



## ORIENTAL HOTELS LIMITED

Corporate Office : No.47, Paramount Plaza, Mahatma Gandhi Road, Chennai - 600 034. India.

OHL:SEC:47AGM-Regl.34(1):2018/19  
August 2, 2018

The Manager – Listing  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1 G  
Block, Bandra Kurla Complex  
Bandra (E), Mumbai : 400051  
Symbol : ORIENTHOT

The Manager – Listing Department  
Bombay Stock Exchange Ltd.  
II Floor, New Trading Ring  
Rountana Building P J Towers,  
Dalal Street, Mumbai : 400001  
Scrip Code : 500314

Dear Sir,

**Sub:- Submission of Annual Report for the Financial Year 2017 – 2018**

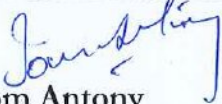
Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has uploaded the Annual Report for the year 2017 – 2018 which was approved and adopted by the Members of the Company at the Annual General meeting held on July 25, 2018.

Kindly take on record the above.

Thanking you,

Yours faithfully,

**For ORIENTAL HOTELS LIMITED**

  
**Tom Antony**  
**COMPANY SECRETARY**

Encl.: as above



**ORIENTAL HOTELS LIMITED**  
48th ANNUAL REPORT 2017-18





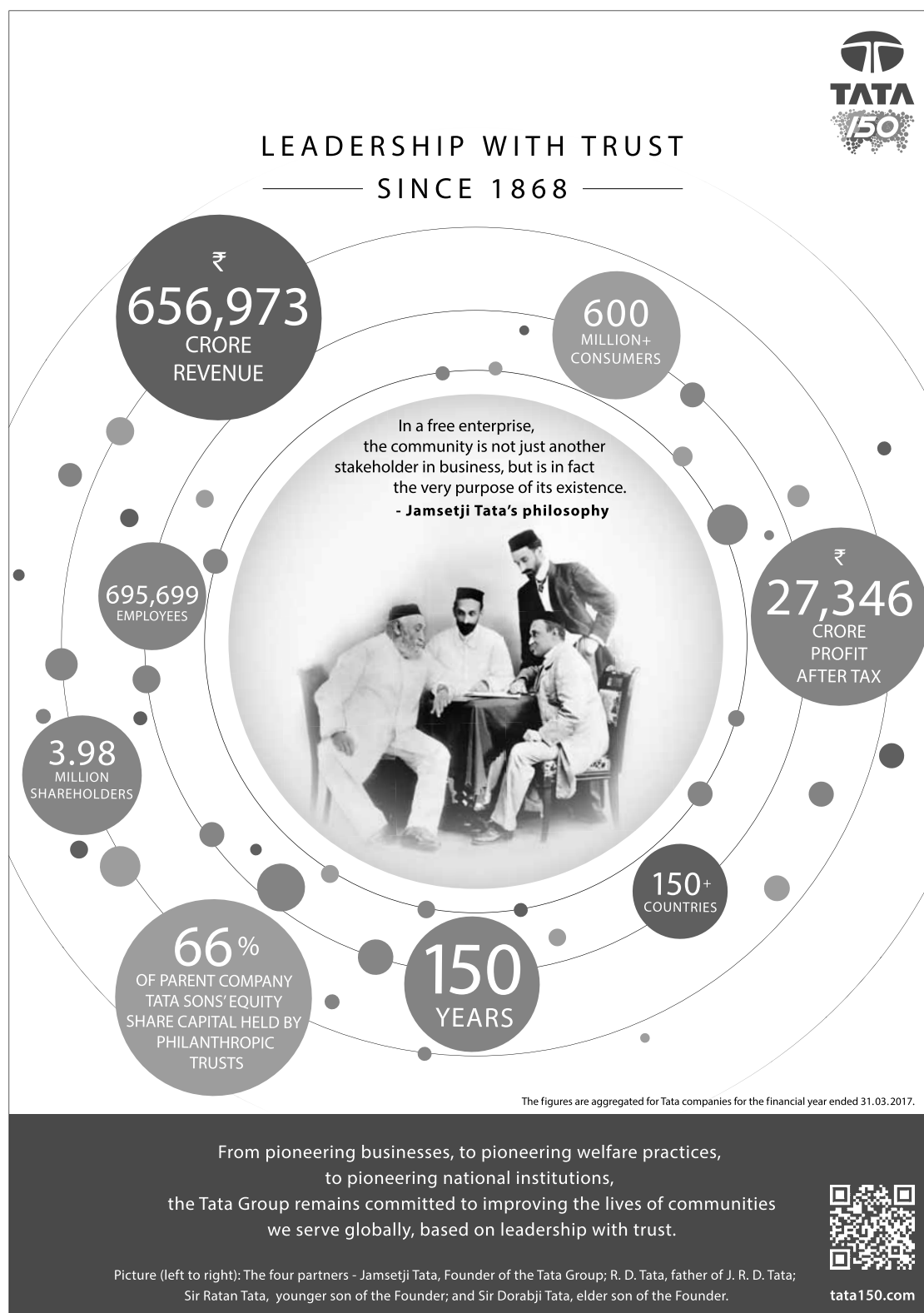
Taj Coromandel, Chennai



**BOARD OF DIRECTORS**

(As on May 9, 2018)

<p><b>Puneet Chhatwal</b> Chairman (Appointed w.e.f. January 23, 2018)</p> <p><b>Pramod Ranjan</b> Managing Director</p>	<p><b><u>Non-Executive Directors</u></b></p> <p><b>D. Varada Reddy</b> <b>D. Vijayagopal Reddy</b> <b>Ramesh D. Hariani</b> <b>Giridhar Sanjeevi</b> (Appointed w.e.f. July 25, 2017)</p> <p><b><u>Independent Directors</u></b></p> <p><b>Dr. G. Sundaram</b> <b>S. Y. Syed Meeran</b> <b>Gita Nayyar</b> <b>Phillie D. Karkaria</b> <b>Vijay Sankar</b> <b>Harish Lakshman</b> (Appointed w.e.f. May 9, 2018)</p>
<b>Committees</b>	
<p><b><u>Audit Committee</u></b></p> <p><b>Vijay Sankar</b> - Chairman <b>Dr. G. Sundaram</b> - Member <b>Gita Nayyar</b> - Member <b>Giridhar Sanjeevi</b> - Member</p>	<p><b><u>Nomination and Remuneration Committee</u></b></p> <p><b>Phillie D. Karkaria</b> - Chairman <b>Dr. G. Sundaram</b> - Member <b>D. Vijayagopal Reddy</b> - Member <b>Puneet Chhatwal</b> - Member</p>
<p><b><u>Stakeholders Relationship Committee</u></b></p> <p><b>Dr. G. Sundaram</b> - Chairman <b>D. Vijayagopal Reddy</b> - Member <b>D. Varada Reddy</b> - Member <b>Pramod Ranjan</b> - Member</p>	





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## ORIENTAL HOTELS LIMITED

### SHAREHOLDERS INFORMATION

Annual General Meeting	July 25, 2018 at 9.00 a.m.
Venue	Sathguru Sri Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai – 600 018
AVP Legal & Company Secretary	Tom Antony
AVP Finance & CFO	Rajneesh Jain
Legal Advisor	T. Raghavan New No. 41, (Old No. 40), Kasturi Ranga Road, Alwarpet, Chennai – 600 018.
Auditors	Messrs. PKF Sridhar & Santhanam LLP Chartered Accountants KRD GEE GEE Crystal 91-92, 7 <sup>th</sup> Floor, Dr. Radhakrishnan Salai Mylapore, Chennai – 600 004
Bankers	HDFC Bank Ltd. Standard Chartered Bank Citi Bank NA State Bank of India Indian Overseas Bank
Debenture Trustee	L55101TN1970PLC005897
CIN	July 21, 2018 to July 25, 2018 (both days inclusive)
Book Closure Date	July 22, 2018, 9.00 a.m. to July 24, 2018 5.00 p.m.
e-Voting Window Period	Taj Coromandel, 37, Mahatma Gandhi Road, Chennai – 600 034 Telephone: 044-66002827 Fax: 044-66002089/98
Registered Office	Paramount Plaza, III Floor, 47, Mahatma Gandhi Road, Chennai – 600 034 Telephone : 044-66172828 Fax: 044-28254447/28278138
Company Secretary's Office	ohlshares.mad@tajhotels.com
E-mail	www.orientalhotels.co.in
Website	
Listing	BSE Ltd. 1 <sup>st</sup> Floor, New Trading Ring, Rountana Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Telephone : 022-22721233/34 Fax: 022-22721919
● Equity Shares	The National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plat No. C/1, 'G' Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051 Telephone : 022-26598100/8114 Fax: 022-26598237/38
● Shares underlying Global Depository Receipts	Luxembourg Stock Exchange Societe De la Bourse de Luxembourg SA BP 165 L 2011, Luxembourg
ISIN Number – Equity	INE750A01020
– NCD	Series A – INE750A0727/Series B – INE750A0735
Stock Code	NSE – ORIENTHOT EQ BSE – 500314
Registrar & Share Transfer Agent	M/s. Integrated Registry Management Services Private Limited II Floor, Kences Towers, 1, Ramakrishna Street, T. Nagar, Chennai – 600 017 Telephone : 044 – 28140801 – 0803 E- mail : corpserv@integratedindia.in



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## ORIENTAL HOTELS LIMITED

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Forty Eighth Annual General Meeting on Wednesday July 25, 2018 at 9.00 a.m.  
at Sathguru Sri Gnanananda Hall, Narada Gana Sabha,  
314, T.T.K. Road, Chennai – 600 018.



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## ORIENTAL HOTELS LIMITED

### FINANCIAL HIGHLIGHTS

(₹ Lakhs)

Financial Year	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Total Income	36,887.59	34,460.39	31,626.43	30,671.52	30,234.02	29,662.62
Profit Before Tax	852.87	198.51	(2,598.40)	(602.82)	(1,044.13)	1,390.01
Taxation	253.13	45.26	(813.66)	(303.45)	(324.57)	(39.80)
Profit After Tax	599.74	153.25	(1,784.74)	(299.37)	(719.56)	1,429.81
Dividend, dividend tax, Surcharge and cess	-	-	429.92	859.83	1,149.24	1,149.24
Retained Earnings	3,365.68	2,221.29	(250.79)	1,098.89	925.63	2,897.36
Total Assets	63,204.06	63,615.47	63,959.11	66,807.72	67,295.80	67,038.50
Net Worth	24,641.40	23,920.11	23,985.51	23,413.74	27,900.75	29,769.55
Borrowings	31,325.99	32,231.93	31,741.93	31,096.83	30,755.82	28,340.00
Net Worth per Share	13.80	13.39	13.45	13.11	15.62	16.67
Earnings per Equity Share	0.34	0.09	(1.00)	(0.17)	(0.40)	0.80
Dividend on Equity Share	NIL	NIL	20%	40%	55%	55%
Debt : Equity Ratio	1.27:1	1.27:1	1.28:1	1.14:1	1.07:1	0.88:1

**Note :**

Net worth per share is based on equity share of ₹1/-

FY 2015-16, FY 2016-17 and FY 2017-18 are based on IND AS Financial Statements





## ORIENTAL HOTELS LIMITED

CIN: L55101TN1970PLC005897

Reg. Office: Taj Coromandel, #37, M.G.Road, Chennai – 600 034

Phone No.(044) 66002827 Fax No.(044) 28254447

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

### NOTICE TO MEMBERS

**NOTICE** is hereby given that the 48th Annual General Meeting of Oriental Hotels Limited will be held on Wednesday, July 25, 2018 at 9.00 a.m. at Sathguru Sri Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai – 600 018 to transact the following business:

#### Ordinary Business

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Board of Directors and Auditors thereon.
- 2) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the report of the Auditors thereon.
- 3) To appoint a Director in place of Mr. Ramesh D. Hariani (DIN: 00131240), who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Pramod Ranjan (DIN: 00887569), who retires by rotation and being eligible, offers himself for re-appointment.

#### 5) Ratification of Appointment of Auditors

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

**“Resolved that** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the appointment of P. K. F. Sridhar & Santhanam, LLP, Chartered Accountants, (Firm Reg.No.: 003990S/S200018) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the 52<sup>nd</sup> AGM of the Company to be held in the year 2022 without requiring any further ratification from the members at any Subsequent AGM during the current term of their appointment, to audit the accounts of the Company on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**“Resolved further that** the resolution passed by the Members at the 47<sup>th</sup> Annual General Meeting held on July 25, 2017 appointing P. K. F. Sridhar & Santhanam, LLP, Chartered Accountants, (Firm Reg. No.: 003990S/S200018) as auditors of the Company stands modified as to the requirement of ratification by Members at every AGM which has been dispensed with under the Companies (Amendment) Act, 2017.”

#### Special Business

#### 6) Appointment of Mr. Giridhar Sanjeevi (DIN: 06648008) as a Non-executive Director of the Company

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

**“Resolved that** Mr. Giridhar Sanjeevi (DIN: 06648008), who was appointed as a Director in non-executive capacity by the Board of Directors with effect from July 25, 2017 in the Casual Vacancy caused by the resignation of Mr. Anil P. Goel, pursuant to Section 161(4) of the Companies Act, 2013 (“Act”) read with Article 107 of the Articles of Association of the Company holds office up to the date of this Annual General Meeting and is eligible for appointment and consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing, under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation.”

**7) Appointment of Mr. Puneet Chhatwal (DIN: 07624616) as a Non-executive Director of the Company**

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

**“Resolved that** Mr. Puneet Chhatwal (DIN: 07624616), who was appointed as a Director in non-executive capacity by the Board of Directors with effect from January 23, 2018 in the Casual Vacancy caused by the resignation of Mr. Rakesh Kumar Sarna, pursuant to Section 161(4) of the Companies Act, 2013 (Act) read with Article 107 of the Articles of Association of the Company holds office up to the date of the Annual General Meeting and is eligible for appointment and consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing, under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation.”

**8) Appointment of Mr. Harish Lakshman (DIN: 00012602) as an Independent Director of the Company**

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

**“Resolved that** Mr. Harish Lakshman (DIN: 00012602), who was appointed by the Board of Directors as an Additional Director of the Company effective May 09, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and Article 109 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

**Resolved further that** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Harish Lakshman who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing May 09, 2018 to May 08, 2023.”

**9) Payment of Commission to Non-Executive Directors of the Company**

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

**“Resolved that** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), Listing Regulations and the Articles of Association of the Company, as amended from time to time, a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five (5) years, commencing April 1, 2018 up to March 31, 2023.”

**10) To consider and determine the fees for delivery of any document through a particular mode of delivery to a member**

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

**“Resolved That** pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document(s) through a particular mode an amount equivalent to the estimated actual expenses for delivery of the document(s) through a particular mode be charged in advance from such member by way of fees for sending the document to him in the desired particular mode.

**Resolved further that** the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

**Resolved further that** for the purpose of giving effect to this resolution, the Key Managerial Personnel of the

# ORIENTAL HOTELS LIMITED

## NOTICE TO MEMBERS

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Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance.”

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

**Tom Antony**

Company Secretary

Membership No.: FCS 6828

Place : Chennai

Date : May 09, 2018

### NOTES:

- 1) The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the special business under Item No. 6, 7, 8, 9 & 10 of the Notice, is annexed hereto. An explanatory statement is also provided in respect of Item No. 5 of the Notice. The relevant details as required under Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 3) The instrument appointing a proxy should however be deposited at the Registered Office of the Company or at the office of the Company Secretary not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies must be supported by appropriate resolution / authority as applicable.
- 4) Members/Proxies should bring their Attendance Slip sent herewith duly filled in for attending the Meeting. ONLY MEMBERS/PROXIES WILL BE ADMITTED INTO THE AUDITORIUM FOR THE MEETING.
- 5) **MEMBERS SEEKING ANY INFORMATION WITH RESPECT TO FINANCIALS OR ANY OTHER INFORMATION ARE REQUESTED TO WRITE TO THE COMPANY AT THE EARLIEST SO AS TO ENABLE THE COMPANY TO PROVIDE APPROPRIATE REPLY.**
- 6) **The Register of Members and the Transfer Books will remain closed from July 21, 2018 to July 25, 2018 (both days inclusive) for the purpose of AGM.**
- 7) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form may submit the PAN copy to their depository participants, in the case of physical form the PAN copy be submitted to the Company / RTA.
- 8) **Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF)**  
Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amounts of dividend remaining unpaid/unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Accounts of the Company are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of Sub-Section (6) of Section 124 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend has not been encashed by the Members for a continuous period of seven years is also required to be transferred to the IEPF.

Due dates for claiming the unclaimed/unpaid dividends declared by the Company for the Financial Year 2010 – 11 to IEPF are as under:

Financial Year ended	Date of declaration of dividend	Last date for claiming unpaid / unclaimed dividend
31 <sup>st</sup> March, 2011	28 <sup>th</sup> July, 2011	2 <sup>nd</sup> September, 2018

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

Members whose dividend/shares is transferred to the IEPF Authority can claim the same from IEPF by submitting an online application in the prescribed Form IEPF – 5 available on the refund page of the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

- 9) As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has transferred all the share certificates remaining undelivered, unclaimed by the shareholders to “Unclaimed Suspense Account” and also has dematerialized the shares held in the said Unclaimed Suspense Account.
- 10) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company by submitting Form No. SH-14.
- 11) Members holding shares in physical form are requested to intimate the Company regarding any change in their addresses/bank mandates to enable the Company to address future communications to their correct addresses. Members holding shares in electronic / dematerialized form are requested to inform the Depository Participant (DP) with whom they hold their demat account about changes in their address / bank details for necessary update.
- 12) NO copies of the Annual Report will be distributed at the venue of the Annual General Meeting. Members are requested to kindly bring their copy of the Annual Report for the Meeting.
- 13) Members may also note that the Notice of the 48<sup>th</sup> Annual General Meeting and the Annual Report for 2017-18 is also available on the Company’s website <http://orientalhotels.co.in/investors/postal-ballot/notice/>
- 14) The Companies Act, 2013 referred to as the “Act” in this notice.
- 15) DIN refers to Director Identification Number.
- 16) “SEBI (LODR)” or “Listing Regulations” wherever appears refers to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 17) Pursuant to Section 108 of the Act, members may exercise their right to vote by electronic means for the resolutions to be passed at the meeting. A note on the e-voting process is provided hereunder:
- 18) **Voting through Electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (LODR), the Company is pleased to inform you a facility to exercise your voting right for the business to be transacted at the 48<sup>th</sup> Annual General Meeting by electronic means (e-Voting) through e-voting Services provided by National Securities Depository Limited (NSDL).

**The instructions for e-voting are as under:**

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

**Open e-mail and open PDF file viz. “AGM48\_2018.pdf” with your Client ID or Folio No. as password. The said PDF file contains your User ID and Password for e-voting. Please note that the password is an initial password.**



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

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
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  - b. **E-Voting Procedure:**
    - a) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - b) Click on Shareholder – Login
    - c) Put User ID and Password as initial password noted in step (i) above. Click Login.
    - d) Password change menu appears, Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof, note down the new password. It is strongly recommended not to share your password with any other person(s) and take utmost care to keep your password confidential.
    - e) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
    - f) Select “EVEN” of Oriental Hotels Limited.
    - g) Now you are ready for e-Voting as Cast Vote page opens.
    - h) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
    - i) Upon confirmation, the message “vote cast successfully” will be displayed.
    - j) Once you have voted on the resolutions, you will not be allowed to modify your vote.
    - k) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: [evoting.ksmassociates@gmail.com](mailto:evoting.ksmassociates@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
    - l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the “downloads” section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
      - i. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
      - ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
      - iii. The e-voting commences on July 22, 2018 @ 9:00 am and ends on July 24, 2018 @5:00pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (ie) July 20, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
      - iv. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.
      - v. M/s. KSM Associates, Practicing Company Secretaries represented by Mr. Krishna Sharan Mishra, Partner (Membership No. 6447 / CP No. 7039) or Ms. Deepa V. Ramani, Partner (Membership No. 5574 / CP No. 8760) have been appointed by Board of Directors of the Company as scrutinizers for scrutinizing the remote e-voting process as well as voting through poll paper at the meeting in fair and transparent manner.
      - vi. The Scrutinizers shall submit a Consolidated Scrutinizer’s Report based on the scrutiny of votes cast through remote e-voting and at the meeting to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result on July 27, 2018 at its Corporate Office, Paramount Plaza – III Floor, 47 Mahatma Gandhi Road, Nungambakkam, Chennai 600 034 which will be displayed along with the Scrutinizer’s Report on the website of the Company [www.orientalhotels.co.in](http://www.orientalhotels.co.in). The results will also be communicated to the Stock Exchanges and NSDL (e-voting agency).
      - vii. Subject to the receipt of requisite number of votes, the Resolutions forming part of this AGM Notice shall be deemed to be passed on the date of AGM (ie) July 25, 2018.

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

**Tom Antony**  
Company Secretary

Membership No.: FCS 6828

Place : Chennai  
Date : May 09, 2018

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) forming part of the Notice of the 48th Annual General Meeting of the Company**

The following Explanatory statement sets out all material facts relating to the Ordinary Business under Item No. 5 and Special Business under Item Nos. 6, 7, 8, 9 & 10 mentioned in the accompanying Notice dated May 09, 2018.

**Item No. 5**

1. This explanatory statement is provided though not mandatory under Section 102 of the Companies Act, 2013 (Act).
2. The Members at the 47th Annual General Meeting held on July 25, 2017 appointed P. K. F. Sridhar & Santhanam, LLP, Chartered Accountants, (Firm Reg. No: 003990S/S200018) as auditors of the Company to hold office from the conclusion of 47th Annual General Meeting until the conclusion of the 52nd Annual General Meeting of the Company subject to ratification of the said appointment by Members at every subsequent AGM as required under Section 139(1) of the Act.
3. Subsequently the requirement of ratification of appointment of Auditors at every AGM as provided under Section 139(1) of Act has been omitted by the Companies (Amendment) Act, 2017. In line with the said change, it is proposed to dispense with the requirement of ratification of appointment of Auditors by Members at every AGM for the remaining period during the current term of their appointment.
4. The Board recommends the Resolutions at Item No. 5 of this Notice for approval by the Members.
5. None of the Directors and/or Key Managerial Personnel of the Company and their respective relatives is, in anyway, concerned or interested, in the resolution set out at Item No. 5 of this Notice.

**Item No. 6 & 7**

1. The Board of Directors based on the recommendation of Nomination and Remuneration Committee appointed Mr. Giridhar Sanjeevi and Mr. Puneet Chhatwal as Non-executive Directors in Casual Vacancy created due to the resignation of Mr. Anil P. Goel and Mr. Rakesh Kumar Sarna with effect from July 25, 2017 and January 23, 2018, respectively.
2. Pursuant to the provisions under Section 161 of the Act, the casual vacancy filled by the Board shall be subsequently approved in the immediate next general meeting. Consequently, the appointment of Mr. Sanjeevi and Mr. Chhatwal by the Board need to be approved by the Members at this Annual General Meeting.
3. Mr. Sanjeevi is a qualified Chartered Accountant and a MBA from IIM – Ahmedabad. He has also completed leadership programs at INSEAD at London Business School. Mr. Sanjeevi’s last assignment was as Senior Director – Finance and a member of the Board of MSD (Merck, Sharpe & Dohme), the Indian unit of US pharmaceutical giant Merck. Mr. Sanjeevi has about three decades of extensive global experience built across FMCG, Retail, Pharma and Financial Services. Mr. Sanjeevi also serves as the member of a unique CFO Board, consisting of the senior CFOs of the country, providing non-partisan points of view on key policy issues to the Government of India, particularly, the Ministry of Finance. Mr. Sanjeevi is currently serving as the Chief Financial Officer of The Indian Hotels Company Limited and as Director on the Board of Taj GVK Hotels and Resorts Limited, Benares Hotels Limited, Roots Corporation Limited, PIEM Hotels Limited, Taj SATS Air Catering Limited and ELEL Hotels and Investments Limited.
4. Mr. Chhatwal is a hospitality industry veteran, with an experience of over three decades. He was the Chief Executive Officer and Member of the Executive Board of Steigenberger Hotels AG – Deutsche Hospitality. He was also the Chief Development Officer of The Rezidor Hotel Group – Carlson Hotels Worldwide. Mr. Chhatwal is a graduate of both Delhi University and Institute of Hotel Management, Delhi. He has completed MBA in Hospitality from ESSEC, Paris and an Advanced Management Program from INSEAD. Mr. Chhatwal has won awards including the prestigious Carlson Fellowship and was rated as one of Europe’s 20 extraordinary minds in Sales, Marketing and Technology – HSMIA European Awards 2014. He was also the First Alumni included in the ESSEC – IMHI Hall of Honor 2014. Mr. Chhatwal is currently serving as the Managing Director & Chief Executive Officer of The Indian Hotels Company Limited. He also holds directorships in Taj GVK Hotels and Resorts Limited, Roots Corporation Limited, PIEM Hotels Limited, Taj SATS Air Catering Limited and ELEL Hotels and Investments Limited.

5. The Company has received notice pursuant to Section 160 of the Companies Act 2013 from a Member/s proposing the candidature of Mr. Giridhar Sanjeevi and Mr. Puneet Chhatwal for the office of Director of the Company at the forthcoming Annual General Meeting and as per the Companies (Amendment) Act 2017, the deposit amount has been exempted as their appointment had been recommended by the Nomination and Remuneration Committee.
6. The Board recommends the Resolutions set out at Item No. 6 & 7 of the accompanying Notice for approval by the Members.
7. Except Mr. Giridhar Sanjeevi and Mr. Puneet Chhatwal and their respective relatives, none of the Directors and/or Key Managerial Personnel of the Company and their respective relatives is in anyway, concerned or interested, in the resolution set out at Item Nos. 6 & 7 of this Notice.

**Item No. 8**

1. The Board of Directors based on the recommendation of Nomination and Remuneration Committee appointed Mr. Harish Lakshman (DIN: 00012602) as an Additional Director under the category of Independent Director with effect from May 09, 2018. Pursuant to Section 161 of the Companies Act 2013, read with applicable articles of the Articles of Association of the Company. He holds office as an Additional Director of the Company up to the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received notice pursuant to Section 160 of the Companies Act 2013 from a Member proposing his candidature for the office of Director of the Company at the forthcoming Annual General Meeting. The Board commends to the Members his appointment as a Director of the Company.
2. Mr. Harish Lakshman is currently the Vice Chairman of Rane Engine Valve Ltd., and Managing Director of Rane TRW Steering Systems Pvt. Ltd. He also serves on the Board of all the group companies including Rane Holdings Limited. Mr. Harish joined Rane Group, a \$500 Million Automotive Components manufacturing group based out of Chennai in 1998 and held different positions in the areas of Marketing, Operations and Export Business Development. He is currently spearheading the Groups initiative to achieve an accelerated profitable growth. Prior to joining Rane Group, Harish worked with TRW Automotive Inc. in the US for 2 years. As an active member of several industrial associations and Government panels he has also played a key role as President of Automotive Component Manufacturers Association of India (ACMA) for the period 2013 – 14. He has also served as Chairman of CII – Young Indians (Chennai Chapter). Mr. Harish was identified and recognised by Economic Times as one among the top 40 under forty India's Business Leaders in 2014.
3. As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Harish Lakshman has given declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.
4. Mr. Harish Lakshman is a Non-Executive Director and considered as an Independent based on the declaration received under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and is independent of the management.
6. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Harish Lakshman is now being placed before the Members for their approval.
7. The Board recommends the Resolutions set out at Item Nos. 8 of the accompanying Notice for acceptance by the Members.
8. Except Mr. Harish Lakshman and his relatives, none of the Directors and/or Key Managerial Personnel of the Company and their respective relatives is in anyway, concerned or interested, in the resolution set out at Item No. 8 of this Notice.

