaid at the end of the year	0.77	2.65
(ii) Interest due thereon remaining unpaid at the end of the year	-	-
(iii) The amount of interest paid along with the amounts of the payment beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	0.02	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	-	-
(vii) Interest remaining disallowable as deductible expenditure under the Income Tax Act, 1961	-	-
26		
TRADE PAYABLES TO OTHER THAN MICRO AND SMALL ENTERPRISES		
Trade Payables	1,892.17	1,544.46
Trade Payables to related parties	65.12	60.66
Trade Payables to other than micro and small enterprises	1,957.29	1,605.12
27		
OTHER CURRENT FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt (refer note 19)	428.57	428.57
Current Maturities of Finance Lease Obligations (refer note 19)	24.64	24.25
Interest accrued but not due on borrowings	7.99	9.09
Unclaimed Dividend	29.34	29.34
Security Deposits	30.69	56.88
Other Payables -		
Liability for capital assets	133.45	641.51
Lease rent equalisation	0.81	0.72
Total current financial liabilities	655.49	1,190.36
28		
PROVISIONS - CURRENT		
Employee benefit obligations		
Leave Encashment - Unfunded		
Present value of obligation	33.13	36.44
Gratuity - Funded		
Present value of obligation	680.25	648.43
Less: Fair value of plan assets	551.81	474.03
Net Liability	128.44	174.40
Total Provisions - current	161.57	210.84
29		
OTHER CURRENT LIABILITIES		
Advance from Customers (refer Note 51)	463.28	310.31
Statutory and other dues	249.29	316.73
Advance Rent	14.56	3.14
Deferred Revenue	171.10	56.16
Total other current liabilities	898.23	686.34

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2019	Year ended March 31, 2018
30		
REVENUE FROM OPERATIONS		
Rooms	6,287.05	5,359.71
Food and Beverages	6,504.93	5,782.87
Other Services	2,178.10	1,866.44
Sale of Printed Materials	462.30	493.77
Total revenue from operations	15,432.38	13,502.79

31 **OTHER INCOME**

Interest Income:		
Interest income from financial assets at amortised cost	29.59	28.12
Interest income on Income Tax refund	61.96	186.96
Dividend Income:		
Dividend income from Subsidiary Companies	235.08	-
Dividend income from equity investment measured at fair value through profit or loss	0.05	0.05
Dividend income from Associates and Joint venture Companies	56.52	62.59
Income on account of Services Exports Incentive	231.01	304.75
Others :		
Fair value changes on equity investments measured at fair value through profit or loss	-	1.74
Rental Income from Investment Property	88.01	-
Net foreign exchange gain	4.79	12.05
Provisions/ liabilities written back	14.10	103.71
Profit on sale of Property, Plant and Equipments	0.58	-
Miscellaneous Income	118.55	137.67
Total other income	840.24	837.64

32 **CONSUMPTION OF PROVISIONS, WINES, & OTHERS**

Opening Stock	193.85	175.94
Add: Purchases	2,187.10	1,957.35
	2,380.95	2,133.29
Less : Closing Stock	260.02	193.85
Total Consumption of provisions, wines & others	2,120.93	1,939.44

33 **EMPLOYEE BENEFITS EXPENSE**

Salaries & Wages	3,620.64	3,475.62
Contribution to Provident fund and Other Funds (refer note 41)	200.54	185.41
Staff Welfare Expenses	394.66	382.55
Total employee benefits expense	4,215.84	4,043.58

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2019	Year ended March 31, 2018
34		
FINANCE COSTS		
Interest Expense	444.33	346.22
Interest on obligations under finance leases	19.27	18.81
	<u>463.60</u>	<u>365.03</u>
<i>Less: Amount capitalised to qualifying assets</i>	-	169.33
Total finance costs	<u>463.60</u>	<u>195.70</u>
35		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	1,167.62	1,061.33
Amortisation of intangible assets	38.67	28.39
Depreciation of investment property	23.79	-
Total depreciation and amortisation expense	<u>1,230.08</u>	<u>1,089.72</u>
36		
OTHER EXPENSES		
Power & Fuel	1,076.79	956.26
Rent	442.59	395.14
Repairs :		
Buildings	213.65	183.35
Plant & Machinery	405.71	391.52
Others	46.11	35.80
Insurance	40.02	36.22
Rates & Taxes	356.47	277.20
Expenses on Apartment & Board	226.47	210.86
Royalty	139.31	120.21
Advertisement, Publicity & Other Promotional Expenses	326.71	271.69
Commission to Travel Agents & others	377.55	310.74
Passage & Travelling	322.45	308.62
Postage, Telephone, etc.	80.67	71.55
Professional Charges	319.43	207.49
Linen, Uniform Washing & Laundry Expenses	51.00	49.31
Renewals & Replacement	133.19	152.03
Musical, Banquet & Kitchen Expenses	94.50	72.31
Auditors' Remuneration (refer note 36(a))	21.93	17.23
Directors' Fees and Commission	97.62	111.27
Loss on Sale/Discard of Assets etc. (Net)	-	13.68
Bad debts & advances written off	41.23	43.57
<i>Less: Charged off against provisions</i>	<u>(34.75)</u>	<u>-</u>
	6.48	43.57
Provision for debts & advances with significant increase in credit risk	8.78	67.31
CSR Expenses (refer note 36(b))	31.32	26.45
Expenses on contracts for services	552.11	466.82
Fair value changes on equity investments measured at fair value through profit or loss	0.83	-
Provision for Impairment in Value of Investments	-	21.76
Airport levy expenses	272.41	287.42
Miscellaneous expenses	230.37	223.64
Total other expenses	<u>5,874.47</u>	<u>5,329.45</u>

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2019	Year ended March 31, 2018
36		
OTHER EXPENSES (Contd.)		
(a) Details of Auditors' remuneration		
As auditor:		
Audit fee	14.50	12.50
Tax audit fee	1.40	0.90
Reimbursement of expenses	1.13	0.31
In other capacity:		
For Limited Review of Unaudited Financial Results & Other reports to Previous Auditor	-	1.02
For Limited Review of Unaudited Financial Results	4.20	2.20
For verification of statement and other reports	0.70	0.30
Total payments to auditors	21.93	17.23
(b) Details of CSR expenditure		
SOS Children's Villages of India	24.78	23.97
Helpage India	3.50	-
Expenses for Swachh Bharat Abhiyan	3.04	2.48
Total CSR expenditure	31.32	26.45
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	27.38	24.34

37 **EXCEPTIONAL ITEMS**

Profit on sale of Investment in Mercury Travels Limited	116.83	-
Provision for Doubtful Debts	(847.49)	-
Total exceptional items	(730.66)	-

Exceptional Items include (a) a one-off provision of INR 847.49 Million against receivable from a single customer in the flight catering business, due to uncertainty over business continuity of the afore-referred customer and (b) Profit of INR 116.83 Million on sale of investment in an associate. There was no corresponding exceptional item in Financial Year 2017-18.

Notes to Accounts — Contd.

	Year ended March 31, 2019	Rupees Million Year ended March 31, 2018
38		
TAX EXPENSE		
(a) Current tax		
Tax on profits for the year	600.86	600.39
Adjustments for prior periods	9.43	(10.69)
Total current tax	610.29	589.70
(b) Deferred tax		
Decrease/(increase) in deferred tax assets	(262.72)	(55.01)
(Decrease)/increase in deferred tax liabilities	160.64	75.29
	(102.08)	20.28
<i>Add/(Less) : Recognised in other comprehensive income</i>	(4.55)	5.96
Total deferred tax expense/(benefit)	(106.63)	26.24
Total tax expense	503.66	615.94
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before income tax expense	1,637.04	1,738.69
Tax at the rate of 34.944% (2018 - 34.608%)	572.05	601.73
Tax effect of amounts which are not deductible in calculating taxable income:		
Corporate social responsibility expenditure	10.94	9.16
Interest on MSME	0.01	-
Provision for impairment in the value of equity investments	-	7.53
Expenses related to exempted income	1.40	1.38
Donations	0.09	4.21
	12.44	22.28
Adjustments related to property, plant and equipments:		
Adjustment on account of depreciable & leased assets	20.91	7.78
	20.91	7.78
Tax effect of amounts which are not taxable in calculating taxable income:		
Profit on sale of property, plant and equipment	(34.38)	-
Dividend	(52.24)	(21.68)
	(86.62)	(21.68)
Other differences		
Impact of increase in tax rate on deferred tax	-	16.99
Impact of difference in tax rate on foreign dividend	(24.83)	-
Impact of difference in tax rate and method on gains arising on fair value of Investments	0.28	(0.48)
Other differences	-	0.01
	(24.55)	16.52
Income tax expense related to prior periods	9.43	(10.69)
Income tax expense as per Income Tax	503.66	615.94

Notes to Accounts — Contd.

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FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at March 31, 2019		As at March 31, 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Investments				
- Equity instruments	3.58		4.40	
- Government securities	-	0.27	-	0.28
Advances towards equity shares	-	1,361.93	-	1,361.93
Trade receivables	-	2,249.20	-	2,036.90
Cash and cash equivalents	-	58.28	-	45.80
Other bank balance	-	32.75	-	32.83
Other receivables	-	19.81	-	14.75
Security deposits	-	423.53	-	354.80
Total financial assets	3.58	4,145.77	4.40	3,847.29
Financial liabilities				
Borrowings	-	4,710.92	-	4,292.58
Security deposits	-	113.19	-	75.13
Finance lease obligations	-	87.56	-	97.14
Lease rent equalisation	-	10.29	-	10.97
Trade payables	-	1,958.06	-	1,607.77
Liability for capital assets	-	133.45	-	641.51
Others	-	37.33	-	38.43
Total financial liabilities	-	7,050.80	-	6,763.53

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

	As at March 31, 2019		As at March 31, 2018	
	Level 1	Level 3	Level 1	Level 3
Financial Investments at FVPL				
Investment in equity shares (refer note 7)				
Tourism Finance Corporation of India Limited	2.98	-	3.80	-
Green Infra Wind Generation Limited	-	0.18	-	0.18
ReNew Wind Energy (Karnataka) Pvt. Ltd.	-	0.42	-	0.42
Total financial assets	2.98	0.60	3.80	0.60

(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.

Notes to Accounts — Contd.

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FAIR VALUE MEASUREMENTS (Contd.)

(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 was existing. However, during the financial year 2015-16, due to the non-payment of bank borrowings and other obligation, petition for the winding up has been filed by the creditors and lenders of the GJHPL. Considering the financial position of the GJHPL and legal proceedings initiated by lenders, the management has fully provided for the investment in GJHPL as on March 31, 2016.

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

	Rupees Million
	Unquoted Equity Investments
As at April 1, 2017	52.42
Acquisitions	-
Disposal/ change in nature	(51.82)
As at March 31, 2018	0.60
Acquisition /Disposal	-
As at March 31, 2019	0.60

Notes to Accounts — Contd.

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FINANCIAL RISK MANAGEMENT

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

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

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

(A) Market risk

(i) Foreign currency risk

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

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

Currency	Rupees Million	
	Receivables	Payables
March 31, 2019		
EURO	1.51	2.09
US Dollar (USD)	45.56	10.29
Australian Dollar (AUD)	24.21	-
UAE Dirham (AED)	1.38	-
Great Britain Pound (GBP)	1.41	4.94
Net exposure to foreign currency risk	74.07	17.32
March 31, 2018		
EURO	1.57	1.09
US Dollar (USD)	44.48	14.74
Australian Dollar (AUD)	16.52	-
UAE Dirham (AED)	1.18	0.44
Great Britain Pound (GBP)	1.21	1.22
Net exposure to foreign currency risk	64.96	17.49

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 after tax*	
	March 31, 2019	March 31, 2018
EURO sensitivity		
INR/EURO Increases by 5% (March 31, 2018 - 5%)	(0.03)	0.02
INR/EURO Decreases by 5% (March 31, 2018 - 5%)	0.03	(0.02)
USD sensitivity		
INR/USD Increases by 5% (March 31, 2018 - 5%)	1.76	1.49
INR/USD Decreases by 5% (March 31, 2018 - 5%)	(1.76)	(1.49)
AUD sensitivity		
INR/USD Increases by 5% (March 31, 2018 - 5%)	1.21	0.83
INR/USD Decreases by 5% (March 31, 2018 - 5%)	(1.21)	(0.83)
AED sensitivity		
INR/AED Increases by 5% (March 31, 2018 - 5%)	0.07	0.04
INR/AED Decreases by 5% (March 31, 2018 - 5%)	(0.07)	(0.04)

Notes to Accounts — Contd.

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FINANCIAL RISK MANAGEMENT (Contd.)

GBP sensitivity

INR/GBP Increases by 5% (March 31, 2018 - 5%)	(0.18)	(0.00)
INR/GBP Decreases by 5% (March 31, 2018 - 5%)	0.18	0.00

*Holding all other variables constant

(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, 2019	March 31, 2018
Variable rate borrowings	3,960.92	3,042.58
Fixed rate borrowings	750.00	1,250.00
Total borrowings	4,710.92	4,292.58

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, 2019			
Bank loans, Cash Credit	8.67%	3,960.92	84%
March 31, 2018			
Bank loans, Cash Credit	8.58%	3,042.58	71%

Sensitivity

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

	Rupees Million	
	Impact on profit*	
	March 31, 2019	March 31, 2018
Interest rates – increase by 50 basis points (50 bps)	(19.80)	(15.21)
Interest rates – decrease by 50 basis points (50 bps)	19.80	15.21

*Holding all other variables constant

(iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the company in equity securities and classified in the balance sheet as at fair value through profit or loss (note 7). However, company does not have a practice of investing in market equity securities with a view to earn fair value changes gain. As per the company policies, whenever any investment is made by the company in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement.

(B) Credit risk

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

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

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

Notes to Accounts — Contd.

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FINANCIAL RISK MANAGEMENT (Contd.)

	Rupees Million
Reconciliation of loss allowance provision – Trade receivables	
Loss allowance on April 1, 2017	117.03
Changes in loss allowance	67.31
Loss allowance on March 31, 2018	184.34
Changes in loss allowance	814.82
Loss allowance on March 31, 2019	999.16

(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:

	March 31, 2019	March 31, 2018
Floating rate		
Expiring within one year (cash credit facilities)		
HSBC Cash Credit/WCTL Facility	80.82	456.69
HSBC Short term Facility	-	750.00
UBI Cash Credit Facility	732.56	748.87
ICICI Cash Credit Facility	389.11	394.72
Federal Bank Short Term Facility	1,000.00	-
HDFC Cash Credit Facility	300.86	-
	2,503.35	2,350.28

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

(ii) Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities:

	Rupees Million			
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31, 2019				
Borrowings	2,897.32	2,498.83	-	5,396.15
Obligations under finance lease	37.20	57.64	119.54	214.38
Trade payables	1,958.06	-	-	1,958.06
Security Deposits	35.35	98.76	2.81	136.92
Other financial liabilities	170.78	-	-	170.78
Lease Rent Equalisation	0.85	1.42	8.02	10.29
Total non-derivative liabilities	5,099.56	2,656.65	130.37	7,886.58
March 31, 2018				
Borrowings	2,095.21	2,278.95	813.60	5,187.76
Obligations under finance lease	38.56	71.59	122.45	232.60
Trade payables	1,607.77	-	-	1,607.77
Security Deposits	50.82	27.13	5.49	83.44
Other financial liabilities	679.94	-	-	679.94
Lease Rent Equalisation	0.72	2.02	8.23	10.97
Total non-derivative liabilities	4,473.02	2,379.69	949.77	7,802.48

Notes to Accounts — Contd.

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FINANCIAL RISK MANAGEMENT (Contd.)

(D) Capital management

Risk management

The company's objectives when managing capital are to

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

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

	Rupees Million	
	March 31, 2019	March 31, 2018
Net debt *	4,652.64	4,246.78
Total equity	28,550.90	28,158.67
Net debt to equity ratio	16%	15%

* Net debt represents borrowings less cash and cash equivalents computed as follows:

Term Loan from Bank	2,464.28	2,892.86
Cash Credit From Banks	496.64	149.72
Short Term Loan From Banks	1,750.00	1,250.00
Less: cash and cash equivalents	(58.28)	(45.80)
Net debt	4,652.64	4,246.78

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(i) Defined benefit plans

a) Gratuity

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

b) Leave Encashment

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

(ii) Defined contribution plans

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

Notes to Accounts — Contd.

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

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

	Rupees Million			
	Gratuity		Leave Encashment	
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
April 1, 2017	579.06	461.81	117.25	243.42
Current service cost	35.60	-	35.60	42.61
Interest expense/(income)	37.09	31.56	5.53	15.50
Total amount recognised in profit or loss	72.69	31.56	41.13	58.11
Remeasurements				
Loss due to experience	77.75	-	77.75	8.20
Loss due to change in financial assumptions	17.31	-	17.31	8.86
Return on plan assets (greater)/less than discount rate	-	2.49	(2.49)	-
Total amount recognised in other comprehensive income	95.06	2.49	92.57	17.06
Employer contributions	-	76.54	(76.54)	-
Benefit payments	(98.38)	(98.38)	-	(44.14)
March 31, 2018	648.43	474.02	174.41	274.45
April 1, 2018	648.43	474.02	174.41	274.45
Current service cost	40.35	-	40.35	48.23
Interest expense/(income)	46.18	37.55	8.63	18.90
Total amount recognised in profit or loss	86.53	37.55	48.98	67.13
Remeasurements				
Loss due to experience	18.55	-	18.55	(17.27)
Loss due to change in financial assumptions	8.34	-	8.34	4.24
Return on plan assets (greater)/less than discount rate	-	0.25	(0.25)	-
Total amount recognised in other comprehensive income	26.89	0.25	26.64	(13.03)
Employer contributions	-	121.60	(121.60)	-
Benefit payments	(81.62)	(81.62)	-	(51.47)
March 31, 2019	680.23	551.80	128.43	277.08

(iv) **Post-Employment benefits**

The significant actuarial assumptions were as follows:

	March 31, 2019	March 31, 2018
Discount rate	7.40%	7.60%
Salary growth rate	5.00%	5.00%
Mortality	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate
Withdrawal Rate	2.00%	2.00%

Notes to Accounts — Contd.

(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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Gratuity						
Discount rate	1%	1%	(39.72)	(39.00)	45.08	44.23
Salary growth rate	1%	1%	45.74	44.94	(40.96)	(40.27)
Leave Encashment						
Discount rate	1%	1%	(19.98)	(19.81)	23.27	23.08
Salary growth rate	1%	1%	23.61	23.45	(20.59)	(20.45)

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

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

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

	March 31, 2019		March 31, 2018	
	Unquoted	in %	Unquoted	in %
Investment funds with LIC of India *	551.80	100%	474.02	100%
Total	551.80	100%	474.02	100%

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

(vii) **Risk exposure**

The defined benefit obligations have the under mentioned risk exposures :

Interest rate risk : The defined benefit obligation 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.

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

(vii) **Defined benefit liability and employer contributions**

Expected contribution to post employment benefit plan during the year ending March 31, 2020 is INR 128.44 Million (March 31, 2019-INR 174.40 Million).

The weighted average duration of the defined benefit obligation is 7 years (2018 - 7 years) in case of Gratuity and 8 years (2018- 11 years) in case of Leave encashment.

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

	Rupees Million						
	Less than a year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	Beyond 5 years	Total
March 31, 2019							
Defined benefit obligation							
Gratuity	69.48	87.80	75.32	104.24	73.44	415.22	825.50
Leave encashment	34.34	30.63	30.96	43.69	33.04	195.18	367.84
Total	103.82	118.43	106.28	147.93	106.48	610.40	1,193.34
March 31, 2018							
Gratuity	64.15	57.87	90.24	75.63	106.43	411.19	805.51
Leave encashment	37.80	23.18	35.32	33.22	49.02	191.54	370.08
Total	101.95	81.05	125.56	108.85	155.45	602.73	1,175.59

Notes to Accounts — Contd.

RELATED PARTY TRANSACTIONS

42 (a) List of Related Parties

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

Key Management Personnel of the company and close member of Key Management Personnel of the company	Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year
Mr. P.R.S. Oberoi	Oberoi Hotels Private Limited
Mr. S.S. Mukherji	Oberoi Holdings Private Limited
Mr. Vikram Oberoi	Oberoi Investments Private Limited
Mr. Arjun Oberoi	Oberoi Buildings and Investments Private Limited
Ms. Nita M. Ambani	Oberoi Plaza Private Limited
Ms. Renu Sud Karnad (ceased to be a Director from 2nd August, 2017)	Bombay Plaza Private Limited
Ms. Chhavi Rajawat (appointed as a Director from 30th October, 2017)	Oberoi International LLP
Mr. Manoj Harjivandas Modi	Oberoi Lutyens Private Limited
Mr. Rajeev Gupta	Silhouette Beauty Parlour
Mr. S.K. Dasgupta (ceased to be a Director from 29th March, 2019)	Ceres Hospitality Private Limited
Mr. Anil K. Nehru	
Mr. Sudipto Sarkar	
Mr. L. Ganesh	Enterprises which are post employment benefit plan for the benefit of employees
Mr. Biswajit Mitra (Chief Financial Officer upto Sep 30, 2018)	EIH Employees' Gratuity Fund
Mr. Kallol Kundu (Chief Financial Officer effective Oct 1, 2018)	EIH Executive Superannuation Scheme
Mr. S.N. Sridhar	
Late Mrs. Goodie Oberoi (Wife of Mr. P.R.S. Oberoi) - upto 3rd October, 2017	
Ms. Natasha Oberoi (Daughter of Mr. P.R.S. Oberoi)	
Ms. Priyanka Mukherjee (Daughter of Mr. S.S. Mukherji)	
Subsidiaries	Associates & Joint Ventures
Mumtaz Hotels Limited	(a) Associates
Mashobra Resort Limited	EIH Associated Hotels Limited
Oberoi Kerala Hotels and Resorts Limited	Mercury Travels Limited (Upto Aug 7, 2018)
EIH International Ltd	La Roseraie De L'atlas
EIH Flight Services Limited	Usmart Education Limited (w.e.f. July 31, 2018)
EIH Holdings Ltd	(b) Joint Ventures
EIH Investments N.V.	Mercury Car Rentals Private Limited
EIH Management Services B.V.	Oberoi Mauritius Ltd
PT Widja Putra Karya	(c) Subsidiary of Associate
PT Waka Oberoi Indonesia	Usmart Education Limited (Upto July 30, 2018)
PT Astina Graha Ubud	(d) Subsidiary of Joint Venture
	Island Resort Ltd

Notes to Accounts — Contd.

42 (b) Transactions with Related Parties for the year ended March 31, 2019

NATURE OF TRANSACTIONS	Rupees Million									
	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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
PURCHASES										
Purchase of Goods & Services										
Mercury Car Rentals Private Limited	-	-	113.88	108.60	-	-	-	-	-	-
Mercury Travels Limited	-	-	15.05	63.38	-	-	-	-	-	-
Mashobra Resort Limited	1.62	1.24	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	0.92	0.44	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	11.59	9.00	-	-	-	-	-	-
Island Resort Ltd	-	-	3.09	-	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.29	0.03	-	-	-	-
Oberoi International LLP	-	-	-	-	1.50	1.78	-	-	-	-
Total	2.54	1.68	143.61	180.98	1.79	1.81	-	-	-	-
Purchase of Fixed Assets										
EIH Associated Hotels Limited	-	-	0.01	-	-	-	-	-	-	-
Total	-	-	0.01	-	-	-	-	-	-	-
EXPENSES										
Rent										
Oberoi Kerala Hotels & Resorts Limited	0.81	0.78	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	1.36	1.68	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.36	0.36	-	-	-	-
Mrs. Goodie Oberoi, W/o Mr. P.R.S. Oberoi	-	-	-	-	-	-	-	0.23	-	-
Ms. Natasha Oberoi, D/o Mr. P.R.S. Oberoi	-	-	-	-	-	-	0.41	0.18	-	-
Total	0.81	0.78	1.36	1.68	0.36	0.36	0.41	0.41	-	-
Royalty										
Oberoi Hotels Pvt Ltd	-	-	-	-	160.90	142.40	-	-	-	-
Total	-	-	-	-	160.90	142.40	-	-	-	-
Short-term employee benefits										
Mr. P.R.S. Oberoi	-	-	-	-	-	-	33.02	40.05	-	-
Mr. S.S. Mukherji	-	-	-	-	-	-	32.94	36.89	-	-
Mr. V.S. Oberoi	-	-	-	-	-	-	33.77	36.91	-	-
Mr. A.S. Oberoi	-	-	-	-	-	-	31.29	35.97	-	-
Mr. Biswajit Mitra	-	-	-	-	-	-	15.75	14.34	-	-
Mr. Kallol Kundu	-	-	-	-	-	-	10.57	-	-	-
Mr. S N Sridhar	-	-	-	-	-	-	6.88	6.59	-	-
Ms. Priyanka Mukherjee, D/o Mr. S.S. Mukherji	-	-	-	-	-	-	2.27	2.06	-	-
Total	-	-	-	-	-	-	166.49	172.81	-	-
Post-employment benefits										
Mr. V.S. Oberoi	-	-	-	-	-	-	2.07	7.79	-	-
Mr. A.S. Oberoi	-	-	-	-	-	-	2.03	6.19	-	-
Mr. Biswajit Mitra	-	-	-	-	-	-	-	1.56	-	-
Mr. Kallol Kundu	-	-	-	-	-	-	0.40	-	-	-
Ms. Priyanka Mukherjee, D/o Mr. S.S. Mukherji	-	-	-	-	-	-	0.13	0.08	-	-
Total	-	-	-	-	-	-	4.63	15.62	-	-
Directors' sitting fees										
Mrs. Nita M. Ambani	-	-	-	-	-	-	0.30	0.20	-	-
Mrs. Renu Sud Karnad	-	-	-	-	-	-	-	0.05	-	-
Mr. Manoj Harjivandas Modi	-	-	-	-	-	-	0.25	0.25	-	-
Mr. Rajeev Gupta	-	-	-	-	-	-	0.90	0.85	-	-
Mr. S.K. Dasgupta	-	-	-	-	-	-	1.35	1.35	-	-
Mr. Anil K. Nehru	-	-	-	-	-	-	0.90	0.75	-	-
Mr. Sudipto Sarkar	-	-	-	-	-	-	0.40	0.25	-	-
Mr. L. Ganesh	-	-	-	-	-	-	0.75	0.70	-	-
Ms. Chhavi Rajawat	-	-	-	-	-	-	0.25	0.15	-	-
Total	-	-	-	-	-	-	5.10	4.55	-	-
Total Key management personnel compensation	-	-	-	-	-	-	176.22	192.98	-	-
SALES										
Sale of Goods and Services										
Mercury Car Rentals Private Limited	-	-	16.03	15.14	-	-	-	-	-	-
Mercury Travels limited	-	-	4.17	10.50	-	-	-	-	-	-
Mashobra Resort Limited	37.94	34.36	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	83.33	80.51	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.11	0.43	-	-	-	-	-	-	-	-
PT Widja Putra Karya	0.38	4.55	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	347.55	331.17	-	-	-	-	-	-
Island Resort Ltd	-	-	14.75	4.39	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	12.18	9.80	-	-	-	-
Oberoi Lutyens Private Limited	-	-	-	-	-	-	0.01	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	-	-	0.82	0.82	-	-
Ceres Hospitality Private Limited	-	-	-	-	-	-	0.10	-	-	-
Oberoi International LLP	-	-	-	-	0.02	0.01	-	-	-	-
Total	121.76	119.85	382.50	361.20	12.20	9.81	0.93	0.82	-	-
Sale of Fixed Assets										
EIH Associated Hotels Limited	-	-	3.30	1.12	-	-	-	-	-	-
Total	-	-	3.30	1.12	-	-	-	-	-	-

Notes to Accounts — Contd.

NATURE OF TRANSACTIONS	Rupees Million									
	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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
INCOME										
License Agreement										
Mercury Car Rentals Private Limited	-	-	1.26	2.96	-	-	-	-	-	-
Mercury Travels Limited	-	-	1.79	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	0.49	0.46	-	-	-	-	-	-
Oberoi Holdings Pvt Ltd	-	-	-	-	1.43	1.25	-	-	-	-
Oberoi Investments Pvt Ltd	-	-	-	-	0.73	0.66	-	-	-	-
Oberoi Bldgs & Investments Pvt Ltd	-	-	-	-	1.80	1.61	-	-	-	-
Oberoi Plaza Pvt Ltd	-	-	-	-	3.26	3.43	-	-	-	-
Bombay Plaza Pvt Ltd	-	-	-	-	2.33	0.27	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	-	-	10.15	2.68	-	-
Total	-	-	3.54	3.42	9.55	7.22	10.15	2.68	-	-
Management Contract										
Mumtaz Hotels Limited	99.42	92.73	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	185.37	188.36	-	-	-	-	-	-
EIH Flight Services Ltd, Mauritius	-	18.15	-	-	-	-	-	-	-	-
Total	99.42	110.88	185.37	188.36	-	-	-	-	-	-
Dividend Received										
Mercury Car Rentals Private Limited	-	-	6.06	12.12	-	-	-	-	-	-
Mumtaz Hotels Limited	92.93	-	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	50.47	50.47	-	-	-	-	-	-
EIH International Limited	142.15	-	-	-	-	-	-	-	-	-
Total	235.08	-	56.53	62.59	-	-	-	-	-	-
PAYMENTS										
Investment in Equity Shares										
EIH International Ltd	681.10	-	-	-	-	-	-	-	-	-
Mercury Travels Limited	-	-	-	13.28	-	-	-	-	-	-
Mercury Car Rentals Private Limited	-	-	40.00	-	-	-	-	-	-	-
Usmart Education Limited *	-	-	-	-	-	-	-	-	-	-
Total	681.10	-	40.00	13.28	-	-	-	-	-	-
Refund of Collections to Related Party										
Mercury Travels Limited	-	-	0.07	6.34	-	-	-	-	-	-
Mashobra Resort Limited	0.30	0.65	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	2.35	3.42	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	4.89	19.96	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.30	0.85	-	-	-	-
Total	2.65	4.07	4.96	26.30	0.30	0.85	-	-	-	-
Expenses reimbursed to Related Party										
Mercury Travels Limited	-	-	1.71	-	-	-	-	-	-	-
Mashobra Resort Limited	1.81	0.63	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	0.23	0.67	-	-	-	-	-	-	-	-
Island Resort Ltd	-	-	-	0.06	-	-	-	-	-	-
PT Waka Oberoi Indonesia	-	0.05	-	-	-	-	-	-	-	-
PT Widja Putra Karya	-	0.19	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	7.03	4.65	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.17	3.01	-	-	-	-
Total	2.04	1.54	8.74	4.71	0.17	3.01	-	-	-	-
Security Deposit										
Oberoi Kerala Hotels & Resorts Limited	0.15	-	-	-	-	-	-	-	-	-
Total	0.15	-	-	-	-	-	-	-	-	-
RECEIPTS										
Recovery of Collections by Related Party										
Mashobra Resort Limited	0.37	1.90	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	2.03	0.76	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	4.02	13.89	-	-	-	-	-	-
Total	2.40	2.66	4.02	13.89	-	-	-	-	-	-
Expenses Reimbursed by Related Party										
Mercury Car Rentals Private Limited	-	-	1.87	-	-	-	-	-	-	-
Mercury Travels Limited	-	-	-	0.63	-	-	-	-	-	-
Mashobra Resort Limited	0.94	1.64	-	-	-	-	-	-	-	-
EIH Flight Services Ltd, Mauritius	-	0.05	-	-	-	-	-	-	-	-
Island Resort Ltd	-	0.14	-	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	-	0.02	-	-	-	-	-	-	-	-
PT Widja Putra Karya	-	0.04	-	-	-	-	-	-	-	-
Mumtaz Hotels Limited	3.79	2.62	-	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	12.10	9.97	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	1.20	1.31	-	-	-	-
Total	4.73	4.51	13.97	10.60	1.20	1.31	-	-	-	-
Contribution of Gratuity Fund										
EIH Employee's Gratuity Fund	-	-	-	-	-	-	-	-	121.60	76.54
Total	-	-	-	-	-	-	-	-	121.60	76.54
Refund of Gratuity										
EIH Employee's Gratuity Fund	-	-	-	-	-	-	-	-	81.62	98.38
Total	-	-	-	-	-	-	-	-	81.62	98.38

* Investment in Usmart Education Limited is INR 251

Notes to Accounts — Contd.

Outstanding Balances as on March 31, 2019

NATURE OF TRANSACTIONS	Rupees Million							
	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have Joint Control		Key Management Personnel/Relative of Key Management Personnel	
	2019	2018	2019	2018	2019	2018	2019	2018
PAYABLES								
For Goods & Services								
Mercury Car Rentals Private Limited	-	-	15.35	13.72	-	-	-	-
Mercury Travels Limited	-	-	-	1.26	-	-	-	-
Mashobra Resort Limited	0.98	0.26	-	-	-	-	-	-
Mumtaz Hotels Limited	0.09	0.49	-	-	-	-	-	-
Oberoi Kerala Hotels & Resorts Limited	0.02	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	5.85	2.35	-	-	-	-
PT Waka Oberoi Indonesia	-	0.04	-	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	0.41	-	-
Oberoi International LLP	-	-	-	-	0.52	-	-	-
Total	1.09	0.79	21.20	17.33	0.52	0.41	-	-
Royalty								
Oberoi Hotels Private Limited	-	-	-	-	42.31	42.13	-	-
Total	-	-	-	-	42.31	42.13	-	-
Security Deposit								
Bombay Plaza Private Limited	-	-	-	-	0.50	0.50	-	-
Total	-	-	-	-	0.50	0.50	-	-
LOANS & ADVANCES AND RECEIVABLES								
For Goods & Services								
Mercury Car Rentals Private Limited	-	-	2.94	2.56	-	-	-	-
Mercury Travels Limited	-	-	-	6.00	-	-	-	-
Mashobra Resort Limited	1.73	2.39	-	-	-	-	-	-
Mumtaz Hotels Limited	12.18	7.03	-	-	-	-	-	-
PT Waka Oberoi Indonesia	-	0.05	-	-	-	-	-	-
PT Widja Putra Karya	-	0.06	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	31.37	38.25	-	-	-	-
Island Resort Ltd	-	-	-	0.30	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	-	-	0.58	0.23	-	-
Bombay Plaza Pvt Ltd	-	-	-	-	0.08	-	-	-
EIH Flight Services Ltd, Mauritius	-	-	-	-	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	-	-	1.77	1.04
Total	13.91	9.53	34.31	47.11	0.66	0.23	1.77	1.04
Advance against Equity Shares								
EIH Flight Services Ltd, Mauritius	-	-	-	-	-	-	-	-
Mashobra Resort Limited	1,361.93	1,361.93	-	-	-	-	-	-
Total	1,361.93	1,361.93	-	-	-	-	-	-
Management Contract								
Mumtaz Hotels Limited	37.70	36.30	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	63.90	61.92	-	-	-	-
EIH Flight Services Ltd, Mauritius	-	18.15	-	-	-	-	-	-
Total	37.70	54.45	63.90	61.92	-	-	-	-
Security Deposit								
Oberoi Kerala Hotels and Resorts Limited	3.25	3.10	-	-	-	-	-	-
Total	3.25	3.10	-	-	-	-	-	-
OUTSTANDING FINANCIAL FACILITIES								
Against Corporate Guarantees								
EIH Flight Services Limited, Mauritius	755.55	627.67	-	-	-	-	-	-
Total	755.55	627.67	-	-	-	-	-	-

Notes to Accounts — Contd.

43. CONTINGENT LIABILITIES

The company had contingent liabilities at March 31, 2019 in respect of:

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

		Rupees Million	
		March 31, 2019	March 31, 2018
i.	Value Added Tax	40.38	33.92
ii.	Income-tax	291.84	402.38
iii.	Service Tax	91.64	140.91
iv.	Property Tax	216.91	185.17
v.	Entertainment Tax	-	4.27
vi.	Customs Duty	429.66	429.66
vii.	Luxury Tax	3.50	3.50
viii.	Others	6.62	8.49

The matters listed above are in the nature of statutory dues, namely, Property Tax, Value Added Tax, Income Tax, Service Tax, Customs Duty, Luxury Tax and other claims, all of which are under litigation, the outcome of which would depend on the merits of facts and law at an uncertain future date. The amounts shown in the items above represent the best possible estimates arrived at, are on the basis of currently available information. The Company engages reputed professional advisors to protect its interests, and cases that are disputed by the company are those where the management has been advised that it has strong legal positions. Hence, the outcomes of the above matters are not envisaged to have any material adverse impact on the company's financial position.

(b) **Guarantees :**

- i. Guarantees given to Banks & Financial Institutions for INR 755.55 Million (2018-INR 651.74 Million) against financial facilities availed by the subsidiary company
- ii. Counter guarantees issued to banks and remaining outstanding INR 15.66 Million (2018-INR 31.83 Million).

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

45. 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, 2019	March 31, 2018
	Property, plant and equipment	673.16	296.84

(ii) Investment commitments in subsidiary and joint venture companies - INR NIL (2018-INR 681.10 Million).

Notes to Accounts — Contd.

46. 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 100.66 Million (2018: INR 177.12 Million) related to non-cancellable operating lease. The future minimum lease payments payable by the company taken under non-cancellable operating lease, are as under:-

	Rupees Million	
	March 31, 2019	March 31, 2018
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	122.62	182.23
Later than one year but not later than five years	554.51	526.36
Later than five years	2,682.01	2,832.83
Contingent rents recognized as an expense in the Statement of Profit and Loss for the year	Nil	Nil
The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance Sheet date.	Nil	Nil

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 :-

	March 31, 2019	March 31, 2018
Minimum lease payments in relation to non-cancellable operating leases are receivable as follows:		
Within one year	213.63	89.69
Later than one year but not later than five years	379.12	141.40
Later than five years	31.83	37.32
Contingent rents recognised as an income in the Statement of Profit and Loss for the year.	Nil	Nil

(b) Finance Lease

As a lessee

The Company acquired motor vehicles and land under finance lease. Generally, tenure of finance lease of vehicles varies between 3 to 5 years.

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, 2019 in respect of these assets are as under:

	March 31, 2019	March 31, 2018
Assets taken on lease		
Total Minimum Lease Payments at the year end	214.38	232.60
Present value of Minimum Lease Payments	85.80	95.38
Not later than one year		
Minimum Lease Payments	37.20	38.56
Present value	33.18	34.51
Later than one year but not later than five years		
Minimum Lease Payments	57.64	71.59
Present value	37.39	45.63
Later than five years		
Minimum Lease Payments	119.54	122.45
Present value	15.23	15.24
Contingent rents recognised as an expense in the Statement of Profit and Loss for the year.	Nil	Nil
The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance Sheet date.	Nil	Nil

Notes to Accounts — Contd.