**Item No. 9**

1. The Company presently has 11 (eleven) Non-Executive Directors on its Board, drawn from diverse fields. They spend substantial time and energy for the Company and contribute through their professional and management

expertise. The Board is of the view that it is necessary that adequate compensation be given to the Non-Executive Directors and the Independent Directors so as to compensate them for their time and efforts.

2. At the Annual General Meeting of the Company held on August 06, 2013, the Members had approved of the payment of commission to Non-executive Directors of the Company not exceeding one per cent per annum of the net profits of the Company for a period of five years commencing from April 1, 2018. It is proposed to continue with the payment of Commission to Non-executive Directors of the Company. Accordingly, it is proposed that in terms of Section 197 of the Act, the Directors (apart from the Managing Director) be paid, for each of the five consecutive financial years commencing April 1, 2018, remuneration not exceeding one per cent per annum of the net profits of the Company computed in accordance with Section 198 of the Act. This remuneration will be distributed amongst the Directors in accordance with the directions given by the Board.
3. Except the Managing Director and Key Managerial Personnel of the Company and their respective relatives, all Directors and their respective relatives are concerned or interested in the Resolution set out at Item No. 9 of the Notice to the extent of the remuneration that may be received by each of them pursuant to this Resolution.

**Item No. 10**

1. As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode as mentioned in the resolution.
2. The Act requires the fees to be determined in the Annual General Meeting hence the Directors recommend the Ordinary Resolution set out at Item No. 10 of the accompanying Notice, for the approval of the members of the Company.
3. None of the Directors and/or Key Managerial Personnel of the Company and their relatives is in anyway concerned or interested in the resolution set out at Item No. 10 of the accompanying Notice.

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

Place : Chennai  
Date : May 09, 2018

**Tom Antony**  
Company Secretary  
Membership No.: FCS 6828



# ORIENTAL HOTELS LIMITED

## NOTICE TO MEMBERS

This information forms part of the Explanatory Statement for the Annual General Meeting.

**Details of Directors seeking appointment / re-appointment at the 48<sup>th</sup> Annual General Meeting of the Company:**  
*[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2]*

<b>Name</b>	<b>Mr. Ramesh D. Hariani</b>	<b>Mr. Pramod Ranjan</b>
DIN	00131240	00887569
Date of Birth	October 11, 1949	April 02, 1967
Expertise in specific functional areas	Wide experience in Business Management	Wide experience in Business Management, Project Planning and Hospitality Industry
Qualification	B.Sc. (Mech.) from City University, London PG Diploma in Business Management from Bradford University, Yorkshire, London	B.Com.,(Hons), Master Degree in Business Administration from Melbourne, Australia
Date of Appointment	May 14, 2010	January 21, 2008
Number of shares held in the Company	38,13,788	1,41,96,140
Directorship in other Companies (as on March 31, 2018)	1) GREW Industries Pvt. Ltd. 2) G R Shipping Pvt. Ltd. 3) G R Engineering Pvt. Ltd. 4) G R Infrastructure Pvt. Ltd. 5) Taj Madurai Ltd.	1) Kaveri Retreats and Resorts Ltd. 2) Coromandel Seafoods Pvt. Ltd. 3) Coromandel Beach Properties Pvt. Ltd. 4) Cocoon Resorts Pvt. Ltd. 5) Kodai Heights Properties Pvt. Ltd. 6) Dodla International Ltd. 7) Devi Sea Foods Ltd. 8) Taj Madurai Limited
Chairman / Member of the Committees of other Companies on which he is a Director (as on March 31, 2018)	Nil	Nil

Name	Mr. Giridhar Sanjeevi	Mr. Puneet Chhatwal	Mr. Harish Lakshman
DIN	06648008	07624616	00012602
Date of Birth	December 03, 1963	April 16, 1964	February 12, 1974
Expertise in specific functional areas	Wide experience in Finance and Business Management (Refer Explanatory Statement for Item No. 6 of the AGM Notice)	Wide experience in Hospitality Industry and Business Management (Refer Explanatory Statement for Item No. 7 of the AGM Notice)	Wide experience in Business Management (Refer Explanatory Statement for Item No. 8 of the AGM Notice)
Qualification	Chartered Accountant MBA from IIM – Ahmedabad	MBA in Hospitality from ESSEC, Paris Advanced Management Program from INSEAD Graduation from Delhi University and Institute of Hotel Management, Delhi	B.Tech. Mechanical Engineering BITS, Pilani, MBA from Krannert School of Management at Purdue University, USA
Date of Appointment	July 25, 2017	January 23, 2018	May 09, 2018
Shares held in the Company	Nil	Nil	Nil
Directorship in other Companies (as on March 31, 2018)	(1) Taj GVK Hotels and Resorts Ltd. (2) Benares Hotels Limited <sup>(*)</sup> (3) PIEM Hotels Ltd. (4) Roots Corporation Ltd. (5) Taj Sats Air Catering Ltd. (6) ELEL Hotels and Investments Ltd.	(1) The Indian Hotels Company Ltd. (2) Taj GVK Hotels and Resorts Ltd. (3) PIEM Hotels Ltd. (4) Roots Corporation Ltd. (5) Taj Sats Air Catering Ltd. (6) ELEL Hotels and Investments Ltd.	(1) Rane Engine Valve Ltd. (2) Rane Holdings Limited (3) Rane Brake Lining Limited (4) Rane (Madras) Limited (5) Rane NSK Steering Systems Pvt. Ltd. (6) Rane TRW Steering Systems Pvt. Ltd. (7) Savithur Enterprises Pvt. Ltd. (8) JMA Rane Marketing Ltd. (9) HL Hill Station Properties Pvt. Ltd. (10) Rane T4U Pvt. Ltd.
Chairman / Member of the Committees of other Companies on which he is a Director (includes only Audit Committee and Stakeholders' Relationship Committee) (as on March 31, 2018)	<b>Audit Committee</b> Taj GVK Hotels & Resorts Ltd. – Member Benares Hotels Limited – Member PIEM Hotels Ltd. – Member Taj SATS Air Catering Ltd. – Member Roots Corporation Ltd. – Chairman	<b>Audit Committee</b> Taj GVK Hotels & Resorts Ltd. – Member <b>Stakeholder's Relationship Committee</b> The Indian Hotels Company Ltd. – Member	<b>Stakeholder's Relationship Committee</b> – Rane Brake Lining Ltd. – Chairman Rane (Madras) Ltd. – Member

<sup>(\*)</sup>Mr. Giridhar Sanjeevi has resigned from Benares Hotels Limited w.e.f. May 10, 2018.

The attendance records of the Directors seeking appointment/re-appointment are furnished in the Corporate Governance report which forms part of the Annual Report 2017–18.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

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

Place : Chennai  
Date : May 09, 2018

**Tom Antony**  
Company Secretary  
Membership No.: FCS 6828

**BOARD'S REPORT****To the Members**

The Board of Directors are pleased to present the 48<sup>th</sup> Annual Report of the Company along with the audited financial statements (standalone and consolidated) for the financial year ended March 31, 2018.

**Financial Highlights**

₹ in Lakhs

Particulars	Standalone		Consolidated	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	36,888	34,460	36,227	33,974
Profit before Depreciation, Finance Cost, Tax and Exceptional Items	6,707	5,873	6,040	5,376
Less: Depreciation & Amortization	2,766	2,498	2,766	2,498
Less: Finance Cost	3,089	3,219	3,089	3,219
Add: Exceptional Items (net)	1	42	1	42
Profit/(Loss) before Tax	853	198	186	(299)
Tax Expense:				
– Current Tax	188	180	188	180
– Deferred Tax	65	(135)	65	(135)
<b>Profit/(Loss) after Tax</b>	<b>600</b>	<b>153</b>	<b>(67)</b>	<b>(344)</b>
<b>Earnings per share (₹)</b>	<b>0.34</b>	<b>0.09</b>	<b>0.34</b>	<b>0.28</b>

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

The Company achieved a turnover of ₹36,888 lakhs for the period ended March 31, 2018, increased by ₹2,428 lakhs (7 %) as compared to previous year contributed by the increase in both Room Income and F&B Income.

The Profit (EBITDA) before Depreciation, finance cost & Tax for the year ended March 31, 2018 amounted to ₹6,707 lakhs, increased by ₹834 lakhs (14 %) as compared to previous year.

Depreciation for the year was higher at ₹2,766 lakhs as compared to ₹2,498 lakhs in the previous year due to additions to fixed assets as part of the planned renovations at key properties.

Finance cost for the year ended March 31, 2018 at ₹3,089 lakhs was lower than previous year by ₹130 lakhs due to repayment of existing loans in line with the repayment schedule.

The Profit before Tax for the year ended March 31, 2018 amounted to ₹853 lakhs as against a profit of ₹198 lakhs of the previous year.

The tax expense (including deferred tax) for the year ended March 31, 2018 amounted to ₹253 lakhs. The Profit after Tax for the year ended March 31, 2018 stood at ₹600 lakhs as against a profit of ₹153 lakhs of the previous year.

Debenture Redemption Reserve (DRR) available at the year ended March 31, 2018 amounted to ₹2,652 lakhs after the transfer of ₹646 lakhs to the DRR during the year. No transfer was made to General Reserve during the year ended March 31, 2018.

The Company achieved a consolidated turnover of ₹36,227 lakhs for the year ended March 31, 2018, an increase of ₹2,253 lakhs (7%) as compared to ₹33,974 lakhs in the previous year. The Consolidated Profit before Tax for the year ended March 31, 2018 amounted to ₹186 lakhs as against a consolidated loss of ₹299 lakhs of the previous year.

**Business Overview**

India continues to be among the world's fastest growing major economies, despite temporary hiccups caused by demonetisation and goods and services tax (GST) implementation. The country's GDP growth is pegged at 6.7% in 2017 and is likely to accelerate to 7.4% in 2018 and 7.8% in 2019 on the back of continued traction in private consumption and gradual easing of the teething issues following the implementation of these reforms.

Robust economic growth and buoyant consumer spending across the world was adequately reflected in the performance of the global travel and tourism industry in 2017. According to the World Travel & Tourism Council (WTTC) estimates, the sector's direct growth stood at 4.6% in the year and outperformed global economic growth for the seventh year in a row.

In India, the Travel & Tourism sector contributed ₹15,239.6 billion (USD 234.0 billion) or 9.4% to India's GDP in 2017. This sector created 41,622,500 jobs or 8% of total employment (direct and indirect) in the country in the year and this metric could rise by 3.1% in 2018. Visitor exports formed 5.8% of total exports, generating exports worth ₹1,777.1 billion (USD 27.3 billion). Investments in the sector stood at ₹2,706.1 billion, representing 6.3% of total investments and can grow by 6.7% in 2018.

Considerable growth in India's travel and tourism sector has percolated to the hospitality sector as well. The industry has witnessed robust growth in recent years on the back of increased traffic of domestic travellers, rising commercial development and foreign tourist arrivals, a growing airline industry and government-led initiatives aiming to stimulate the sector. With a positive outlook of the Indian hospitality sector and the strong brand it is associated with, your company is well positioned to benefit from the growth in this sector.

### **Dividend**

Considering the statutory requirement to maintain the Debenture Redemption Reserve (DRR) to the tune of 25% of value of debentures and the inadequacy of profits to maintain the prescribed DRR as on March 31, 2018, the Board of Directors has not recommended any dividend on equity shares for the financial year ended on March 31, 2018.

### **Dividend Distribution Policy**

Your Company has formulated and adopted a Dividend Distribution Policy as envisaged under Regulation 43A of the SEBI (Listing Obligations and Disclosures) Regulations, 2015 on voluntary basis as part of its corporate governance practices.

The policy is given in the Annexure 3 to this report and is also available on the Company's website, at [http://orientalhotels.co.in/wp-content/uploads/2017/05/OHL\\_Dividend\\_Distribution\\_Policy.pdf](http://orientalhotels.co.in/wp-content/uploads/2017/05/OHL_Dividend_Distribution_Policy.pdf)

### **Share Capital**

The Paid up Equity Share Capital of the Company as on March 31, 2018 was ₹1,786 lakhs comprising of 17,85,99,180 Equity Shares having face value of ₹1 each. The Company has not issued any equity shares during the financial year 2017-18.

### **Borrowings**

The Company's borrowings as at March 31, 2018 on a standalone basis stood at ₹31,326 lakhs as against ₹32,232 lakhs as at March 31, 2017.

### **Non-Convertible Debentures (NCDs)**

As on March 31, 2018, the outstanding NCDs amounts to ₹20,000 lakhs comprising of 1000, 'Series-A Senior Secured Redeemable Non-Convertible Debentures' having face value ₹10 lakhs aggregating to ₹10,000 lakhs with coupon rate of 10.25% per annum and 1000, 'Series-B Senior Secured Redeemable Non-Convertible Debentures' having face value ₹10 lakhs aggregating to ₹10,000 lakhs with coupon rate of 2% at an yield to maturity rate of 10.25% per annum. The NCDs are listed in the Wholesale Debt Market (WDM) segment at National Stock Exchange of India Ltd. During the year the Company has neither issued nor redeemed any NCDs.

### **Fixed Deposits**

The Company does not accept and / or renew fixed deposit from the general public and / or shareholders. Acceptance and renewal of fixed deposits were discontinued by the Company with effect from February 17, 2003 and July 2009 respectively. There were no amount outstanding as unclaimed deposit as on March 31, 2018 as such deposits had been transferred to the Investor Education and Protection Fund (IEPF) on the respective due dates.

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

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



**Subsidiaries, Joint Ventures and Associate Companies**

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

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the Consolidated Financial Statements and related information of the Company and audited accounts of the subsidiary, can be accessed on Company's website at the link: <http://www.orientalhotels.co.in/investors/financial-results/annual/>.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, salient features of the financial statements of the Company's Subsidiary / Joint Venture / Associates in Form AOC – 1 is furnished in **Annexure – 1**.

**Related Party Transactions**

In line with the requirements under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 governing Related Party Transactions (RPTs), your Company has formulated a policy on dealing with RPTs which can be accessed on Company's website at the link: <http://orientalhotels.co.in/wp-content/uploads/2017/01/RELATED-PARTY-TRANSACTIONS-POLICY.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All RPTs including Material Related Party Transactions that were entered into during the financial year were in the ordinary course of business and at arm's length.

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

Report in respect of RPTs which are material in nature in form No. AOC-2 pursuant to provisions of Section 134(3)(h) and Rule 8 of Companies (Accounts) Rules, 2014 is provided in **Annexure - 2** and forms part of this report.

Disclosures as required under Ind-AS 24 in respect of RPTs have been made under Note 41 of the Notes to the standalone financial statements.

**Director's Responsibility Statement**

Based on the framework of internal financial controls, compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls are adequate and effective during the financial year 2017 – 18.

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

- i. in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and that there are no material departures;
- ii. the Directors have selected such accounting policies and applied them consistently made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that year ended on that date;
- iii. the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the annual accounts on a going concern basis;
- v. the Directors laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**Directors and Key Managerial Personnel (KMP)**

During the year, the Board of Directors based on the recommendations of Nomination and Remuneration Committee (NRC) appointed Mr. Giridhar Sanjeevi (DIN: 06648008) as a Director in the casual vacancy caused by the resignation of Mr. Anil P Goel with effect from July 25, 2017. He holds office upto the date of the forthcoming Annual General Meeting and is further proposed to be appointed as a Non-Executive Director of the Company.

Mr. Rakesh Kumar Sarna, the Non-executive Chairman on the Board of the Company has resigned from the Board with effect from September 30, 2017 due to his resignation from Indian Hotels Company Limited. Consequently based on the recommendation of NRC, Mr. Puneet Chhatwal (DIN: 07624616) is appointed as the Non-Executive Chairman in the place of Mr. Sarna at the board meeting held on January 23, 2018.

The Board of Directors based on the recommendations of NRC appointed Mr. Harish Lakshman (DIN: 00012602) as an Additional Director under the category of Independent Director with effect from May 09, 2018. He holds office upto the date of the ensuing Annual General Meeting and is further proposed to be appointed as Independent Director of the Company for a period of five years with effect from May 09, 2018.

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

In accordance with provisions under the Companies Act, 2013 and Articles of Association of the Company, Mr. Ramesh Doulattram Hariani and Mr. Pramod Ranjan, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible to offer themselves for re-appointment.

**Board and Committee Meetings**

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

**Board Effectiveness**

The Company has adopted the Governance Guidelines which inter alia, cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director's remuneration, Code of Conduct, Board Effectiveness Review and mandates of Board Committees.

**Board Evaluation**

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct etc.

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

**Remuneration Policy**

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

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

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

- Independent Directors (ID) and Non-Independent Non-Executive Directors (NINED) may be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members, and receive commission within regulatory limits, as recommended by the NRC and approved by the Board.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives.

- Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

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

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company also provides all employees with a social security net subject to limits, by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death etc. The Company provides retirement benefits as applicable.
- In addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD, such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD would be based on performance as evaluated by the NRC and approved by the Board.
- The Company provides the management employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

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

#### **Policies**

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

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

<b>Name of the Policy</b>	<b>Brief Description</b>	<b>Web link</b>
Whistleblower Policy (Policy on vigil mechanism)	The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2016-17.	<a href="http://orientalhotels.co.in/wp-content/uploads/2017/01/WHISTLE-BLOWER-POLICY-AND-VIGIL-MECHANISM.pdf">http://orientalhotels.co.in/wp-content/uploads/2017/01/WHISTLE-BLOWER-POLICY-AND-VIGIL-MECHANISM.pdf</a>
Policy on Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	<a href="http://orientalhotels.co.in/wp-content/uploads/2017/01/POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARIES.pdf">http://orientalhotels.co.in/wp-content/uploads/2017/01/POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARIES.pdf</a>
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	<a href="http://orientalhotels.co.in/wp-content/uploads/2017/01/RELATED-PARTY-TRANSACTIONS-POLICY.pdf">http://orientalhotels.co.in/wp-content/uploads/2017/01/RELATED-PARTY-TRANSACTIONS-POLICY.pdf</a>

Code of Conduct for Prevention of Insider Trading	The policy provides the framework in dealing with securities of the Company.	<a href="http://orientalhotels.co.in/wp-content/uploads/2017/02/CODE-OF-CONDUCT-FOR-PREVENTION-OF-INSIDER-TRADING.pdf">http://orientalhotels.co.in/wp-content/uploads/2017/02/CODE-OF-CONDUCT-FOR-PREVENTION-OF-INSIDER-TRADING.pdf</a>
Code of Corporate Disclosure Practices	This provides clear guidelines for timely, adequate and universal dissemination of information and disclosure of Unpublished Price Sensitive Information	<a href="http://orientalhotels.co.in/wp-content/uploads/2017/01/CODE-OF-CORPORATE-DISCLOSURE-PRACTICES.pdf">http://orientalhotels.co.in/wp-content/uploads/2017/01/CODE-OF-CORPORATE-DISCLOSURE-PRACTICES.pdf</a>
Policy for Determining Materiality for Disclosures	This policy governs the determination of materiality of an event or information for the purpose of disclosures to be made by the Company to the Stock Exchanges. This policy has to be read in conjunction with the code of corporate disclosure practices framed by the company under Insider Trading Regulation	<a href="http://orientalhotels.co.in/wp-content/uploads/2017/01/POLICY-ON-MATERIALITY-OF-EVENTS.pdf">http://orientalhotels.co.in/wp-content/uploads/2017/01/POLICY-ON-MATERIALITY-OF-EVENTS.pdf</a>
Website Archival Policy	The policy deals with the retention and archival of corporate records from the website of the Company.	<a href="http://orientalhotels.co.in/wp-content/uploads/2017/02/WEBSITE-ARCHIVAL-POLICY.pdf">http://orientalhotels.co.in/wp-content/uploads/2017/02/WEBSITE-ARCHIVAL-POLICY.pdf</a>
Dividend Distribution Policy	Guidelines for the Board and the Management in declaration and distribution of dividend, with a view to ensure fairness, transparency, sustainability and consistency in the decision for distributing profits to shareholders.	<a href="http://orientalhotels.co.in/wp-content/uploads/2017/05/OHL_Dividend_Distribution_Policy.pdf">http://orientalhotels.co.in/wp-content/uploads/2017/05/OHL_Dividend_Distribution_Policy.pdf</a>

### Internal Controls Systems and Adequacy

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

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

Internal financial controls means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The internal financial controls as laid down are adequate and are operating effectively during the year under review. As required under Section 143 of the Companies Act, 2013, the Statutory Auditors have evaluated and expressed satisfaction in their opinion on the Company's internal financial controls over financial reporting based on an audit.

### Audit Committee

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

### Auditors and Auditor's Report

#### (i) Statutory Auditors:

At the AGM held on July 25, 2017, the Members approved the appointment of M/s PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No.: 003990S/S200018) as statutory auditors for a period of 5 years commencing from the conclusion of Forty-seventh AGM till the conclusion of the Fifty-second AGM subject to the ratification by the Members every year at the Annual General Meeting. As recommended by the Audit Committee, the Board has proposed the ratification of appointment of M/s. PKF Sridhar and Santhanam LLP, Chartered Accountants as statutory auditors for financial year 2018-19. The ratification of appointment by Members is accordingly proposed in the Notice of the ensuing AGM without any further ratification required for the remaining term considering that

the statutory requirement of ratification by members at every AGM has been dispensed with under the Companies (Amendment) Act, 2017.

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

**(ii) Secretarial Auditors:**

Pursuant to provisions under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s S Sandeep & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2018. The Secretarial Audit Report is attached as **Annexure 4**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

**Risk Management**

The policy framework enables the Company to identify and evaluate risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the Company at various levels including documentation and reporting.

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

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

**Vigil Mechanism / Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The provisions of this policy are in line with the provisions of Section 177 (9) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The whistle blower policy can be accessed on the Company's website at the link: <http://orientalhotels.co.in/wp-content/uploads/2017/01/WHISTLE-BLOWER-POLICY-AND-VIGIL-MECHANISM.pdf>

**Corporate Social Responsibility**

Your Company works towards facilitating sustainable livelihoods by providing adequate opportunities to the youth of rural and less-privileged sectors of society. Your Company hotel units, which are in smaller cities, are engaged in community initiatives such as education and nutritional awareness.

The Company does not fall under the category of companies required to spend the prescribed amount towards CSR activities due to inadequate profits. However, the Company had spent ₹45 lakhs during the financial year 2017 – 18 on a voluntary basis, through its various hotel units towards education and other social welfare measures which includes payment of school fees, distributing rice to the fisherman's family during the non-fishing period etc.

**Significant and Material Orders passed by the Regulators**

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

**Transfer of shares to Investor Education and Protection Fund (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid / unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly,



the Company has transferred the unclaimed / unpaid dividends. Further, the corresponding shares pertaining to the dividend unclaimed for seven consecutive years had been transferred to the IEPF as per the requirements of the IEPF rules, details of which are provided on our website, at <http://orientalhotels.co.in/investors/unclaimed-amounts/transfers-to-iefpf/>

### **Listing**

The Equity Shares of your Company are listed at BSE Limited, Mumbai (BSE) and the National Stock Exchange of India Limited, Mumbai (NSE) and the Global Depositary Receipts (GDRs) are listed at Luxembourg Stock Exchange. NCD's issued by the Company are listed at the Wholesale Debt Market (WDM) segment of NSE. The Listing fees to these Stock Exchanges and custodian fees to depositories viz., NSDL and CDSL have been paid by the Company for the financial year 2018-19.

### **Corporate Governance Report, Management Discussion & Analysis Report**

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

### **Secretarial Standards**

The Directors state that applicable Secretarial Standards, viz., SS-1 and SS-2 have been duly followed by the Company.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 is furnished in the **Annexure 5** to this report:

### **Particulars of Employees & related disclosures**

The information required under Section 197(12) of the Act, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in the **Annexure 6** to this report.

The statement containing information as required under Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report. In terms of the first proviso to Section 136 of the Act, the Report and accounts are being sent to the shareholders excluding the aforesaid statement which is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

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

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

During the year under review the Company has received 2 complaints on sexual harassment and both the complaints have been resolved and appropriate action taken, where so necessary and no case remain pending.

### **Extract of Annual Return**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Extract of the Annual Return in Form MGT 9 is attached as **Annexure 7** to this report.

### **Acknowledgement**

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

For and behalf of the Board

Place : Chennai

Date : May 09, 2018

**Puneet Chhatwal**

(DIN: 07624616)

Chairman

# ORIENTAL HOTELS LIMITED

## BOARD'S REPORT

### Annexure – 1

#### AOC-1

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

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

#### PART A: Subsidiaries

₹ in lakhs

Name of Subsidiary Company	OHL International (HK) Ltd	
Reporting Currency:	USD	INR Equivalent
Share Capital	150.00	9768
Reserves & Surplus	(5.32)	(346.24)
Total Assets	144.68	9,421.56
Total Liabilities	144.68	9,421.56
Investments	141.35	9,204.71
Total Income	8.32	541.80
Profit Before Taxation	10.85	706.55
Provision for Taxation	—	—
Profit After Taxation	10.85	706.55
Interim Dividend	10	651.20
% of Shareholding	100%	—

Note: 1. Exchange conversion rate used for USD is ₹65.12

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

#### Part B: Associate & Joint Venture

Entity Name	Taj Madurai Ltd.	TAL Hotels & Resorts Ltd.
Associate/Joint Venture	Associate	Joint Venture
Latest audited Balance Sheet Date	31-Mar-18	31-Mar-18
<b>Shares Held by the Company at the Year end</b>		
No	9,12,000	3,803,718
Investment Held ₹ lakhs	118.60	2005.76
Holding %	26%	21.736%
Significant Influence	Voting Power	Voting Power
Reasons for Not Consolidation	Not Applicable	Not Applicable
Net Worth ₹ lakhs	2015.40	40033.68
<b>Profit/(Loss) for the Year</b>		
Considered in Consolidation ₹ lakhs	367.17	482.30
Not Considered in Consolidation ₹ lakhs	102.94	1736.60

The Company earned a dividend income from its subsidiary during the financial year amounting to ₹645.93 lakhs.