47. 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.

48. Earnings per Equity share

	March 31, 2019 INR	March 31, 2018 INR
(a) Basic earnings per share	1.98	1.96
(b) Diluted earnings per share	1.98	1.96
(c) Reconciliations of earnings used in calculating earnings per share		
	March 31, 2019 Rupees Million	March 31, 2018 Rupees Million
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	1,133.38	1,122.75
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	1,133.38	1,122.75

(d) Weighted average number of shares used as the denominator

	March 31, 2019 Number of shares	March 31, 2018 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

49. Reconciliation of Liabilities arising from financing activities

	As at March 31, 2019	Cash flows	Non cash changes	Rupees Million As at March 31, 2018
Non-current borrowings	2,551.84	(438.16)	-	2,990.00
Current borrowings	2,246.64	846.92	-	1,399.72
Total Liabilities from Financing Activity	4,798.48	408.76	-	4,389.72

50. The Company has adopted Ind AS 115, Revenue from contract with customers, using the cumulative catch-up transition method, applied to contracts that were not completed as of 1st April 2018. Accordingly, the prior period information has not been restated. Under the new standard, revenue is recognised upon the satisfaction of the performance obligations for the goods or services. Application of this standard resulted into reduction in opening reserves amounting to INR 112.14 Million net of tax (Gross amount-INR 172.36 Million) and impact on the current year income statement amounting to INR 34.82 Million net of tax respectively.

51. Disclosure on Contract balances :

a) Trade receivable

A trade receivable is recorded when the Company has an unconditional right to receive payment. In respect of revenue from rooms, food and beverages and other services invoice is typically issued as the related performance obligations are satisfied as described in note 1(b) and refer note 12.

b) Advance from Customers

Advance from Customers is recognised when payment is received before the related performance obligation is satisfied.

Particulars	As at March 31, 2019	As at March 31, 2018
As at the beginning of the year	310.31	288.54
Recognised as revenue during the year	292.85	261.96
As at the end of the year	463.28	310.31

c) Deferred Revenue

Deferred Revenue is recognised when invoice is raised before the related performance obligation is satisfied (Refer Note 29).

Particulars	Belvedere Membership		Loyalty program	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
(i) As at the beginning of the year	-	-	56.16	58.06
(ii) Revenue recognised during the year out of (i) above	-	-	29.38	47.35
(iii) Adjustment of revenue recognised in previous year on account of IndAS 115 (refer note 50)	84.63	-	87.73	-
(iv) Revenue recognised during the year out of (iii) above	84.63	-	40.55	-
(v) As at the end of the year	24.38	-	146.72	56.16

52. In the recent case of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir and Others, Supreme Court has ruled that special allowances paid by an establishment to its employees would fall within the expression "basic wages" under Section 2(b)(ii) read with Section 6 of the Act for computation of contribution towards Provident Fund.

As legally advised, the incremental liability has been ascertained prospectively, effective 1st March, 2019 and provided for in the books of account of the Company.

53. The Company has a non-current investment in EIH Flight Services Limited (EIHFSL), Mauritius, a wholly owned subsidiary of the company, amounting to INR 1,184.88 Million. As at March 31, 2019 EIHFSL total liabilities exceeded total assets by INR 133 Million.

The Company performed an impairment assessment and concluded that the recoverable amount exceeded the carrying amount as at March 31, 2019 and accordingly, there was no impairment loss.

The recoverable amount was determined on the basis of a valuation performed by an external valuer. The recoverable amount was estimated using discounted value of projected future cash flows for a period of five years approved by the Board of Directors and a long-term growth rate (estimated based on the country and passenger growth rate) was used to extrapolate cash flows beyond the five years period covered by the projections. The discount rate was based on the weighted average cost of capital comprising risk free rate based on 10 year yield of Government of Mauritius bonds and a market participant risk premium.

The valuation based on key assumptions in respect of current revenue projections and the discount rates, is sensitive to changes, which, if adverse, may cause the carrying amount of this subsidiary to exceed its recoverable amount."

54. The financial statements were authorised for issue by the Board of Directors on May 30, 2019.

For and on behalf of the Board

ANIL NEHRU
Chairman - Audit Committee
(DIN No. : 00038849)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

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

Place : Gurugram
Date : 30th May, 2019

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

EIH Limited
CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of EIH Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of EIH Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit/loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditors' Response
1	<p>Impairment of Goodwill relating to EIH International Limited (EIL)</p> <p>EIL, a subsidiary, is audited by other auditors. The consolidated financial statements include goodwill amounting to ₹ 3,275.54 million reported by EIH.</p> <p>We considered impairment of goodwill relating to EIL due to significance of the amount and judgement involved in the impairment testing process and communicated to component auditors to consider it for their reporting to us. The component auditor reported the following:</p> <p>In the current period we have assessed the carrying value of the intangible assets and investments held by the consolidated group.</p> <p>We note that management has performed an assessment for indicators of impairment at March 31, 2019 and it was concluded that no indicators of impairment were identified in the cash generating unit (CGU) with regards to finite life intangible assets (management contracts). Regardless, management have performed impairment testing over the management contracts.</p> <p>Management assessed the recoverable amount of management contracts using Value in Use (VIU) methodology which did not result in any impairment required with significant headroom identified.</p> <p>As Goodwill exists (indefinite life intangible) on consolidation of EIH International, management are required to test for impairment annually. Management have performed impairment testing over the carrying value of CGU Assets and Goodwill using a Value in Use model.</p> <p>It was noted that the result of this testing considered a range of assumptions (WACC, Growth rates) to form a range of valuation outcomes, none of which resulted in a scenario of impairment required.</p> <p>In addition, management assessed the carrying value of the investments held by the consolidated group against the prior period valuations performed by external valuer, with inputs updated to reflect the current year. As a result, no indicators of impairment were identified for the carrying value of CGU Assets and Goodwill.</p> <p>Refer Note 4B to the Ind AS Consolidated Financial Statements</p>	<p>Principal audit procedures performed by the component auditors (audit team):</p> <ul style="list-style-type: none"> • The audit team has assessed the reasonability of the underlying cash flow forecasts used by in performing the valuation for each intangible asset and investment and tested they agree to budgets and accurately reflect the current market conditions and business strategy. We have also ensured that historical budgeting inaccuracies have been taken into account in the forecasted cash flows. As part of this we have held discussions with the President of International Operations and Vice President of International Finance and considered market data and forecasts in assessing the reasonability of these figures. • The audit team has also assessed the appropriateness of the assumptions used in the model such as discount rates and terminal growth rates by comparing to third party sources, assessing country risk free rates and equity risk premiums and long term historical growth rates. In the previous period Management's Specialists' (Lazard) methodologies used in developing the estimate are reasonable and consistent with valuation practice given the characteristics of the asset(s) being measured. Furthermore, Management's Specialists' significant assumptions on discount rate, cash flows, and growth rates used in developing the estimate are within a reasonable range and supported by the observable market data where relevant, given the facts and circumstances present. • The audit team has tested the mathematical and clerical accuracy of the model through both direct testing of the model and re-performance of formulae to conclude that the model is accurately calculating the value in use using an appropriate methodology.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including annexures to the Directors' Report, Report on Corporate Governance but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 9 subsidiaries, whose financial statements reflect total assets of INR 7,875 million as at March 31, 2019, total revenues of INR 1,368.78 million and net cash inflows amounting to INR 233.35 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of INR 50.46 million for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of 2 associates and 1 joint ventures, whose financial statements have 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.
- (b) Eight subsidiaries, one associate and one joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, one associate and one joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally

accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, one associate and one joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 44
 - ii) The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer note 41
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India. Refer note 55

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

Place: Gurugram
Date: May 30, 2019

Manjula Banerji
Partner
Membership No. 086423

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’
section of our report of even date)**

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of EIH Limited (hereinafter referred to as “Parent”) and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

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

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

Place: Gurugram
Date: May 30, 2019

Manjula Banerji
Partner
Membership No. 086423

Balance Sheet as at March 31, 2019

	Note	As at March 31, 2019	Rupees Million As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	4A	21,700.84	22,306.45
CAPITAL WORK-IN-PROGRESS		786.11	1,475.95
GOODWILL ON CONSOLIDATION	4B	3,398.75	3,082.50
OTHER INTANGIBLE ASSETS	4A	75.58	87.89
INVESTMENT PROPERTY	4A	1,106.88	-
FINANCIAL ASSETS			
(i) Investments Accounted For Using Equity Method	6	3,440.10	2,436.03
(ii) Other Investments	5	362.02	328.27
(iii) Other non-current Financial Assets	7	407.33	1,303.00
TAX ASSETS (NET)	8	787.21	731.54
DEFERRED TAX ASSETS (NET)	9	98.57	99.65
OTHER NON-CURRENT ASSETS	10	3,675.59	3,063.48
TOTAL NON-CURRENT ASSETS		35,838.98	34,914.76
CURRENT ASSETS			
INVENTORIES	11	597.85	510.65
FINANCIAL ASSETS			
(i) Investments	12	481.99	502.23
(ii) Trade receivables	13	2,480.58	2,237.88
(iii) Cash and cash equivalents	14	984.12	672.98
(iv) Bank balances other than (iii) above	15	1,425.83	1,087.21
(v) Other current financial assets	16	66.69	54.44
OTHER CURRENT ASSETS	17	642.03	761.69
TOTAL CURRENT ASSETS		6,679.09	5,827.08
TOTAL ASSETS		42,518.07	40,741.84
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	18	1,143.14	1,143.14
OTHER EQUITY	19	28,790.80	27,684.78
EQUITY ATTRIBUTABLE TO OWNERS OF EIH LTD		29,933.94	28,827.92
NON CONTROLLING INTEREST		886.17	701.47
TOTAL EQUITY		30,820.11	29,529.39
LIABILITIES			
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
(i) Borrowings	20	2,751.23	2,932.51
(ii) Other Non Current Financial Liabilities	21	311.96	227.16
PROVISIONS - NON-CURRENT	22	251.03	311.55
OTHER NON-CURRENT LIABILITIES	23	21.54	4.71
DEFERRED TAX LIABILITIES (NET)	24	1,848.30	1,965.84
TOTAL NON-CURRENT LIABILITIES		5,184.06	5,441.77
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
(i) Borrowings	25	2,246.57	1,399.72
(ii) Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	26A	0.95	3.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	26B	2,298.18	1,922.91
(iii) Other Current Financial Liabilities	27	761.56	1,472.12
TAX LIABILITIES (NET)	28	17.22	11.71
PROVISIONS - CURRENT	29	240.97	210.88
OTHER CURRENT LIABILITIES	30	948.45	749.90
TOTAL CURRENT LIABILITIES		6,513.90	5,770.68
TOTAL LIABILITIES		11,697.96	11,212.45
TOTAL EQUITY AND LIABILITIES		42,518.07	40,741.84

See accompanying notes to the Financial Statements

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

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2019

For and on behalf of the Board

ANIL NEHRU
Chairman - Audit Committee
(DIN No. : 00038849)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

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

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2019

	Notes	Year ended March 31, 2019	Rupees Million Year ended March 31, 2018
REVENUE FROM OPERATIONS	31	18,108.20	15,988.41
OTHER INCOME	32	687.87	1,059.89
TOTAL INCOME		18,796.07	17,048.30
EXPENSES			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	33	2,444.84	2,254.24
EXCISE DUTY		-	4.03
EMPLOYEE BENEFITS EXPENSE	34	4,806.93	4,610.56
FINANCE COSTS	35	504.41	231.12
DEPRECIATION AND AMORTISATION EXPENSE	36	1,325.57	1,173.33
OTHER EXPENSES	37	6,797.25	6,130.20
TOTAL EXPENSES		15,879.00	14,403.48
PROFIT BEFORE EXCEPTIONAL ITEMS, SHARE OF NET PROFITS OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD AND TAX SHARE OF NET PROFIT OF ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD		2,917.07	2,644.82
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		3,040.03	2,813.36
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	38	(730.66)	-
PROFIT BEFORE TAX		2,309.37	2,813.36
TAX EXPENSE			
CURRENT TAX	39	862.25	817.17
DEFERRED TAX	39	(42.45)	38.13
PROFIT FOR THE YEAR		1,489.57	1,958.06
OTHER COMPREHENSIVE INCOME / (LOSS)			
A Items that may not be reclassified to profit or loss			
- Share of other comprehensive income of associate and joint ventures accounted for using the equity method		0.52	(2.40)
- Remeasurement of defined benefit obligations		(16.42)	(109.18)
- Tax relating to these items		5.01	37.80
		(10.89)	(73.78)
B Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(5.43)	(122.81)
		(5.43)	(122.81)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(16.32)	(196.59)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		1,473.25	1,761.47
Profit attributable to:			
- Owners of EIH Limited		1,315.41	1,792.02
- Non-controlling interests		174.16	166.03
Other comprehensive income attributable to:			
- Owners of EIH Limited		(13.02)	(190.60)
- Non-controlling interests		(3.30)	(5.99)
Total comprehensive income attributable to:			
- Owners of EIH Limited		1,302.39	1,601.42
- Non-controlling interests		170.86	160.04
Earnings per equity share (in INR) Face Value INR 2			
(1) Basic		2.30	3.14
(2) Diluted		2.30	3.14

See accompanying notes to the Financial Statements

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

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2019

For and on behalf of the Board

ANIL NEHRU
Chairman - Audit Committee
(DIN No. : 00038849)

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

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Consolidated Cash Flow for the year ended March 31, 2019

	Rupees Million	
	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,309.37	2,813.36
Adjustments for		
Share of Profit of Associate and Joint Venture	(122.96)	(168.54)
Depreciation and amortisation expense	1,325.57	1,173.33
Effect of Exchange Rate Difference	103.38	(155.02)
(Gain)/loss on disposal of property, plant and equipment	2.67	14.61
Bad Debts & Advances Written Off	41.30	43.57
Provision for doubtful debts / advances	856.67	67.31
Fair value changes on equity investments measured at fair value through profit or loss	0.84	(1.74)
Provisions/Liabilities written back	(49.50)	(114.19)
(Gain)/loss on sale of investment	(116.83)	-
Dividend income classified as investing cash flows	(20.01)	(14.86)
Interest income classified as investing cash flows	(200.22)	(314.31)
Finance costs	504.41	231.21
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(1,125.59)	(577.84)
(Increase)/Decrease in inventories	(84.56)	(14.20)
Increase/(Decrease) in trade payables	417.53	506.90
(Increase)/ Decrease in other current / non-current financial assets	(81.63)	246.38
(Increase)/Decrease in other current / non-current assets	15.23	(476.18)
Increase/(Decrease) in employee benefit obligations	(55.51)	(20.22)
Increase/(Decrease) in other current / non-current financial liabilities	37.59	13.62
Increase/(Decrease) in other current / non-current liabilities	37.89	123.01
Cash generated from operations	3,795.64	3,376.20
Income taxes paid (net of refund)	(883.07)	(658.59)
Net cash inflow from operating activities	2,912.57	2,717.61
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1,592.09)	(3,089.90)
Decrease/(Increase) in capital work in progress	(7.53)	-
Purchase of Investments	(897.70)	(258.25)
Sale of Investments	181.94	-
Proceeds from sale of property, plant and equipment	20.77	4.81
Changes in Other bank balances	(338.64)	(205.98)
Dividends received	56.57	63.70
Interest received	164.75	306.91
Net cash outflow from investing activities	(2,411.93)	(3,178.71)

Statement of Consolidated Cash Flow For the year ended March 31, 2019 — *Contd.*

	Rupees Million	
	Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		
Non-Current Borrowings	0.26	1,503.77
Current Borrowings	847.31	691.74
Repayment of borrowings		(1.32)
Non-Current Borrowings	(438.81)	(307.14)
Current Borrowings	(4.25)	(464.94)
Refund of given loan to related parties	633.76	-
Interest paid	(505.43)	(399.60)
Dividends paid	(584.75)	(510.89)
Tax on Dividend	(137.58)	(59.60)
Net cash inflow / (outflow) from financing activities	(189.49)	452.02
Net increase / (decrease) in cash and cash equivalents	311.15	(9.08)
Cash and cash equivalents at the beginning of the financial year	672.97	682.05
Cash and cash equivalents at end of the year	984.12	672.97

Note :

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

See accompanying notes to the Financial Statements

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

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2019

For and on behalf of the Board

ANIL NEHRU
Chairman - Audit Committee
(DIN No. : 00038849)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

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

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Statement of Changes in Equity For the year ended March 31, 2019

	Rupees Million									
	Capital Redemption Reserve	Capital Reserve	Securities premium	Reserves and surplus Revaluation Reserve	General Reserve	Retained earnings (Surplus)	Other Reserves Foreign currency translation reserve	Total other equity	Non-Controlling Interest	Total
A. Equity share capital										
As at April 1, 2017	1,024.21	25.95	12,373.41	2,086.57	7,298.26	3,765.93	89.03	26,663.36	557.83	27,221.19
Changes in equity share capital during the year	-	-	-	-	-	1,792.02	-	1,792.02	166.03	1,958.05
As at March 31, 2018	-	-	-	-	-	(73.78)	-	-	-	(73.78)
Changes in equity share capital during the year	-	-	-	-	-	-	(122.81)	(122.81)	-	(122.81)
As at March 31, 2019	-	-	-	-	-	1,718.24	(122.81)	1,595.43	166.03	1,761.46
B. Other equity										
Balance at April 1, 2017	-	-	-	-	-	(514.41)	-	(514.41)	(9.65)	(524.06)
Profit for the year	-	-	-	-	-	-	-	-	(12.74)	(12.74)
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(59.60)	-	(59.60)	-	(59.60)
Interim dividend paid for the year 2016-17	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-	-	-
Transferred (to)/ from General Reserve	-	-	-	(2,086.57)	2,086.57	-	-	-	-	-
Balance as at March 31, 2018	1,024.21	25.95	12,373.41	(2,086.57)	2,086.57	(574.01)	-	(574.01)	(22.39)	(596.40)
Balance at April 1, 2018	1,024.21	25.95	12,373.41	-	9,384.83	4,910.16	(33.78)	27,684.78	701.47	28,386.25
Adjustment of discontinuance of Mercury Travels Limited	-	-	-	-	-	0.68	-	0.68	-	0.68
Adjustment to opening balance due to change in Minority Interest	-	-	-	-	-	(82.46)	-	(82.46)	82.46	0.00
Adjustment for new IndAS	-	-	-	-	-	(112.04)	-	(112.04)	-	(112.04)
Profit for the year	-	-	-	-	-	1,315.41	-	1,315.41	174.16	1,489.57
Other comprehensive income / (loss) for the year, net of tax	-	-	-	-	-	(13.02)	-	(13.02)	(3.30)	(16.32)
Currency translation difference on foreign operations	-	-	-	-	-	-	617.59	617.59	14.52	632.11
Total comprehensive income for the year	-	-	-	-	-	1,108.57	617.59	1,726.16	267.84	1,994.00
Allocations/Appropriations:										
Final dividend paid for the year 2017-18	-	-	-	-	-	(514.41)	-	(514.41)	(70.40)	(584.81)
Deferred tax liability on proposed dividend	-	-	-	-	-	-	-	-	(12.74)	(12.74)
Dividend distribution tax	-	-	-	-	-	(105.73)	-	(105.73)	-	(105.73)
Balance as at March 31, 2019	1,024.21	25.95	12,373.41	-	9,384.83	5,398.59	583.81	28,790.80	886.17	29,676.97

See accompanying notes to the Financial Statements

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

MANJULA BANERJI
Partner

Place : Gurugram
Date : 30th May, 2019

For and on behalf of the Board

ANIL NEHRU
Chairman - Audit Committee
(DIN No. : 00038849)

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

KALLOL KUNDU
Chief Financial Officer

ARIJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

S.N. SRIDHAR
Company Secretary

Notes to Accounts

General Information

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

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

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(iii) Use of estimates

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

b) Principles of consolidation and equity accounting

(i) Subsidiaries

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

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

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. 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.