**Mr. Puneet Chhatwal**  
Chairman  
DIN: 07624616

**Mr. Vijay Sankar**  
Director  
DIN: 00051093

Place : Chennai  
Date : May 09, 2018

**Mr. Rajneesh Jain**  
Chief Financial Officer

**Mr. Tom Antony**  
Company Secretary

**Annexure – 2****Particulars of contracts / arrangements made with related parties**

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Name of the Related Party	The Indian Hotels Company Ltd.		
Nature of Relationship	Investing Company		
Duration of Contract	<b>Sl. No.</b>	<b>Hotel Unit covered under the Contract</b>	<b>Tenure</b>
	1	Taj Coromandel	01.07.2008 – 30.06.2028
	2	VB T Fishermen's Cove	01.02.2008 – 31.01.2028
	3	VB T Malabar	14.04.2006 – 13.04.2026
	4	TGH Madurai	01.07.2015 – 30.06.2025
	5	TGH Coonoor	01.04.2016 – 31.03.2036
	6	TGH Mangalore	01.12.1993 – 30.11.2018
	7	TGH Vizag	01.01.2011 – 31.12.2030
	8	VB T Trivandrum	01.08.2009 – 31.07.2029
	9	VB T Surya Coimbatore	10.11.2011 – 09.11.2031
Salient Terms	Basic Management Fees, Reimbursement of expenditures, salaries of Deputed Staff, Project /Technical Fee, Customer loyalty management programmes, Other Expenses incurred in connection with the services rendered under the Hotel Operating Agreement		
Date(s) of Approval by the Board	May 12, 2017		
			₹ Lakhs
<b>Nature of transactions</b>			<b>Amount Paid</b>
Sales of Goods / Services			466.56
Purchase of Investments			94.05
Purchase of Goods / Services			897.69
Reimbursement of deputed staff salaries			1672.04
Dividend Received			2.19
Operating/License Fees Paid/ Provided			1485.11
Sale & Marketing, Reservation & Other Service Costs			1443.85
Receivables			176.68
Payables			1136.19

**Mr. Puneet Chhatwal**  
Chairman  
DIN: 07624616

**Mr. Vijay Sankar**  
Director  
DIN: 00051093

Place : Chennai  
Date : May 09, 2018

**Mr. Rajneesh Jain**  
Chief Financial Officer

**Mr. Tom Antony**  
Company Secretary

**Annexure – 3****Dividend Distribution Policy****1. Objective and Philosophy**

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

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

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

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

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

**2. Regulatory Framework**

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

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

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

**3. Parameters for declaration of Dividend**

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

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

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

**Financial parameters and Internal Factors:**

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

**External Factors:**

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

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

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

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

**5. Utilization of Retained Earnings**

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

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

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

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

**7. Disclosures**

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at [http://orientalhotels.co.in/wp-content/uploads/2017/05/OHL\\_Dividend\\_Distribution\\_Policy.pdf](http://orientalhotels.co.in/wp-content/uploads/2017/05/OHL_Dividend_Distribution_Policy.pdf)

**8. Policy review and amendments**

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

Annexure – 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

(For the Financial year ended on March 31, 2018)

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

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

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

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

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the Rules made thereunder to the extent notified by Ministry of Corporate Affairs;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The provisions of Depositories Act, 1996 and Regulations and Bye-Laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The following Regulations and guidelines prescribed under The Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
    - a. The Securities and Exchange Board of India (Registrars to an Issue and Transfer Agents) Regulations, 1993, regarding Companies Act and dealing with client;
    - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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- d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2009 – Not Applicable for the year under review;
  - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – Not Applicable for the year under review;
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not Applicable for the year under review;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares Regulations), 2009 – Not Applicable for the year under review;
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not Applicable for the year under review.
2. We further report that, based on the information received and records maintained and representation received, there are adequate systems and processes in place to monitor and ensure compliance with the below mentioned laws applicable specifically to the Company and also all other applicable laws, rules, regulations and guidelines:
    - a) Legal Metrology Act, 2009
    - b) The Tamil Nadu (Liquor and Permit) Rules, 1981 issued under Tamil Nadu Prohibition Act, 1937
    - c) Tamil Nadu Public Health Act, 1939
    - d) Tamil Nadu Shops and Establishments Act, 1947
    - e) The Karnataka Shops and Commercial Establishments Act, 1961
    - f) The Kerala Shops and Commercial Establishments Act, 1960
    - g) The Andhra Shops and Commercial Establishments Act, 1988
    - h) Chennai City Municipal Corporation Act, 1919
    - i) The Kerala Places of Public Resort Act, 1963
    - j) Tamil Nadu Lifts Act, 1997 and Tamil Nadu Lift Rules, 1997
    - k) The Karnataka Lifts Act, 1974
    - l) The Kerala Lifts and Escalators Act, 2013 and The Kerala Lifts and Escalator Rules, 2012
    - m) Petroleum Rules 2002 issued under the Petroleum Act, 1934
    - n) Indian Boilers Act, 1923 and Boiler Rules, 1950
3. We have also examined compliance with the applicable clauses of the following :
    - i. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (made mandatory with effect from July 01, 2015).
    - ii. The Listing Agreements entered into by the Company for the equity shares listed with BSE Limited and National Stock Exchange of India Limited and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from December 01, 2015.
4. We further report that the Company has, in our opinion, complied with the provisions of Companies Act, 2013 to the extent notified by the Ministry of Corporate Affairs with regard to:
    - a) maintenance of various statutory registers and documents and making necessary entries therein;
    - b) closure of the Register of Members;



- c) filing of forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government, within or beyond the time prescribed under the Act ;
- d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) issuing notice, agenda and detailed notes on agenda of Board meetings and Committee meetings of Directors;
- f) proceedings at the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) the conduct of the 47th Annual General Meeting held on 25th July 2017;
- h) maintenance of minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- k) payment of remuneration to Directors including the Managing Director and Whole-time Directors;
- l) appointment and remuneration of Statutory Auditors, Internal Auditor, Cost Auditors and Secretarial Auditor;
- m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n) there was no declaration and payment of dividends during the year under review;
- o) transfer of certain amounts to the Investor Education and Protection Fund, transfer of shares to IEPF Authority and uploading of details of unpaid and unclaimed dividends, shares transferred to IEPF on the websites of the Company and the Ministry of Corporate Affairs;
- p) borrowings and registration, modification and satisfaction of charges wherever applicable;
- q) investment of the Company's funds including investments and loans to others;
- r) form of Balance Sheet, Statement of Profit and Loss, Cash Flow Statements as prescribed in Schedule III to the Act;
- s) Directors' report to the shareholders;
- t) contracts, common seal, registered office and publication of name of the Company; and
- u) Generally, all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

5. We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate Notice of all the Board Meetings was given to all the Directors, alongwith agenda and detailed notes on agenda were sent and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting to enable meaningful participation at the meeting.
- Majority decisions were carried through and a proper system exists for capturing and recording the dissenting members' views as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Companies Act, 2013 to the extent applicable; and
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 2013, Securities Exchange Board of India Act, 1992, The Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, Foreign Exchange Management Act, 1999 and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility for appointment, their independence, wherever applicable and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

BOARD'S REPORT

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We further report that based on the information received, records maintained and representation received, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

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

For S Sandeep & Associates

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

Place : Chennai  
Date : 27th April, 2018

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

**'Annexure – A'**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For S Sandeep & Associates

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

Place : Chennai  
Date : 27th April, 2018

**Annexure – 5****- Conservation of Energy**

The Company continued to use green energy to its potential through a group captivity scheme and saved considerable cost on power. Apart from the above, the hotel unit(s) reduced the consumption of power (electricity) through alternative energy resources and has also reduced the consumption of fossil fuel by reducing the usage of electricity generators. The Company for effective utilization of alternative energy resource has invested ₹31.65 lakhs as on March 31, 2018 under group captivity scheme in the equity share capital of private power producing companies. Solar lighting and heating panels are being installed by a few hotel units to reduce the consumption of power. Hot water is being generated through heat recovery process from AC plants and Automatic Power factor control panels through Screw chiller and De-super heater are being used to reduce power consumption. The units are using CFL & LED lightings instead of conventional lightings, which also reduced the consumption of energy.

**- Water and Waste Management**

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

**- Environmental Initiatives**

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

**- Foreign exchange earnings and outgo:**

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

(₹ in Lakhs)

<b>Particulars</b>	<b>March 31, 2018</b>
Earnings	10,829.19
Expenditure	870.59
Net foreign exchange earnings (NFE)	9,958.60

**Annexure – 6**

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

**1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial Year:**

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

The ratio of remuneration of Managing Director to the Median Remuneration of all employees who were on the payroll of the Company during the financial year 2017-18 is given below:

Managing Director	Ratio to median remuneration
Mr. Pramod Ranjan	17.45:1

Even though the Managing Director is entitled for a performance linked incentive and Non-executive Directors are eligible for a profit linked commission as remuneration, they have opted not to receive the same considering the inability of the board to recommend dividend due to inadequate profits. Non-executive directors other than those representing The Indian Hotels Company Ltd., were paid sitting fee for attending the Board/Committee meetings which was not considered as remuneration.

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

The percentage increase in remuneration of the Managing Director, Chief Financial Officer, Company Secretary during the financial year 2017-18 is given below:

Name - Designation	Percentage Increase in Remuneration
Mr. Pramod Ranjan – Managing Director	30.81%
Mr. Rajneesh Jain – Chief Financial Officer	Not Applicable*
Mr. Tom Antony – Company Secretary	16.59%

*\*Percentage increase is not provided as employment is for part of the period in the previous year.*

**3. The percentage increase in the median remuneration of employees in the financial year: 12.70%**

**4. The number of permanent employees on the rolls of Company: 990**

**5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

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

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

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

Any Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection at the registered office of your Company during working hours and any member interested in obtaining such information may write to the Company Secretary.

## Annexure – 7

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31/03/2018**

of

**ORIENTAL HOTELS LIMITED**

[Pursuant to Section 92(1) of the Companies Act, 2013

and

Rule 11(1) of the Companies (Mgt. and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	<b>CIN:</b>	L55101TN1970PLC005897																								
	Foreign Company Registration Number/GLN	Not Applicable																								
	Registration Date	18/09/1970																								
ii)	<b>Category of the Company</b>	1. Public Company <input checked="" type="checkbox"/> 2. Private Company <input type="checkbox"/>																								
iii)	<b>Sub Category of the Company</b>	<table border="1"> <tr><td>1. Government Company</td><td><input type="checkbox"/></td></tr> <tr><td>2. Small Company</td><td><input type="checkbox"/></td></tr> <tr><td>3. One Person Company</td><td><input type="checkbox"/></td></tr> <tr><td>4. Subsidiary of Foreign Company</td><td><input type="checkbox"/></td></tr> <tr><td>5. NBFC</td><td><input type="checkbox"/></td></tr> <tr><td>6. Guarantee Company</td><td><input type="checkbox"/></td></tr> <tr><td>7. Limited by shares</td><td><input type="checkbox"/></td></tr> <tr><td>8. Unlimited Company</td><td><input type="checkbox"/></td></tr> <tr><td>9. Company having share capital</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>10. Company not having share capital</td><td><input type="checkbox"/></td></tr> <tr><td>11. Company Registered under Section 8</td><td><input type="checkbox"/></td></tr> </table>			1. Government Company	<input type="checkbox"/>	2. Small Company	<input type="checkbox"/>	3. One Person Company	<input type="checkbox"/>	4. Subsidiary of Foreign Company	<input type="checkbox"/>	5. NBFC	<input type="checkbox"/>	6. Guarantee Company	<input type="checkbox"/>	7. Limited by shares	<input type="checkbox"/>	8. Unlimited Company	<input type="checkbox"/>	9. Company having share capital	<input checked="" type="checkbox"/>	10. Company not having share capital	<input type="checkbox"/>	11. Company Registered under Section 8	<input type="checkbox"/>
1. Government Company	<input type="checkbox"/>																									
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9. Company having share capital	<input checked="" type="checkbox"/>																									
10. Company not having share capital	<input type="checkbox"/>																									
11. Company Registered under Section 8	<input type="checkbox"/>																									
iv)	Whether shares listed on recognized Stock Exchange(s)	Yes																								
	Details of stock exchanges where shares are listed	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Stock Exchange Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>BSE Ltd.</td> <td>500314</td> </tr> <tr> <td>2</td> <td>National Stock Exchange of India Ltd.</td> <td>ORIENTHOT</td> </tr> </tbody> </table>			Sl. No.	Stock Exchange Name	Code	1	BSE Ltd.	500314	2	National Stock Exchange of India Ltd.	ORIENTHOT													
Sl. No.	Stock Exchange Name	Code																								
1	BSE Ltd.	500314																								
2	National Stock Exchange of India Ltd.	ORIENTHOT																								
v)	AGM details –																									
	Whether extension of AGM was granted – Yes / No	NO																								
	If Annual General Meeting was not held, specify the reasons	Not Applicable																								

vi)	<b>Name and registered office address of company:</b>	
	Company Name	ORIENTAL HOTELS LIMITED
	Address	"Taj Coromandel", No.37 Mahatma Gandhi Road, Nungambakkam, Chennai
	Town / City	Chennai
	State	Tamil Nadu
	Pin Code:	600034
	Country Name :	India
	Telephone (With STD Area Code Number)	044 – 66002827
	Fax Number :	044 – 28254447
	Email Address	<a href="mailto:ohlshares.mad@tajhotels.com">ohlshares.mad@tajhotels.com</a>
	Website	<a href="http://www.orientalhotels.co.in">www.orientalhotels.co.in</a>
	Name of the Police Station having jurisdiction where the registered office is situated	Nungambakkam Police Station
	Address for correspondence, if different from address of registered office:	Corporate Office: Paramount Plaza, II Floor, No. 47 Mahatma Gandhi Road, Nungambakkam Chennai 600 034
vii)	<b>Name and Address of Registrar &amp; Transfer Agents (RTA):- Full address and contact details to be given.</b>	
	Registrar & Transfer Agents ( RTA ):-	M/S Integrated Registry Management Pvt. Limited
	Address	Kences Towers, No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai
	Town / City	Chennai
	State	Tamil Nadu
	Pin Code:	600 017
	Telephone (With STD Area Code Number)	044 – 28140801 / 0802 / 0803
	Fax Number :	044 – 28147039
	Email Address :	<a href="mailto:corpserv@integratedindia.in">corpserv@integratedindia.in</a>

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Hoteliering, including accommodation, restaurants and catering services	5520, 5610 & 5621	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**  
[No. of Companies for which information is being filled]

Sl. No.	Name & Address of the Company	CIN/GLN	Status	% of Shareholding	Applicable Section
1	OHL International (HK) Ltd.	NA*	Subsidiary	100%	2(87)
2	Taj Madurai Ltd.	U55101TN1990PLC018883	Associate	26%	2(6)
3	Lanka Island Resorts Ltd.	NA*	Associate	23.080%	2(6)
4	TAL Hotels & Resorts Ltd.	NA*	Joint Venture	21.736%	

\*Incorporated outside India

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## A) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/ HUF	3732975	0	3732975	2.09	3556447	0	3556447	1.99	-0.10
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	59961430	0	59961430	33.57	59961430	0	59961430	33.57	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other – Director & Relatives	31458576	0	31458576	17.61	30845982	0	30845982	17.27	-0.34
<b>Sub Total (A)(1)</b>	<b>95152981</b>	<b>0</b>	<b>95885431</b>	<b>53.28</b>	<b>94363859</b>	<b>0</b>	<b>95885431</b>	<b>52.84</b>	<b>-0.44</b>
<b>2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	8851799	0	8851799	4.96	8851799	0	8851799	4.96	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other – Director & Relatives	6923410	0	6923410	3.88	6923410	0	6923410	3.88	0
<b>Sub-total (A)(2)</b>	<b>15775209</b>	<b>0</b>	<b>15775209</b>	<b>8.83</b>	<b>15775209</b>	<b>0</b>	<b>15775209</b>	<b>8.83</b>	<b>0</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>110928190</b>	<b>0</b>	<b>110928190</b>	<b>62.11</b>	<b>110139068</b>	<b>0</b>	<b>110139068</b>	<b>61.67</b>	<b>-0.44</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	16173649	0	16173649	9.06	16527423	0	16527423	9.25	0.19
b) Banks / FI	888400	0	888400	0.50	998314	0	998314	0.56	0.06
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	2665630	0	2665630	1.49	2368630	0	2368630	1.33	-0.16
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>19727679</b>	<b>0</b>	<b>19727679</b>	<b>11.05</b>	<b>19894367</b>	<b>0</b>	<b>19894367</b>	<b>11.14</b>	<b>0.09</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]			No. of Shares held at the end of the year [As on 31-March-2018]			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>2) Non-Institutions</b>							
<b>a) Bodies Corp.</b>							
i) Indian	4269664	5870	4275534	4267829	5870	4273699	2.39
ii) Overseas	0	0	0	0	0	0	0
<b>b) Individuals</b>							
i) Individual shareholders holding nominal share capital up to ₹2 lakh	20391313	2892273	23283586	21478593	2659577	24138170	13.52
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	7279310	1505350	8784660	4711603	1223110	5934713	3.32
<b>c) Others (specify)</b>							
Non-Resident Indians	429039	14490	443529	2850272	14490	2864762	1.60
Overseas Corporate Bodies	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0
Clearing Members	88728	0	88728	111310	0	111310	0.06
Trusts	5320	0	5320	10320	0	10320	0.01
Directors & Relatives	17250	0	17250	174608	0	174608	0.10
HUF	1063474	0	1063474	1074733	0	1074733	0.60
Foreign Bodies – DR	0	0	0	0	0	0	0
NBFC – RBI Registered	8800	0	8800	11000	0	11000	0.01
<b>Sub-total (B)(2)</b>	<b>33552898</b>	<b>4417983</b>	<b>37970881</b>	<b>34690268</b>	<b>3903047</b>	<b>38593315</b>	<b>21.61</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>53280577</b>	<b>4417983</b>	<b>57698560</b>	<b>54584635</b>	<b>3903047</b>	<b>58487682</b>	<b>32.75</b>
<b>C. Shares held by Custodian for GDRs</b>	9972430	0	9972430	9972430	0	9972430	5.58
<b>Grand Total (A+B+C)</b>	<b>174181197</b>	<b>4417983</b>	<b>178599180</b>	<b>174696133</b>	<b>3903047</b>	<b>178599180</b>	<b>100.00</b>

# ORIENTAL HOTELS LIMITED

## BOARD'S REPORT

### B) Shareholding of Promoters :

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			Cumulative shareholding during the year			C %
		No. of Shares	A %	B %	No. of Shares	A %	B %	
1	THE INDIAN HOTELS COMPANY LIMITED	33764550	18.91	0	33764550	18.91	0	0
2	TIFCO HOLDINGS LIMITED	17208360	9.64	0	17208360	9.64	0	0
3	PIEM HOTELS LIMITED	3657170	2.05	0	3657170	2.05	0	0
4	TATA CHEMICALS LIMITED	2523000	1.41	0	2523000	1.41	0	0
5	TAJ TRADE AND TRANSPORT COMPANY LIMITED	1664090	0.93	0	1664090	0.93	0	0
6	TATA INVESTMENT CORPORATION LTD.	1076000	0.60	0	1076000	0.60	0	0
7	TAJ MADURAI LIMITED	68260	0.04	0	68260	0.04	0	0
8	PRAMOD RANJAN	14196140	7.95	0	14196140	7.95	5.33	0
9	D. VARADA REDDY	6888487	3.86	0	6283414	3.52	0	-0.09
10	RAMESH DOULATRAM HARIANI	3813788	2.14	0	3813788	2.14	0	0
11	GIRIJA GOLLAMUDI REDDY	2687630	1.51	0	2687630	1.51	0	0
12	D. VIJAYAGOPAL REDDY	2597060	1.45	0.09	2597060	1.45	0	0
13	ROHIT REDDY D.	2212500	1.24	0	2212500	1.24	0	0
14	AMITH REDDY D.	2140421	1.20	0	2132900	1.19	0.70	-0.004
15	DODLA PREMALEELA REDDY	2019980	1.13	0	2019980	1.13	0	0
16	D. NAVEEN REDDY	1313900	0.74	0	1313900	0.74	0	0
17	DODLA PRAKASH REDDY	1309320	0.73	0	1309320	0.73	0	0
18	D. ARUNA REDDY	1283710	0.72	0	1283710	0.72	0	0
19	G. V. REDDY	1258450	0.71	0	1258450	0.71	0	0
20	P. SHOBA REDDY	1081450	0.61	0	1081450	0.61	0	0
21	JAKKA SUREKHA REDDY	1041398	0.58	0	1041398	0.58	0	0
22	DODLA POORNIMA REDDY	900000	0.50	0	900000	0.50	0	0
23	CHILAMILIKA LALINI HARIANI	807692	0.45	0	807692	0.45	0	0
24	DODLA VEERU RAGHAVA REDDY	792890	0.44	0	0	0.00	0	-100
25	DODLA VENKATARAMANI (*)	792890	0.44	0	767890	0.43	0	-0.03
26	C. HEMALATHA REDDY	506430	0.28	0	506430	0.28	0	0
27	M. NITYA REDDY	467300	0.26	0	467300	0.26	0	0
28	SUDHAKAR REDDY	465035	0.26	0.20	313455	0.18	0	-0.33
29	M. KALA REDDY	406030	0.23	0	406030	0.23	0	0
30	PRAVIN RANJAN	366220	0.21	0	366220	0.21	0	0

31	D. LALITHAMMA	320090	0.18	0	320090	0.18	0	0
32	P. VIDYA REDDY	316970	0.18	0	316970	0.18	0	0
33	C. LEENAJA REDDY	311250	0.17	0	311250	0.17	0	0
34	DODLA SHILPA	247520	0.14	0	247520	0.14	0	0
35	NEETHA REDDY	169989	0.10	0	169989	0.10	0	0
36	DODLA SUDHA REDDY	156630	0.09	0.08	156630	0.09	0.08	0
37	PRASAD REDDY D. V. S.	155500	0.09	0.09	155500	0.09	0.09	0
38	M. V. SURESH REDDY	130000	0.07	0	130000	0.07	0	0
39	D. SUNDER NISCHAL	99000	0.06	0	99000	0.06	0	0
40	P. DWARAKNATH REDDY	87390	0.05	0	87390	0.05	0	0
41	S. RAMALINGA REDDY	80358	0.04	0	80410	0.05	0	0.01
42	D. K. PAVAN	65850	0.04	0	65850	0.04	0	0
43	D. V. SHARAN	65850	0.04	0	65850	0.04	0	0
44	KIRAN REDDY JAKKA	54830	0.03	0	54830	0.03	0	0
45	D. RAHUL REDDY	38420	0.02	0	38420	0.02	0	0
46	D. PRASANNA REDDY	25000	0.01	0	25000	0.01	0	0
47	DODLA ABISHEK	22770	0.01	0	22770	0.01	0	0
48	DODLA PADMAPRIYA REDDY	20162	0.01	0	20162	0.01	0	0
49	J. CHAITANYA REDDY	16820	0.01	0	16820	0.01	0	0
50	G. V. K. RANJAN	12000	0.01	0	12000	0.01	0	0
51	DODLA KAMESWARI REDDY	5200	0.003	0	5200	0.003	0	0
52	KODANDARAMA REDDY JAKKA	5000	0.003	0	5000	0.003	0	0
53	D. DEEPTHA	4030	0.002	0	4030	0.002	0	0
54	D. KARTHIK REDDY	300	0.00	0	300	0.00	0	0

(\*) Opening balance as on 02.02.2018

Reference: A – % of total shares of the Company.

B – % of shares pledged/ encumbered to total shares.

C – % of change in shareholding during the year.

## C) Change in Promoters' Shareholding

Sl. No.	Promoter Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease		Cumulative shareholding during the year	
		No. of Shares	% to total Shares of the Company			No. of Shares	% to total Shares of the Company	No. of Shares	% to total Shares of the Company
1	D. VARADA REDDY								
	Opening Balance as on 0/04/2017	6888487	3.86						
				18/05/2017	Sale	-4750	0.00	6883737	3.85
				19/05/2017	Sale	-2000	0.00	6881737	3.85
				02/06/2017	Sale	-2900	0.00	6878837	3.85
				13/06/2017	Sale	-5000	0.00	6873837	3.85
				19/06/2017	Sale	-5250	0.00	6868587	3.85
				24/08/2017	Sale	-500	0.00	6868087	3.85
				29/08/2017	Sale	-15000	-0.01	6853087	3.84
				01/09/2017	Sale	-2360	0.00	6850727	3.84
				04/09/2017	Sale	-5000	0.00	6845727	3.83
				05/09/2017	Sale	-1604	0.00	6844123	3.83
				06/09/2017	Sale	-1814	0.00	6842309	3.83
				07/09/2017	Sale	-650	0.00	6841659	3.83
				08/09/2017	Sale	-750	0.00	6840909	3.83
				21/09/2017	Sale	-15000	-0.01	6825909	3.82
				22/09/2017	Sale	-29442	-0.02	6796467	3.81
				25/09/2017	Sale	-10000	-0.01	6786467	3.80
				24/10/2017	Sale	-16084	-0.01	6770383	3.79
				02/11/2017	Sale	-110000	-0.06	6660383	3.73
				03/11/2017	Sale	-45000	-0.03	6615383	3.70
				08/11/2017	Sale	-40000	-0.02	6575383	3.68
				24/11/2017	Sale	-50000	-0.03	6525383	3.65
				27/11/2017	Sale	-29303	-0.02	6496080	3.64
				30/11/2017	Sale	-70000	-0.04	6426080	3.60
				01/12/2017	Sale	-10000	-0.01	6416080	3.59
				22/12/2017	Sale	-80000	-0.05	6336080	3.55
				05/02/2018	Sale	-19473	-0.01	6316607	3.54
				28/02/2018	Sale	-1347	0.00	6315260	3.54
				15/03/2018	Sale	-1000	0.00	6314260	3.54

					20/03/2018	Sale	-11007	-0.01	6303253	3.53
					26/03/2018	Sale	-68	0.00	6303185	3.53
					27/03/2018	Sale	-16795	-0.01	6286390	3.52
					28/03/2018	Sale	-2976	0.00	6283414	3.52
							-605073	-0.34	6283414	3.52
2	AMITH REDDY D..									
	Opening Balance as on 01/04/2017	2140421	1.20		30/11/2017	Sale	-3167	0.00	2137254	1.20
					01/12/2017	Sale	-4354	0.00	2132900	1.19
	Closing Balance as on 31/03/2018						-7521	0.00	2132900	1.19
3	DODLA VEERU RAGHAVA REDDY									
	Opening Balance as on 01/04/2017	792890	0.44		01/02/2018	Transmission	-792890	-0.44	0	0.00
					02/02/2018	Transmission	0	0.00	0	0.00
	Closing Balance as on 31/03/2018						-792890	-0.44	0	0.00
4	DODLA VENKATARAMANI									
	Opening Balance as on 01/04/2017	0	0.00		02/02/2018	Transmission	792890	0.44	792890	0.44
					09/02/2018	Sale	-25000	-0.01	767890	0.43
	Closing Balance as on 31/03/2018						767890	0.43	767890	0.43
5	SUDHAKAR REDDY									
	Opening Balance as on 01/04/2017	465035	0.26		02/08/2017	Sale	-10430	-0.01	454605	0.26
					14/08/2017	Sale	-7743	0.00	446862	0.25
					16/08/2017	Sale	-4713	0.00	442149	0.25
					17/08/2017	Sale	-5846	0.00	436303	0.24
					21/08/2017	Sale	-3352	0.00	432951	0.24
					22/08/2017	Sale	-1792	0.00	431159	0.24
					23/08/2017	Sale	-86050	-0.05	345109	0.19
					24/08/2017	Sale	-29624	-0.02	315485	0.18
					28/08/2017	Sale	-30	0.00	315455	0.18
					14/02/2018	Sale	-2000	0.00	313455	0.18
	Closing Balance as on 31/03/2018						-151580	-0.08	313455	0.18
6	S. RAMALINGA REDDY									
	Opening Balance as on 01/04/2017	80358	0.05		15/06/2017	Purchase	52	0.00	80410	0.05
	Closing Balance as on 31/03/2018						52	0.00	80410	0.05

## D) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Public Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease		Cumulative Shareholding during the year		
		No. of Shares	% to total Shares of the Company			No. of Shares	% to total Shares of the Company	No. of Shares	% to total Shares of the Company	
1	RELIANCE CAPITAL TRUSTEE CO. LTD.-A/C RELIANCE MUTUAL									
	Opening Balance as on 01/04/2017	12990561	7.27							
				28/04/2017	Sale	-81200	-0.05	12909361	7.23	
				05/05/2017	Sale	-8300	-0.01	12901061	7.22	
				19/05/2017	Sale	-10500	-0.01	12890561	7.22	
				21/07/2017	Sale	-8524	-0.01	12882037	7.21	
				28/07/2017	Sale	-19295	-0.01	12862742	7.20	
				12/01/2018	Sale	-69100	-0.04	12793642	7.16	
2				26/01/2018	Sale	-843642	-0.47	11950000	6.69	
	Closing Balance as on 31/03/2018					-1040561	-0.58	11950000	6.69	
	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED									
3	Opening Balance as on 01/04/2017	3183088	1.78							
	Closing Balance as on 31/03/2018			07/04/2017	Sale	-15519	-0.01	3167569	1.77	
	THE ORIENTAL INSURANCE COMPANY LIMITED									
4	Opening Balance as on 01/04/2017	2665630	1.49							
				07/04/2017	Sale	-50000	-0.03	2615630	1.47	
				14/04/2017	Sale	-37500	-0.02	2578130	1.44	
				21/04/2017	Sale	-47500	-0.03	2530630	1.42	
				28/04/2017	Sale	-10000	-0.01	2520630	1.41	
				19/05/2017	Sale	-40000	-0.02	2480630	1.39	
				26/05/2017	Sale	-10000	-0.01	2470630	1.38	
				12/01/2018	Sale	-17500	-0.01	2453130	1.37	
				19/01/2018	Sale	-44500	-0.03	2408630	1.35	
				26/01/2018	Sale	-22265	-0.01	2386365	1.34	
				02/02/2018	Sale	-17735	-0.01	2368630	1.33	
		Closing Balance as on 31/03/2018				-297000	-0.17	2368630	1.33	
4	NARGESH K. PARAKH									
	Opening Balance as on 01/04/2017	1223110	0.69							
	Closing Balance as on 31/03/2018							1223110	0.69	

Sl. No.	Public Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease		Cumulative Shareholding during the year	
		No. of Shares	% to total Shares of the Company			No. of Shares	% to total Shares of the Company	No. of Shares	% to total Shares of the Company
5	<b>Indian Syntans Investments (P) Ltd.</b>	Opening Balance as on 01/04/2017	1000000	0.56					
		Closing Balance as on 31/03/2018						1000000	0.56
6	<b>ALISHA DODLA REDDY</b>	Opening Balance as on 01/04/2017	1000000	0.56					
		Closing Balance as on 31/03/2018						1000000	0.56
7	<b>ASHNA DODLA REDDY</b>	Opening Balance as on 01/04/2017	1000000	0.56					
		Closing Balance as on 31/03/2018						1000000	0.56
8	<b>BANK OF INDIA MANEKCHOWK BRANCH</b>	Opening Balance as on 01/04/2017	1000000	0.56					
		Closing Balance as on 31/03/2018						1000000	0.56
9	<b>VINODCHANDRA MANSUKHLAL PAREKH</b>	Opening Balance as on 01/04/2017	888400	0.50					
				22/09/2017	Purchase	883500	0.50	1771900	0.99
				30/09/2017	Sale	-883500	-0.50	888400	0.50
		Closing Balance as on 31/03/2018				0	0.00	888400	0.50
10	<b>PRANAV KUMARPAL PAREKH</b>	Opening Balance as on 01/04/2017	787220	0.44					
		Closing Balance as on 31/03/2018						787220	0.44
10	<b>PRANAV KUMARPAL PAREKH</b>	Opening Balance as on 01/04/2017	544410	0.31					
				19/01/2018	Sale	-52748	-0.03	491662	0.28
				26/01/2018	Sale	-255165	-0.14	236497	0.13
		Closing Balance as on 31/03/2018				-307913	-0.17	236497	0.13



**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Rakesh Sarna (till September 30, 2017)	-	-	-	-
2	Mr. Puneet Chhatwal (From January 23, 2018)	-	-	-	-
3	Mr. Pramod Ranjan	14196140	7.95	14196140	7.95
4	Mr. D. Varada Reddy	6888487	3.86	6283414	3.52
5	Dr. G. Sundaram	-	-	-	-
6	Mr. D. Vijayagopal Reddy	2597060	1.45	2597060	1.45
7	Mr. S. Y. Syed Meeran	10500	0.01	10500	0.01
8	Mr. Ramesh D. Hariani	3813788	2.14	3813788	2.14
9	Ms. Gita Nayyar	-	-	-	-
10	Mr. Vijay Sankar	-	-	-	-
11	Mr. Phillie D. Karkaria	-	-	-	-
12	Mr. Giridhar Sanjeevi (From July 25, 2017)	-	-	-	-
13	Mr. Tom Antony – CS	-	-	-	-
14	Mr. Rajneesh Jain – CFO	-	-	-	-

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	32,239	-	-	32,239
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	450	-	-	450
<b>Total (i+ii+iii)</b>	32,689	-		32,689
<b>Change in Indebtedness during the financial year</b>				
* Addition	1,138	-	-	1,138
* Reduction	2,055	-	-	2,055
<b>Net Change</b>	-917	-	-	-917
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	31,331	-	-	31,331
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	441	-	-	441
<b>Total (i+ii+iii)</b>	31,772	-	-	31,772

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

Particulars of Remuneration	Mr. Pramod Ranjan
Salary, Incentive and perquisites	75,69,916
Contribution to Provident and Gratuity Fund	6,58,396
<b>Total</b>	<b>82,28,312</b>
Ceiling as per the Act	1,20,00,000

**B. Remuneration to other Directors**

(Amount in ₹)

Sl. No.	Particulars	Sitting Fees
<b>Independent Directors</b>		
1	Dr. G. Sundaram	1,10,000
2	Mr. S. Y. Syed Meeran	60,000
3	Ms. Gita Nayyar	1,00,000
4	Mr. Vijay Sankar	1,10,000
5	Mr. Phillie D. Karkaria	50,000
	<b>Total (a)</b>	<b>4,30,000</b>
<b>Other Non-Executive Directors</b>		
6	Mr. D. Varada Reddy	50,000
7	Mr. D. Vijayagopal Reddy	90,000
8	Mr. Ramesh D. Hariani	40,000
	<b>Total (b)</b>	<b>1,80,000</b>
	<b>Grand Total (a+b)</b>	<b>6,10,000</b>

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Chief Financial Officer
		Mr. Tom Antony	Mr. Rajneesh Jain
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	54.12	56.71
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Employer Contribution to Provident Fund	1.54	1.36
	(d) Performance incentive	5.02	5.43
2	<b>Total</b>	<b>60.68</b>	<b>63.50</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

No penalty, punishment or compounding of offences under the provisions of the Act, to the Company, its directors and its other officers in default.

# ORIENTAL HOTELS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

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### Annexure to the Directors' Report

#### MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has been reporting consolidated results taking into account the results of its subsidiaries, joint ventures and associates. This discussion, therefore, covers the financial results of the Company during April, 2017 to March, 2018. Your Company being part of the Taj Group (Group), this section also includes important developments and initiatives undertaken during the above period at the Group level which has a bearing on the performance and business of your Company. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated, on account of various factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which your Company conducts its business, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints, etc.

#### GLOBAL ECONOMIC ENVIRONMENT AND OUTLOOK

The year 2017 witnessed the highest growth pace in the economies across geographies since 2011, owing to broad-based improvement in most countries belonging to the advanced and emerging world. According to estimates of the International Monetary Fund (IMF), global economy grew 3.8% in 2017, which was ½% point higher, compared to 2016. Although Europe and Asia witnessed commendable economic expansion during the year, growth in emerging and developed economies, too, exceeded IMF's forecasts marginally.

Revival in investment spends in advanced economies and stabilising investments in select commodity-exporting economies were major catalysts behind this broad-based improvement. Improving investment spends in advanced economies were encouraging, given the weak sentiment since 2008 – 09.

Global economic growth is likely to be healthy in 2018 and 2019, despite unpredictable headwinds. IMF raised its estimates for global growth to 3.9% in each of these two years.

Emerging Asia will play a pivotal role in sculpting global growth and is estimated to grow by 6.5% during 2018 – 19. As the world's second largest economy, China, undergoes transformation from being investment-driven to being driven by private consumption; and from industries to services, its growth could witness slight moderation. IMF estimates peg China's growth at 6.9% in 2017, 6.6% in 2018 and 6.4% in 2019.

India continues to be among the world's fastest growing major economies, despite temporary hiccups caused by demonetisation and goods and services tax (GST) implementation. The country's GDP growth is pegged at 6.7% in 2017; and is likely to accelerate to 7.4% in 2018 and 7.8% in 2019 on the back of continued traction in private consumption and gradual easing of the teething issues following the implementation of these reforms.

GST implementation may help reduce internal barriers to trade, enhance efficiency, and improve tax compliance over the medium term. The Government of India's continued emphasis on wide-ranging reforms is aimed at improving productivity and incentivising private investments. Going forward, these initiatives will be among the prominent growth enablers for India. Lowering constraints on job creation by liberalising labour market norms, reducing infrastructure bottlenecks and strengthening the educational framework are key enablers to drive India's inclusive growth.

Indian economy though will continue to witness gradual improvement, amid increasing output. Other commodity importing economies could also witness healthy traction in this period.

#### OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY

Robust economic growth and buoyant consumer spending across the world was adequately reflected in the performance of the global travel and tourism industry in 2017. According to the World Travel & Tourism Council (WTTC) estimates, the sector's direct growth stood at 4.6% in the year and outperformed global economic growth for the seventh year in a row.

Continuing the momentum seen in recent years, Asia was at the forefront of the sector growth in 2017 as well. The Travel and Tourism sector is estimated to be 10.4% of global GDP and 9.9% of total employment (313 million jobs) in 2017. The sector thus continued to play a crucial role in creating jobs, fuelling exports and fostering prosperity around the world.

Going forward, the demand for international tourists is estimated to grow at the fastest pace for Africa, Asia and the Pacific and is pegged at 5-7% and 5-6%, respectively. In India, the Travel & Tourism sector contributed ₹15,239.6 billion (USD 234.0 billion) or 9.4% to India's GDP in 2017. This sector created 41,622,500 jobs or 8% of total employment (direct and indirect) in the country in the year and this could rise by 3.1% in 2018. Visitor exports formed 5.8% of total exports, generating exports worth ₹1,777.1 billion (USD 27.3 billion). Investments in the sector stood at ₹2,706.1 billion, representing 6.3% of total investments and could grow by 6.7% in 2018.

Over the next decade ending 2028, investments in the sector are expected to grow at a compounded annual growth rate (CAGR) of 6.7% to USD 85.2 billion. Foreign tourist arrivals as well as the proportion of domestic travellers grew significantly during financial year 2017 – 18. According to the Ministry of Tourism, India's foreign tourist arrivals grew 15.6% over the preceding year to 101.77 lakh tourists.

Rising influx of foreign visitors via the e-visa facility was a key growth enabler. Implementation of a host of measures like extension of e-visa facility to 173 countries from 161 countries earlier, increase in the window for application of e-visa from 30 days to 120 days, increase in duration of stay on e-visa from 30 days to 60 days and allowing of double entry on e-tourist and e-business visa and triple entry on e-medical visa propelled this segment significantly.

These developments reflect the improving prospects and start of the upcycle and will bolster prospects of the Travel and Tourism sector in India. The Company is looking at various revenue enhancement and cost containment measures so that it can take advantage of the upswing, as the business and economy recovers and the demand supply imbalance gets corrected.

### Future Trends

The following are considered as some of the future trends in the hospitality industry:

1. *Higher focus on customer-centricity*  
Over the recent years, the term customer-centricity has assumed a whole new meaning. Hotels are doing everything they can to improve customer experiences and delight their customers. These moves are aimed not just at customer acquisition, but also to achieve higher customer loyalty.
2. *Rising role of online platforms*  
Online travel booking and hotel selection websites, apps that help travellers plan their entire tour, and similar platforms are gaining prominence among customers. From booking flight tickets to selecting the hotels and planning the entire tour, these platforms deliver benefits like convenience and best deals to customers. A new generation of passionate, millennial travellers and increasing competitive intensity are changing the rules of the industry rapidly.
3. *Making rooms more tech-savvy*  
Enhanced use of technologies like IoT, voice-activation, wi-fi, among others are acting as the key differentiators for hotels. Hotels are also looking to provide apps that will allow guests to adjust their room lighting, temperature and other features from their smartphones. Most leading hotels are looking to make their rooms tech-savvy to drive customer convenience and experiences.
4. *Localising customer experiences*  
Hotels now design destination-specific experiences to enhance customer delight.

### INDIAN HOSPITALITY INDUSTRY LANDSCAPE AND OUTLOOK

India's vast population offers a considerable growth potential for the hospitality industry. The travel and tourism industry is a major contributor to the country's economic growth and employment generation. A growing middle class, rising disposable incomes and shift from foreign to domestic tourism are few macro growth enablers for the industry. The industry contributed 8% of the total employment (both direct and indirect) in 2017; and was the fastest growing among the G20 countries, growing by 9.4% in 2017.

Considerable growth in India's travel and tourism sector has percolated to the hospitality sector as well. The industry has witnessed robust growth in recent years on the back of increased traffic of domestic travellers, rising commercial

# ORIENTAL HOTELS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

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development and foreign tourist arrivals, a growing airline industry and government-led initiatives aiming to stimulate the sector.

In 2017, rooms supply (existing rooms) grew 6.8% over 2016 to total 1,19,219 rooms (Source: HVS – Trends & Opportunities Report 2017 & BW Hotelier.com). With the merger of Marriott International and Starwood Hotels and Resorts, Marriott has outpaced Taj Hotels Palaces Resorts Safaris (including Ginger) to claim the number one rank of the largest inventory in the country. Consequently, Carlson Rezidor Hotel Group slipped to third place, while Accor Hotels has surpassed ITC Hotels (including Fortune) to occupy the fourth position this year.

With multiple demand enablers, firmly in place, there is an adequate unaccommodated industry demand, being addressed by unorganised hotel players. In the preceding few years, the mid-market and budget segments have gained prominence in India on the back of thriving hotel aggregators in these segments. Such aggregators have consolidated the significant and unorganised hotel market.

According to a recent report by Deutsche Bank, gross hotel bookings are poised to grow from \$7.2 billion to \$10.9 billion by 2020 in 2016. It expects the percentage of online bookings to increase from 19% to 28% in this period. As per the report, around 78% of the overall online hotel bookings will be routed through online travel agents (OTAs). It has the potential to generate about \$2.3 billion in gross bookings by 2020 for OTAs such as MakeMyTrip Ltd, Yatra.com and Cleartrip.com.

With a positive outlook of the Indian hospitality sector your Company is well poised to make its presence felt by cater to some of the growing requirements of the modern traveler and benefit from the growing prospects of hospitality business in India.

### **STRATEGY**

Your Company's strategic initiatives are guided by the Group's Strategy. In FY 2017 – 18, Taj Group articulated 'Aspiration 2022', a five-year plan targeted at improving EBITDA margins. Under the plan – 'Aspiration 2022', the Taj Group will restructure its operations and re-engineer its processes in a larger effort to re-imagine its engagement with all its stakeholders, leading to all-round improved profitability; and market leadership in each of the segments it operates in.

The portfolio of brands will continue to be the differentiator, delighting our guests, consistently offering unmatched experiences. Going into the future, there will be concerted efforts to raise the guest experience across all our hotels and achieve excellence in service delivery. Further, applying business intelligence and analytics, we can increase its personalization and customer need anticipation manifolds to achieve even higher degrees of service excellence. The service ethos, epitomised by what we call 'Taj-ness', will continue to be the Company's soul. The experience we will curate for the guests shall reflect "Tajness" in everything we do through a high level of personalized offerings unique to the Indian hospitality philosophy. The "Tajness" would be an all pervasive theme at every guest touch point, from the rooms, F&B outlets and service quality.

### **Improved Return on Invested Capital**

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

### **Human Capital**

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

In the preceding year, the key focus of human capital initiatives has continued to be on building capability; and creating a performance-oriented culture to support and accelerate business performance.

Some of the key initiatives rolled out by the Group towards business promotion include:

Cohort II of the General Manager Development Programme, was conducted for 30 general managers to build their capability and groom them for future leadership roles. The participants from Cohort I continue to work on their Action Learning Projects (ALPs), which have generated significant ROI for their hotels and for the organisation, apart from fostering an environment of continuous learning and improvement. The ALPs revolved on themes like Financial Management, Guest & Employee Centricity, Gender Diversity, Reduction of Carbon Footprint, Shared Services and Heritage Management.

Learning & Development Portal (TajLEAD) continues to provide world-class learning content to our senior executives across a wide range of operational and functional topics. The managers have access to courses that are created by 50+ thought leaders from leading business schools such as Stanford University, Harvard Business School, INSEAD and many more.

Taj Group also launched the Training Enablement & Development (TREND) Programmes, spanning 48+ hotels across the organisation, ensuring consistent roll-out of mandatory programmes on behaviours, knowledge and skills.

Hotelier Development Programme (HDP) and Golden Threshold Programme (GTP) launched by the Group helps the Company to create a talent pipeline for hotels and build future leaders for the brand by selecting the right fit of the best available talent in India. A tie-up with TISS (Tata Institute of Social Sciences) was done by the Group to initiate the Golden Threshold Programme (GTP) to create a pipeline of frontline Talent for Taj and also for the industry.

#### **Tata Business Excellence Model**

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

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

#### **Brand Standards and Mystery Shopper Audits**

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

### **RISKS & CONCERNS**

#### **Industry Risk**

##### **General Economic Conditions**

The hospitality industry is prone to the impact of changes in global and domestic economies, local market conditions, hotel room supply, international or local demand for hotel rooms and associated services, competition in the industry, Government policies and regulations, fluctuation in interest rates and foreign exchange rates and other social factors. Demand for hotels is affected by global economic sentiments; and therefore, any change impacting the other segments / industries / geographies will invariably impact the hotel industry too.

##### **Socio-political Risks**

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

##### **Company’s specific Risks**

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

# ORIENTAL HOTELS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

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### **Heavy Dependence on India**

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

### **Competition from Global Hotel Chains**

The Indian subcontinent, Southeast Asia and Asia Pacific, with high growth rates have become the focus area of major international chains. Several of these chains have announced their plans to establish hotels in such markets to take advantage of the demand-supply imbalance. These entrants are expected to intensify the competitive environment, which may include consolidations and mergers.

The success of the Taj Group of Hotels will be dependent upon its ability to compete in areas such as room rates, quality of accommodation, brand pull, service standards, convenience of location and to a lesser extent, the quality and scope of other amenities. These amenities include food and beverage facilities, along with cost-reduction ability.

### **High Operating Leverage**

The industry in general has a high operating leverage, which has further increased with on-going renovations, increased staff costs and cost of light, power and fuel. However, your Company has been able to earn higher revenues with acceptance of its products and improved RevPAR (revenue per available room) in the markets it operates in.

### **Risk Mitigation Initiatives**

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

### **Internal Control Systems and their Adequacy**

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

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

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

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

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



MANAGEMENT DISCUSSION AND ANALYSIS

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

**Management Discussion and Analysis of Operating Results and Financial Positions**

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

**Results of Operations for the year ended March 31, 2018**

**Standalone Financial Results**

The following table sets forth financial information for your Company for the year ended March 31, 2018

₹ lakhs

Particulars	Year ended	
	March 31, 2018	March 31, 2017
<b>Income</b>		
Revenue from operations	35,686	33,348
Other Income	1,202	1,112
<b>Total</b>	<b>36,888</b>	<b>34,460</b>
<b>Expenses</b>		
Cost of Materials Consumed	4,044	3,721
Employee Benefits Expense	9,869	9,127
Depreciation and Amortisation Expense	2,766	2,498
Other Operating and General Expenses	16,268	15,739
<b>Total Expenses</b>	<b>32,947</b>	<b>31,085</b>
<b>Profit/(Loss) before Finance Cost and Tax</b>	<b>3,941</b>	<b>3,376</b>
Finance Costs	3,089	3,219
<b>Profit/(Loss) before Exceptional Items and Tax</b>	<b>852</b>	<b>156</b>
Exceptional Items	1	42
<b>Profit/(Loss) before Tax</b>	<b>853</b>	<b>198</b>
Provision for Tax (including for earlier years)	253	45
<b>Profit/(Loss) after Tax</b>	<b>600</b>	<b>153</b>

**Revenues**

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

₹ lakhs

Particulars	Year Ended		% Change
	March 31, 2018	March 31, 2017	
Room Income	16,744	16,354	2.38
Food, Beverage & Banqueting Income	15,983	14,094	13.40
Other Operating Income	2,959	2,900	2.00
Non-Operating Income	1,202	1,112	8.09
<b>Total Income</b>	<b>36,888</b>	<b>34,460</b>	<b>7.04</b>
Statistical Information			
Average Room Rate (₹)	5,649	6,084	(7)
Occupancy (%)	65	66	(2)

# ORIENTAL HOTELS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

- Room Income stood at ₹16,744 lakhs, an increase of ₹390 lakhs (2.38%) compared to previous year driven by improved Average Rate per Room (ARR) and occupancies.
- The F&B Income increased by ₹1,889 lakhs (13.40%) compared to previous year on account of growth in restaurant sales and banqueting income.
- Other Operating Income increased by 2% compared to the previous year.

### Operating Expenses

Total expenditure for the period ended as at March 31, 2018 amounted to ₹36,036 lakhs, increased by ₹1,732 lakhs (5%) as compared to previous year.

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

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

### Finance Costs

Finance costs for the year ended March 31, 2018, amounts to ₹3,089 lakhs.

### Profit Before Tax & Exceptional Item

Profit before Tax and Exceptional Item was at ₹852 lakhs.

### Exceptional Items

Exceptional items consists of Mark-To-Market Gain/ (Losses) on derivative contracts amounting to ₹1 lakh.

### Profit (Loss) before Tax

The profit before tax for the year was at ₹853 lakhs, as compared to the previous year's profit of ₹198 lakhs.

### Profit (Loss) after Tax

The Profit after Tax for the year was at ₹600 lakhs, as compared to the previous year's profit of ₹153 lakhs.

### Cash Flow Data

Particulars	Year Ended	
	March 31, 2018	March 31, 2017
Net Cash from operating activities	5,089	4,220
Net Cash used for investing activities	(1,721)	(106)
Net Cash from /(used for) financing activities	(4,003)	(3,159)
Net Increase/(Decrease) in cash and cash equivalents	(635)	955

### Operating Activities

Net cash generated from operating activities was ₹5,089 lakhs compared to ₹4,220 lakhs for the previous year.

### Investing Activities

During the year under review, your Company incurred ₹2728 lakhs towards capital expenditure, as well as the new IT initiatives and renovations at certain hotels.

### Financing Activities

During the year, your Company has not borrowed any amounts.

Particulars Financial Ratios for Standalone Financials	Year Ended	
	March 31, 2018	March 31, 2017
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	0.53	0.55
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	1.12	1.21

**Consolidated Financial Results**

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

The following table sets forth the Consolidated Financial results for the year ended March 31, 2018.

₹/lakhs

Particulars	Year Ended	
	March 31, 2018	March 31, 2017
<b>Income</b>		
Revenue from Operations	35,797	33,475
Other Income	430	499
<b>Total Income</b>	<b>36,227</b>	<b>33,974</b>
<b>Expenses</b>		
Cost of Materials Consumed	4,044	3,721
Employee Benefits Expense	9,869	9,127
Depreciation and Amortisation Expense	2,766	2,498
Other Operating and General Expenses	16,274	15,750
<b>Total Expenditure</b>	<b>32,953</b>	<b>31,096</b>
<b>Profit Before Finance Cost and Tax</b>	<b>3,274</b>	<b>2,878</b>
Finance Costs	3,089	3,219
<b>Profit before Tax and Exceptional Items</b>	<b>185</b>	<b>(341)</b>
Exceptional Items	1	42
<b>Profit / (Loss) before Tax</b>	<b>186</b>	<b>(299)</b>
Provision for Tax (incl. for earlier years)	253	45
<b>Loss after Tax before Minority Interest and Share of Associates</b>	<b>(67)</b>	<b>(344)</b>
Share of Profit/(Loss) of Associates	196	139
Share of Profit/(Loss) of Joint Venture	482	704
<b>Profit / (Loss) after Tax, Minority Interest and Share of Associates</b>	<b>612</b>	<b>499</b>

**Consolidated Profits before Finance Cost and Exceptional Items**

Profit before Finance Costs and Exceptional items amounts to ₹3274 lakhs as compared to ₹2,878 lakhs in the previous year.

**Finance Costs**

Finance costs for the year ended March 31, 2018, amounts to ₹3,089 lakhs as against ₹3,219 lakhs in the previous year.

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

Profit after tax, Minority Interest and Share of Associates for the year was lower at ₹612 lakhs as compared to ₹499 lakhs for the preceding year.

# ORIENTAL HOTELS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

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### Cash Flow Data

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

₹/lakhs

Particulars	Year Ended	
	March 31, 2018	March 31, 2017
Net Cash from operating activities	5205	4,230
Net Cash used for investing activities	(1861)	(407)
Net Cash from /(used for) financing activities	(4003)	(3,159)
Net Increase/(Decrease) in cash and cash equivalents	(660)	664

### Operating Activities

Net Cash from operating activities was at ₹5205 lakhs as compared to ₹ 4,230 lakhs in the previous year.