(iii) Joint arrangements

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

Notes to Accounts — Contd.

Joint ventures

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

(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 m(iii) below.

(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

- (i) Effective April 1, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied on contracts that were not completed as on April 1, 2018. Accordingly, the comparative information in the statement of profit and loss has not been restated. The impact of adoption of the standard on financial statements of the Group has been disclosed in the notes to accounts.
- (ii) Performance obligation in contract with customers are met throughout the stay of guest in the hotel or on rendering of services and sale of goods.
- (iii) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of trade allowances, rebates, value added taxes, Goods & Service Tax and amounts collected on behalf of third parties.
- (iv) Interest income from debt instruments is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.
- (v) 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.

Notes to Accounts — *Contd.*

The Group 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 Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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.

d) Foreign currencies

(i) Presentation Currency

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

(ii) Transactions and balances

Effective April 1, 2018, the Group has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment is insignificant

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

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

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

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

(iii) Group Companies

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

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

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

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

e) Income tax

Current income tax is 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.

Notes to Accounts — *Contd.*

f) Deferred Tax

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

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

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

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.

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

g) Segment reporting

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

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

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

As a lessor :

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

i) Impairment of tangible and intangible assets

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

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.

Notes to Accounts — *Contd.*

l) **Inventories**

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

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.

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

(ii) **Measurement**

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

(a) Debt instruments

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

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

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

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

(b) Equity instruments

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

(iii) **Impairment of financial assets**

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

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

Notes to Accounts — *Contd.*

(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

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) Financial Liabilities

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

o) Property, plant and equipment

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

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than land, the hotel buildings, certain buildings on leasehold land and leased vehicles and machinery is provided on 'Straight Line Method' based on useful life.

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

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

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which ranges between 24 years and 56 years with effect from March 31, 2019 and the total useful life of the buildings are higher than

Notes to Accounts — *Contd.*

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).

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) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised

q) 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.

r) 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.

s) Provisions, contingent liabilities and contingent assets

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

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

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

t) 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 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.

u) Dividends

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

v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

w) Government grants/incentives

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

x) Rounding of amounts

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

Notes to Accounts — *Contd.*

2 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not early adopted.

Ind AS 116, Leases:

On March 30, 2019, MCA has notified Ind AS 116, Leases which will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosures of leases for both lessors and lessees. It introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for leases. It substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual reporting periods beginning April 1, 2019. The Company proposes to use the simplified approach for transitioning to Ind AS 116 and take the cumulative adjustment to retained earnings, on the date of initial application, i.e., April 1, 2019. Accordingly, the comparatives of the year ended March 31, 2019 will not be restated. On transition, the Group will be using certain practical expedients that are available. Currently the operating lease expenses are charged to the statement of Profit and Loss.

The Group is in the process of evaluating the impact of application of the new standard on the financial statements.

Ind AS 12, Income Taxes

- a) On March 30, 2019, MCA issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Group does not expect any significant impact of the amendment on its financial statements.

- b) On March 30, 2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax treatments, which is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Group proposes to adjust the cumulative effect in equity on the date of initial application i.e., April 1, 2019 without adjusting comparatives.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of application of the new standard on the financial statements.

Ind AS 19, Employee Benefits :

On March 30, 2019, MCA has issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

This amendment requires an entity to:

- (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is in the process of evaluating the impact of application of the new standard on the financial statements.

Notes to Accounts — *Contd.*

3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

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

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

A. Significant estimates :

i) Useful Life of Hotel Buildings

EIH Limited, Mumtaz Hotels Limited and Mashobra Resort Limited have adopted useful life of fixed assets as stipulated by Schedule II to the Companies Act 2013 except for the hotel buildings for computing depreciation. In the case of the hotel buildings of these companies, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificates of the technical expert, the balance useful life of the hotel buildings ranges between 24 years and 56 years with effect from March 31, 2018 and the total useful life of the buildings are higher than those specified by Schedule II to the Companies Act, 2013. The carrying amount of the hotel building is being depreciated over its residual life.

ii) Recognition of Revenue (customer loyalty programs)

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

B. Judgements :

i) Advance towards Equity Shares

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

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

ii) Claims, Provisions and Contingent Liabilities:

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

Notes to Accounts — Contd.

4A
PROPERTY, PLANT AND EQUIPMENT

	Rupees Million									
	Gross Carrying Amount					Accumulated Depreciation			Carrying Value	
	As at April 1, 2017	Additions during the year	Sales/ Adjustments during the year	Translation Adjustment	Balance as at 31 March, 2018	As at April 1, 2017	For the Year	Less: Sales/ Adjustments	Translation Adjustment	As at March 31, 2018
i) PROPERTY PLANT AND EQUIPMENT										
Freehold Land (including development cost)	1,913.11	195.84	-	(0.84)	2,108.11	-	-	-	-	2,108.11
Land under finance lease	641.88	-	-	-	641.88	9.70	4.85	-	-	627.33
Buildings	11,436.21	2,846.91	0.88	29.82	14,312.06	558.80	277.74	0.27	14.36	13,461.43
Office Equipment	19.15	20.22	2.82	-	36.55	8.41	4.00	2.54	-	26.68
Plant & Machinery	4,774.06	1,728.73	147.45	21.20	6,376.54	1,431.62	602.96	122.49	11.59	1,923.68
Furniture & Fittings	570.55	704.67	17.41	(1.47)	1,256.34	263.08	128.42	14.66	4.33	381.17
Vehicles	404.47	153.23	7.66	0.18	550.22	97.64	65.31	7.46	1.23	156.72
Vehicles under operating lease	140.56	36.22	38.50	1.10	139.38	55.04	34.38	31.52	0.43	58.33
Vehicles under Finance Lease	2.78	2.24	1.51	-	3.51	1.54	1.06	1.02	-	1.58
Boats	38.62	1.61	-	-	40.23	7.05	1.93	-	-	8.98
Aircrafts	319.29	-	-	-	319.29	48.10	24.05	-	-	72.15
TOTAL	20,260.68	5,689.67	216.23	49.99	25,784.11	2,480.98	1,144.70	179.96	31.94	3,477.66
										22,306.45

Notes to Accounts — Contd.

4A
PROPERTY, PLANT AND EQUIPMENT

	Rupees Million										
	Gross Carrying Amount			Accumulated Depreciation			Carrying Value				
	As at April 1, 2018	Additions during the year	Sales/ Adjustments during the year	Translation Adjustment	Balance as at 31 March, 2019	As at April 1, 2018	For the Year	Less: Sales/ Adjustments	Translation Adjustment	As at March 31, 2019	
i) PROPERTY PLANT AND EQUIPMENT											
Freehold Land (including development cost)	2,108.11	-	-	36.26	2,144.37	-	-	-	-	-	2,144.37
Land under finance lease	641.88	-	-	-	641.88	14.55	4.85	-	-	19.40	622.48
Buildings	14,312.06	141.38	(2.00)	94.51	14,549.95	850.63	321.92	33.94	40.06	1,178.67	13,371.28
Office Equipment	36.55	6.77	5.81	0.36	37.87	9.87	6.08	5.53	0.36	10.78	27.09
Plant & Machinery	6,376.54	231.25	107.59	57.74	6,557.94	1,923.68	651.77	97.13	55.97	2,534.29	4,023.65
Furniture & Fittings	1,256.34	44.18	(14.91)	11.85	1,327.28	381.17	129.82	5.78	11.29	516.50	810.78
Vehicles	550.22	81.11	71.78	7.66	567.21	156.72	88.40	66.72	7.31	185.71	381.50
Vehicles under operating lease	139.38	-	119.11	-	20.27	58.33	3.52	47.76	-	14.09	6.18
Vehicles under Finance Lease	3.51	19.70	(102.12)	1.66	126.99	1.58	30.37	(33.47)	1.01	66.43	60.56
Boats	40.23	0.59	-	-	40.82	8.98	1.98	-	-	10.96	29.86
Aircrafts	319.29	-	-	-	319.29	72.15	24.05	-	-	96.20	223.09
TOTAL	25,784.11	524.98	185.26	210.04	26,333.87	3,477.66	1,262.76	223.39	116.00	4,633.03	21,700.84

A. Assets held as security

Refer note 20 & 25 for disclosure of assets held as security.

B. Interest capitalised to qualifying assets

Refer note 35 for disclosure of amount capitalised to qualifying assets.

C. Contractual obligations

Refer to note 44(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to Accounts — Contd.

4A PROPERTY, PLANT AND EQUIPMENT - Contd...

ii) INTANGIBLE ASSETS

	Rupees Million									
	Gross Carrying Amount			Accumulated Depreciation			Carrying Value			
	As at April 1, 2017	Additions during the year	Less: Translation Adjustment	Balance as at 31 March, 2018	For the Year	Less: Sales/ Adjustments	Translation Adjustment	As at April 1, 2017	As at March 31, 2018	As at March 31, 2019
Computer Software	119.88	27.23	-	147.11	30.59	28.63	-	59.22	-	87.89
TOTAL	119.88	27.23	-	147.11	30.59	28.63	-	59.22	-	87.89
	Gross Carrying Amount			Accumulated Depreciation			Carrying Value			
	As at April 1, 2018	Additions during the year	Less: Translation Adjustment	Balance as at 31 March, 2019	For the Year	Less: Sales/ Adjustments	Translation Adjustment	As at April 1, 2018	As at March 31, 2019	As at March 31, 2019
	As at April 1, 2018	Additions during the year	Less: Translation Adjustment	Balance as at 31 March, 2019	For the Year	Less: Sales/ Adjustments	Translation Adjustment	As at April 1, 2018	As at March 31, 2019	As at March 31, 2019
Computer Software	147.11	26.71	-	173.82	59.22	39.02	-	98.24	-	75.58
TOTAL	147.11	26.71	-	173.82	59.22	39.02	-	98.24	-	75.58

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

iii) INVESTMENT PROPERTY

	Gross Carrying Amount				Accumulated Depreciation				Carrying Value	
	As at April 1, 2018	Additions during the year	Less: Translation Adjustment	Balance as at 31 March, 2019	For the Year	Less: Sales/ Adjustments	Translation Adjustment	As at April 1, 2018	As at March 31, 2019	As at March 31, 2019
	As at April 1, 2018	Additions during the year	Less: Translation Adjustment	Balance as at 31 March, 2019	For the Year	Less: Sales/ Adjustments	Translation Adjustment	As at April 1, 2018	As at March 31, 2019	As at March 31, 2019
Buildings	-	989.66	-	989.66	14.43	-	-	14.43	-	975.23
Plant & Equipment	141.01	-	-	141.01	9.36	-	-	9.36	-	131.65
TOTAL	-	989.66	-	989.66	23.79	-	-	23.79	-	1,106.88

The assets relating to The Oberoi Corporate Tower, Gurgaon has been classified as Investment Property as per IndAS 40. The fair value of the same is INR 1,726.60 million.

The rental income generated from Investment property is INR 88.01 million

The expenses incurred by investment property are as follows :

- i) Directly relating to rental income - INR 73.39 million
- ii) Not Directly relating to rental income - INR 26.22 million

Notes to Accounts — Contd.

4B GOODWILL ON CONSOLIDATION

	As at March 31, 2019	Rupees Million As at March 31, 2018
Opening Balance	3,082.50	3,082.50
Add/(less): Foreign Exchange Translation Reserve	316.25	-
Closing Balance	3,398.75	3,082.50

In case of EIH International Ltd

Goodwill acquired through business combinations is attributed to the hotel ownership, operation and management cash-generating unit (CGU) for impairment testing.

Hotel ownership, operation and management cash-generating unit

In 2019, the recoverable amount of the hotel ownership, operation and management CGU was determined using a value-in-use calculation based on cash flow projections and financial budgets reasonably prepared by management on basis reflecting the best estimates and assumptions.

The key assumptions used in the value-in-use calculation are the forecast earnings, management fees, sales and marketing fees receivable from the CGU, the discount rate applied to the projected cash flows and the growth rate assumption on the value-in-use calculation.

A range of discount rates were considered and applied to the cash flow projections, from 10.5% to 12.5% and cash flows beyond the seven-year period were projected using a terminal growth rate ranging from 3.0% to 3.5%, which is consistent with the long-term average growth rate of the industry.

None of the scenarios tested resulted in an impairment of the carrying value of the assets of the CGU or the Group's intangible assets.

Notes to Accounts — Contd.

5 NON-CURRENT INVESTMENTS

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
A. Investments in equity instruments (fully paid)		
(i) Quoted -(measured at Fair value through profit & loss)		
25,000 (2018-25,000) Equity Shares of INR 10 each of Tourism Finance Corporation of India Limited	2.98	3.80
(ii) Unquoted (measured at Fair value through profit & loss)		
41,858,400 (2018-41,858,400) Equity Shares of INR 10 each of Golden Jubilee Hotels Private Limited	418.58	418.58
Less: Provision for impairment in the value of Investments	(418.58)	(418.58)
	-	-
18,000 (2018-18,000) Equity Shares of INR 10 each of Green Infra Wind Generation Limited	0.18	0.18
1,078,826 (2018-1,078,826) Equity Shares of Egyptian Pound 10 each of Tourism Investments Company at Sahl Hasheesh	358.17	323.59
4,200 (2018- 4,200) Equity Shares of INR 10 each of ReNew Wind Energy (Karnataka) Pvt. Ltd.	0.42	0.42
Total investments in equity instruments	361.75	327.99
B. Investment in Government Securities (Unquoted)		
National Savings Certificate (lodged with Government Authorities as Security Deposit)	0.27	0.28
Total investments in government securities	0.27	0.28
Total non-current investments	362.02	328.27
Aggregate carrying amount of quoted investments	2.98	3.80
Aggregate Market value of quoted investments	2.98	3.80
Aggregate carrying amount of unquoted investments	777.62	743.05
Aggregate amount of impairment in the value of investment	418.58	418.58

6 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	As at March 31, 2019	As at March 31, 2018
(i) Quoted -In Associate entity		
11,215,118 (2018-11,215,118) Equity Shares of INR 10 each of EIH Associated Hotels Limited	1,373.55	1,295.08
(ii) Unquoted -In Joint Venture and Associate entities		
4,867,500 (2018- 4,867,500) Equity Shares of USD 1 each of Oberoi Mauritius Ltd	331.44	328.73
9,472 (2018-2,400) Equity Shares of USD 1 each of La Roseaie De L'Atlas	1,249.82	327.84
NIL (2018 - 1,066,750) Equity Shares of INR 10 each of Merucry Travels Limited fully paid	-	64.42
125,500 (2018 - Nil) Equity Shares of INR 10 each of Usmart Education Limited fully paid*	-	-
12,705,884 (2018-12,117,652) Equity Shares of INR 10 each of Mercury Car Rentals Private Limited	485.29	419.96
Total	3,440.10	2,436.03

*Usmart Education Limited (USmart) has become an Associate of the Company during the current year by virtue of acquisition of 25.10% shareholding at a cost of INR 251. The company's share in losses of USmart is restricted to INR 251 pursuant to the requirements of Para 38 of IndAS 28 on Associates and Joint Ventures. The unrecognised share of losses of associate, both for the current year and cumulatively is INR 2.36 Million.

Notes to Accounts — Contd.

	As at March 31, 2019	Rupees Million As at March 31, 2018
7		
OTHER NON-CURRENT FINANCIAL ASSETS		
Security Deposits	403.40	334.10
Long-term bank deposits	3.93	-
Other recoverable	-	968.90
Total other non-current financial assets	407.33	1,303.00
8		
TAX ASSETS - NET		
Income Tax Asset (Net)		
Opening balance	726.54	842.30
Add/(Less): Tax payable for the year	(798.57)	(568.49)
Add: Taxes paid	829.94	462.52
Add/(Less): Refund / adjustment for earlier years	24.15	(9.79)
Less: Adjustment for prior periods	0.15	-
Closing Balance	782.21	726.54
Wealth Tax Asset (Net)		
Opening balance	5.00	5.00
Less: Tax payable for the year	-	-
Add: Taxes paid	-	-
Add: Refund for earlier year assessment receive	-	-
Closing balance	5.00	5.00
Total tax assets	787.21	731.54
9		
DEFERRED TAX ASSETS - NET		
Deferred Tax Liabilities on account of :		
Depreciation	90.06	4.25
Others	-	83.62
Total Deferred Tax Liabilities (A)	90.06	87.87
Deferred Tax Assets on account of :		
Unabsorbed Depreciation	41.47	19.13
Unabsorbed Carried Forward Loss	3.19	8.28
Accrued Expenses Deductible on Payment	1.20	1.01
Employee Benefit	14.85	12.30
MAT Credit Entitlement	127.82	146.80
Others	0.10	-
Total Deferred Tax Asset (B)	188.63	187.52
Deferred Tax Assets (Net B-A)	98.57	99.65

Notes to Accounts — *Contd.*

Movement in Deferred Tax Assets

Movement in deferred tax assets	Rupees Million							
	Unabsorbed Depreciation	Unabsorbed Carried Forward Loss	Accrued Expenses Deductible on Payment	Employee Benefit	Fair valuation of security deposit	MAT Credit Entitlement	Others	Total
As at April 2017	35.85	-	1.17	11.21	-	132.61	-	180.84
(Charged)/Credited:								
- to profit and loss	(16.72)	8.28	(0.41)	0.77	-	14.19	-	6.11
- to other comprehensive income	-	-	0.25	0.32	-	-	-	0.57
As at 31 March, 2018	19.13	8.28	1.01	12.30	-	146.80	-	187.52
(Charged)/Credited:								
- to profit and loss	22.34	(5.09)	0.05	2.26	-	(18.98)	0.10	0.68
- to other comprehensive income	-	-	0.14	0.29	-	-	-	0.43
As at 31 March, 2019	41.47	3.19	1.20	14.85	-	127.82	0.10	188.63

Movement in deferred tax liabilities

	Depreciation	Deferred Revenue	Total
As at April 2017	85.34	-	85.34
(Charged)/Credited:			
- to profit and loss	2.53	-	2.53
- to other comprehensive income	-	-	-
As at 31 March, 2018	87.87	-	87.87
(Charged)/Credited:			
- to profit and loss	2.19	-	2.19
- to other comprehensive income	-	-	-
As at 31 March, 2019	90.06	-	90.06

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
10		
OTHER NON-CURRENT ASSETS		
Capital Advances	97.01	46.77
Prepaid Expenses	54.10	44.77
Other Advances recoverable - considered doubtful	185.89	186.42
Less: Provision for doubtful advances	(185.89)	(186.42)
	-	-
Other Advances recoverable - considered good	471.16	16.69
Advances paid under protest	218.64	188.91
Services Exports Incentive	199.17	114.65
Prepaid rent relating to security deposits (assets)	663.27	646.54
Prepayments for lands on operating leases	1,972.24	2,005.15
Total other non-current assets	3,675.59	3,063.48

11		
INVENTORIES *		
Provisions, Wines & Others	298.81	231.72
Stores & Operating Supplies	299.04	278.93
Total inventories	597.85	510.65

*Inventories are valued at cost which is based on 'Cumulative Weighted Average Method' or net realisable value, whichever is lower.
The cost of inventories recognised as an expense during the year as consumption of provisions, wines & others INR 2,444.84 Million (2018: INR 2,254.24 Million)

12		
INVESTMENTS		
Investment in Mutual Funds (Quoted)		
Birla Sun Life savings Fund - Daily Dividend- Regular Plan-Reinvestment Units 2,500,168.776 (2018 - 1,615,374.497)	250.62	161.98
Reliance Liquid Fund - Treasury plan - Direct daily Dividend Option Dividend Reinvestment 124,670.735 (2018 - 75,084.172)	190.66	114.85
Reliance Liquid Fund - Treasury plan - Direct daily Dividend Option 26,618.248 (2018 - 25,360.829)	40.71	38.79
Reliance Liquid Fund - Cash plan - Direct daily Dividend Option Nil (2018 - 85,973.358)	-	95.84
Birla Sunlife Floating Rate Fund - Short Term Units Nil (2018 - 906,303.189)	-	90.77
Total Investments	481.99	502.23

13		
TRADE RECEIVABLES*		
Unsecured, considered good		
Receivable from related parties	104.18	114.27
Receivable from other than related parties	2,376.40	2,123.61
	2,480.58	2,237.88
Unsecured, which have significant increase in credit risk		
Receivable from other than related parties	999.37	184.34
Less: Provision for doubtful debts	(999.37)	(184.34)
	-	-
Total Trade Receivables	2,480.58	2,237.88

* Read with note 41

Notes to Accounts — Contd.