### Financial Ratios for Consolidated Financials:

Particulars	Year Ended	
	March 31, 2018	March 31, 2017
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	0.38	0.41
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	0.62	0.70

## REPORT ON CORPORATE GOVERNANCE

### Philosophy on Corporate Governance

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

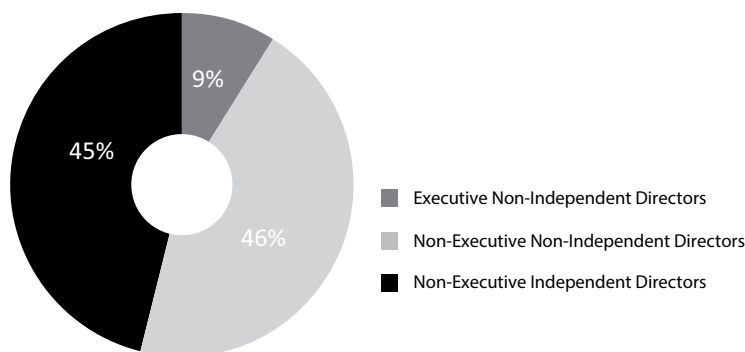
We follow the highest level of ethical standards in all our business transactions guided by our value system. The Board of Directors periodically revise various codes and policies of the Company to align with changing cultural and regulatory norms. These codes and policies are available on the Company's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

The Company has complied with the requirements of Corporate Governance as mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as detailed below for the year ending March 31, 2018:

### The Board of Directors:

1. The Board of Directors comprises Executive, Non-Executive as well as Independent Directors. The Board as on March 31, 2018 comprises of 11 directors out of which five (5) are independent directors (45%) and six (6) represent promoters (55%). The Directors possess experience in fields as varied as banking, finance, real estate, marketing and hoteliering to social service. The Company under the Board of Directors along with the Committees, provides leadership, guidance to the Management, directs and supervises the performance of the Company thereby enhancing stakeholder's value. The Board has fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Company with the help of expertise and knowledge of the Directors have optimized its value in the business. The details of Directors seeking re-appointment are furnished in the Notice of the Annual General Meeting.

### Board Composition



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

## ORIENTAL HOTELS LIMITED

### CORPORATE GOVERNANCE

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5. Pursuant to Regulation 25(1) of the Listing Regulations all the Directors are in compliance with the limit prescribed to hold Independent Directorship in the listed companies.
6. During the year under review, the Board of Directors of the Company met four times and the period between any two meetings did not exceed four months. The necessary quorum was present for all the meetings. The dates of the Board Meetings held during each quarter are as follows:

Sl. No.	For The Quarter	Date of Meeting	Gap between two consecutive meetings (in number of days)
1.	April to June	July 25, 2017	73
2.	July to September	October 23, 2017	89
3.	October to December	January 23, 2018	91
4.	January to March	May 09, 2018	105

7. Independent Directors of the Company met once during the financial year on March 24, 2018 in line with the requirements under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. None of the Non-Independent Directors and members of the Management were present at the meeting.
8. Independent Directors at their meeting transacted the following:-
  - a) Reviewed the performance of Non-Independent Directors and the Board as a whole;
  - b) Reviewed the performance of the Chairman of the Company, taking into consideration, the views of Managing Director and Non-Executive Directors; and
  - c) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
9. All Independent Directors attended the meeting of Independent Directors and Dr. G. Sundaram, chaired the meeting.
10. The Independent Directors are familiar with the nature of the Industry, and business model of the Company. A familiarization session was conducted for the newly inducted Independent Directors during July 2017.
11. All the relevant information, as recommended by the Securities and Exchange Board of India (SEBI) / Stock Exchanges, had been furnished to the Board from time to time.
12. The details of remuneration including sitting fees paid to the directors have been furnished in this report.
13. All Non-Executive Directors including Independent Directors have affirmed compliance with the Code of Conduct for Non-Executive Directors for the financial year ended March 31, 2018. The said Code of Conduct is also displayed on the Company's website.
14. All Board Members and senior management personnel, pursuant to Regulation 26(3) of the Listing Regulation have affirmed compliance with the applicable code of conduct. The Annual Report of the Company contains a Certificate duly signed by the Managing Director in this regard.
15. There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the Management, subsidiaries or relatives, except for those disclosed in the Board's report. Detailed information on materially significant related party transactions is enclosed as Annexure 2 to the Board's report. The Company has adopted Policy for Related Party transactions, which is made available at the website of the Company.
16. Due to changes in directorship during the financial year, the Company was required to appoint an Independent Director to comply with Regulation 17 of the Listing Regulations. Mr. Harish Lakshman (DIN. 00012602) was appointed as an Independent Director with effect from May 09, 2018.

17. The membership of Directors on the Board and Committees of other companies and their attendance at the meetings held during the financial year 2017-18 are given below:-

Name of the Director	DIN No.	Category	No. of meetings attended							Other Companies			
			Board Meeting	Audit Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee	Ethics Committee	Share Transfer Committee	Whether attended AGM on July 25, 2017	Directorship		Committee membership (Listed)	
Mr. Puneet Chhatwal <sup>(1)</sup>	07624616	NN	1			1			-	6	-	Chairman	3
Mr. Rakesh Kumar Sarna <sup>(2)</sup>	01875340	NN	2						Y	-	-		-
Mr. Pramod Ranjan	00887569	MD	4				-		Y	8	-		-
Mr. D. Varada Reddy	00052200	NP	3		1			1	Y	1	1		-
Mr. D. Vijayagopal Reddy	00051554	NP	4		1	1	1	1	Y	5	-		-
Dr. G. Sundaram	00051093	NI	4	4	1	1			Y	-	1		-
Mr. Giridhar Sanjeevi <sup>(3)</sup>	06648008	NN	2	2					Y	6	-		3
Mr. S. Y. Syed Meeran	00547775	NI	3					1	Y	4	-		-
Mr. Ramesh D. Hariyani	00131240	NP	4						Y	5	-		-
Ms. Gita Nayyar	07128438	NI	4	4					Y	1	-		-
Mr. Vijay Sankar	00007875	NI	4	4			1		Y	12	-		3
Mr. Phillie D. Karkaria	00059397	NI	3			1			Y	8	-		-

NI → Non-Executive – Independent

NN → Non-Executive – Non Independent

NP → Non-Executive – Promoter

MD → Managing Director

<sup>(1)</sup> Mr. Puneet Chhatwal was appointed as a Non-executive Chairman w.e.f. January 23, 2018.

<sup>(2)</sup> Mr. Rakesh Kumar Sarna resigned as Non-executive Chairman w.e.f. September 30, 2017.

<sup>(3)</sup> Mr. Giridhar Sanjeevi was appointed as Non-executive Director w.e.f. July 25, 2017.

Mr. Harish Lakshman was appointed as Independent Director w.e.f. May 09, 2018.

# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

### Composition of Committee Membership as on March 31, 2018:

Name of the Member(s)			Name of the Committees of the Board						
	Audit	Nomination & Remuneration	Stakeholders Relationship	Share Transfer	Ethics	CSR Committee	Approval	Investment Committee	Risk Management
Mr. Puneet Chhatwal <sup>(1)</sup>	-	M	-	-	-	-	-	-	-
Mr. Rakesh Sarna <sup>(2)</sup>	-	M	-	-	-	-	-	-	-
Mr. Pramod Ranjan	-	-	M	-	M	M	M	M	M
Mr. D. Varada Reddy	-	-	M	M	-	-	-	-	-
Dr. G. Sundaram	M	M	C	-	-	-	-	-	-
Mr. D. Vijayagopal Reddy	-	M	M	C	C	M	M	-	-
Mr. S Y Syed Meeran	-	-	-	M	-	-	M	-	-
Mr. Giridhar Sanjeevi <sup>(3)</sup>	M	-	-	-	-	-	M	M	M
Ms. Gita Nayyar	M	-	-	-	-	-	-	M	M
Mr. Vijay Sankar	C	-	-	-	M	C	-	C	C
Mr. Phillie D. Karkaria	-	C	-	-	-	-	-	-	-

**C** – Chairman: **M** – Member

<sup>(1)</sup> Mr. Puneet Chhatwal was appointed as a Non-executive Chairman w.e.f. January 23, 2018.

<sup>(2)</sup> Mr. Rakesh Kumar Sarna resigned as Non-executive Chairman w.e.f. September 30, 2017.

<sup>(3)</sup> Mr. Giridhar Sanjeevi was appointed as Non-executive Director w.e.f. July 25, 2017.

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

#### 1. Audit Committee:

During the year the Audit Committee was reconstituted which currently comprises of 3 Independent Directors viz., Mr. Vijay Sankar who is a Chartered Accountant, acts as Chairman of the Audit Committee, Dr. G. Sundaram, Ms. Gita Nayyar, and 1 Non-executive Director viz., Mr. Giridhar Sanjeevi. Each Member of the Committee has relevant experience in the field of finance and accounting.

#### Terms of reference of Audit Committee:

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditor(s) for any other services rendered by them.
4. Reviewing; with management, the annual financial statements before submission to the Board for its approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (C) of sub-section 3 of Section 134 of the Companies Act, 2013.



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

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

## 2. Stakeholders' Relationship Committee:

Stakeholders' Relationship Committee comprises of Dr. G. Sundaram, Independent Director who acts as Chairman of the Committee, Mr. Pramod Ranjan, Mr. D. Varada Reddy and Mr. D. Vijayagopal Reddy. The scope of the Stakeholders' Relationship Committee includes the following:

- a. To consider and resolve grievances of all classes of investors of the company;
- b. The chairperson of the committee by himself or any person authorized by him shall attend the general meetings of the company;

# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

- c. Ensure proper controls at Registrar and Share Transfer Agent;
- d. Look into the redressing of the shareholders complaints and queries;
- e. Review movement in shareholdings and ownership structure;

Share transfers are processed within the prescribed time limit and approved by the Committee and the Investor grievances are also placed before the Committee. The Committee met on March 24, 2018 to review the various matters related to the Stakeholders during the year under review. There were no pending investor complaints which remained unresolved. The Company has also cleared complaints received through SEBI Complaints Redress System (SCORES). The Company also uploads its Action Taken Reports (ATRs) with respect to the complaints; enable online viewing by investors about the current status. All valid share transfers lodged up to March 31, 2018, have been processed by the Committee. The status of the complaints received (inclusive of SCORES) from members from 01.04.2017 to 31.03.2018 is as under:

Status of Request / Complaints during the period April 01, 2017 to March 31, 2018			
Sl. No.	Subject	Received	Replied / Resolved
<b>A. Requests</b>			
1	Change/Correction of Address	75	75
2	Change/Correction of Bank Mandate	65	65
3	Change/Correction of Bank Mandate/Name/Damage-DW	32	32
4	Receipt of IB and Affidavit for issue of Duplicate Securities	1	1
5	Request for Transfer/Transmission of Securities	9	9
6	Request for Demat/Remat	4	4
7	Request for Exchange of Securities	11	11
8	Others (Clarification/Acknowledgement/NSDL Operation )	56	56
	<b>Total (A)</b>	<b>253</b>	<b>253</b>
<b>B. Complaints</b>			
9	Non-Receipt of Securities	1	1
	<b>Total (B)</b>	<b>1</b>	<b>1</b>

### Amounts/Shares Transferred to IEPF

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

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

Further, in terms of sub-section (6) of Section 124 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend has not been encashed by the Members for a continuous period of seven years is also required to be transferred to the IEPF. The Company had transferred shares corresponding to the unclaimed dividend pertaining to the financial year 2009-10 during November 2017 pursuant to the provisions under Section 124 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules").

As regard to unclaimed dividend pertaining to the financial year 2010-11, a notice was issued to all the members whose dividends are lying unpaid/unclaimed against their name for seven consecutive years or more, followed by an advertisement to this effect in leading English and vernacular Newspapers. Members are requested to

claim the same from the Company on or before September 2, 2018 failing which the unclaimed dividend and respective shares shall be transferred to IEPF.

Even after transfer to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

The Company has appointed a Nodal Officer under the provisions of IEPF Rules, the details of which are available on the website of the Company <http://orientalhotels.co.in/investors/unclaimed-amounts/transfers-to-iepf/>

The Company has uploaded the details of unpaid / unclaimed amounts lying with the Company as on 25<sup>th</sup> July, 2017 (date of last AGM) on the Company's website <http://orientalhotels.co.in/investors/unclaimed-amounts/> and on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in/](http://www.iepf.gov.in/).

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

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF	Amount Outstanding (₹)
2010 – 2011	July 28, 2011	September 2, 2018	9,96,400.00
2011 – 2012	July 17, 2012	August 22, 2019	9,38,155.05
2012 – 2013	August 6, 2013	September 11, 2020	14,61,725.10
2013 – 2014	July 31, 2014	September 5, 2021	11,17,167.70
2014 – 2015	July 30, 2015	September 4, 2022	8,77,110.00
2015 – 2016	July 25, 2016	August 30, 2023	5,10,903.80

The Company transferred the following amounts to the IEPF of the Central Government of the unclaimed dividend.

Particulars	Amount (₹)
Amounts transferred up to March 31, 2017	47,39,400.05
Amounts transferred during financial year 2017 – 18:	
- Unpaid / unclaimed dividend with the Company	9,11,760
Amount transferred up to March 31, 2018	56,51,160.05

#### Shares Transferred to IEPF

During the year Company transferred 6,58,110 shares held by 416 shareholders, on November 28, 2017 to IEPF by way of corporate action. The shares transferred were on account of dividends unclaimed for seven consecutive years.

#### Unclaimed Shares

As per the Listing Agreement, the Company had transferred the unclaimed shares for which the certificates remaining undelivered/unclaimed by the shareholders to “Unclaimed Suspense Account” and dematerialized the shares, held in the name of “Unclaimed Suspense Account”. The said demat account as on March 31, 2018 is having 14,62,590 equity shares yet to be claimed.

Opening Balance		No. of Shareholders claimed	No. of shares transferred	Closing Balance	
No. of Holders	No. of Shares			No. of Holders	No. of Shares
1259	21,34,860	460	6,72,270	799	14,62,590

# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

### 3. Nomination and Remuneration Committee

During the year the Nomination and Remuneration Committee (NRC) was reconstituted which currently comprises of 2 Independent Directors viz., Mr. Phillie Dara Karkaria, Chairman of the Committee, Dr. G. Sundaram and 2 Non-executive Directors viz., Mr. Puneet Chhatwal and Mr. D. Vijayagopal Reddy. The terms of reference of the Committee include inter-alia the following:

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

During the year under review, the Committee held one meeting on April 12, 2017 to recommend the annual revision in remuneration applicable to the Managing Director.

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

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

The remuneration paid during the financial year 2017 – 2018 to the Managing Director is furnished hereunder:

Amount (₹ in Lakhs)

Particulars	Mr. Pramod Ranjan
Salary, Incentive and perquisites	75.70
Contribution to Provident and Gratuity Fund	6.58
Performance Incentive Payable	-
Shares held as on March 31, 2018	1,41,96,140

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

Sitting fee (remuneration) paid to Non-Executive Directors during the financial year 2017-18 and the details of share held by them as on March 31, 2018 are as under:

Name of Director	Amount (₹)	No. of Shares held
Dr. G. Sundaram	1,10,000	-
Mr. D. Varada Reddy	50,000	62,83,414
Mr. D. Vijayagopal Reddy	90,000	25,97,060
Mr. S. Y. Syed Meeran	60,000	10,500
Mr. Ramesh D. Hariani	40,000	38,13,788
Ms. Gita Nayyar	1,00,000	-
Mr. Vijay Sankar	1,10,000	-
Mr. Phillie D. Karkaria	50,000	-
<b>Total</b>	<b>6,10,000</b>	<b>1,27,04,762</b>

**4. Corporate Social Responsibility (CSR) Committee**

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

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

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

**5. Risk Management Committee**

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

**Details on General Body Meetings:**

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

Location	Date & Time	Resolutions passed
Narada Gana Sabha, Chennai – 600 018	July 30, 2015 at 2.00 p.m.	<b>Ordinary Resolutions :</b> <ul style="list-style-type: none"> <li>– Adoption of accounts</li> <li>– Declaration of Dividends</li> <li>– Appointment of Directors retiring by rotation</li> <li>– Appointment of Auditors</li> </ul> <b>Special Business – Ordinary Resolutions :</b> <ul style="list-style-type: none"> <li>- Appointment of Directors</li> </ul>
Narada Gana Sabha, Chennai – 600 018	July 25, 2016 at 2.30 p.m.	<b>Ordinary Resolutions :</b> <ul style="list-style-type: none"> <li>– Adoption of accounts</li> <li>– Declaration of Dividends</li> <li>– Appointment of Directors retiring by rotation</li> <li>– Appointment of Auditors</li> </ul> <b>Special Business – Ordinary Resolutions :</b> <ul style="list-style-type: none"> <li>– Appointment of Directors</li> </ul>
Narada Gana Sabha, Chennai – 600 018	July 25, 2017 at 2.30 p.m.	<b>Ordinary Resolutions :</b> <ul style="list-style-type: none"> <li>– Adoption of accounts</li> <li>– Appointment of Directors retiring by rotation</li> <li>– Appointment of Auditors</li> </ul> <b>Special Business – Ordinary Resolutions :</b> <ul style="list-style-type: none"> <li>– Appointment of Directors</li> <li>– Approval of Hotel Operating Agreements</li> </ul>

The resolutions of 47th Annual General Meeting held on July 25, 2017 were passed by means of E-Voting and the votes cast by the Members of the Company who were present at the meeting. The resolutions were passed with requisite majority.

**E-Voting/Postal Ballot:**

The postal ballot/e-Voting results were declared on July 27, 2017 based on the report of the scrutinizers M/S KSM Associates, Practicing Company Secretaries, Chennai with respect to the notice dated May 12, 2017 issued by the

Company. During the year under review, no Special Resolution has been passed through the exercise of postal ballot. At the AGM to be held on July 25, 2018 no item being proposed to be passed through postal ballot as a Special Resolution.

**Disclosures**

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

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

Pursuant Part B of Schedule II to the Listing Regulations Managing Director (CEO) and the Chief Financial Officer has issued a certificate to the Board, for the year ended March 31, 2018.

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

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

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

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

**Subsidiary Company**

The Company does not have any material unlisted Indian subsidiary and is not required to have an Independent Director of the Company on the Board of such Subsidiary. The financial statements including the investments made by the Company's wholly owned subsidiary, OHL International (HK) Limited were placed before the Board. The minutes of the Board meeting of the subsidiary Company are periodically placed before and reviewed by the Board of Directors of the Company. The financial statements of the subsidiaries can be accessed from the web link: <http://orientalhotels.co.in/investors/financial-results/annual/>

**Code of Conduct**

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

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

**Whistle Blower Policy**

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

**Means of Communication**

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

**Corporate Filing and Dissemination System**

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

**Ministry of Corporate Affairs (MCA)**

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

**SEBI Complaints Redress System (SCORES)**

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

**General Shareholder Information**

<b>Corporate Identification Number</b>	<b>L55101TN1970PLC005897</b>
Registered Office	Taj Coromandel 37, Mahatma Gandhi Road Chennai – 600 034 Telephone No. - 044 66002827 Facsimile No. - 044 66002089
Name, Contact details of Company Secretary & Compliance Officer's	Mr. Tom Antony Paramount Plaza, III Floor 47, Mahatma Gandhi Road Chennai – 600 034 Telephone No. - 044 66172828 Facsimile No. - (044) 28254447/28278138 E-mail: <a href="mailto:ohlshares.mad@tajhotels.com">ohlshares.mad@tajhotels.com</a>
Registrar and Share Transfer Agent	M/s Integrated Registry Management Services Pvt. Limited Kences Towers, 1 Ramakrishna Street North Usman Road, T Nagar, Chennai – 600 017 Facsimile No. - 044 28140801 - 803 E-mail: <a href="mailto:corpserv@integratedindia.com">corpserv@integratedindia.com</a>
Date, Time and Venue of AGM	July 25, 2018 at 9.00 a.m. Sathguru Sri Gnanananda Hall, Narada Gana Sabha, Alwarpet, Chennai – 600 018
<b>Financial Calendar</b>	
Financial year	1 <sup>st</sup> April – 31 <sup>st</sup> March
<b>Financial Report for:</b>	
Quarter ending 30 <sup>th</sup> June	On or before August 15
Quarter ending 30 <sup>th</sup> September	On or before November 15
Quarter ending 31 <sup>st</sup> December	On or before February 15
Quarter ending 31 <sup>st</sup> March	On or before May 30

# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

Cut Off for e-Voting	July 20, 2018
E-Voting window dates	July 22, 2018 9.00 a.m. to July 24, 2018 5.00 p.m.
Date of book closure	July 21, 2018 to July 25, 2018 (both the days inclusive)
Dividend payment date	Not Applicable
<b>Equity Shares</b>	
<b>Stock Exchanges</b>	<b>Stock Code</b>
The National Stock Exchange of India Ltd. BSE Ltd.	ORIENTHOT EQ 500314
Global Depository Receipts	Luxembourg Stock Exchange
ISIN No. (INDIA) Equity	INE750A01020
ISIN No. GDR	USY6525B1190
ISIN No. – NCD Series A	INE750A07027
ISIN No. – NCD Series B	INE750A07035

The Company has paid annual listing fees to the Stock Exchanges in respect of the financial year 2018 – 2019.

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

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

#### **1. Share Transfer Committee**

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

#### **2. Approval Committee**

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

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

#### **3. Ethics Committee**

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

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

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

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



## 5. Investment Committee

The Board has constituted an Investment Committee for acquisition, disposal and management of Company's assets and investments. The present members of the Committee are Mr. Vijay Sankar (Chairman), Ms. Gita Nayyar, Mr. Giridhar Sanjeevi and Mr. Pramod Ranjan.

## Credit Rating

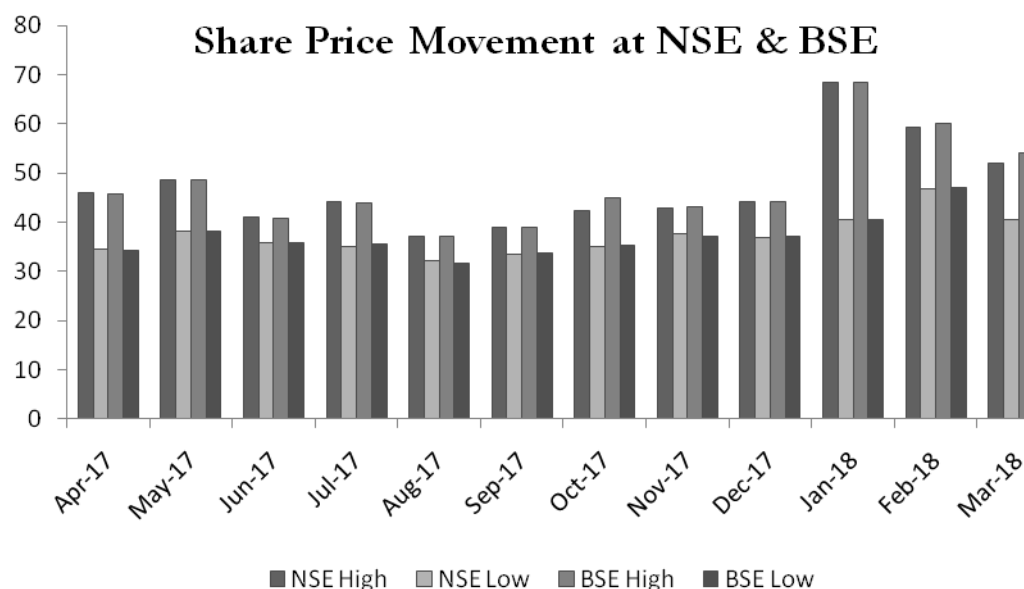
Your Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. The table below depicts the credit rating profile:

Instrument	Rating Agency	Rating	Outlook
NCD Series A	CARE	A <sup>+</sup>	Stable
NCD Series B	CARE	A <sup>+</sup>	Stable

## Market Price Data: High, Low during each month in the financial year 2017-18

Month	National Stock Exchange Ltd. (NSE) - Share Price		Nifty		Bombay Stock Exchange Ltd. (BSE) - Share Price		Sensex	
	High	Low	High	Low	High	Low	High	Low
Apr-17	45.90	34.40	9367.15	9075.15	45.85	34.35	30184.22	29241.48
May-17	48.50	38.05	9649.60	9269.90	48.70	38.30	31255.28	29804.12
Jun-17	41.00	35.90	9709.30	9448.75	40.75	35.90	31522.87	30680.66
Jul-17	44.20	35.00	10114.85	9543.55	44.00	35.50	32672.66	31017.11
Aug-17	37.25	32.20	10137.85	9685.55	37.15	31.70	32686.48	31128.02
Sep-17	39.00	33.35	10178.95	9687.55	38.90	33.60	32524.11	31081.83
Oct-17	42.25	35.10	10384.50	9831.05	45.00	35.40	33340.17	31440.48
Nov-17	43.00	37.65	10490.45	10094.00	43.05	37.08	33865.95	32683.59
Dec-17	44.25	36.90	10552.40	10033.35	44.20	37.00	34137.97	32565.16
Jan-18	68.45	40.40	11171.55	10404.65	68.50	40.50	36443.98	33703.37
Feb-18	59.25	46.80	11117.35	10276.30	60.00	46.95	36256.83	33482.81
Mar-18	52.10	40.55	10525.50	9951.90	54.00	40.55	34278.63	32483.84