	As at March 31, 2019	Rupees Million As at March 31, 2018
14		
CASH & CASH EQUIVALENTS		
Balances with Banks:		
- Current Accounts	933.67	630.09
Cash in hand	16.29	18.17
Cheques in hand	1.68	3.32
Fixed Deposits with original maturity of less than three months	32.48	21.40
Total cash and cash equivalents	984.12	672.98
15		
OTHER BANK BALANCES		
Margin Deposits	0.30	0.46
Unpaid Dividend Accounts	29.34	29.34
Fixed Deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date	631.54	389.96
Earmarked Balances*	764.65	667.45
Total other bank balances	1,425.83	1,087.21
*Earmarked Balances represent the deposit maintained by Mashobra Resort Limited as per High Court Order dated 17th December, 2003.		
16		
OTHER CURRENT FINANCIAL ASSETS		
Interest Accrued on deposits	16.46	12.77
Other Receivables	17.25	12.45
Security Deposits	32.98	29.22
Total other current financial assets	66.69	54.44
17		
OTHER CURRENT ASSETS		
Balance with government authorities	24.01	148.76
Prepaid Expenses	177.47	142.83
Prepaid rent relating to security deposits (assets)	40.24	40.10
Prepayments for lands on operating leases	32.92	32.94
Other Advances	210.70	199.89
Service Exports Incentive	156.69	197.17
Total other current assets	642.03	761.69

Notes to Accounts — Contd.

18 EQUITY SHARE CAPITAL

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
AUTHORISED		
1,500,000,000 Equity Shares of INR 2 each (2018 -1,500,000,000)	3,000.00	3,000.00
	3,000.00	3,000.00
ISSUED, SUBSCRIBED & FULLY PAID UP		
571,569,414 Equity Shares of INR 2 each (2018 -571,569,414)	1,143.14	1,143.14
	1,143.14	1,143.14

(i) **Reconciliation of equity share capital**

	Number of shares	Equity share capital (par value)
As at April 1, 2017	571,569,414	1,143.14
Change during the year	-	-
As at March 31, 2018	571,569,414	1,143.14
Change during the year	-	-
As at March 31, 2019	571,569,414	1,143.14

(ii) **Rights and preferences attached to equity shares :**

The Parent 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,			
	2019		2018	
	Number of Shares	% holding	Number of Shares	% holding
(1) Reliance Industrial Investments and Holdings Limited	105,907,273	18.53	105,907,273	18.53
(2) ITC Limited	85,621,473	14.98	85,621,473	14.98
(3) Oberoi Hotels Private Limited	83,646,328	14.63	83,646,328	14.63
(4) Oberoi Holdings Private Limited	33,438,993	5.85	33,438,993	5.85

	Rupees Million	
	March 31, 2019	March 31, 2018
(iv) Dividends		
Final dividend for the year ended March 31, 2018 of INR 0.90, March 31, 2017 – INR 0.90)	514.41	514.41
Dividend Distribution Tax	105.74	59.60
Dividends not recognised at the end of the reporting period		
Liability for proposed dividend*	514.41	514.41
Dividend Distribution Tax on proposed dividend	57.42	105.74

*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.

	As at March 31, 2019	Rupees Million As at March 31, 2018
19		
OTHER EQUITY		
A. RESERVES AND SURPLUS		
Capital Redemption Reserve	1,024.21	1,024.21
Capital Reserve	25.95	25.95
Securities Premium	12,373.41	12,373.41
Revaluation Reserve	-	-
General Reserve	9,384.83	9,384.83
Retained Earnings	5,398.59	4,910.16
Total reserves and surplus	28,206.99	27,718.56
B. OTHER COMPREHENSIVE INCOME		
Foreign Currency Translation Reserve	583.81	(33.78)
	583.81	(33.78)
Total of Other Equity	28,790.80	27,684.78
	As at March 31, 2019	As at March 31, 2018
(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		
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	-	2,086.57
Less : Transfer to general reserve	-	2,086.57
Closing Balance	-	-
(v) GENERAL RESERVE		
Opening Balance	9,384.83	7,298.26
Add: Transfer from Revaluation Reserve	-	2,086.57
Closing Balance	9,384.83	9,384.83

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
(vi) RETAINED EARNINGS		
Opening Balance	4,910.16	3,765.93
Adjustment of discontinuance of Mercury Travels Limited	0.68	-
Adjustment to opening balance due to change in Non Controlling Interest	(82.46)	-
Adjustment for new IndAS	(112.04)	-
Add: Profit during the year as per Statement of Profit & Loss	1,315.41	1,792.02
Less: Transfer to General Reserve	-	-
Final dividend for the year	(514.41)	(514.41)
Interim dividend for the year	-	-
Dividend distribution tax	(105.73)	(59.60)
- Remeasurements of defined benefit obligations, net of tax	(11.41)	(71.38)
- Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(1.61)	(2.40)
Closing Balance	5,398.59	4,910.16
(vii) FOREIGN CURRENCY TRANSLATION RESERVE		
Opening Balance	(33.78)	89.03
Add/(Less): Currency Translation differences arising during the year	617.59	(122.81)
Closing Balance	583.81	(33.78)
	28,790.80	27,684.78

Nature and purpose of Reserves

(i) Capital Redemption Reserve

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

(ii) Capital Reserve

Capital reserve represents reserve created on business combination done under previous GAAP in cases where value of net assets acquired exceeded the fair value of the consideration transferred.

(iii) Securities Premium

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

(iv) Revaluation Reserve

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

(v) 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, 2019	As at March 31, 2018
20		
NON-CURRENT BORROWINGS - AT AMORTISED COST		
Term Loans from Banks		
Secured		
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	2,035.71	2,464.29
State Bank of Mauritius	642.74	383.06
Unsecured Loans		
From Government of Himachal Pradesh	5.00	5.00
Long Term maturities of Finance Lease Obligations:		
Secured		
Long Term maturity of Finance Lease Obligations- Vehicles	39.72	52.08
Unsecured		
Long Term maturity of Finance Lease Obligations- Land	28.06	28.08
Total Non-current borrowings	2,751.23	2,932.51
Current maturities of long-term debt (included in note 27)	475.15	658.41
Current maturities of finance lease obligations (included in note 27)	27.84	28.43
Total	3,254.22	3,619.35

PARTICULARS OF TERM BORROWINGS :

1) Security

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

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 The Hong Kong & Shanghai Banking Corporation Limited (HSBC) is repayable in 28 quarterly installment of INR 107.14 Million starting from February 2018 and ending on November 2024 and carries interest which is linked to bank's MCLR, presently effective rate is 9.10%.
- (b) 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.
- (c) 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.
- (d) Term Loan from State Bank of Mauritius carries interest at 1% below the SBM prime lending rate(which is currently at 5.85%) with an all-in rate of 4.85% per annum. Loan will be repayable within 6 years in 20 quarterly installments of starting from September 2019 and ending in June 2024 in amounts varying from 7,500,000 MUR to 25,750,000 MUR based on the financial year.
- (e) 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, 2019	Rupees Million As at March 31, 2018
21		
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Lease Rent Equalisation	9.48	10.25
Advances from customers	219.74	-
Security Deposits	82.74	18.38
Others liabilities	-	198.53
Total Other Non-Current Financial Liabilities	311.96	227.16
22		
PROVISIONS - NON CURRENT		
Employee Benefit Obligation		
Gratuity 42.(i) (a)	1.36	1.29
Gratuity 42.(i) (b)	5.73	4.48
Leave Obligation 42.(i) (c)	170.31	243.04
Pension Benefits 42.(i) (d)	73.63	62.74
Total employee benefit obligations	251.03	311.55
23		
OTHER NON-CURRENT LIABILITIES		
Advance Rent	21.54	4.71
Total Other Non-Current Liabilities	21.54	4.71
24		
DEFERRED TAX LIABILITIES - NET		
Deferred Tax Liabilities on account of :		
Depreciation	2,312.33	2,148.15
Outside Basis Taxation	76.12	31.84
Fair Valuation of Equity Investment	-	2.77
Fair Valuation of Security Deposit Liability	0.03	0.03
Restatement of Liability at Fair Value	0.32	0.20
Investment in Associate accounted for using the Equity method	58.45	58.45
Total deferred tax liabilities (A)	2,447.25	2,241.44
Deferred Tax Assets on account of :		
Statutory Expenses claimable on payment	96.36	89.32
Provision For Debts, Advances and Investments	414.16	129.56
Fair Valuation of Security Deposit-Assets	38.76	31.33
Loyalty and Membership fee -IndAS effect	25.01	-
Lease Rent Equalisation	3.60	3.83
Other temporary differences	21.06	21.56
Total deferred tax assets (B)	598.95	275.60
Deferred Tax Liabilities (Net - A-B)	1,848.30	1,965.84

Notes to Accounts — Contd.

Movement in Deferred Tax Assets and Liability							
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	Adjustments on account of IndAS 115	Other temporary differences	Total
As at March 31, 2017	79.58	105.02	24.14	3.99		8.25	220.98
(Charged)/Credited:							
- to profit and loss	3.84	24.54	7.19	(0.16)		13.31	48.72
- to other comprehensive income	5.90	-	-	-		-	5.90
As at March 31, 2018	89.32	129.56	31.33	3.83		21.56	275.60
IndAS P&L adjustment done through opening reserves					60.23		60.23
(Charged)/Credited:							
- to profit and loss	11.57	284.60	7.43	(0.23)	(35.22)	(0.50)	267.65
- to other comprehensive income	(4.53)	-	-	-		-	(4.53)
As at March 31, 2019	96.36	414.16	38.76	3.60	25.01	21.06	598.95

Movement in deferred tax liabilities	WDV of Depreciable Assets	Fair Valuation of Security Deposit	Restatement of liability at fair value	Fair Valuation of Equity Investment - MTL	Investment in Associates using Equity method	Outside Basis Taxation	Total
As at March 31, 2017	2,092.79	0.03	0.21	2.61	42.38		2,138.02
(Charged)/Credited:							
- to profit and loss	55.36	-	(0.01)	0.16	16.11	19.10	90.72
- to other comprehensive income	-	-	-	-	(0.04)		(0.04)
- to Non Controlling Interest						12.74	12.74
As at March 31, 2018	2,148.15	0.03	0.20	2.77	58.45	31.84	2,241.44
(Charged)/Credited:							
- to profit and loss	164.18	-	0.12	(2.77)	-	44.28	205.81
- to other comprehensive income							-
- to Retained Earnings							-
- to Non Controlling Interest							-
As at March 31, 2019	2,312.33	0.03	0.32	-	58.45	76.12	2,447.25

Notes to Accounts — Contd.

	Rupees Million	
	As at March 31, 2019	As at March 31, 2018
25		
CURRENT BORROWINGS		
SECURED - at amortised cost		
Cash Credit From Banks		
United Bank of India (UBI)	67.44	51.13
The Hong Kong & Shanghai Banking Corporation Limited (HSBC)	219.18	93.31
ICICI Bank Limited (ICICI)	10.81	5.28
HDFC Bank Limited (HDFC)	199.14	-
UNSECURED - at amortised cost		
Short Term Loans From Banks		
ICICI Bank Limited (ICICI)	750.00	500.00
Federal Bank Limited	1,000.00	750.00
Total Current Borrowings	2,246.57	1,399.72

PARTICULARS OF SHORT TERM BORROWINGS :

1) Security

Cash Credit facilities from banks relate to EIH Ltd. 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.

2) Terms of repayment and Interest rate :

Cash Credit from UBI is repayable on demand and carries Interest at bank's base rate + 0.80%

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

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

Cash Credit from HDFC is repayable on demand and carries Interest at 1 year MCLR +0.15%

Short term loan from ICICI for INR 500 Million is repayable on June 25, 2019 and carries Interest @ 8.40%.

Short term loan from ICICI for INR 250 Million is repayable on June 28, 2019 and carries Interest @ 8.40%.

Short term loan from Federal bank limited INR 500 Million is repayable on June 21, 2019 and carries Interest @ 8.60%.

Short term loan from Federal bank limited INR 500 Million is repayable on September 13, 2019 and carries Interest @ 7.98%.

Notes to Accounts — Contd.

	As at March 31, 2019	Rupees Million As at March 31, 2018
26		
A. TRADE PAYABLES TO MICRO AND SMALL ENTERPRISES		
(i) Principal amount remaining unpaid at the end of the year	0.95	3.44
(ii) Interest due thereon remaining unpaid at the end of the year	-	-
(iii) The amount of interest paid along with the amounts of the payment beyond the appointed day	0.44	-
(iv) The amount of interest due and payable for the year	0.03	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid	-	-
(vii) Interest remaining disallowable as deductible expenditure under the Income Tax Act, 1961	-	-
B. TRADE PAYABLES TO OTHER THAN MICRO AND SMALL ENTERPRISES		
Trade Payables	2,230.58	1,857.15
Trade Payables to related parties	67.60	65.76
Trade payables to other than micro and small enterprises	<u>2,298.18</u>	<u>1,922.91</u>
27		
OTHER CURRENT FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt (refer note 20)	475.15	658.41
Current Maturities of Finance Lease Obligations (refer note 20)	27.84	28.43
Interest accrued but not due on borrowings	7.99	9.09
Unclaimed Dividend	29.34	29.34
Others:		
- Liability for Capital Assets	135.94	641.97
- Lease Rent Equalisation	0.81	0.72
Retention money	-	0.29
Security Deposits	84.49	103.84
Other Liabilities	-	0.03
Total current financial liabilities	<u>761.56</u>	<u>1,472.12</u>
28		
TAX LIABILITIES - NET		
Income Tax Liabilities - Net	17.22	11.71
Total tax liabilities - Net	<u>17.22</u>	<u>11.71</u>
29		
PROVISIONS		
Employee Benefit Obligation		
Gratuity	128.45	174.41
Leave Obligation	112.52	36.47
Total provisions	<u>240.97</u>	<u>210.88</u>
30		
OTHER CURRENT LIABILITIES		
Advance from Customer (note 52(b))	487.28	338.30
Statutory and other dues	282.16	352.29
Deferred Revenue	171.10	56.16
Advance Rent	7.91	3.15
Total other current liabilities	<u>948.45</u>	<u>749.90</u>

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2019	Year ended March 31, 2018
31		
REVENUE FROM OPERATIONS		
Rooms	7,678.09	6,679.72
Food and Beverages	7,490.17	6,739.92
Other Services	2,483.78	2,080.64
Sale of Printed Materials	456.16	488.13
Total revenue from operations	18,108.20	15,988.41
32		
OTHER INCOME		
Interest Income :		
Interest income from financial assets at amortised cost	138.26	127.26
Interest income on Income Tax refund	61.96	186.96
Dividend Income :		
Dividend income from equity investments measured at fair value through profit or loss	20.01	14.85
Income on account of Services Exports Incentive	255.15	325.99
Others :		
Net foreign exchange gain	1.85	121.70
Fair value changes on equity investments measured at fair value through profit or loss	0.01	1.90
Rental Income	88.01	40.59
Provisions/ Liabilities Written Back	14.75	114.19
Miscellaneous Income	107.87	126.45
Total other income	687.87	1,059.89
33		
CONSUMPTION OF PROVISIONS, WINES & OTHERS		
Opening Stock	231.72	210.18
Add: Purchases	2,511.93	2,275.78
	2,743.65	2,485.96
Less: Closing Stock	298.81	231.72
Total Consumption of provisions, wines & others	2,444.84	2,254.24
34		
EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	4,139.57	3,977.82
Contribution to Provident fund and Other Funds (refer note 42)	211.93	197.42
Staff Welfare Expenses	455.43	435.32
Total employee benefits expense	4,806.93	4,610.56

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2019	Year ended March 31, 2018
35		
FINANCE COSTS		
Interest Expense	483.72	379.52
Interest on obligations under finance leases	20.69	20.20
Other Borrowing Costs	-	0.73
	<u>504.41</u>	<u>400.45</u>
<i>Less: Amount capitalised to qualifying assets</i>	-	169.33
Total finance costs	<u>504.41</u>	<u>231.12</u>
36		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of property, plant and equipment	1,262.76	1,144.70
Amortisation of intangible assets	39.02	28.63
Depreciation of investment property	23.79	-
Total depreciation and amortisation expense	<u>1,325.57</u>	<u>1,173.33</u>
37		
OTHER EXPENSES		
Power & Fuel	1,246.52	1,123.92
Rent	464.70	415.20
Repairs and Maintenance:		
- Buildings	264.24	211.55
- Plant & Machinery	448.30	468.59
- Others	73.48	48.88
Insurance	63.90	57.32
Rates & Taxes	389.10	305.51
Expenses on Apartment & Board	281.29	269.60
Royalty	149.55	130.13
Advertisement, Publicity & Other Promotional Expenses	367.26	310.39
Commission to Travel Agents & others	513.84	438.10
Subscriptions		0.89
Passage & Travelling	350.48	311.23
Postage, Telephone, etc.	90.32	81.10
Professional Charges	384.95	238.65
Linen, Uniform Washing & Laundry Expenses	58.85	65.07
Renewals & Replacement	155.40	166.26
Musical, Banquet & Kitchen Expenses	104.27	79.60
Auditors' Remuneration (Refer 37 (a))	34.08	28.10
Directors' Fees and Commission	100.29	114.59
Loss on fair valuation of Investment	0.84	-
Bad Debts & Advances Written Off	41.30	43.57
<i>Less : Charged off against provisions</i>	(34.75)	-
	6.55	43.57
CSR Expenses (Refer 37(b))	45.69	39.90
Expenses on Contracts for services	600.09	509.61
Provision for Debts & Advances with significant increase in credit risk	9.18	67.30
Loss on Sale/Discard of Assets etc. (Net)	2.67	14.61
Airport Levy Expenses	-	287.42
Loss on exchange	19.09	-
Miscellaneous Expenses	572.32	303.11
Total other expenses	<u>6,797.25</u>	<u>6,130.20</u>

Notes to Accounts — Contd.

	Rupees Million	
	Year ended March 31, 2019	Year ended March 31, 2018
37(a)		
DETAILS OF AUDITORS' REMUNERATION		
As auditor:		
Audit fee	25.88	23.16
Tax audit fee	1.70	1.11
Reimbursement of expenses	1.22	0.31
In other capacity :		
For Limited Review of Unaudited Financial Results & Other reports to Previous Auditor	-	1.02
For Limited Review of Unaudited Financial Results	4.20	2.20
For verification of statement and other reports	1.08	0.30
Total payments to auditors	34.08	28.10

37(b)		-
DETAILS OF CSR EXPENDITURE		
SOS Children's Villages of India	24.78	23.97
Helpage India	7.00	4.40
Expenses for Swachh Bharat Abhiyan	4.16	3.52
Kailash Sathyarthi Children Foundation	5.55	5.00
Repair work at school for visually impaired at Dhalli in the District of Shimla, Himachal Pradesh	2.38	1.28
Set up of Vocational Training Centre including teachers and teaching aids at the school for the Hearing and Visually impaired	1.82	1.45
Repair work at Primary School at village at Chharabara in the District of Shimla, Himachal Pradesh	-	0.28
Total CSR Expenditure	45.69	39.90
Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013	41.45	36.81

38		
EXCEPTIONAL ITEMS		
Profit on sale of Investment in Mercury Travels Limited	116.83	-
Provision for Doubtful Debts	(847.49)	-
Total Exceptional Items	(730.66)	-

Exceptional Items include (a) a one-off provision of INR 847.49 Million against receivable from a single customer in the flight catering business, due to uncertainty over business continuity of the afore-referred customer and (b) Profit of INR 116.83 Million on sale of investment in an associate. There was no corresponding exceptional item in Financial Year 2017-18.

Notes to Accounts — Contd.

	Year ended March 31, 2019	Rupees Million Year ended March 31, 2018
39		
TAX EXPENSE		
(a) Current tax		
Tax on profits for the year	852.97	825.91
Adjustments for prior periods	9.28	(8.74)
Total current tax	862.25	817.17
(b) Deferred tax		
Decrease / (Increase) in deferred tax assets	(255.47)	(60.34)
(Decrease) / Increase in deferred tax liabilities	236.39	92.75
	(19.08)	32.41
<i>Add: MAT credit utilised</i>	(18.98)	-
<i>Add : Recognised in OCI</i>	(4.39)	5.72
Total deferred tax expense/(benefit)	(42.45)	38.13
Total tax expense	819.80	855.30
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
Profit before income tax expense	2,309.37	2,813.36
Tax at the respective countries' tax rates	778.71	832.48
Tax effect of amounts which are not deductible in calculating taxable income:		
Corporate social responsibility expenditure	15.12	13.59
Interest on MSME	0.01	-
Impairment in the value of equity investments	-	7.53
Expenses related to exempted income	6.23	2.62
Donations	0.08	4.21
Others	(6.18)	(2.58)
	15.26	25.37
Adjustments related to property, plant and equipments:		
Depreciation adjustment on account of difference in WDV as per Companies Act and Income Tax Act	(0.02)	8.14
Adjustment on account of depreciable and leased assets	20.90	(0.43)
Loss on sale of fixed assets	-	-
Difference in unabsorbed depreciation set off in computation and deferred tax	-	(0.50)
	20.88	7.21
Impact of change in tax rate for deferred tax		
Opening balance	-	0.78
Impact of different tax rates applicable in group entities in India and other jurisdiction	-	(21.48)
Tax effect of amounts which are not taxable in calculating taxable income:		
Profit on sale of property	(34.38)	-
Dividend	(58.06)	(26.80)
Adjustment in 43B as per Tax audit report	-	-
Others	74.99	28.32
	(17.45)	1.52
Other differences		
Difference in tax rate on foreign dividend	(24.83)	(0.47)
Impact in deferred tax due to change in leagal tax rate	-	16.99
Difference in tax rate for impairment on investment in subsidiary	0.22	-
Deferred tax assets not recognised	4.98	4.91
Deferred tax for earlier year	(12.34)	(20.51)
Difference in tax rate of subsidiaries	45.09	17.23
Other differences	-	0.01
	13.12	18.16
Income tax expense related to prior periods	9.28	(8.74)
Income tax expense as per Income Tax	819.80	855.30

Notes to Accounts — Contd.

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FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at March 31, 2019		As at March 31, 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
Rupees Million				
Financial assets				
Investments				
- Equity instruments	843.74	-	830.22	-
- Government securities	-	0.27	-	0.28
Trade Receivables	-	2,480.58	-	2,237.88
Cash and cash equivalents	-	984.12	-	672.98
Other Bank Balance	-	1,425.83	-	1,087.21
Other receivables	-	37.64	-	994.12
Security deposits	-	436.38	-	363.32
Total financial assets	843.74	5,364.82	830.22	5,355.79
Financial liabilities				
Borrowings	-	5,405.17	-	4,910.48
Security deposits	-	167.23	-	122.22
Finance Lease Obligations	-	95.62	-	108.59
Lease Rent equalisation	-	10.29	-	10.97
Trade payables	-	2,299.13	-	1,926.35
Capital creditors	-	135.94	-	641.97
Others	-	257.07	-	237.28
Total financial liabilities	-	8,370.45	-	7,957.86

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

	As at March 31, 2019		As at March 31, 2018	
	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	2.98	-	3.80	-
Green Infra Wind Generation Limited	-	0.18	-	0.18
ReNew Wind Energy (Karnataka) Pvt. Ltd.	-	0.42	-	0.42
Tourism Investments Company at Sahl Hasheesh	-	358.17	-	323.59
Investment in Mutual fund of (Note 12)				
Birla Sun Life Savings Fund	250.62	-	161.98	-
Reliance Liquid Fund	190.66	-	114.85	-
Reliance Liquid Fund	40.71	-	38.79	-
Reliance Liquid Fund	-	-	95.84	-
Birla Sun Life Floating Rate Fund	-	-	90.77	-
Total financial assets	484.97	358.77	506.03	324.19

Notes to Accounts — Contd.

(ii) Fair Value hierarchy

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

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

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

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

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

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

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investment in Green Infra Wind Generation Limited and ReNew Wind Energy (Karnataka) Pvt. Ltd., are made pursuant to the contract for procuring electricity supply at the hotels units. Investment in said companies is not usually traded in market. Considering the terms of the electricity supply contract and best information available in the market, cost of investment is considered as fair value of the investments.
- For the investment in Golden Jubilee Hotels Private Limited (GJHPL), the management was of the view that carrying value of the investment is representative of its fair value as on April 01, 2015. As on April 01, 2015, no indicators of impairment was existing. However, during the financial year 2015-16, due to the non-payment of bank borrowings and other obligation, petition for the winding up has been filed by the creditors and lenders of the GJHPL. Considering the financial position of the GJHPL and legal proceedings initiated by lenders, the management has fully provided for the investment in GJHPL as on March 31, 2016.

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

	Rupees Million
As at March 31, 2017	740.23
Acquisitions	95.84
Gains/losses recognised in profit or loss	(511.88)
As at March 31, 2018	324.19
Acquisitions	-
Gains/losses recognised in profit or loss	34.58
As at March 31, 2019	358.77

Notes to Accounts — Contd.

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FINANCIAL RISK MANAGEMENT

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

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

(A) Market risk

(i) Foreign currency risk

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	
	(Receivables)	(Payables)
March 31, 2019		
US Dollar (USD)	59.51	12.12
EURO	7.20	2.09
Great Britain Pound (GBP)	1.41	5.58
Australian Dollar (AUD)	24.21	-
Mauritius Rupee (MUR)	72.37	712.20
UAE Dirham (AED)	1.38	0.44
Net exposure to foreign currency risk	166.08	732.43
March 31, 2018		
US Dollar (USD)	60.51	630.71
EURO	5.46	1.20
Great Britain Pound (GBP)	1.21	1.58
Mauritius Rupee (MUR)	59.74	120.98
UAE Dirham (AED)	1.18	0.44
Singapore Dollar (SGD)	-	0.02
Australian Dollar (AUD)	16.52	-
Net exposure to foreign currency risk	144.62	754.93

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 group are given below:

	Rupees Million	
	March 31, 2019	March 31, 2018
Impact on profit after tax		
USD sensitivity		
INR/USD Increases by 5% (March 31 2018 - 5%)	2.37	(28.51)
INR/USD Decreases by 5% (March 31 2018 - 5%)	(2.37)	28.51
EURO sensitivity		
INR/EURO Increases by 5% (March 31 2018 - 5%)	0.26	0.21
INR/EURO Decreases by 5% (March 31 2018 - 5%)	(0.26)	(0.21)
GBP sensitivity		
INR/GBP Increases by 5% (March 31 2018 - 5%)	(0.21)	(0.02)
INR/GBP Decreases by 5% (March 31 2018 - 5%)	0.21	0.02
AED sensitivity		
INR/AED Increases by 5% (March 31 2018 - 5%)	0.05	0.04
INR/AED Decreases by 5% (March 31 2018 - 5%)	(0.05)	(0.04)
Mauritius Rupee sensitivity		
INR/MUR Increases by 5% (March 31 2018 - 5%)	(31.99)	(3.06)
INR/MUR Decreases by 5% (March 31 2018 - 5%)	31.99	3.06
AUD sensitivity		
INR/AUD Increases by 5% (March 31 2018 - 5%)	1.21	0.83
INR/AUD Decreases by 5% (March 31 2018 - 5%)	(1.21)	(0.83)

* Holding all other variables constant

(ii) Interest rate risk

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

	March 31, 2019	March 31, 2018
Variable rate borrowings	4,650.17	3,654.14
Fixed rate borrowings	755.00	1,256.34
Total borrowings	5,405.17	4,910.48

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

	Weighted average interest rate	Balance	% of total loans
March 31, 2019			
Bank loans, Cash Credit	8.67%	4,650.17	86%
March 31, 2018			
Bank loans, Cash Credit	8.58%	3,654.14	74%

Notes to Accounts — Contd.

Sensitivity

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

	Rupees Million	
	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Interest rates – increase by 50 basis points (50 bps) *	(23.25)	(18.27)
Interest rates – decrease by 50 basis points (50 bps) *	23.25	18.27

* Holding all other variables constant

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group in equity securities and classified in the balance sheet as at fair value through profit or loss (note 5). However, Group does not have a practice of investing in equity securities with a view to earn fair value changes gain. As per the Group policies, whenever any investment is made by the Group company in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement.

(B) Credit risk

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

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

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

Reconciliation of loss allowance provision – Trade receivables

Loss allowance on March 31, 2017	117.05
Changes in loss allowance	67.29
Loss allowance on March 31, 2018	184.34
Changes in loss allowance	815.03
Loss allowance on March 31, 2019	999.37

(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, 2019	March 31, 2018
Floating rate		
Expiring within one year (cash credit facilities and bank overdraft)		
HSBC Cash Credit/WCTL Facility	80.82	456.69
HSBC Short term Facility	-	750.00
UBI Cash Credit Facility	732.56	748.87
ICICI Cash Credit Facility	389.11	464.72
Federal Bank Short Term Facility	1,000.00	-
HDFC Cash Credit Facility	300.86	-
	<u>2,503.35</u>	<u>2,420.28</u>

Notes to Accounts — Contd.

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 group's all non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:	Rupees Million			
	Not later than 1 year	Between 1 and 5 years	Later than 5 years	Total
Non-derivatives				
March 31 2019				
Borrowings	2,977.66	3,199.93	20.71	6,198.30
Obligations under finance lease	41.54	63.11	119.54	224.19
Trade payables	2,570.31	-	-	2,570.31
Other financial liabilities	230.30	100.19	12.06	342.55
Total non-derivative liabilities	5,819.81	3,363.23	152.31	9,335.35
March 31 2018				
Borrowings	2,360.94	2,683.42	818.60	5,862.96
Obligations under finance lease	43.73	79.95	122.62	246.30
Trade payables	1,854.85	-	-	1,854.85
Other financial liabilities	733.81	29.28	13.84	776.93
Total non-derivative liabilities	4,993.33	2,792.65	955.06	8,741.04

(D) Capital management

(i) Risk management

The group's objectives when managing capital are to

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

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

	Rupees Million	
	March 31, 2019	March 31, 2018
Net debt *	4,421.05	3,579.09
Total equity	30,820.11	29,529.39
Net debt to equity ratio	14%	12%
* Net debt represents borrowings less cash and cash equivalents computed as follows:		
Term Loan from Bank	3,153.60	2,847.35
Loan from Others	5.00	5.00
Cash Credit From Banks	496.57	149.72
Short Term Loan From Banks	1,750.00	1,250.00
Less: cash and cash equivalents	(984.12)	(672.98)
Net debt	4,421.05	3,579.09

Notes to Accounts — Contd.

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(i) POST-EMPLOYMENT OBLIGATIONS

a) Gratuity (India)

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a funded plan and the group through Gratuity Trust makes contribution of funds to Life Insurance Corporation of India.

b) Gratuity (Mauritius)

The Group provides for gratuity for employees in Mauritius under the Employment Rights Act, 2008. The gratuity plan is an unfunded defined benefit plan.

c) Leave Obligation (India)

As per the policy of the company, leave obligations can be settled in cash only at the time of separation of employees with the group. The leave obligations cover the company's liability for earned leaves encashable at the time of termination/retirement of employees. It's a unfunded plan.

d) Pension Benefits

The pension benefit plan pertains to two of the foreign subsidiaries PT Waka Oberoi Indonesia and PT Widja Putra Karya.

(ii) DEFINED CONTRIBUTION PLANS

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

Balance sheet amounts – Gratuity and Leave Obligations (India)- Note (i) (a) and (i) (c)

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

	Gratuity			Earned Leave
	Present value of obligation	Fair value of plan assets	Net amount	Present value for obligation towards Leave Encashment
March 31, 2017	580.36	461.82	118.54	249.13
Current service cost	36.03	-	36.03	43.57
Interest expense/(income)	37.18	31.56	5.62	15.86
Total amount recognised in profit or loss	73.21	31.56	41.65	59.43
Remeasurements				
(Gain)/loss from change in demographic assumptions	77.75	-	77.75	-
(Gain)/loss from change in financial assumptions	17.15	-	17.15	8.36
Experience (gains)/losses	(0.18)	2.49	(2.67)	8.22
Total amount recognised in other comprehensive income	94.72	2.49	92.23	16.58
Employer contributions	-	76.54	(76.54)	-
Benefit payments	(98.56)	(98.38)	(0.18)	(45.63)
March 31, 2018	649.73	474.03	175.70	279.51
April 1, 2018	649.73	474.03	175.70	279.51
Current service cost	40.76	-	40.76	49.24
Interest expense/(income)	46.26	37.55	8.71	19.25
Total amount recognised in profit or loss	87.02	37.55	49.47	68.49

Notes to Accounts — Contd.

<i>Remeasurements</i>	Rupees Million			
Return on plan assets, excluding amounts included in interest expense/(income)	18.55	-	18.55	(17.27)
(Gain)/loss from change in financial assumptions	8.36	-	8.36	4.26
Experience (gains)/losses	(0.01)	0.25	(0.26)	0.52
Total amount recognised in other comprehensive income	26.90	0.25	26.65	(12.49)
Employer contributions	-	121.58	(121.58)	-
Benefit payments	(82.05)	(81.62)	(0.43)	(52.68)
March 31, 2019	681.60	551.79	129.81	282.83

(iii) POST EMPLOYMENT BENEFITS

The significant actuarial assumptions were as follows:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.40% - 7.69%	7.60% - 7.71%
Salary growth rate	5.00%	5.00%
Expected Return on Assets	8.50%	8.50%
Mortality	Indian assured lives mortality (2006-08) (modified) Ultimate	Indian assured lives mortality (2006-08) (modified) Ultimate
Withdrawal Rate	2%-3%	2%-3%

(iv) 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 by 1%		Decrease by 1%	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Gratuity						
Discount rate	1%	1%	(39.99)	(39.28)	45.43	44.58
Salary growth rate	1%	1%	46.10	45.30	(41.24)	(40.55)
Leave Encashment						
Discount rate	1%	1%	(19.98)	(19.81)	23.27	23.08
Salary growth rate	1%	1%	23.61	23.45	(20.59)	21.22

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

(v) The major categories of plans assets are as follows:

	March 31, 2019		March 31, 2018	
	Unquoted	in %	Unquoted	in %
Investment funds with LIC of India*	551.80	100%	474.03	100%
Total	551.80		474.03	

* 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.

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

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

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

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

(vii) Defined benefit liability and employer contributions

Expected contributions to post employment benefit plan for the year ending March 31, 2019 are INR 117,403,000

The weighted average duration of the defined benefit obligation is 7 years (2018 - 9 years) in case of Gratuity and 11 years (2018- 11years) in case of Leave encashment.

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

Particulars	Rupees Million						Total
	Less than a year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	Beyond 5 years	
March 31, 2019							
Defined benefit obligation							
Gratuity	69.49	87.81	75.32	104.24	73.48	424.88	835.22
Leave Obligation	34.37	30.68	30.96	43.69	33.20	219.29	392.19
Total	103.86	118.49	106.28	147.93	106.68	644.17	1,227.41
March 31, 2018							
Defined benefit obligation							
Gratuity	64.16	57.87	90.24	75.63	106.47	421.09	815.46
Leave Obligation	37.83	23.21	35.32	33.22	49.15	215.07	393.80
Total	101.99	81.08	125.56	108.85	155.62	636.16	1,209.26

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, 2017	3.94
Current service cost	0.74
Interest expense/(income)	0.27
Translation Adjustment	0.31
Total amount recognised in profit or loss	1.32
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(0.03)
Experience (gains)/losses	(0.73)
Total amount recognised in other comprehensive income	(0.76)

Notes to Accounts — Contd.

Rupees Million

Employer contributions	-
Benefit payments	-
March 31, 2018	4.50
April 1, 2018	4.50
Current service cost	0.96
Interest expense/(income)	0.26
Translation Adjustment	0.44
Total amount recognised in profit or loss	1.66
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(0.09)
Experience (gains)/losses	(0.32)
Total amount recognised in other comprehensive income	(0.41)
Employer contributions	-
Benefit payments	-
March 31, 2019	5.75

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

	Gratuity	
	March 31, 2019	March 31, 2018
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Deficit of funded plan	-	-
Unfunded plans	5.73	4.48
Deficit of Employee Benefit Plans	5.73	4.48

(viii) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2019	March 31, 2018
Discount rate	6.00%	5.50%
Salary growth rate	3.40%	3.00%
Average Retirement Age	65 Years	65 Years

(ix) 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Gratuity						
Discount rate	1%	1%	1.14	0.94	1.04	0.75

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Notes to Accounts — Contd.

(x) Risk exposure

Through its defined benefit plans, The group is exposed to a number of risks, the most significant of which are detailed below:

Interest Risk: A decrease in the bond interest rate will increase the plan liability, however, this may be partially offset by a decrease in inflationary pressures on the salary increased.

Salary Risk: The Plan liability is calculated by reference to the future projected salaries of plan participants. As such an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

Balance sheet amounts – Pension Benefits (Indonesia)- Note (i) (d)

Rupees Million

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

	Pension Benefit Present value of obligation
April 1, 2017	57.55
Current service cost	2.58
Interest expense/(income)	2.58
Total amount recognised in profit or loss	5.16
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	1.29
Experience (gains)/losses	-
Translation Adjustment	(0.64)
Total amount recognised in other comprehensive income	0.65
Employer contributions	-
Benefit payments	-
March 31, 2018	63.36
April 1, 2018	63.36
Current service cost	4.77
Interest expense/(income)	4.34
Total amount recognised in profit or loss	9.11
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(2.83)
Experience (gains)/losses	4.23
Translation Adjustment including translation at EIH India Console	4.46
Total amount recognised in other comprehensive income	5.86
Employer contributions	-
Benefit payments	(4.08)
March 31, 2019	74.25

Notes to Accounts — Contd.