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

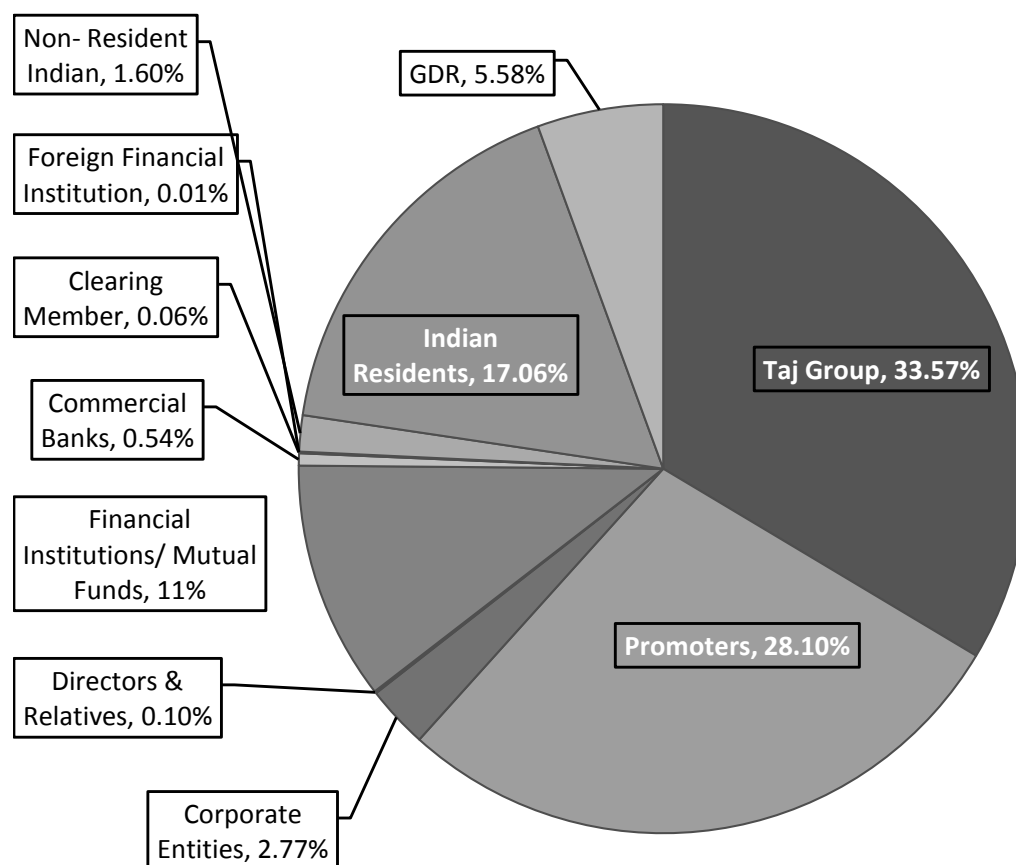


# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

### Shareholding pattern as on 31<sup>st</sup> March 2018

Sl. No.	Particulars	No. of Shares	% of Shares
<b>A. Promoters</b>			
1	Taj Group	59,961,430	33.57
2	Promoters – others	50,177,638	28.10
<b>B. Public</b>			
3	Corporate Entities	49,53,129	2.77
4	Directors & Relatives	1,74,608	0.10
5	Financial Institutions/Mutual Funds	1,89,27,714	10.60
6	Commercial Banks	9,66,653	0.54
7	Clearing Member	1,11,310	0.06
8	Foreign Financial Institution	16,748	0.01
9	Non-Resident Indian	28,64,762	1.60
10	Indian Residents	3,04,72,758	17.06
<b>C. GDRs Underlying Equity Shares</b>			
11	Promoters and Promoters Group	9,872,360	5.53
12	Public	1,00,070	0.06
<b>Grand Total</b>		<b>178,599,180</b>	<b>100.00</b>



**List of persons holding more than 1% of the total number of shares as on March 31, 2018**

Sl. No.	Name of the Shareholders	No. of Shares	% of Share Capital
<b>A. Promoter and Promoter Group</b>			
1	The Indian Hotels Company Limited	33764550	18.91
2	TIFCO Holdings Limited	17208360	9.64
3	Pramod Ranjan	14196140	7.95
4	D. Varada Reddy	6283414	3.52
5	Ramesh Doulatram Hariani	3813788	2.14
6	PIEM Hotels Limited	3657170	2.05
7	Girija Gollamudi Reddy	2687630	1.50
8	D. Vijayagopal Reddy	2597060	1.45
9	Tata Chemicals Limited	2523000	1.41
10	Rohit Reddy D.	2212500	1.24
11	Amit Reddy D.	2132900	1.19
12	Dodla Premaleela Reddy	2019980	1.13
<b>B. Public</b>			
13	Reliance Capital Trustee Co. Ltd. (Reliance Growth Fund)	11950000	6.69
14	Birla Sun Life Trustee Company Pvt. Ltd. A/c Birla Sun Life Dividend Yield	3167569	1.77
15	The Oriental Insurance Company Ltd.	2368630	1.33

**Distribution Schedule of Share Holding as on March 31, 2018**

Sl. No.	Category of Shares	No. of Holders	% to Total no. of shareholders	No. of Shares	% to Capital
1	Up to 500	19525	76.09	2303492	1.28
2	501 - 1000	2217	8.64	1826612	1.02
3	1001 - 2000	1321	5.14	2060027	1.15
4	2001 - 3000	681	2.65	1734935	0.97
5	3001 - 4000	337	1.31	1202631	0.67
6	4001 - 5000	488	1.90	2242583	1.25
7	5001 - 10000	555	2.16	4103818	2.29
8	10001 & Above	534	2.08	163125082	91.33
	<b>TOTAL</b>	<b>25658</b>	<b>100.00</b>	<b>178599180</b>	<b>100.00</b>

**Reconciliation of Share Capital Audit**

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

# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

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### Dematerialisation of Shares & Liquidity

As of the end of March 31, 2018, shares comprising approximately 97.81% of the Company's Equity Share Capital have been dematerialized.

Status on Dematerialised shares (Equity ISIN No. INE750A01020)

Shares held in		% of holding
NSDL	1,63,489,911	91.54
CDSL	11,206,222	6.27
Physical	39,03,047	2.19
<b>TOTAL</b>	<b>1,78,599,180</b>	<b>100.00</b>

### Share Transfer System:

Transfers of equity shares in electronic form are done through the depositories with no involvement of the Company. Transfers of equity shares in physical form are processed by our Share Transfer Agents, M/s Integrated Registry Management Services Private Limited within the mandated time the date of receipt, if the documents are complete in all respects.

### Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has Global Depository Receipts (GDRs) representing 99,72,430 equity shares listed and traded in the regulated market of Luxembourg Stock Exchange.

### Investor Correspondence

For any queries, investors are requested to get in touch with the Secretarial department at Paramount Plaza, 3<sup>rd</sup> Floor, 47, Mahatma Gandhi Road, Chennai – 600 034. A dedicated e-mail address [ohlshares.mad@tajhotels.com](mailto:ohlshares.mad@tajhotels.com) is available for investor complaints.

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

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

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

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

### Location of Hotel Units of the Company:

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

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

In accordance with para D of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2018.

For ORIENTAL HOTELS LIMITED

Place : Chennai  
Date : May 09, 2018

**Pramod Ranjan**  
Managing Director

**DECLARATION MADE BY MANAGING DIRECTOR AS PER ARTICLE 3(2)(C) OF THE LAW ON TRANSPARENCY REQUIREMENTS FOR ISSUERS FOR WHICH LUXEMBOURG IS THE HOME MEMBER STATE**

In accordance with article 3(2)(c) of the law on transparency requirements for issuers for which Luxembourg is the Home Member State, I hereby confirm that the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole and that the management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Company face.

For ORIENTAL HOTELS LIMITED

Place : Chennai  
Date : May 09, 2018

**Pramod Ranjan**  
Managing Director

**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of **ORIENTAL HOTELS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **ORIENTAL HOTELS LIMITED** ("the Company") for the year ended March 31, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations – 2015").

**Management Responsibility**

2. 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 the SEBI Listing Regulations – 2015.

**Auditors Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance of the conditions of the Corporate Governance requirements by the Company.
5. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, 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 (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. 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 service engagements.

**Opinion**

7. Based on our examination of the relevant records and according to 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, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations – 2015, as applicable, during the year ended March 31, 2018.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Restriction on Use**

9. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the SEBI Listing Regulations – 2015, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**S Rajeshwari**  
Partner  
Membership No. 024105  
Place of Signature: Chennai  
Date: 9th May 2018

# ORIENTAL HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

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### INDEPENDENT AUDITOR'S REPORT

To The Members of Oriental Hotels Limited

#### Report on the Indian Accounting Standards (Ind AS) Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ORIENTAL HOTELS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Other Matter**

The comparative financial information of the Company for the year ended March 31st, 2017 prepared in accordance with Ind AS included in this Statement has been audited by the predecessor auditor. The report of the predecessor auditor on this comparative financial information dated May 12th, 2017 expressed an unmodified opinion.

Our report is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at March 31, 2018 on its financial position in its standalone financial statements at Note No. 28.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2018.
    - iii. Unclaimed dividend for the year 2009-10 was transferred to the Investor Education and Protection Fund by the Company after a delay of 12 days in the current year.

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**S. RAJESHWARI**

Partner  
Membership No. 024105

Place : Chennai  
Date : May 9, 2018

# ORIENTAL HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 1 of the Independent Auditor's Report of even date to the members of Oriental Hotels Limited on the Ind AS standalone financial statements as of and for the year ended March 31, 2018**

- i. In respect of its fixed assets:
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification of fixed assets in a three year period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Fixed assets have been physically verified by the management during the year as per the said program. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - c. According to the information and explanations given to us and based on the examination of the relevant records provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name/erstwhile name of the Company as at the balance sheet date.
- 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. Based on our audit procedures and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms or other parties, covered in the register maintained under Section 189 and accordingly, subclauses a, b and c of clause iii of paragraph 3 of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the loans and investments made. The Company has not provided any guarantees or security. The Company has not granted any loans under Section 185.
- v. Based on our audit procedures and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Act and Rules made thereunder and hence reporting under clause (v) is not applicable.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- 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, duty of customs, value added tax, Goods and Services Tax, luxury tax and cess with the appropriate authorities during the year and that there are no arrears of statutory due outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.
  - b. Dues relating to income tax/sales tax/luxury tax/service tax, which have not been deposited with the appropriate authorities on account of any dispute, are stated in the table below:

Nature of dues	Forum where dispute is pending	Sum of Amount (₹ In lakhs)*
Income Tax	Commissioner of Income Tax (Appeals), Chennai	32.36
Income Tax	Income Tax Appellate Tribunal	0.46
<b>Subtotal</b>		<b>32.82</b>
Luxury Tax	Hon'ble Madras High Court	62.00
Luxury Tax	Hon'ble Kerala High Court, Ernakulam	28.16
Luxury Tax	Appellate Tribunal, Ernakulam	23.47
Luxury Tax	Deputy Commissioner (Appeals), Madurai	9.20
Luxury Tax	Deputy Commissioner (Appeals), Thiruvananthapuram	0.55
<b>Subtotal</b>		<b>123.38</b>
Sales Tax	Appellate Deputy Commissioner, Commercial Taxes, Chennai	87.55
Sales Tax	The Assistant Commissioner, Commercial Taxes, Chennai	30.76
Sales Tax	Appellate Tribunal, Chennai	23.68



Nature of dues	Forum where dispute is pending	Sum of Amount (₹ In lakhs)*
Sales Tax	Hon'ble Madras High Court	16.61
Sales Tax	The Assistant Commissioner (Commercial Taxes), Special Circle, Thiruvananthapuram	3.41
Sales Tax	The Assistant Commissioner-III, Special Circle, Thiruvananthapuram	0.78
<b>Subtotal</b>		<b>162.79</b>
Service Tax	Central Excise & Service Tax Appellate Tribunal, Chennai	94.73
Service Tax	Commissioner of Central Excise (Appeals), Mangalore	88.74
Service Tax	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	41.03
Service Tax	Central Excise & Service Tax Appellate Tribunal, Kochi	17.35
Service Tax	Commissioner of Central Excise (Appeals), Vishakhapatnam	8.15
Service Tax	Commissioner of Customs, Central Excise and Service Tax (Appeals), Vishakhapatnam	3.45
Service Tax	The Commissioner of CGST & Central Excise, Review Section, Madurai	2.00
<b>Subtotal</b>		<b>255.45</b>

\* net of amounts paid under protest.

- viii. Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- ix. Based on our audit procedures and according to the information and explanations given to us, no term loans were raised during the year. The Company did not raise any money by way of initial/further public offer. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. Based on our audit procedures 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. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. Based on our audit procedures 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 standalone financial statements as required by the applicable accounting standards.
- xiv. Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/fully/partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**S. RAJESHWARI**

Partner

Membership No. 024105

Place : Chennai

Date : May 9, 2018

# ORIENTAL HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

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### ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(f) of the Independent Auditor's Report of even date to the members of Oriental Hotels Limited on the Ind AS Standalone financial statements for the year ended March 31, 2018

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

We have audited the internal financial controls over financial reporting of **ORIENTAL HOTELS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

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

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

**Opinion**

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

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**S. RAJESHWARI**

Partner  
Membership No. 024105

Place : Chennai  
Date : May 9, 2018

# ORIENTAL HOTELS LIMITED

## BALANCE SHEET

Balance Sheet as at March 31, 2018

₹ in Lakhs

Particulars	Note	March 31, 2018	March 31, 2017
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	3	37,357.33	38,810.31
Capital work-in-progress		1,686.88	400.49
Other Intangible Assets	4	231.51	297.59
		39,275.72	39,508.39
<b>Financial Assets</b>			
Investments	5	6,603.30	6,351.23
Other financial assets	7	2,039.16	2,007.46
Deferred Tax Assets (Net)	8	411.36	493.72
Income Tax Asset (Net)	42	2,504.98	2,513.57
Other non-current assets	9	4,879.65	4,658.99
		55,714.17	55,533.36
<b>Current Assets</b>			
Inventories	11	838.63	756.61
<b>Financial Assets</b>			
Trade Receivables	12	1,463.19	1,271.39
Cash and Cash Equivalents	13(a)	527.68	1,162.92
Bank Balances other than Cash and Cash Equivalent	13(b)	114.59	132.88
Loans	6	560.00	560.00
Other financial assets	7	556.77	617.32
Other current assets	9	630.82	782.78
Assets classified as held for sale (Refer Note 40)		2,798.21	2,798.21
		7,489.89	8,082.11
<b>Total</b>		63,204.06	63,615.47
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share capital	14	1,785.99	1,785.99
Other Equity	15	22,855.41	22,134.12
<b>Total Equity</b>		24,641.40	23,920.11
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	29,428.59	30,185.93
Other financial Liabilities	17	207.66	186.52
Provisions	19	470.59	439.88
Other non-current Liabilities	20	20.73	30.24
		30,127.57	30,842.57
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	97.40	-
Trade Payables	18	3,611.96	3,228.11
Other financial Liabilities	17	3,964.03	4,498.25
Provisions	19	102.65	72.64
Other current liabilities	20	659.05	1,053.79
		8,435.09	8,852.79
<b>Total</b>		63,204.06	63,615.47
Significant Accounting Policies	2		
The accompanying notes 1 to 43 form an integral part of the financial statements.			

As per our Report attached

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm Registration No. 003990S/S200018

**Rajeshwari S**  
Partner  
Membership No. 024105

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

Puneet Chhatwal  
Chairman  
DIN: 07624616

Pramod Ranjan  
Managing Director  
DIN: 00887569

Vijay Sankar  
Director  
DIN: 00007875

Place : Chennai  
Date : May 9, 2018

Rajneesh Jain  
AVP-Finance & Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

PROFIT AND LOSS STATEMENT

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

₹ in Lakhs

Particulars	Note	March, 2018	March, 2017
<b>Revenue</b>			
Revenue from Operations	21	35,686.23	33,348.82
Other Income	22	1,201.36	1,111.57
<b>Total</b>		<b>36,887.59</b>	<b>34,460.39</b>
<b>Expenses</b>			
Food and Beverages Consumed	23	4,044.05	3,721.36
Employee Benefits Expense and Payment to Contractors	24	9,868.95	9,127.18
Finance Costs	25	3,088.59	3,218.97
Depreciation and Amortisation	3 & 4	2,765.94	2,497.97
Other Operating and General Expenses	26	16,268.17	15,738.55
<b>Total</b>		<b>36,035.70</b>	<b>34,304.03</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>851.89</b>	<b>156.36</b>
<b>Exceptional Items</b>	27	<b>0.98</b>	<b>42.15</b>
<b>Profit/ (Loss) Before Tax</b>		<b>852.87</b>	<b>198.51</b>
<b>Tax Expense</b>			
Current Tax		188.58	180.35
Deferred Tax		64.55	(135.09)
<b>Total</b>		<b>253.13</b>	<b>45.26</b>
<b>Profit/ (Loss) for the year</b>		<b>599.74</b>	<b>153.25</b>
<b>Other Comprehensive income, net of tax</b>			
<b>Items that will not be reclassified subsequently to profit and loss</b>			
Remeasurements of defined benefit plans		(102.58)	(51.71)
Change in fair value of equity instruments designated irrevocably as FVTOCI		188.54	172.36
Less: Income tax		(35.59)	(17.90)
		121.55	138.55
<b>Total Comprehensive Income for the year</b>		<b>721.29</b>	<b>291.80</b>
<b>Earnings per equity share :</b>			
<b>Basic &amp; Diluted ( Face value ₹1/- per share) (Refer Note: (32))</b>		<b>0.34</b>	<b>0.09</b>
Significant Accounting Policies	2		
The accompanying notes 1 to 43 form an integral part of the financial statements.			

As per our Report attached

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm Registration No. 003990S/S200018

**Rajeshwari S**  
Partner  
Membership No. 024105

Place : Chennai  
Date : May 9, 2018

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

Puneet Chhatwal  
Chairman  
DIN: 07624616

Pramod Ranjan  
Managing Director  
DIN: 00887569

Vijay Sankar  
Director  
DIN: 00007875

Rajneesh Jain  
AVP-Finance & Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

# ORIENTAL HOTELS LIMITED

## STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity as at March 31, 2017

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus				Equity Instruments through OCI	TOTAL
		Securities Premium Account	General Reserve	Other reserves*	Retained Earnings		
Balance as on 01st April, 2016	1,785.99	10,735.69	10,061.46	1,899.18	(227.21)	(269.60)	23,985.51
Profit for the year	-	-	-	-	153.25	-	153.25
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	-	172.36	172.36
Actuarial Gains/Losses (Not Reclass to P&L)	-	-	-	-	(33.81)	-	(33.81)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119.44</b>	<b>172.36</b>	<b>291.80</b>
Dividends	-	-	-	-	(357.20)	-	(357.20)
Tax on Dividend	-	-	-	-	-	-	-
Transfer to Debenture Redemption Reserve	-	-	-	153.25	(153.25)	-	-
<b>Balance as on 31st March, 2017</b>	<b>1,785.99</b>	<b>10,735.69</b>	<b>10,061.46</b>	<b>2,052.43</b>	<b>(618.22)</b>	<b>(97.24)</b>	<b>23,920.11</b>

Statement of Changes in Equity as at March 31, 2018

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus				Equity Instruments through OCI	TOTAL
		Securities Premium Account	General Reserve	Other reserves*	Retained Earnings		
Balance as on 01st April, 2017	1,785.99	10,735.69	10,061.46	2,052.43	(618.22)	(97.24)	23,920.11
Profit for the year	-	-	-	-	599.74	-	599.74
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	-	188.54	188.54
Actuarial Gains/Losses (Not Reclass to P&L)	-	-	-	-	(66.99)	-	(66.99)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>532.75</b>	<b>188.54</b>	<b>721.29</b>
Transfer to retained earnings on disposal of investment.	-	-	-	-	46.41	(46.41)	-
Transfer to Debenture Redemption Reserve	-	-	-	646.16	(646.16)	-	-
<b>Balance as on 31st March, 2018</b>	<b>1,785.99</b>	<b>10,735.69</b>	<b>10,061.46</b>	<b>2,698.59</b>	<b>(685.22)</b>	<b>44.89</b>	<b>24,641.40</b>

\* Includes Debenture Redemption Reserve: 2018 ₹2,652.41 lakhs; 2017 ₹2006.25 lakhs & 2016 ₹1853 lakhs respectively.

As per our Report attached

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration No. 003990S/S200018

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

Rajeshwari S

Partner

Membership No. 024105

Puneet Chhatwal

Chairman

DIN: 07624616

Pramod Ranjan

Managing Director

DIN: 00887569

Vijay Sankar

Director

DIN: 00007875

Place : Chennai

Date : May 9, 2018

Rajneesh Jain

AVP-Finance & Chief Financial Officer

Tom Antony

AVP-Legal & Company Secretary

## CASH FLOW STATEMENT

## Cash flow Statement for the year ended March 31, 2018

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
<b>A. Cash flow from Operating Activities</b>		
Profit/(Loss) before tax	852.87	198.51
Depreciation and Amortization	2,765.94	2,497.97
Loss on Sale of Fixed Assets	7.80	18.74
Assets writtten off	12.21	13.23
Allowance for doubtful debts	(6.08)	40.67
Allowance for doubtful advances	2.07	2.91
Allowance and balances written back	(186.16)	(82.73)
Finance Cost	3,088.59	3,218.97
Interest Income	(163.66)	(220.12)
Dividend received	(786.65)	(617.07)
Changes in Fair valuation of financial liabilities	(0.98)	(42.17)
Other non-cash items	(19.14)	(51.71)
	4,713.94	4,778.69
<b>Changes in Operating Assets and Liabilities</b>	5,566.81	4,977.20
Adjustments for		
Financial Assets	63.97	1.29
Inventories	(82.03)	19.21
Trade receivables	(185.73)	232.56
Other Assets	24.78	(306.11)
Trade Payables	570.02	68.56
Other Current Liabilities	(343.57)	19.58
Other Financial Liabilities	(315.36)	(553.74)
	(267.92)	(518.65)
Cash generated from operations	5,298.89	4,458.55
Direct Taxes Paid	(210.03)	(239.05)
<b>Net cash flow from operating activities (A)</b>	5,088.86	4,219.50

# ORIENTAL HOTELS LIMITED

## CASH FLOW STATEMENT

Cash flow Statement for the year ended March 31, 2018

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
<b>B. Cash flow from investing activities</b>		
Payments for Purchase of Property, Plant and Equipment	(2,613.07)	(1,033.52)
Proceeds from sale of Property, Plant and Equipment	42.44	104.92
Payments for Purchase of Investments	(114.72)	(2.28)
Proceeds from Sale of Investments	51.19	6.60
Dividend received	786.65	617.07
Interest	126.81	201.49
<b>Net cash flow from investing activities (B)</b>	<b>(1,720.70)</b>	<b>(105.72)</b>
<b>Balance c/f (A)+(B)</b>	<b>3,368.16</b>	<b>4,113.78</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Long term Borrowings	–	9,000.00
Repayment of Long term Borrowings	(2,046.00)	(1,528.00)
Repayment of Short term Borrowings	97.40	(7,916.55)
Finance Cost	(2,054.80)	(2,356.98)
Dividend Paid	–	(357.20)
<b>Net cash flow from financing activities (C)</b>	<b>(4,003.40)</b>	<b>(3,158.73)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(635.24)</b>	<b>955.05</b>
Cash as on 01st April 2017	1,162.92	207.87
Cash as on 31st March 2018	527.68	1,162.92
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>(635.24)</b>	<b>955.05</b>
<b>NOTES TO THE CASH FLOW STATEMENT :</b>		
i) Bank Balances other than Cash and Cash Equivalents	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
	<b>₹ in Lakhs</b>	<b>₹ in Lakhs</b>
Margin Money Deposits	53.17	53.48
Earmarked balances for unpaid dividends	61.42	79.40
Cash and Cash Equivalents as restated	114.59	132.88
Refer Foot note (v) of Note 16: Borrowings for Net Debt Reconciliation		
<b>The accompanying notes 1 to 43 form an integral part of the financial statements.</b>		

As per our Report attached

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm Registration No. 003990S/S200018

**Rajeshwari S**

Partner

Membership No. 024105

Place : Chennai  
Date : May 9, 2018

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

Puneet Chhatwal  
Chairman  
DIN: 07624616

Pramod Ranjan  
Managing Director  
DIN: 00887569

Vijay Sankar  
Director  
DIN: 00007875

Rajneesh Jain  
AVP-Finance & Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary



**Notes to Financial Statements for the year ended March 31, 2018**

**Note 1. Corporate Information**

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

The company's business operation is mainly in India.

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

**Note 2. Significant Accounting Policies**

**(a) Statement of compliance:**

In accordance with the notification dated 16<sup>th</sup> February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") issued under Section 133 of the Companies Act, 2013 and notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013 notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendment with Companies (Amendment rules) 2016. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

**(b) Basis of preparation and presentation:**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments and defined benefit plans that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees Lakhs, and all values are rounded off to the nearest two decimals except when otherwise stated.

**(c) Use of estimates and judgements:**

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

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

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

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

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- **Impairment testing:** Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charge in the statement of profit or loss.

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

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

### (d) Revenue recognition :

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

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

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

**Interest**

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

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

**Dividend**

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

**(e) Employee Benefits (other than for persons engaged through contractors):****i. Provident Fund**

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

**ii. Gratuity Fund**

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

**iii. Post-Retirement Pension Scheme and Medical Benefits**

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

**iv. Compensated Absences**

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

**v. Long Service Awards**

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

**vi. Other employee termination benefits**

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

**vii. Other Employee Benefits**

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

**(f) Property, Plant and Equipment:**

The Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

Depreciation is charged to profit or loss so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation made at the group level, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

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

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

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

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

**(g) Intangible Fixed Assets:**

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

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

<u>Class of Asset</u>	<u>Estimated Useful Life</u>
Software and Licences	6 years

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

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

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

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

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

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

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

**(i) Foreign Currency Translation :**

The functional currency of the Company is Indian rupee (₹).

**Initial Recognition**

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

**Subsequent Recognition**

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

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

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

**(j) Non-current assets held for sale:**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

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

**(k) Assets taken on lease:**

The Company applies Appendix C of Ind AS 17 'Leases' for determining whether an arrangement contains a Lease. Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

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

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

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

**(l) Inventories:**

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

**(m) Government Grants:**

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

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

**(n) Income Taxes:**

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

**(i) Current tax:**

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances,

deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

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

**(ii) Deferred tax:**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

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

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

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

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

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

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

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

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

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

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**(p) Borrowing Costs:**

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

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

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

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

**(r) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

**(s) Share capital:**

**Ordinary Shares**

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

**(t) Dividends:**

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

**(u) Earnings Per Share:**

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

**(v) Segment Reporting:**

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

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

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

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



**(w) Financial Instruments:****Financial Assets:**Classification

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

Initial Recognition and measurement

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

Debt instruments at amortised cost

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

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

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

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

Equity investments

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

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

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

Derecognition

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

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

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

### Impairment of financial assets

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

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

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

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

### **Financial Liabilities**

#### Classification

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

#### Initial recognition and measurement

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

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

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

#### Financial liabilities at fair value through profit or loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL,

fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

#### Loans and borrowings

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

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

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

#### Derecognition

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

#### Offsetting of financial instruments

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

#### Derivative financial instruments

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

#### Equity instruments

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

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

#### **(x) Financial guarantee contracts:**

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

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

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

### **(y) Recent Accounting Pronouncements:**

#### Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind-ASs which are effective for annual periods beginning on or after April 1, 2018.

### **Ind-AS 115- Revenue from Contract with Customers:**

Ind-AS115 will supersede the existing revenue recognition standard 'Ind-AS18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company has completed its preliminary evaluation of the possible impact of Ind-AS 115 and will adopt it retrospectively with the cumulative effect of initially applying this standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application i.e. April 1, 2018 and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. This standard is applied retrospectively only to the contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of new standard to be material on its retained earnings and to its net income on an ongoing basis.

### **Ind-AS 21 – The effect of changes in Foreign Exchange rates (Appendix B)**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

Other changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind-AS 40), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind-AS 12), and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind-AS 112).

None of these amendments are expected to have any material effect on the company's financial statements.