Rupees Million

(xi) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2019	March 31, 2018
Discount rate	8.54%	7.35%
Salary growth rate	8.00%	8.00%
Mortality	TMI III	TMI III
Retirement Age	55 Years	55 Years
Disability Rate	10% of Mortality table TMI III	5% of Mortality table TMI III

(xii) 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	1.00%	1.00%	(19.38)	(3.86)	4.72	4.41

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Notes to Accounts — Contd.

RELATED PARTY TRANSACTIONS

43(a)

LIST OF RELATED PARTIES

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

Key Management Personnel of the company and close member of Key Management Personnel	Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the year
Mr. P.R.S. Oberoi	Oberoi Hotels Private Limited
Mr. S.S. Mukherji	Oberoi Holdings Private Limited
Mr. Vikram Oberoi	Oberoi Investments Private Limited
Mr. Arjun Oberoi	Oberoi Buildings and Investments Private Limited
Ms. Nita M. Ambani	Oberoi Plaza Private Limited
Ms. Renu Sud Karnad (ceased to be a Director from 2nd August, 2017)	Bombay Plaza Private Limited
Ms. Chhavi Rajawat (appointed as a Director from 30th October, 2017)	Oberoi International LLP
Mr. Manoj Harjivandas Modi	Oberoi Lutyens Private Limited
Mr. Rajeev Gupta	Silhouette Beauty Parlour
Mr. S.K. Dasgupta (ceased to be a Director from 29th March, 2019)	Ceres Hospitality Private Limited
Mr. Anil K. Nehru	
Mr. Sudipto Sarkar	Enterprises which are post employment benefit plan for the benefit of employees
Mr. L. Ganesh	EIH Employees' Gratuity Fund
Mr. Biswajit Mitra (Chief Financial Officer upto Sep 30, 2018)	EIH Executive Superannuation Scheme
Mr. Kallol Kundu (Chief Financial Officer effective Oct 1, 2018)	
Mr. S.N. Sridhar	
Late Mrs. Goodie Oberoi (Wife of Mr. P.R.S. Oberoi) - upto 3rd October, 2017	
Ms. Natasha Oberoi (Daughter of Mr. P.R.S. Oberoi)	
Ms. Priyanka Mukherjee (Daughter of Mr. S.S. Mukherji)	

Associates & Joint Ventures

(a) Associates

- EIH Associated Hotels Limited
- Mercury Travels Limited (Upto Aug 7, 2018)
- La Roseraie De L'atlas
- Usmart Education Limited (w.e.f. July 31, 2018)

(b) Joint Ventures

- Mercury Car Rentals Private Limited
- Oberoi Mauritius Ltd

(c) Subsidiary of Associate

- Usmart Education Limited

(d) Subsidiary of Joint Venture

- Island Resort Ltd

Notes to Accounts — Contd.

43(b)

Transactions with Related Parties for the year ended March 31, 2019

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	
	2019	2018	2019	2018	2019	2018	2019	2018
PURCHASES								
Purchase of Goods & Services								
Mercury Car Rentals Private Limited	120.31	114.03	-	-	-	-	-	-
Mercury Travels Limited	15.56	63.95	-	-	-	-	-	-
EIH Associated Hotels Limited	12.03	9.70	-	-	-	-	-	-
Island Resort Ltd	4.35	-	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.33	0.06	-	-	-	-
Oberoi International LLP	-	-	1.50	1.78	-	-	-	-
Total	152.25	187.68	1.83	1.84	-	-	-	-
Purchase of Fixed Assets								
EIH Associated Hotels Limited	0.01	-	-	-	-	-	-	-
Total	0.01	-	-	-	-	-	-	-
EXPENSES								
Rent								
EIH Associated Hotels Limited	1.36	1.68	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.36	0.36	-	-	-	-
Mrs. Goodie Oberoi, W/o Mr. P.R.S.Oberoi	-	-	-	-	-	0.23	-	-
Ms. Natasha Oberoi, D/o Mr. P.R.S.Oberoi	-	-	-	-	0.41	0.18	-	-
Total	1.36	1.68	0.36	0.36	0.41	0.41	-	-
Royalty								
Oberoi Hotels Pvt Ltd	-	-	172.98	154.07	-	-	-	-
Total	-	-	172.98	154.07	-	-	-	-
Short-term employee benefits								
Mr. P.R.S. Oberoi	-	-	-	-	33.02	40.05	-	-
Mr. S.S. Mukherji	-	-	-	-	32.94	36.89	-	-
Mr. V.S.Oberoi	-	-	-	-	33.77	36.91	-	-
Mr. A.S. Oberoi	-	-	-	-	31.29	35.97	-	-
Mr. Biswajit Mitra	-	-	-	-	15.75	14.34	-	-
Mr. Kallol Kundu	-	-	-	-	10.57	-	-	-
Mr. S N Sridhar	-	-	-	-	6.88	6.59	-	-
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	2.27	2.06	-	-
Total	-	-	-	-	166.49	172.81	-	-
Post-employment benefits								
Mr. V.S.Oberoi	-	-	-	-	2.07	7.79	-	-
Mr. A.S. Oberoi	-	-	-	-	2.03	6.19	-	-
Mr. Biswajit Mitra	-	-	-	-	-	1.56	-	-
Mr. Kallol Kundu	-	-	-	-	0.40	-	-	-
Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji	-	-	-	-	0.13	0.08	-	-
Total	-	-	-	-	4.63	15.62	-	-
Directors' sitting fees								
Mr. P.R.S. Oberoi	-	-	-	-	0.16	0.12	-	-
Mr. V.S.Oberoi	-	-	-	-	0.32	0.52	-	-
Mr. A.S. Oberoi	-	-	-	-	0.32	0.44	-	-
Mrs. Nita M. Ambani	-	-	-	-	0.30	0.20	-	-
Mrs. Renu Sud Karnad	-	-	-	-	-	0.05	-	-
Mr. Manoj Harjivandas Modi	-	-	-	-	0.25	0.25	-	-
Mr. Rajeev Gupta	-	-	-	-	0.90	0.85	-	-
Mr. S.K. Dasgupta	-	-	-	-	1.35	1.35	-	-
Mr. Anil K. Nehru	-	-	-	-	0.90	0.75	-	-
Mr. Sudipto Sarkar	-	-	-	-	0.40	0.25	-	-
Mr. L. Ganesh	-	-	-	-	0.75	0.70	-	-

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	
	2019	2018	2019	2018	2019	2018	2019	2018
Ms. Chhavi Rajawat	-	-	-	-	0.25	0.15	-	-
Mr. S N Sridhar	-	-	-	-	0.16	0.16	-	-
Total	-	-	-	-	6.06	5.79	-	-
Total Key management personnel compensation	-	-	-	-	177.18	194.22	-	-
SALES								
Sale of Goods and Services								
Mercury Car Rentals Private Limited	16.03	15.41	-	-	-	-	-	-
Mercury Travels limited	4.64	11.44	-	-	-	-	-	-
EIH Associated Hotels Limited	352.81	332.78	-	-	-	-	-	-
Island Resort Ltd	15.52	4.39	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	12.23	9.86	-	-	-	-
Oberoi Lutyens Private Limited	-	-	-	-	0.01	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	0.82	0.82	-	-
Ceres Hospitality Private Limited	-	-	-	-	0.11	-	-	-
Oberoi International LLP	-	-	0.02	0.01	-	-	-	-
Total	389.00	364.02	12.25	9.87	0.94	0.82	-	-
Sale of Fixed Assets								
EIH Associated Hotels Limited	3.30	1.12	-	-	-	-	-	-
Total	3.30	1.12	-	-	-	-	-	-
INCOME								
License Agreement								
Mercury Car Rentals Private Limited	1.95	3.58	-	-	-	-	-	-
Mercury Travels Limited	1.79	-	-	-	-	-	-	-
EIH Associated Hotels Limited	1.95	1.92	-	-	-	-	-	-
Oberoi Holdings Pvt Ltd	-	-	1.43	1.25	-	-	-	-
Oberoi Investments Pvt Ltd	-	-	0.73	0.66	-	-	-	-
Oberoi Bldgs & Investments Pvt Ltd	-	-	1.80	1.61	-	-	-	-
Oberoi Plaza Pvt Ltd	-	-	3.26	3.43	-	-	-	-
Bombay Plaza Pvt Ltd	-	-	2.33	0.27	-	-	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	10.15	2.68	-	-
Total	5.69	5.50	9.55	7.22	10.15	2.68	-	-
Management Contract								
EIH Associated Hotels Limited	185.37	188.36	-	-	-	-	-	-
Island Resort Ltd	77.57	100.90	-	-	-	-	-	-
Total	262.94	289.26	-	-	-	-	-	-
Dividend Received								
Mercury Car Rentals Private Limited	6.06	12.12	-	-	-	-	-	-
EIH Associated Hotels Limited	50.47	50.47	-	-	-	-	-	-
Total	56.53	62.59	-	-	-	-	-	-
PAYMENTS								
Investment in Equity Shares								
Mercury Travels Limited	-	13.28	-	-	-	-	-	-
Mercury Car Rentals Private Limited	40.00	-	-	-	-	-	-	-
La Roseraie De L'atlas	897.91	-	-	-	-	-	-	-
Usmart Education Limited *	-	-	-	-	-	-	-	-
Total	937.91	13.28	-	-	-	-	-	-
Refund of Collections to Related Party								
Mercury Travels Limited	0.07	6.34	-	-	-	-	-	-
EIH Associated Hotels Limited	6.13	21.31	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.30	0.91	-	-	-	-
Total	6.20	27.65	0.30	0.91	-	-	-	-

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	
	2019	2018	2019	2018	2019	2018	2019	2018
Expenses reimbursed to Related Party								
Mercury Travels Limited	1.71	-	-	-	-	-	-	-
Island Resort Ltd	-	0.06	-	-	-	-	-	-
EIH Associated Hotels Limited	7.74	4.82	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.44	3.01	-	-	-	-
Total	9.45	4.88	0.44	3.01	-	-	-	-
Advance to Related Party								
Island Resort Ltd	31.77	37.10	-	-	-	-	-	-
La Roseraie De L'atlas	3.84	19.69	-	-	-	-	-	-
Total	35.61	56.79	-	-	-	-	-	-
RECEIPTS								
Recovery of Collections by Related Party								
EIH Associated Hotels Limited	5.70	15.24	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.19	0.04	-	-	-	-
Total	5.70	15.24	0.19	0.04	-	-	-	-
Expenses Reimbursed by Related Party								
Mercury Car Rentals Private Limited	2.18	0.07	-	-	-	-	-	-
Mercury Travels Limited	-	0.63	-	-	-	-	-	-
EIH Associated Hotels Limited	14.51	10.43	-	-	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	1.20	1.40	-	-	-	-
Total	16.69	11.13	1.20	1.40	-	-	-	-
Repayment of Advance to Related Party								
Island Resort Ltd	288.32	37.10	-	-	-	-	-	-
La Roseraie De L'atlas	349.28	19.69	-	-	-	-	-	-
Total	637.60	56.79	-	-	-	-	-	-
Contribution of Gratuity Fund								
EIH Employee's Gratuity Fund	-	-	-	-	-	-	121.60	76.54
Total	-	-	-	-	-	-	121.60	76.54
Refund of Gratuity								
EIH Employee's Gratuity Fund	-	-	-	-	-	-	81.62	98.38
Total	-	-	-	-	-	-	81.62	98.38

* Investment in Usmart Education Limited is INR 251.

Notes to Accounts — Contd.

Outstanding Balances as on 31st March, 2019

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	
	2019	2018	2019	2018	2019	2018
PAYABLES						
For Goods & Services						
Mercury Car Rentals Private Limited	15.35	15.19	-	-	-	-
Mercury Travels Limited	-	1.33	-	-	-	-
EIH Associated Hotels Limited	5.85	2.74	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	0.41	-	-
Total	21.20	19.26	-	0.41	-	-
Royalty						
Oberoi Hotels Private Limited	-	-	46.40	46.15	-	-
Total	-	-	46.40	46.15	-	-
Security Deposit						
Bombay Plaza Private Limited	-	-	0.50	0.50	-	-
Total	-	-	0.50	0.50	-	-
LOANS & ADVANCES AND RECEIVABLES						
For Goods & Services						
Mercury Car Rentals Private Limited	2.94	2.63	-	-	-	-
Mercury Travels Limited	-	6.00	-	-	-	-
EIH Associated Hotels Limited	31.52	38.55	-	-	-	-
Island Resort Ltd	3.49	0.30	-	-	-	-
Oberoi Hotels Pvt Ltd	-	-	0.56	0.23	-	-
Silhouette Beauty Salon (Owned by Mrs. Prem Mehra, sister of Mr. P.R.S. Oberoi)	-	-	-	-	1.77	1.04
Total	37.95	47.48	0.56	0.23	1.77	1.04
Management Contract						
EIH Associated Hotels Limited	63.90	61.92	-	-	-	-
Total	63.90	61.92	-	-	-	-
Advance to Related Party						
La Roseraie De L'atlas	4.97	318.98	-	15.75	-	-
Island Resort Ltd	430.80	622.78	-	-	-	-
Total	435.77	941.76	-	15.75	-	-

Notes to Accounts — Contd.

44(a) Contingent liabilities

The Group has contingent liabilities at March 31, 2019 in respect of:

(i) Claims against the Group pending appellate/judicial decision not acknowledged as debts:

	Rupees Million	
	March 31, 2019	March 31, 2018
i. Value Added Tax	40.38	33.92
ii. Income-tax	311.14	524.27
iii. Service Tax	97.80	146.07
iv. Property Tax	216.91	185.17
v. Entertainment Tax	-	4.27
vi. Customs Duty	429.66	429.66
vii. Luxury Tax	13.62	13.62
viii. Expenditure Tax	0.10	0.10
ix. Stamp Duty	10.23	10.23
x. Sales tax	0.19	0.19
xi. Others	6.62	8.49

The matters listed above are in the nature of statutory dues, namely, Property Tax, Value Added Tax, Income Tax, Service Tax, Customs Duty, Luxury Tax and other claims, all of which are under litigation, the outcome of which would depend on the merits of facts and law at an uncertain future date. The amounts shown in the items above represent the best possible estimates arrived at, are on the basis of currently available information. The Company engages reputed professional advisors to protect its interests, and cases that are disputed by the company are those where the management has been advised that it has strong legal positions. Hence, the outcomes of the above matters are not envisaged to have any material adverse impact on the company's financial position.

(ii) Guarantees:	March 31, 2019	March 31, 2018
Counter guarantees issued to banks and remaining outstanding	38.68	53.55

44(b) Commitments

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

	March 31, 2019	March 31, 2018
Property, plant and equipment	758.94	302.05

45. Leases

(a) Non-cancellable operating leases

As a Lessee

The Group has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services, land for hotels and residential premises for its employees. These leases are generally cancellable in nature and may generally be terminated by either party by serving a notice. However, some of such leases are not non-cancellable in nature. During the year, the company has recognised lease rent expense of INR 118.61 Million (2018: INR 190.79 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, 2019	March 31, 2018
Within one year	139.32	196.08
Later than one year but not later than five years	628.16	590.41
Later than five years	2,746.67	2,910.32

Notes to Accounts — Contd.

As a Lessor

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

	Rupees Million	
	March 31, 2019	March 31, 2018
Within one year	213.63	89.69
Later than one year but not later than five years	379.12	141.40
Later than five years	31.83	37.32
Contingent rents recognized as an income in the Statement of Profit and Loss for the year.	-	-

(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, 2019 in respect of these assets are as under:

	March 31, 2019	March 31, 2018
Assets taken on lease		
Total Minimum Lease Payments at the year end	224.26	236.06
Present value of Minimum Lease Payments	93.87	97.42
Not later than one year		
Minimum Lease Payments	41.53	39.61
Present value	36.37	35.11
Later than one year but not later than five years		
Minimum Lease Payments	63.19	74.00
Present value	42.27	47.07
Later than five years		
Minimum Lease Payments	119.54	122.45
Present value	15.23	15.24

46. 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.

47(A) Earnings per Equity share

	Rupees Million	
	Year ended March 31, 2019 INR	Year ended March 31, 2018 INR
(a) Basic earnings per share	2.30	3.14
(b) Diluted earnings per share	2.30	3.14
(c) Reconciliations of earnings used in calculating earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	1,315.41	1,792.02
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	1,315.41	1,792.02
(d) Weighted average number of shares used as the denominator		
	31 March, 2019 Number of shares	31 March, 2018 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	571,569,414	571,569,414
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	571,569,414	571,569,414

47(B) Reconciliation of Liabilities arising from financing activities

	As at March 31, 2019	Cash flows	Non cash changes	As at March 31, 2018
Non-current borrowings	3,254.22	(442.34)	77.21	3,619.35
Current borrowings	2,246.57	846.85	-	1,399.72
Total Liabilities from Financing Activity	5,500.79	404.51	77.21	5,019.07

Notes to Accounts — Contd.

48. Interests in other entities

(a) Subsidiaries

The group's subsidiaries at March 31, 2019 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Mashobra Resort Limited	India	78.79	78.79	21.21	21.21	Hotel Ownership
Mumtaz Hotels Ltd	India	60	60	40	40	Hotel Ownership
Oberoi Kerala Hotels & Resorts Ltd	India	80	80	20	20	Hotel Ownership
ElH International Ltd	British Virgin Island	100	100	0	0	Investment
ElH Flight Services Ltd	Mauritius	100	100	0	0	Flight Catering
ElH Holding Ltd	British Virgin Island	100	100	0	0	Hotel Investment And Management
PT Widja Putra Karya	Indonesia	70	70	30	30	Hotel Ownership
PT Waka Oberoi Indonesia*	Indonesia	96.33	83.33	3.67	16.67	Hotel Ownership
J&W Hong Kong Limited**	Hong Kong	0	0	0	0	Investment
ElH Investment N.V.	Netherlands Antilles	100	100	0	0	Investment And management
ElH Management Services B.V.	Netherlands	100	100	0	0	Hotel Investment And Management
PT Astina Graha Ubud	Indonesia	60	60	40	40	Hotel development

* PT Waka Oberoi Indonesia - The group has acquired a further holding of 13%

**J&W Hong Kong Limited has been liquidated in 17-18

Notes to Accounts — Contd.