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

₹ Lakhs

Particulars	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Gross Block at Cost</b>							
At April 1, 2016	5,697.32	16,944.15	13,722.95	5,660.76	466.42	125.30	42,616.90
Additions	-	12.98	781.38	103.15	83.13	0.33	980.97
Disposals	-	(2.41)	(38.86)	(6.14)	(0.12)	(2.02)	(49.55)
<b>At March 31, 2017</b>	<b>5,697.32</b>	<b>16,954.72</b>	<b>14,465.47</b>	<b>5,757.77</b>	<b>549.43</b>	<b>123.61</b>	<b>43,548.32</b>
<b>Depreciation</b>							
At April 1, 2016	-	440.62	1,176.10	550.95	127.63	26.91	2,322.21
Charge for the year	-	447.26	1,272.91	546.24	129.94	19.45	2,415.80
<b>At March 31, 2017</b>	<b>-</b>	<b>887.88</b>	<b>2,449.01</b>	<b>1,097.19</b>	<b>257.57</b>	<b>46.36</b>	<b>4,738.01</b>
<b>Net Block</b>							
<b>At March 31, 2017</b>	<b>5,697.32</b>	<b>16,066.84</b>	<b>12,016.46</b>	<b>4,660.58</b>	<b>291.86</b>	<b>77.25</b>	<b>38,810.31</b>

**Footnotes:**

- i) Buildings include WDV on improvements to building constructed on leasehold land ₹1078.21 Lakhs; (Previous year ₹1,097.25 Lakhs).
- ii) Assets pledged as security (Refer Note 16: Borrowings)

**Note 4 : Intangible Assets (Acquired)**

₹ Lakhs

Particulars	Software	Total
<b>Gross Block at Cost</b>		
As at April 1, 2016	422.79	422.79
Additions	42.46	42.46
Disposals	(27.64)	(27.64)
<b>At March 31, 2017</b>	<b>437.61</b>	<b>437.61</b>
<b>Amortisation</b>		
As at April 1, 2016	57.85	57.85
Charge for the year	82.17	82.17
<b>At March 31, 2017</b>	<b>140.02</b>	<b>140.02</b>
<b>Net Block</b>		
<b>At March 31, 2017</b>	<b>297.59</b>	<b>297.59</b>

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

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

₹ Lakhs

Particulars	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Gross Block at Cost</b>							
At April 1, 2017	5,697.32	16,954.72	14,465.47	5,757.77	549.43	123.61	43,548.32
Additions	-	194.53	919.72	94.04	86.16	-	1,294.45
Disposals	-	(3.65)	(184.76)	(18.18)	(0.78)	(0.79)	(208.16)
<b>At March 31, 2018</b>	<b>5,697.32</b>	<b>17,145.60</b>	<b>15,200.43</b>	<b>5,833.63</b>	<b>634.81</b>	<b>122.82</b>	<b>44,634.61</b>
<b>Depreciation</b>							
At April 1, 2017	-	887.88	2,449.01	1,097.19	257.57	46.36	4,738.01
Charge for the year	-	578.83	1,410.25	572.75	105.79	17.35	2,684.97
Disposals	-	(1.12)	(139.64)	(3.77)	(0.42)	(0.75)	(145.70)
<b>At March 31, 2018</b>	<b>-</b>	<b>1,465.59</b>	<b>3,719.62</b>	<b>1,666.17</b>	<b>362.94</b>	<b>62.96</b>	<b>7,277.28</b>
<b>Net Block</b>							
<b>At March 31, 2018</b>	<b>5,697.32</b>	<b>15,680.01</b>	<b>11,480.81</b>	<b>4,167.46</b>	<b>271.87</b>	<b>59.86</b>	<b>37,357.33</b>

**Footnotes:**

- i) Buildings include WDV on improvements to building constructed on leasehold land ₹1025.32 Lakhs; (Previous year ₹1,078.21 Lakhs).
- ii) Assets pledged as security (Refer Note 16: Borrowings )

**Note 4 : Intangible Assets (Acquired)**

₹ Lakhs

Particulars	Software	Total
<b>Gross Block at Cost</b>		
At April 1, 2017	437.61	437.61
Additions	14.89	14.89
Disposals	-	-
<b>At March 31, 2018</b>	<b>452.50</b>	<b>452.50</b>
<b>Amortisation</b>		
At April 1, 2017	140.02	140.02
Charge for the year	80.97	80.97
Disposals	-	-
<b>At March 31, 2018</b>	<b>220.99</b>	<b>220.99</b>
<b>Net Block</b>		
<b>At March 31, 2018</b>	<b>231.51</b>	<b>231.51</b>

## NOTES TO FINANCIAL STATEMENTS

Note 5 : Investments	Face Value	March 31, 2018		March 31, 2017	
		Holdings As at	₹ Lakhs	Holdings As at	₹ Lakhs
<b>Fully Paid Unquoted Equity Instruments</b>					
<b>Investments in Subsidiary Companies (At Cost)</b>					
OHL International (HK) Limited - (Refer Footnote (iii))	USD10	1,500,000	4,683.00	1,500,000	4,683.00
			4,683.00		4,683.00
<b>Investments in Joint Ventures (At Cost)</b>					
TAL Hotels & Resorts Limited	USD1	919,104	437.68	919,104	437.68
			437.68		437.68
<b>Investments in Associate Companies (At Cost)</b>					
Taj Madurai Limited – Equity Shares	₹10	912,000	118.60	912,000	118.60
			118.60		118.60
<b>Investments in Other Companies Equity Shares (Fair Value Through OCI)</b>					
Taj Kerala Hotels and Resorts Limited	₹10	1,515,000	160.29	1,515,000	167.56
Taj Karnataka Hotels and Resorts Limited	₹10	300,000	-	300,000	38.16
Taj Air Limited (Refer Footnote iv )	₹10	6,250,000	154.38	6,250,000	-
Taj Trade & Transport Company Limited.	₹10	100,500	42.72	100,500	40.56
Green Infra Wind Farms Limited (acquired during the year 15,000 shares).	₹10	60,000	6.00	45,000	4.50
Green Infra Wind Generation Limited	₹10	42,000	4.20	42,000	4.20
Citron Ecopower Private Limited (acquired during the year 2,00,000 shares) (Refer Footnote v)	₹10	222,750	21.45	22,750	2.28
			389.04		257.26
<b>Fully Paid Quoted Equity Investments :</b>					
<b>Investment in Other Companies (Fair value through OCI)</b>					
The Indian Hotels Company Limited (Refer Footnote vi)	₹1	752,398	958.18	626,999	796.29
Tulip Star Hotels Limited	₹10	29,600	15.98	29,600	15.41
Velan Hotels Limited	₹10	4,000	0.24	4,000	0.28
Benares Hotels Limited	₹10	50	0.58	50	0.63
*Hotel Leela Venture Limited	₹2	-	-	500	0.08
*ElH Limited	₹2	-	-	1,125	1.35
*Asian Hotels West Limited	₹10	-	-	70	0.16
*Asian Hotels East Limited	₹10	-	-	70	0.15
*Asian Hotels North Limited	₹10	-	-	70	0.08

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

	Face Value	March 31, 2018		March 31, 2017	
		Holdings As at	₹ Lakhs	Holdings As at	₹ Lakhs
*Jaiprakash Associates Limited	₹2	-	-	150	0.02
*Thomas Cook (I) Limited	₹1	-	-	600	1.39
*Apollo Sindoori Hotels Limited	₹10	-	-	100	-
*EIH Associated Hotels Limited	₹10	-	-	4,314	15.10
*ICICI Bank Limited	₹2	-	-	7,730	21.42
*Apollo Hospital Enterprises Limited	₹5	-	-	200	2.33
			<b>974.98</b>		<b>854.69</b>

\* Sold during the Year.

### Others – Non-Trade Unquoted Equity Shares

Chennai Willingdon Corporate Foundation	₹10	5	-	5	-
Indian Dairy Entrepreneurs Agricultural Company Limited. (Refer footnote (vii))	₹1	86,302	-	86,302	-
<b>Total</b>			<b>6,603.30</b>		<b>6,351.23</b>

### Footnotes :

- i) Aggregate of Quoted Investments - Gross : Cost **465.03** 375.78  
: Market Value **974.98** 854.69
- ii) Aggregate of Unquoted Investments - Gross : Cost **6,094.58** 6,073.90
- iii) Stated at the exchange rate prevailing on the initial date of loan which was converted into Shares.
- iv) In terms of an undertaking, transfer of this shareholding is restricted to Taj / TATA group Companies.
- v) Acquired 2,00,000 shares during the year at the cost of ₹19.17 lakhs.
- vi) 1,25,399 shares have been acquired by way of right issue during the year.
- vii) Equity Shares of ₹10/- each have been reduced to ₹1 /- each as confirmed by the order of the court and provision for diminution in value has been made in the earlier years.

₹ Lakhs

	March 31, 2018	March 31, 2017
<b>Note 6 : Loans</b>		
<b>A) Non-Current</b>	-	-
	-	-
<b>B) Current</b>		
(Unsecured, considered good unless stated otherwise)		
Related Parties	<b>560.00</b>	560.00
	<b>560.00</b>	560.00



## NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs	
	March 31, 2018	March 31, 2017
<b>Note 7 : Other Financial Assets</b>		
<b>A) Non-Current</b>		
<b>Unsecured, Considered Good Unless Otherwise Stated</b>		
<b>Long-term security deposits placed for Hotel Properties at amortised costs</b>		
External parties	498.45	413.08
	<b>498.45</b>	<b>413.08</b>
<b>Deposits with Public Bodies and Others at amortised costs</b>		
Public Bodies and Others – Considered good	531.19	609.78
– Considered doubtful	2.45	2.45
	<b>533.64</b>	<b>612.23</b>
Less : Provision for Doubtful advances	2.45	2.45
	<b>531.19</b>	<b>609.78</b>
Amounts Recoverable (Net of provisions) (Refer Footnote (i), (ii) & (iii))	<b>883.89</b>	<b>883.89</b>
<b>Interest Receivable</b>		
Others	45.51	45.51
	<b>45.51</b>	<b>45.51</b>
Other Advances	80.12	55.20
	<b>2,039.16</b>	<b>2,007.46</b>
<b>Footnote:</b>		
(i) The company had a property in Coimbatore whose title was found to be defective by a Court order. The Company sued the original seller of the property and obtained partial settlement. The balance unrecovered amount amounting to ₹374.93 lakhs (Previous Year ₹374.93 lakhs) has been provided in the books of account as on 31st March 2016. The company is however pursuing the legal process for recovery.		
(ii) The company entered into a long term agreement for development of hotel at Bannerghatta in Bengaluru in the year 2007. During the year 2013-14, the Company decided to terminate the lease agreement and recover the amount spent on the project along with the deposit made. As per the lease agreement the termination will take effect when the lessor fulfills the conditions laid in the termination agreement and hence an amount of ₹777.65 lakhs (Previous Year ₹777.65 lakhs) that was lying in long term deposits placed for hotel properties and in capital work in progress have been transferred to amounts recoverable. The company has taken adequate steps for recovery of amounts.		
(iii) As per the benefits granted to investors in specified categories in the Tourism sector, the Kerala Department of Tourism will pay the difference between the commercial tariff and the industrial tariff on electricity as subsidy for the first 5 years of commencement of business. The claim by the Company, in this regard, has been lodged for ₹141.73 lakhs, out of which ₹35.49 lakhs was received during 2015-16. The Company is confident of receiving the balance receivable of ₹106.24 lakhs (Previous Year ₹106.24 lakhs) from the Department.		
<b>B) Current</b>		
<b>Deposit with public bodies and others</b>	<b>88.34</b>	<b>76.92</b>
<b>Other advances</b>		
Considered good	119.91	167.34
Considered doubtful	6.53	9.83
	<b>126.44</b>	<b>177.17</b>
Less: Allowance for Advances doubtful of recovery	6.53	9.83
	<b>119.91</b>	<b>167.34</b>
<b>Interest receivable</b>		
Related Parties	46.34	50.40
Others	19.13	21.71
	<b>65.47</b>	<b>72.11</b>
<b>On Current Account dues :</b>		
Related Parties	165.60	199.29
Others	117.45	101.66
	<b>283.05</b>	<b>300.95</b>
	<b>556.77</b>	<b>617.32</b>

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

₹ Lakhs

<b>Note 8 : Deferred Tax Assets (Net)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Deferred Tax Assets:</b>		
Provision for Employee Benefits	174.81	153.02
Loss u/s 35AD of Income Tax Act, 1961 (Refer Footnote)	5,762.62	6,050.14
MAT Credit Entitlement	-	53.39
Receivables, Financial Assets at amortised cost	57.44	59.40
Others	105.34	77.85
<b>Total (A)</b>	<b>6,100.21</b>	<b>6,393.80</b>
<b>Deferred Tax Liabilities:</b>		
Property, Plant and equipment & Intangible Assets	5,688.85	5,900.08
<b>Total (B)</b>	<b>5,688.85</b>	<b>5,900.08</b>
<b>Net Deferred Tax Assets (A-B)</b>	<b>411.36</b>	<b>493.72</b>
<b>Footnote:</b> Losses u/s 35AD of the Income Tax Act, 1961 have an indefinite carry forward period.		
<b>Note 9 : Other assets</b>		
<b>A) Non-current</b>		
Capital Advances	137.42	43.95
Prepaid Expenses	3,610.68	3,755.34
Deposits with Government Authorities	125.06	132.84
Export Incentive Receivable	700.28	399.98
Others (Refer Footnote (i))	306.21	326.88
	<b>4,879.65</b>	<b>4,658.99</b>
<b>Footnote :</b>		
(i) A portion of land measuring 1.071 acres costing ₹393.29 lakhs was compulsorily acquired by State Highway Department, for which ₹87.08 lakhs was received during previous year towards compensation based on old guideline value. However, Company has filed an appeal for enhanced compensation based on new guideline value. Accordingly, the cost of land less compensation received has been shown under others as recoverable.		
<b>B) Current</b>		
Prepaid Expenses	538.43	499.94
Indirect tax recoverable	-	166.37
Advance to Suppliers	65.14	108.65
Advance to Employees	27.25	7.82
	<b>630.82</b>	<b>782.78</b>

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

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows: ₹ Lakhs

Particulars	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Amortised cost	Total
<b>Financial assets:</b>				
Investments				
Equity Investment	-	-	-	-
Subsidiaries, JVs and Associates	-	-	5,239.28	5,239.28
External Companies	-	1,364.02	-	1,364.02
Debentures	-	-	-	-
Trade Receivables	-	-	1,463.19	1,463.19
Cash and Cash Equivalents and Bank balances	-	-	642.27	642.27
Long Term Loans & Advances	-	-	-	-
Short Term Loans & Advances	-	-	560.00	560.00
Derivative Financial Assets	-	-	-	-
Security Deposits	-	-	-	-
Other Financial Assets	-	-	2,595.94	2,595.94
<b>Total - Financial Assets</b>	-	<b>1,364.02</b>	<b>10,500.68</b>	<b>11,864.70</b>
<b>Financial liabilities:</b>				
Borrowings	-	-	31,325.99	31,325.99
Derivative Financial Liabilities	-	-	-	-
Trade Payables including Capital Creditors	-	-	3,760.73	3,760.73
Deposits	-	-	-	-
Other Financial Liabilities	-	-	2,222.91	2,222.91
<b>Total - Financial Liabilities</b>	-	-	<b>37,309.63</b>	<b>37,309.63</b>

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

Particulars	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Amortised cost	Total
<b>Financial assets:</b>				
Investments				
Equity Investment	-	-	-	-
Subsidiaries, JVs and Associates	-	-	5,239.28	5,239.28
External Companies	-	1,111.95	-	1,111.95
Debentures	-	-	-	-
Trade Receivables	-	-	1,271.39	1,271.39
Cash and Cash Equivalents and Bank balances	-	-	1,295.80	1,295.80
Long Term Loans & Advances	-	-	-	-
Short Term Loans & Advances	-	-	560.00	560.00
Derivative Financial Assets	-	-	-	-
Security Deposits	-	-	-	-
Other Financial Assets	-	-	2,624.78	2,624.78
<b>Total - Financial Assets</b>	-	<b>1,111.95</b>	<b>10,991.25</b>	<b>12,103.20</b>
<b>Financial liabilities:</b>				
Borrowings	-	-	32,231.93	32,231.93
Derivative Financial Liabilities	-	528.99	-	528.99
Trade Payables including Capital Creditors	-	-	3,300.78	3,300.78
Deposits	-	-	-	-
Other Financial Liabilities	-	-	2,037.12	2,037.12
<b>Total - Financial Liabilities</b>	-	<b>528.99</b>	<b>37,569.83</b>	<b>38,098.82</b>

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

**Table 2: Fair value hierarchy**

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

Particulars	As of March 31, 2018	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
<b>Financial assets:</b>	<b>Total</b>			
Cash & Cash Equivalents	-	-	-	-
Equity shares	1,364.02	974.98	-	389.04
Liquid Mutual Funds	-	-	-	-
Long Term Loans & Advances	-	-	-	-
Short Term Loans & Advances	-	-	-	-
<b>Total</b>	<b>1,364.02</b>	<b>974.98</b>	<b>-</b>	<b>389.04</b>
<b>Financial liabilities:</b>				
Liability on Derivative Contracts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

Note 11 : Inventories	₹ Lakhs	
	March 31, 2018	March 31, 2017
Food and Beverages	448.66	428.73
Stores and Operating Supplies	389.97	327.88
	<b>838.63</b>	<b>756.61</b>

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

### Note 12: Trade receivables

<b>Unsecured</b>		
Considered good (Refer Footnote)	1,463.19	1,271.39
Considered doubtful	155.38	161.83
	<b>1,618.57</b>	<b>1,433.22</b>
Less : Allowances for doubtful debts (Refer Note 43)	155.38	161.83
	<b>1,463.19</b>	<b>1,271.39</b>

**Footnote:** Refer Note 41 for amount receivable from related parties.

### Note 13(a): Cash and Cash Equivalents

<b>Cash and cash equivalents</b>		
Cash on hand	78.94	15.43
Cheques, Drafts on hand	21.10	45.85
Balances with banks in current account	77.64	601.64
Balances with banks in call and short-term deposit accounts (original maturity less than 3 months)	350.00	500.00
	<b>527.68</b>	<b>1,162.92</b>

NOTES TO FINANCIAL STATEMENTS

		₹ Lakhs
<b>Note 13(b): Bank Balances other than Cash and Cash Equivalents</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Other Balances with banks</b>		
Margin money deposits	53.17	53.48
Earmarked balances (Refer Footnote (i))	61.42	79.40
	<b>114.59</b>	<b>132.88</b>

**Footnote :**

(i) Includes amounts in unpaid dividend accounts ₹59.01 lakhs (Previous year ₹76.99 lakhs)

<b>Note 14 : Share Capital</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	<b>₹ Lakhs</b>	<b>₹ Lakhs</b>
<b>1 Authorised Share capital</b>		
a) Equity Shares		
24,50,00,000 - Equity Shares of ₹1 each (Previous year	<b>2,450.00</b>	2,450.00
24,50,00,000 Equity Shares of ₹1 each)		
b) Redeemable Cumulative Preference Shares		
50,50,000 - Redeemable Cumulative Preference Shares		
of ₹100 each (Previous Year 50,50,000 - Redeemable		
Cumulative Preference Shares of ₹100 each)	<b>5,050.00</b>	5,050.00
<b>Total</b>	<b>7,500.00</b>	<b>7,500.00</b>

**2 Issued, Subscribed and Paid up**

17,85,99,180 - Equity Shares of ₹1 each fully paid (Previous year 17,85,99,180 Equity Shares of ₹1 each)

**1,785.99** 1,785.99

**Total**

**1,785.99** **1,785.99**

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

(b) Reconciliation of Equity Shares

<b>Particulars</b>	<b>March 31, 2018</b>		<b>March 31, 2017</b>	
	<b>No. of shares</b>	<b>₹ in lakhs</b>	<b>No. of shares</b>	<b>₹ in lakhs</b>
Shares outstanding at the beginning of the year	<b>178,599,180</b>	<b>1,785.99</b>	178,599,180	1,785.99
Add : Shares Issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>178,599,180</b>	<b>1,785.99</b>	178,599,180	1,785.99

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

<b>Particulars</b>	<b>March 31, 2018</b>		<b>March 31, 2017</b>	
	<b>No. of shares</b>	<b>% Holding</b>	<b>No. of shares</b>	<b>% Holding</b>
The Indian Hotels Company Limited	<b>33,764,550</b>	<b>18.91%</b>	33,764,550	18.91%
TIFCO Holdings Limited (Refer Footnote)	<b>17,208,360</b>	<b>9.64%</b>	17,208,360	9.64%
Reliance Capital Trustee Co Ltd. – Reliance Mid & Small Cap Fund	<b>11,950,000</b>	<b>6.69%</b>	12,990,561	7.27%
Pramod Ranjan	<b>14,196,140</b>	<b>7.95%</b>	14,196,140	7.95%

**Footnote:** TIFCO Holdings Limited has been amalgamated with The Indian Hotels Co. Ltd. vide NCLT Order dated March 08, 2018 with Appointed Date April 01, 2017.

(d) Aggregate number of shares issued as GDR

<b>March 31, 2018</b>		<b>March 31, 2017</b>	
<b>No. of shares</b>	<b>% Holding</b>	<b>No. of shares</b>	<b>% Holding</b>
<b>9,972,430</b>	<b>5.58%</b>	9,972,430	5.58%

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

₹ Lakhs

Note15: Other Equity	March 31, 2018	March 31, 2017
<b>Securities Premium Account</b>		
Opening and Closing Balance	10,735.69	10,735.69
<b>Debenture redemption reserve</b>		
Opening Balance	2,006.25	1,853.00
Add : Transfer during the year	646.16	153.25
Closing Balance	2,652.41	2,006.25
<b>Investment allowance utilised reserve</b>		
Opening and Closing Balance	45.75	45.75
<b>Export profits reserve</b>		
Opening and Closing Balance	0.43	0.43
<b>General Reserve</b>		
Opening and Closing Balance	10,061.46	10,061.46
<b>Retained Earning</b>		
Surplus/(Deficit) in the Profit And Loss b/f	(618.22)	(227.21)
Add: Current Year profits	599.74	153.25
Less: Final Dividend	-	(357.20)
Less: Tax on Final Dividend Distributed	-	-
Less: Transfer to Debenture Redemption Reserve	(646.16)	(153.25)
Add: Ind AS- Transfer of OCI Equity Inst. Realised to retained earning (Refer Statement of Changes in Equity)	46.41	-
Less: Ind AS- OCI Movements - Net Defined Benefit Plans	(102.58)	(51.71)
Add: Ind AS- OCI Movements - Tax on Net Defined Benefit Plans	35.59	(66.99)
Closing retained earning	(685.22)	(618.22)
<b>Total Reserves and Surplus</b>	22,810.52	22,231.36
Other Comprehensive Income		
OCI - Equity Instruments (Not Reclass to P&L) (Refer Statement of Changes in Equity)	44.89	(97.24)
<b>Total</b>	22,855.41	22,134.12

## NOTES TO FINANCIAL STATEMENTS

₹ Lakhs

Note 16 : Borrowings			March 31, 2018		March 31, 2017	
	Effective Rate of Interest (%)	Maturity	Face Value	Amortised cost	Face Value	Amortised cost
A) Long term borrowings						
Non-Convertible Debentures (NCDs) (Refer Footnote (ii))						
1000 Series A Debentures	10.25	21/11/2019	1,000,000	10,000.00	1,000,000	10,000.00
1000 Series B Debentures with YTM rate of 10.25%	2.00	21/11/2019	1,000,000	13,133.55	1,000,000	12,093.29
				23,133.55		22,093.29
Term Loan from Banks						
Secured (ReferFootnote (iii))				8,100.00		10,146.00
Unsecured				-		-
Less: Unamortised Borrowing Cost				(4.96)		(7.36)
				8,095.04		10,138.64
Total Long term borrowings				31,228.59		32,231.93
Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)				1,800.00		2,046.00
Total Long term borrowings				29,428.59		30,185.93
B) Short term borrowings						
Loans repayable on demand from Bank						
Secured (Refer Footnote iv)				97.40		-
Unsecured				-		-
				97.40		-
Total Short term borrowings				97.40		-
Total Borrowings				31,325.99		32,231.93

₹ Lakhs

Particulars	March 31, 2018		March 31, 2017	
	Non-Current	Current	Non-Current	Current
<b>Footnotes to Borrowings:</b>				
<b>(i) Details of Borrowings as at:</b>				
Debentures	23,133.55		22,093.29	
Term Loans from Banks	6,300.00	1,800.00	8,100.00	2,046.00
	29,433.55	1,800.00	30,193.29	2,046.00

**(ii) Non-Convertible Debentures (NCDs)**

Particulars	Loan Outstanding ₹	No of Instalments	Security	Repayment Terms
1000, 10.25% Series A Debentures of ₹10 lakhs each.	10,000		Secured by Mortgage of Buildings and other fixed assets of Taj Coromandel, Chennai	Reedeemable at par at the end of the 5th year from the date (November 21, 2014) of allotment.
1000, 2% Series B Debentures of ₹10 lakhs each.	10,000		Secured by Mortgage of Buildings and other fixed assets of Taj Coromandel, Chennai	Reedeemable (at par) at the end of the 5th year from the date (November 21, 2014) of allotment along with redemption premium of ₹ 5,06,610 per debentures.