48. Interests in other entities
(b) Non-controlling interests (NCI)

Summarised balance sheet	Rupees Million											
	Mashobra Resort Ltd		Mumtaz Hotels Ltd		Oberoi Kerala Hotels & Resorts Ltd		PT Widja Putra Karya		PT Waka Oberoi Indonesia		PT Astina Graha Ubud	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current assets	1,322.26	1,148.08	873.48	755.00	2.02	1.79	111.99	29.58	49.63	-	-	-
Current liabilities	44.39	50.17	158.68	149.59	1.85	1.70	121.84	161.28	81.45	-	-	-
Net current assets	1,277.87	1,097.91	714.80	605.41	0.17	0.09	(28.17)	3.18	(31.82)	-	-	-
Non-current assets	546.22	555.05	767.36	725.60	20.33	20.33	242.28	221.43	126.63	435.26	391.96	-
Non-current liabilities	8.34	7.67	119.52	119.31	1.41	1.41	50.71	42.63	22.54	252.14	226.52	-
Net non-current assets	537.88	547.38	647.84	606.29	18.92	18.92	191.57	178.80	227.49	183.12	165.44	-
Net assets	1,815.75	1,645.29	1,362.64	1,211.70	19.09	19.01	163.40	181.98	75.08	183.12	165.44	-
Accumulated NCI	96.26	60.10	532.30	471.92	3.82	3.80	43.67	50.27	(1.76)	73.25	66.18	-
Summarised statement of profit & loss												
Revenue	497.04	506.73	1,071.29	1,037.02	0.84	0.79	437.51	428.84	59.41	154.54	-	-
Profit for the year	170.79	179.99	337.72	309.07	0.09	0.03	(2.10)	7.73	15.38	11.59	-	-
Other comprehensive income	(0.33)	0.61	(0.06)	(0.03)	-	-	(7.69)	(6.44)	(2.80)	(1.29)	-	-
Total comprehensive income	170.46	180.60	337.66	309.04	0.09	0.03	(9.79)	1.29	12.58	10.30	-	-
Profit allocated to NCI	36.16	38.31	135.06	123.62	0.02	0.01	(2.94)	(5.70)	0.46	1.94	-	-
Dividends paid to NCI	-	-	74.69	-	-	-	8.39	-	-	-	-	-
Summarised Cash Flows												
Cash flows from operating activities	125.61	181.52	312.26	285.91	(0.68)	(0.79)	37.04	37.35	46.83	27.69	-	-
Cash flows from investing activities	(140.49)	(162.62)	(145.51)	(262.24)	0.70	0.68	(32.85)	(36.06)	(111.13)	(75.34)	-	-
Cash flows from financing activities	(1.40)	(0.90)	(187.42)	0.43	-	-	(27.96)	(25.76)	67.79	-	-	-
Net increase/ (decrease) in cash and cash equivalents	(16.28)	18.00	(20.67)	24.10	0.02	(0.11)	(23.77)	(24.47)	3.49	(47.65)	-	-

Notes to Accounts — Contd.

48. Interests in other entities
(c) Interests in associates and joint ventures

Name of entity	Place of business	owner-ship interest	Relation-ship	Accounting method	Quoted fair value		Rupees Million	
					March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
EIH Associated Hotels Ltd	India	36.81%	Associate	Equity Method	4,312.21	5,327.74	1,373.55	1,295.08
Mercury Car Rentals Pvt. Ltd	India	40%	Jointly Controlled Entity	Equity Method	-	-	485.29	419.96
Oberoi Mauritius Ltd	British Virgin Islands	50%	Jointly Controlled Entity	Equity Method	-	-	331.44	328.73
La Roserate De L'Atlas	Morocco	46%	Associate	Equity Method	-	-	1,249.82	327.84
Mercury Travels Ltd	India	25.10%	Jointly Controlled Entity	Equity Method	-	-	-	64.42
Island Resort Limited	Mauritius	46.10%	Subsidiary of Jointly Controlled Entity	Equity Method	-	-	-	-
Usmart Education Ltd	India	25.10%	Associate	Equity Method	-	-	-	-
Total equity accounted investments					4,312.21	5,327.74	3,440.10	2,436.03

Oberoi Mauritius Ltd, Island Resort Limited, La Roserate De L'Atlas, Mercury Travels Ltd, Mercury Car Rentals Pvt. Ltd and Usmart Education Ltd are unlisted entities. Hence, No quoted price available

Mercury Travels had become an associate of EIH Ltd in the year 2017-18 and has ceased to be an associate w.e.f. 07th August, 2018. Usmart Education Ltd has become an Associate w.e.f. 31st July, 2018.

Commitments and contingent liabilities in respect of associates and joint ventures

	March 31, 2019	March 31, 2018
Commitments - joint ventures	-	-
Commitment to provide funding for joint venture's capital commitments, if called	-	-
Contingent liabilities - associates	-	-
Share of contingent liabilities incurred jointly with other investors of the associate	-	-
Contingent liabilities relating to liabilities of the associate for which the group is severally liable	-	-
Contingent liabilities - joint ventures	-	-
Share of joint venture's contingent liabilities in respect of a legal claim lodged against the entity	-	-
Total commitments and contingent liabilities	-	-

Notes to Accounts — Contd.

Summarised financial information for associates and joint ventures

Summarised balance sheet	EIH Associated Hotels Ltd		Mercury Car Rentals Pvt. Ltd		Oberoi Mauritius Ltd		Island Resort Limited		Mercury Travels Ltd		Usmart Education Ltd	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current assets												
Cash and cash equivalents	55.01	44.64	68.06	50.91	1.94	25.45	218.51	638.84	64.77	0.43	-	-
Other assets (excluding trade receivables)	851.49	592.46	610.21	342.83	-	-	61.84	59.18	122.37	0.56	-	-
Total current assets	906.50	637.10	678.27	393.74	1.94	25.45	280.35	698.02	187.14	0.99	-	-
Total non-current assets	2,784.56	2,833.20	5,273.00	4,661.66	1,040.32	938.54	564.34	551.67	95.86	0.23	-	-
Current liabilities												
Financial liabilities (excluding trade payables)	39.88	10.92	1,973.09	1,680.00	-	-	-	-	418.80	51.35	-	-
Other liabilities	54.07	81.73	83.46	87.98	-	-	-	-	34.02	0.02	-	-
Total current liabilities	93.95	92.65	2,056.55	1,767.98	-	-	-	-	452.82	51.37	-	-
Non-current liabilities												
Financial liabilities (excluding trade payables)	16.53	17.72	2,941.20	2,447.69	-	-	78.26	-	17.15	-	-	-
Other liabilities	385.91	305.44	88.96	82.09	-	-	-	-	13.95	-	-	-
Total non-current liabilities	402.44	323.16	3,030.16	2,529.78	-	-	78.26	-	31.10	-	-	-
Net assets	3,194.67	3,054.49	864.56	757.64	1,042.26	963.99	844.69	1,171.43	(200.92)	(50.15)	-	-

Reconciliation to carrying amounts

	EIH Associated Hotels Ltd		Mercury Car Rentals Pvt. Ltd		Oberoi Mauritius Ltd (Consolidated)		Mercury Travels Ltd		Usmart Education Ltd	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Opening net assets	3,022.67	2,810.38	1,049.96	1,041.65	657.49	560.00	-	120.85	-	-
Additional Equity infused	-	-	100.00	-	-	-	-	-	-	-
Profit for the year	379.35	377.90	84.46	45.99	(65.40)	97.49	-	(3.92)	(9.39)	-
Other comprehensive income*	(1.14)	(0.59)	(2.85)	(7.38)	70.80	-	-	1.23	-	-
Dividends paid (including tax)	(165.04)	(165.02)	(18.34)	(30.30)	-	-	-	-	-	-
Closing net assets	3,235.84	3,022.67	1,213.23	1,049.96	662.89	657.49	-	118.16	(9.39)	-
Group's share in %	36.81%	36.81%	40%	40%	50%	50%	-	25.10%	25.10%	-
Group's share in INR	1,191.09	1,112.62	485.29	419.98	331.44	328.73	-	29.66	-	-
Goodwill	182.46	182.46	-	-	-	-	-	34.77	(2.36)	-
Carrying amount	1,373.55	1,295.08	485.29	419.98	331.44	328.73	-	64.43	(2.36)	-

* Includes Foreign currency translation adjustments

Notes to Accounts — Contd.

	EIH Associated Hotels Ltd		Mercury Car Rentals Pvt. Ltd		Oberoi Mauritius Ltd		Island Resorts Ltd		Mercury Travels Ltd		Usmart Education Ltd	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	2,641.82	2,635.68	4,172.17	3,394.69	-	-	716.43	806.16	-	353.75	5.63	-
Interest income	95.18	57.19	56.55	32.04	46.83	57.31	-	5.80	-	66.07	-	-
Depreciation and amortisation	142.62	140.88	1,281.19	1,121.79	-	-	54.30	47.65	-	7.26	0.16	-
Interest expense	4.34	3.98	449.12	426.20	63.60	71.47	-	-	-	57.74	5.13	-
Income tax expense	204.08	208.66	39.70	23.34	9.09	9.01	0.06	13.52	-	4.51	0.17	-
Profit from continuing operations	2,365.96	2,339.35	2,458.71	1,855.40	(25.86)	(23.17)	662.07	750.79	-	350.31	0.17	-
Profit from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	379.35	377.90	84.46	45.99	(29.35)	(25.76)	(39.14)	147.45	-	(3.92)	(9.39)	-
Other comprehensive income	(1.14)	(0.59)	(2.85)	(7.38)	-	-	1.12	0.64	-	1.23	-	-
Total comprehensive income	378.21	377.31	81.61	38.61	(29.35)	(25.76)	(38.02)	148.09	-	(2.69)	(9.39)	-

Notes to Accounts — Contd.

49(a) Annexure
Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures
Part "A": Subsidiaries
(Information in respect of each subsidiary with amounts in INR Million)

Sl. No.	Name of the subsidiary	Rupees Million										
		1	2	3	4	5	6	7	8	9	10	11
1	Mashora Resort limited		Mumtaz Hotels Limited	Oberoi Kerala Resorts and Limited	EIH International Limited	EIH Holdings Ltd	EIH Investments NV	EIH Management Services BV	PT Widjaja Putra Karya	PT Waka Oberoi Indonesia	PT Astina Graha Ubud	EIH Flight Services Limited
2		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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 as on the last date of the relevant Financial year in the case of foreign subsidiaries	N/A	N/A	N/A	US\$	US\$	US\$	Euro	US\$	US\$	US\$	Mauritian Rupees
5	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries											
	- Closing rate	N/A	N/A	N/A	70.43	70.43	70.43	79.50	70.43	70.43	70.43	2.07
	- Average rate	N/A	N/A	N/A	69.89	69.89	69.89	80.93	69.89	69.89	69.89	2.03
6	Share capital	330.00	206.50	27.20	7,508.54	3,316.55	0.70	1.41	62.68	2,640.42	183.12	1,429.21
7	Reserves & surplus	123.82	1,156.14	(8.19)	(304.96)	383.14	(18.31)	-	100.01	(2,543.93)	-	(1,562.56)
8	Total assets	1,868.48	1,640.84	22.12	7,219.78	3,719.41	-	2.82	335.25	279.61	435.26	668.61
9	Total Liabilities	1,414.66	278.20	3.11	16.20	19.72	17.61	1.41	172.55	183.12	252.14	801.96
10	Investments	-	481.99	-	6,668.31	2,863.68	-	-	-	-	-	-
11	Turnover	497.04	1,071.29	0.84	165.64	194.99	9.78	13.28	474.55	66.40	-	563.89
12	Profit before taxation	243.09	473.72	0.20	161.45	97.15	(29.35)	(65.70)	19.57	17.47	-	(12.26)
13	Provision for taxation	72.30	136.00	0.11	-	16.77	0.14	-	21.67	2.10	-	(12.34)
14	Profit after taxation	170.79	337.72	0.09	161.45	80.38	(29.49)	(65.70)	(2.10)	15.37	-	0.08
15	Proposed Dividend including dividend distribution tax	-	186.72	-	-	-	-	-	-	-	-	-
16	% of shareholding	78.79%	60.00%	80.00%	100.00%	100.00%	100.00%	100.00%	70.00%	96.33%	60.00%	100.00%

1. Names of subsidiaries which are yet to commence operations :

- Oberoi Kerala Hotels and Resorts Limited
- PT Astina Graha Ubud

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

- None

Notes to Accounts — Contd.

49(b) Annexure

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Rupees Million				
	EIH Associated Hotels Limited	Mercury Car Rentals Pvt Limited	Oberoi Mauritius Limited *	La Roseraie De L'Atlas	Usmart Education Ltd
1. Latest audited Balance Sheet Date	31.03.2019	31.03.2019	31.03.2019	31.12.2018	31.03.2019
2. Shares of Associate/Joint Ventures held by the company on the year end					
No.	11.22	12.71	4.87	0.01	0.13
Amount of Investment in Associates/ Joint Venture	1,010.72	348.25	5,194.21	402.86	-
Extent of Holding %	36.81%	40%	50%	46%	25%
3. Description of how there is significant influence	More than 20% Shareholding	N.A.	N.A.	More than 20% Shareholding	More than 20% Shareholding
4. Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet	1,191.04	485.34	331.44	2,717.19	(13.58)
6. Profit / Loss for the year	379.35	84.46	(65.40)	38.44	(9.39)
i. Considered in Consolidation	139.64	33.78	(32.70)	17.68	-
i. Not Considered in Consolidation	239.71	50.68	(32.70)	20.76	(9.39)

* 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.

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

Notes to Accounts — Contd.

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

Name of the entity	Rupees Million							
	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	86.66	26,709.22	51.46	766.55	(54.26)	(8.86)	51.43	757.69
Subsidiaries								
Indian								
1 Mumtaz Hotels Limited	2.69	830.37	13.60	202.60	(0.37)	(0.06)	13.75	202.54
2 Mashobra Resort limited	1.16	357.55	9.04	134.63	(2.02)	(0.33)	9.12	134.30
3 Oberoi Kerala Hotels & Resorts Limited	0.05	15.28	0.00	0.07	-	-	0.00	0.07
Foreign								
1 EIH Flight Services Limited Mauritius	(0.43)	(133.36)	0.01	0.08	2.51	0.41	0.03	0.49
2 EIH International Limited	(8.10)	(2,496.00)	7.12	106.00	(36.80)	(6.01)	6.79	99.99
3 EIH Holdings Limited	3.14	968.00	4.50	67.00	-	-	4.55	67.00
4 EIH Investments N.V.	(0.06)	(18.00)	(1.95)	(29.00)	-	-	(1.97)	(29.00)
5 EIH Management Services B.V.	0.00	1.00	(4.43)	(66.00)	-	-	(4.48)	(66.00)
6 PT Widja Putra Karya	0.53	163.00	0.07	1.00	-	-	0.07	1.00
7 PT Waka Oberoi Indonesia	0.31	95.00	1.01	15.00	-	-	1.02	15.00
8 PT Astina Graha Ubud	0.59	183.00	-	-	-	-	-	-
Minority Interests in all subsidiaries	2.88	886.68	11.33	168.77	0.49	0.08	11.46	168.85
Associate (Investment as per equity method)								
Indian								
EIH Associated Hotels Limited	3.86	1,191.04	9.34	139.10	(2.57)	(0.42)	9.41	138.68
Foreign								
La Roseraie De L'Atlas	1.08	332.00	(2.24)	(33.00)	-	-	(2.24)	(33.00)
Joint Ventures (investment as per equity method)								
Indian								
Mercury Car Rentals Pvt Ltd	1.57	485.34	2.29	33.77	(6.98)	(1.13)	2.22	32.64
Foreign								
Oberoi Mauritius Limited	4.06	1,250.00	(1.15)	(17.00)	-	-	(1.15)	(17.00)

51. The Company has adopted Ind AS 115, Revenue from contract with customers, using the cumulative catch-up transition method, applied to contracts that were not completed as of 1st April 2018. Accordingly, the prior period information has not been restated. Under the new standard, revenue is recognised upon the satisfaction of the performance obligations for the goods or services. Application of this standard resulted into reduction in opening reserves amounting to INR 112.14 Million (net of tax) and impact on the current year income statement amounting to INR 34.82 Million (net of tax) respectively.

52. **Disclosure on Contract balances :**

a) Trade receivable

A trade receivable is recorded when the Company has an unconditional right to receive payment. In respect of revenue from rooms, food and beverages and other services invoice is typically issued as the related performance obligations are satisfied as described in note 1(c) (Refer Note 13).

b) Advance from Customers

Advance from Customers is recognised when payment is received before the related performance obligation is satisfied (Refer Note 30).

	Rupees Million	
Particulars	As at March 31, 2019	As at March 31, 2018
As at the beginning of the year	338.30	317.37
Recognised as revenue during the year	319.89	290.26
As at the end of the year	487.29	338.30

c) Deferred Revenue

Deferred Revenue is recognised when invoice is raised before the related performance obligation is satisfied (Refer Note 30).

Particulars	Belvedere Membership		Loyalty program	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
(i) As at the beginning of the year	-	-	56.16	58.06
(ii) Revenue recognised during the year out of (i) above	-	-	29.38	47.35
(iii) Adjustment of revenue recognised in previous year on account of IndAS 115 (refer note 51)	84.63	-	87.73	-
(iv) Revenue recognised during the year out of (iii) above	84.63	-	40.55	-
(v) As at the end of the year	24.38	-	146.72	56.16

53. In the recent case of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir and Others, Supreme Court has ruled that special allowances paid by an establishment to its employees would fall within the expression "basic wages" under Section 2(b)(ii) read with Section 6 of the Act for computation of contribution towards Provident Fund.

As legally advised, the incremental liability has been ascertained prospectively, effective 1st March, 2019 and provided for in the books of account of the Company.

54. In case of ElH Flight Services Limited, Mauritius

As at 31 March 2019, the Company was in a shareholder's deficit position of INR 64.43 Million (2018 - INR 64.67 Million), in a net current liability position of INR 19.73 Million (2018 - INR 132.55 Million) and for the year ended 31 March 2019, the Company has realised a profit of INR 0.04 Million (2018- INR 25.31 Million). However, for the year ended 31 March 2019, the Company has generated net cash inflows of INR 24.25 Million (2018 - INR 30.43 Million) from its operations. Moreover, the Company has a bank overdraft facility of INR 25.00 Million to meet its day-to-day working capital requirements. At 31 March 2019, the overdraft balance was INR Nil (2018 - INR Nil). The directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Furthermore, the shareholder has confirmed to the Company that it will provide its financial support to the Company for at least the next twelve months. Thus, based on the validity of this assumption, the financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

55. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by any of the Group Companies.
56. The financial statements were authorised for issue by the Board of Directors on 30th May, 2019.

For and on behalf of the Board

ANIL NEHRU
Chairman - Audit Committee
(DIN No. : 00038849)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

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

Place : Gurugram
Date : 30th May, 2019

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary



OBEROI HOTELS & RESORTS

INDIA

Agra	The Oberoi Amarvilās
Bengaluru	The Oberoi
Chandigarh	The Oberoi Sukhvilās
Gurgaon	The Oberoi
Jaipur	The Oberoi Rajvilās
Kolkata	The Oberoi Grand
Shimla in the Himalayas	Wildflower Hall
Mumbai	The Oberoi
New Delhi	The Oberoi
Ranthambhore	The Oberoi Vanyavilās
Shimla	The Oberoi Cecil
Udaipur	The Oberoi Udaivilās
Cochin	Motor Vessel Vrinda <i>(A luxury backwater cruiser)</i>

TRIDENT HOTELS

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

EGYPT

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

INDONESIA

Bali	The Oberoi
Lombok	The Oberoi

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



PROJECTS UNDER CONSTRUCTION OR ENVIRONMENTAL APPROVAL

INTERNATIONAL

Marrakech, Morocco

The Oberoi
Opening shortly

Qatar

The Oberoi, Doha
Under construction

INDIA

Madhya Pradesh

The Oberoi Rajgarh Palace
Under development

**The Oberoi Vindhya Vilas Wildlife Resort,
Bandhavgarh National Park**
Under construction

Bengaluru

The Oberoi
*Pending approval of
new planning guidelines*

Goa

The Oberoi
Awaiting environmental approvals