**(iii) Rupee Term Loan From:**

Kotak Mahindra Bank Limited: Secured	8,100	18	Secured by Equitable Mortgage of Moveable and Immoveable Fixed Assets at The Gateway Hotel, Visakhapatnam.	20 quarterly equal instalments of ₹450 lakhs commenced from October 2017 carrying interest rate of 8.35%
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(iv) Secured loans from banks represents short term loan secured by way of mortgage by deposit of title deeds in respect of immoveable properties of Fisherman's Cove & additionally secured by way of exclusive first charge of credit card receivables of the Company with carrying interest at 8.25%

**(v) Net Debt Reconciliation**

Particulars	As at March 31, 2018		As at March 31, 2017	
	₹ in lakhs		₹ in lakhs	
<b>Cash and Cash Equivalents</b>		527.68		1,162.92
Current Borrowings		(97.40)		-
Non-Current Borrowings		(31,228.59)		(32,231.93)
Interest accrued and not due		(441.39)		(450.24)
<b>Net Debt</b>		(31,239.70)		(31,519.25)

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

₹ Lakhs

Particulars	Cash and Cash Equivalents	Current Borrowings	Non-Current Borrowings	Interest accrued and not due	Total
<b>Net Debt as at 1st April 2016</b>	<b>207.87</b>	<b>(7,916.55)</b>	<b>(23,825.38)</b>	<b>(522.79)</b>	<b>(32,056.85)</b>
Cash Flows	955.05	7,916.55			8,871.60
Proceeds from availments			(9,000.00)		(9,000.00)
Repayments			1,528.00		1,528.00
Interest Expenses				(2,284.43)	(2,284.43)
Interest Paid				2,356.98	2,356.98
Unamortized cost of borrowings			7.36		7.36
Amortized Cost of low coupon debentures			(941.91)		(941.91)
<b>Net Debt as at 1st April 2017</b>	<b>1,162.92</b>	<b>-</b>	<b>(32,231.93)</b>	<b>(450.24)</b>	<b>(31,519.25)</b>
Cash Flows	(635.24)	-			(635.24)
Proceeds from availments		(97.40)			(97.40)
Repayments			2,046.00		2,046.00
Interest Expenses				(2,053.29)	(2,053.29)
Interest Paid				2,062.15	2,062.15
Unamortized cost of borrowings			(2.40)		(2.40)
Amortized Cost of low coupon debentures			(1,040.27)		(1,040.27)
<b>Net Debt as at 31st March 2018</b>	<b>527.68</b>	<b>(97.40)</b>	<b>(31,228.60)</b>	<b>(441.38)</b>	<b>(31,239.70)</b>

₹ Lakhs

<b>Note 17 : Other financial liabilities</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>A) Non-Current financial liabilities</b>		
<b>Deposits from related parties</b>		
Unsecured	137.91	124.81
	<u>137.91</u>	<u>124.81</u>
<b>Deposits from others</b>		
Unsecured	69.75	61.71
	<u>69.75</u>	<u>61.71</u>
	<u>207.66</u>	<u>186.52</u>
<b>B) Current financial liabilities</b>		
<b>Current maturities of long term borrowings</b>		
Term loans from Banks	1,800.00	2,046.00
Liability on derivative contracts	-	528.99
<b>Payables on Current Account dues :</b>		
Related Parties	236.25	119.63
Others	186.18	166.76
	<u>422.43</u>	<u>286.39</u>
<b>Deposits from others</b>		
Unsecured	21.53	19.06
	<u>21.53</u>	<u>19.06</u>
Interest accrued but not due on borrowings at amortised costs	441.39	450.24
Creditors for capital expenditure	148.77	72.67
Unclaimed dividend (Refer Footnote (i))	59.01	76.99
Unclaimed Matured Deposits and interest accrued thereon	0.71	0.71
Employee related liabilities	855.76	738.53
Other Payables		
External Party	28.40	60.67
Related Party (Payable to Oriental Hotels Employees Gratuity Trust)	186.02	218.00
	<u>3,964.02</u>	<u>4,498.25</u>

**Footnote :**

(i) The amount reflects the position as on 31st March 2018, the actual amount to be transferred to the "Investor Education & Protection Fund" shall be determined and paid to the credit of the fund on due dates.



## NOTES TO FINANCIAL STATEMENTS

₹ Lakhs

<b>Note 18: Trade Payables</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Trade Payables</b>		
Micro and Small Enterprises (Refer Footnote i)	12.81	3.18
Vendor Payables (Refer Footnote ii)	2,291.71	2,164.46
Accrued expenses and others	1,307.44	1,060.47
	<b>3,611.96</b>	<b>3,228.11</b>

**Footnote :**

i) Amounts due to Micro, Small and Medium Enterprises:

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

₹ Lakhs

<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	12.81	3.18
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	0.01
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	0.01	-
(iv) The amount of interest due and payable for the year	-	0.01
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	0.01
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

ii) Includes related party payable of ₹842.56 lakhs (Previous Year ₹792.68 lakhs) towards management and operating fees.

₹ Lakhs

<b>Note 19 : Provisions</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>A) Long term provisions</b>		
Provision for Employee Benefits	430.77	397.12
Provision for Pension liability for retired directors and their relatives	39.82	42.76
	<b>470.59</b>	<b>439.88</b>
<b>B) Short term provisions</b>		
Provision for Employee Benefits	93.78	63.77
Provision for Pension liability for retired directors and their relatives	8.87	8.87
	<b>102.65</b>	<b>72.64</b>

₹ Lakhs

<b>Note 20 : Other non-financial Liabilities</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>A) Non-current</b>		
Income received in advance – Related Party	20.73	30.24
	<b>20.73</b>	<b>30.24</b>
<b>B) Current</b>		
Income received in advance – Related Party	7.61	99.54
Advances collected from customers	335.12	363.54
Statutory dues	316.32	590.71
	<b>659.05</b>	<b>1,053.79</b>

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

		₹ Lakhs
<b>Note 21 : Revenue from Operations</b>	<b>March, 2018</b>	<b>March, 2017</b>
Room Income	16,744.26	16,354.23
Food, Restaurants and Banquet Income (Refer Footnote (i))	15,983.29	14,093.93
Shop rentals	138.16	163.17
Membership fees	75.76	70.78
Management and operating fees	362.85	394.17
Others (Refer Footnote (ii))	2,381.91	2,272.54
<b>Total</b>	<b>35,686.23</b>	<b>33,348.82</b>

**Footnote:**

- (i) Includes excise duty of ₹2.41 lakhs (Previous Year ₹11.43 lakhs)
- (ii) Others include Car hire income of ₹622.17 lakhs (Previous Year ₹601.99 lakhs) and Service Exports from India Scheme (SEIS) income of ₹300.30 lakhs (Previous year ₹209.06 lakhs).

<b>Note 22 : Other Income</b>	<b>March, 2018</b>	<b>March, 2017</b>
Interest Income at amortised cost		
Inter-corporate deposits	56.72	56.90
Deposits with banks	16.43	7.20
Others	76.89	132.45
Interest on Income Tax Refunds	13.62	23.57
Dividend Income		
- from investments in Subsidiaries, Joint Ventures and Associates which are measured at cost	780.00	612.24
- from equity investments at fair value through Other Comprehensive Income	6.65	4.83
Exchange Gain (Net)	5.59	7.87
Others	245.46	266.51
<b>Total</b>	<b>1,201.36</b>	<b>1,111.57</b>

<b>Note 23 : Food and Beverages Consumed (Including smokes)</b>	<b>March, 2018</b>	<b>March, 2017</b>
Opening Stock	428.73	463.13
Add : Purchases	4,063.98	3,686.96
	4,492.71	4,150.09
Less : Closing Stock	448.66	428.73
Food and Beverages Consumed	4,044.05	3,721.36

<b>Note 24 : Employee Benefit Expense and Payment to Contractors</b>	<b>March, 2018</b>	<b>March, 2017</b>
Salaries, Wages, Bonus etc.	5,269.96	4,870.33
Company's Contribution to Provident and Other Funds	448.99	387.67
Reimbursement of Expenses on Personnel Deputed to the Company	1,918.86	1,764.19
Payment to Contractors	1,075.85	1,053.09
Staff Welfare Expenses	1,155.29	1,051.90
<b>Total</b>	<b>9,868.95</b>	<b>9,127.18</b>

<b>Note 25 : Finance costs</b>	<b>March, 2018</b>	<b>March, 2017</b>
Interest Expense at effective interest rate on financial liabilities	3,088.59	3,218.97
<b>Total</b>	<b>3,088.59</b>	<b>3,218.97</b>

## NOTES TO FINANCIAL STATEMENTS

	₹ Lakhs	
	March, 2018	March, 2017
<b>Note 26 : Other Operating and General Expenses</b>		
(i) <b>Operating expenses consist of the following:</b>		
Linen and Room Supplies	672.66	599.89
Catering Supplies	264.66	281.50
Other Supplies	73.39	69.59
Fuel, Power and Light	3,481.21	3,425.24
Repairs to Buildings	478.34	516.73
Repairs to Machinery	1,005.82	1,008.88
Repairs to Others	185.59	234.26
Linen and Uniform Washing and Laundry Expenses	365.00	364.15
Payment to Orchestra Staff, Artists and Others	79.21	69.14
Communication Charges	311.50	318.17
Guest Transportation	525.17	477.56
Travel Agents' Commission	467.92	443.18
Discount to Collecting Agents	318.56	295.49
Fees to Consultants	1,485.11	1,409.12
Other Operating Expenses	605.22	589.13
<b>Total</b>	<b>10,319.36</b>	<b>10,102.03</b>
(ii) <b>General expenses consist of the following:</b>		
Rent	277.27	334.01
Licence Fees	1,095.96	992.71
Rates and Taxes	631.33	645.76
Insurance	90.90	90.02
Advertising and Publicity	1,728.61	1,544.79
Printing and Stationery	149.33	147.79
Passage and Travelling	47.71	57.97
Allowances for Doubtful Debts	0.18	40.67
Expenditure on Corporate Social Responsibility	45.05	33.50
Professional Fees	436.19	410.66
Loss on Sale of Fixed Assets (Net)	7.80	18.74
Payment made to Statutory Auditors (Refer Footnote)	43.17	68.04
Directors' Fees and Commission	6.13	5.52
Reservation & Other Services	763.28	695.21
Other Expenses	625.90	551.13
<b>Total</b>	<b>5,948.81</b>	<b>5,636.52</b>
	<b>16,268.17</b>	<b>15,738.55</b>
<b>Footnote:</b>		
Payment made to Statutory Auditors		
i) As auditors	26.00	25.74
ii) For taxation matters	5.00	9.65
iii) For other services (made to erstwhile auditors)	10.49	26.80
iv) For reimbursement of expenses & service tax	1.68	5.85
<b>Total payment made to Statutory Auditors</b>	<b>43.17</b>	<b>68.04</b>
<b>Note 27 : Exceptional Items</b>	<b>March, 2018</b>	<b>March, 2017</b>
MTM Gain/(losses) on derivative contracts	0.98	42.15
<b>Total</b>	<b>0.98</b>	<b>42.15</b>

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 28 Contingent Liabilities and Commitments

Contingent Liabilities (to the extent not provided for) :

a) On account of income tax matters in dispute

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

₹ in Lakhs

	March 31, 2018	March 31, 2017
a) In respect of tax matters for which appeals are pending amounting to	837.23	721.75
b) On account of other disputes:		
– Luxury Tax	115.36	143.21
– Sales Tax	184.92	184.92
– Provident Fund	41.35	41.35
– Electricity Tax and Adjustment Charges	531.65	470.09
– Service Tax	267.43	371.24
The company is a defendant/party to claims (plus interest thereon) in various legal actions as listed above which arose during the ordinary course of business. Based on the facts presently known, the Management believes that the results of these actions will not have material impact on the company's financial statements.		
c) Bank Guarantee/Bond executed by the Company	166.23	245.34
d) Letter of credits opened by bankers	-	29.96
e) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	451.50	292.01

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

30 Disclosure Under IND-AS 19 Employee Benefits	March 31, 2018	March 31, 2017
Staff Costs include the following		
<b>Defined Contribution Schemes</b>		
Company's contribution to Provident Fund & Other Funds	379.82	342.88
<b>i) Defined Benefit Schemes (Gratuity - Funded Scheme)</b>		
Liability Recognised in the Balance Sheet		
Present value of Obligation -		
At the beginning of the period	2,037.44	1,862.24
Interest Cost	144.44	138.08
Service Cost	122.71	152.82
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	-
Benefits Paid	(130.75)	(121.90)
Actuarial (gain) /loss on obligations	87.61	6.20
<b>At the end of the period</b>	<b>2,261.45</b>	<b>2,037.44</b>

## NOTES TO FINANCIAL STATEMENTS

₹ in Lakhs

	March 31, 2018	March 31, 2017
Less:		
Fair Value of Assets		
At the beginning of the period	1,789.75	1,701.47
Expected return on plan assets less loss on investments	134.18	123.92
Actuarial gain /(loss) on Investments	(12.77)	66.42
Employers' Contribution	292.28	19.84
Benefits Paid	(130.75)	(121.90)
<b>At the end of the period</b>	<b>2,072.69</b>	<b>1,789.75</b>
<b>ii) Expense during the year</b>		
Interest Cost	144.44	138.08
Service Cost	122.71	152.82
Expected Return on Plan assets	(134.18)	(123.92)
Actuarial (Gain) /Loss	100.38	(60.21)
<b>Expense recognised in the Statement of Profit and Loss/OCI * (Total)</b>	<b>233.35</b>	<b>106.77</b>
<b>iii) Principal Actuarial Assumptions</b>		
<b>Discount Rate</b>	7.55%	7.45%
<b>Rate of increase in Salaries</b>	4% Executive/ 5% Staff	5.00%
<b>iv) Amount to be recognised in the Balance Sheet</b>		
Present Value of Funded Obligations	2,261.45	2,037.44
Fair Value of Plan Assets	2,072.69	1,789.75
Net Liability	188.76	247.69
Amount in Balance Sheet		
Liability		
Liability / (Asset)	188.76	247.68
<b>The expected contribution payable to the plan next year is ₹220 Lakhs.</b>		
<b>i) Defined Benefit Schemes (Pension Non-Funded Scheme)</b>		
Liability Recognised in the Balance Sheet		
i) Present value of Obligation		
At the beginning of the period	51.64	45.07
Interest Cost	3.52	3.11
Service Cost	-	-
Benefits Paid	(9.16)	(8.87)
Actuarial (gain) /loss on obligations	2.22	12.33
<b>At the end of the period</b>	<b>48.22</b>	<b>51.64</b>
<b>ii) Expense during the year</b>		
Interest Cost	3.52	3.11
Service Cost	-	-
Expected Return on Plan assets	-	-
Actuarial (Gain) /Loss	2.22	12.33
<b>iii) Expense recognised in the Statement of Profit and Loss/OCI *</b>	<b>5.74</b>	<b>15.44</b>
<b>Principal Actuarial Assumptions</b>		
<b>Discount Rate</b>	7.55%	7.45%
<b>Pension Increase rate</b>	5.00%	5.00%

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

₹ in Lakhs

	March 31, 2018	March 31, 2017
iv) <b>Amount to be recognised in the Balance Sheet</b>		
Present Value of Funded Obligations	48.22	51.64
Fair Value of Plan Assets	-	-
Net Liability	48.22	51.64
Amount in Balance Sheet		
Liability	48.22	51.64
*Disclosure relating to only "post employment defined benefits plan".		

<b>Expenses recognised in Other Comprehensive Income (OCI)</b>	March 31, 2018	March 31, 2017
<b>Opening amount recognised in OCI outside profit and loss account</b>	(23.76)	27.96
Remeasurements due to actuarial loss/ (gain) arising from:		
Changes in financial assumptions	(67.06)	28.91
Changes in demographic assumptions	-	-
Experience adjustments	156.87	(11.34)
Actual return on plan assets less interest on plan assets	12.77	(69.29)
<b>Closing amount recognised in OCI outside profit and loss account</b>	78.82	(23.76)

Adjustment to recognise the effect of asset ceiling

(i) <b>Disaggregation of Plan Assets (Managed by an Insurance Company)</b>	March 31, 2018	March 31, 2017
<b>Insurer Managed Fund</b>		
<b>In Bonds</b>		
Government Securities	706.68	330.30
Corporate Bonds	632.97	683.47
Money Market Instruments & others	212.13	339.90
<b>In Equity</b>		
Equity	47.27	48.19
Money Market Instruments & others	3.46	1.95
 Bank Balance-Trust Books	6.44	4.44
Special Deposit Scheme	7.49	7.49
Funds with LIC	456.27	374.02
<b>Total</b>	2,072.71	1,789.76

### Sensitivity Analysis defined benefit plan – Gratuity Funded

Particulars		Year Ended	
		March 31, 2018	March 31, 2017
<b>Managed by LIC</b>			
Impact of increase in 50 bps on DBO	Discount Rate	-4.16%	-3.85%
	Salary Escalation Rate	4.57%	4.18%
Impact of decrease in 50 bps on DBO	Discount Rate	4.46%	4.11%
	Salary Escalation Rate	-4.29%	-3.95%
Particulars		Year Ended	
		March 31, 2018	March 31, 2017
<b>Managed by TATA AIA</b>			
Impact of increase in 50 bps on DBO	Discount Rate	-3.55%	-3.73%
	Salary Escalation Rate	3.86%	4.05%
Impact of decrease in 50 bps on DBO	Discount Rate	3.78%	3.97%
	Salary Escalation Rate	-3.66%	-3.83%

**Sensitivity Analysis defined benefit plan – Non-Funded**

Particulars	Year Ended		Year Ended	
	March 31, 2018		March 31, 2017	
	Pension	Medical Benefits	Pension	Medical Benefits
<b>Discount Rate</b>				
Impact of increase in 50 bps on DBO	-1.47%	-1.52%	-1.60%	-1.65%
Impact of decrease in 50 bps on DBO	1.52%	1.57%	1.65%	1.71%
<b>Pension Increase rate</b>				
Impact of increase in 100 bps on DBO	3.12%	3.19%	3.40%	3.48%
Impact of decrease in 100 bps on DBO	-2.99%	-3.05%	-3.24%	-3.31%
<b>Life expectancy</b>				
Impact of increase by 1 year on DBO	4.70%	4.88%	4.76%	4.97%
Impact of decrease by 1 year on DBO	-4.70%	-4.88%	-4.76%	-4.96%

Information has been disclosed as provided by the actuary.

**31 DISCLOSURE REQUIREMENT UNDER IND-AS 17 – LEASE/LICENSE TRANSACTION**

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

Particulars	₹ in Lakhs	
	March 31, 2018	March 31, 2017
a) The total of future minimum license payments under non-cancellable operating license for each of the following periods		
i. not later than one year	303.82	400.35
ii. later than one year and not later than five years	1,182.46	1,627.05
iii. later than five years	5,781.33	9,338.80
b) Licence payments recognized in the profit and loss account	585.79	631.77

**32 Earnings Per Share :**

Earnings per share is computed based on the following :

	March 31, 2018	March 31, 2017
Profit after Tax ( ₹ in Lakhs)	599.74	153.25
Nominal Value of share ( ₹)	1.00	1.00
Weighted Average Number of Equity Shares	178,599,180	178,599,180
Earnings Per Share ₹ (Basic and Diluted)	0.34	0.09

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

**34 Financial risk management**

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

Credit risk  
Liquidity risk  
Market risk  
Currency risk  
Interest rate risk

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

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### **i. Risk management framework**

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

### **i. Market Risk**

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

### **ii. Credit Risk**

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

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

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 2,662.20 lakhs and ₹3,184.50 lakhs as of March 31, 2018 and March 31, 2017, respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments excluding equity and preference investments.

Oriental Hotels Limited exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2018 and March 31, 2017.

### **Trade and other receivables:-**

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

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

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

### **Cash and bank balance:**

The Company held cash and bank balance of ₹642.27 Lakhs at March 31, 2018 (March 31, 2017: ₹1295.80 lakhs). The cash and bank balances are held with bank and financial institution counterparties.

### **Derivatives**

The derivatives are entered into with bank and financial institution counterparties.

### **iii. Liquidity Risk**

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



## NOTES TO FINANCIAL STATEMENTS

	₹ in Lakhs			
March 31, 2018	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year
Non-derivative financial liabilities:				
Trade and other payables	3,760.73	-	-	-
Borrowings*	1,897.40	26,866.00	4,500.00	-
Other financial liabilities	2,222.92	-	-	-
<b>Total</b>	<b>7,881.05</b>	<b>26,866.00</b>	<b>4,500.00</b>	<b>-</b>

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

Derivative financial liabilities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company's Cash and bank balance and Trade receivable as at March 31, 2018 aggregating ₹2,105.46 lakhs. The balance exposure will be met by asset held for sale, internal accruals and overdraft facilities available with the banks. Accordingly, Company does not perceive any non-managable liquidity risk.

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

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

Derivative financial liabilities	528.99	-	-	-
<b>Total</b>	<b>528.99</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

#### iv. Market Risk

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

#### v. Currency Risk

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

# ORIENTAL HOTELS LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 35 Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2018:

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

	₹ in Lakhs	
	March 31, 2018	March 31, 2017
i) Derivative instruments that are outstanding		
- Principle only swaps – in US\$	-	25.90
– in ₹	-	1,146.00
ii) Unhedged Foreign Currency Exposure/the Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise Receivables/(Payables)	1.12	(1.42)
Outstanding – in US\$		
– in ₹	72.13	(91.96)

### 36 Interest Rate Risk

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

### 37 Exposure to Interest Rate Risk

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

Particulars	Interest Rate
<b>Debentures</b>	
1000 Series A Debentures	10.25%
1000 Series B Debentures with YTM rate of 10.25%	2.00%
<b>Rupee Term Loan</b>	
Kotak Mahindra Bank Limited	8.35%
WCDL Loan from HDFC	8.25%

### 38 Capital Management

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

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

The Company's policy is to keep the ratio below 1.5. The Company's adjusted gearing ratio at March 31, 2018 was as follows.

Particulars	March 31, 2018	March 31, 2017
<b>Loans and Borrowings</b>	31,325.99	32,231.93
Less: Cash and bank balance	527.68	1,162.92
<b>Net Debt</b>	30,798.31	31,069.01
Equity	24,641.41	23,920.11
<b>Gearing Ratio</b>	1.25	1.30

### 39 Fair value Sensitivity Analysis for fixed-rate instruments

A change of 100 basis points in interest rates would have increased or decreased equity by ₹54.19 Lakhs after tax (March 31, 2017 ₹68.52 Lakhs).

40 Asset held for sale represents free hold lands which the Company has decided to dispose off and has entered into a Memorandum Of Understanding with a prospective buyer. The transaction could not be completed in the current year due to unforeseen circumstances. The Company is confident of completing the sale in the near future.

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

List of related parties as tabled below:

A	Subsidiary Companies	OHL International (HK) Limited
B	Trust	Oriental Hotels Employees Gratuity Trust
C	Associate Companies	Taj Madurai Limited
		Lanka Island Resorts Ltd.
D	Joint Venture	TAL Hotels & Resorts Ltd.
E	Significant Influence	The Indian Hotels Company Ltd. (IHCL)
	<b>Subsidiary of The Indian Hotels Company Ltd.</b>	<b>Country of Incorporation</b>
	<b>Domestic</b>	
	Roots Corporation Ltd.	India
	TIFCO Holdings Ltd.	India
	PIEM Hotels Limited	India
	Taj Trade and Transport Company Limited	India
	United Hotels Limited	India
	Indi Travels Limited	India
	KTC Hotels	India
	Taj SATS Air Catering Ltd.	India
	Taj Enterprises Ltd.	India
	Northern India Hotels Ltd.	India
	Lands End Properties Private Limited	India
	Skydeck Properties and Developers Private Limited	India
	Sheena Investments Private Limited	India
	ELEL Hotels & Investments Limited	India
	Luthria & Lalchandani Hotel & Properties Pvt. Ltd.	India
	Benares Hotels Limited	India
	<b>Subsidiary of The Indian Hotels Company Ltd.</b>	
	<b>International</b>	
	Taj International (HK) Ltd.	Hong Kong
	Apex Hotel Management Services (Pte) Ltd.	Singapore
	Chieftain Corporation NV	Netherlands Antilles
	Samsara Properties Ltd.	British Virgin Islands
	IHOCO BV	Netherlands
	St. James Court Hotel Ltd.	United Kingdom
	Taj International Hotels Ltd.	United Kingdom
	PIEM International (H.K.) Ltd.	Hong Kong
	United Overseas Holding Inc.	United States of America
	Apex Hotel Management Services (Australia) Pty. Ltd.	Australia
	BAHC 5 Pte Ltd.	Singapore
	<b>Jointly Controlled Entities of The Indian Hotels Company Limited</b>	
	<b>Domestic</b>	
	Taj Madras Flight Kitchen Pvt. Ltd.	India
	Taj Karnataka Hotels & Resorts Ltd.	India
	Taj Kerala Hotels & Resorts Ltd.	India
	Taj GVK Hotels & Resorts Ltd.	India
	Taj Safaris Ltd.	India
	Kaveri Retreats and Resorts Ltd.	India
	<b>International</b>	
	TAL Hotels & Resorts Ltd.	Hong Kong
	TAL Maldives Resorts Private Ltd.	Maldives
	IHMS Hotels (SA) (Proprietary) Ltd.	South Africa

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

F	Key Management Personnel	Mr. Pramod Ranjan - Managing Director Mr. Tom Antony - Associate Vice President-Legal & Company Secretary & Mr. Rajneesh Jain - Associate Vice President-Finance & Chief Financial Officer			
G	Enterprises influenced by Relatives of Key Management Personnel	Kaveri Retreats and Resorts Limited.			
	Particulars	Associate Companies / Joint Ventures/ Subsidiary	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total ₹ in Lakhs
	<b>Sales of Goods / Services</b>				
	The Indian Hotels Co. Limited		466.56 (431.83)		466.56 (431.83)
	PIEM Hotels Limited		41.72 (22.61)		41.72 (22.61)
	Taj Trade & Transport Company Limited		12.82 (12.80)		12.82 (12.80)
	United Hotels Limited		5.71 (3.56)		5.71 (3.56)
	Benares Hotels Limited		6.96 (4.96)		6.96 (4.96)
	Kaveri Retreats and Resorts Limited			14.17 (28.63)	14.17 (28.63)
	Taj Karnataka Hotels & Resorts Limited		11.03 (11.48)		11.03 (11.48)
	Taj Kerala Hotels & Resorts Limited		4.87 (62.86)		4.87 (62.86)
	Taj GVK Hotels & Resorts Limited		106.03 (48.71)		106.03 (48.71)
	<b>Purchase of Investments</b>				
	The Indian Hotels Co. Limited		94.05		94.05
	<b>Purchase of Goods / Services</b>		897.69		897.69
	The Indian Hotels Co. Limited		(762.85)		(762.85)
	PIEM Hotels Limited		7.43 (5.01)		7.43 (5.01)
	Taj Karnataka Hotels & Resorts limited		0.83 (0.10)		0.83 (0.10)
	Taj Kerala Hotels & Resorts Limited		4.02 (9.89)		4.02 (9.89)
	Taj GVK Hotels & Resorts Limited		0.38 (0.30)		0.38 (0.30)
	Benares Hotels Limited		0.93 (1.50)		0.93 (1.50)
	Kaveri Retreats & Resorts Limited			9.44 (0.64)	9.44 (0.64)
	<b>Interest Paid</b>				
	TIFCO Holdings Limited		- (90.86)		- (90.86)
	Taj SATS Air Catering Limited		- (49.79)		- (49.79)
	ELEL Hotels & Investments Limited		- (30.80)		- (30.80)

## NOTES TO FINANCIAL STATEMENTS

	Particulars	Associate Companies/ Joint Ventures/ Subsidiary	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total ₹ in Lakhs
	<b>Reimbursement of deputed staff salaries</b>				
	The Indian Hotels Co. Limited		1,672.04 (1,593.80)		1,672.04 (1,593.80)
	PIEM Hotels Limited		49.57 (48.64)		49.57 (48.64)
	Benares Hotels Limited		5.29 (13.67)		5.29 (13.67)
	Taj Kerala Hotels & Resorts Limited		88.38 (82.07)		88.38 (82.07)
	Taj GVK Hotels & Resorts Limited		61.41 (53.59)		61.41 (53.59)
	Kaveri Retreats & Resorts Limited			2.46	2.46
	<b>Interest Received</b>			-	-
	Taj Karnataka Hotels & Resorts Limited		56.00 (56.00)		56.00 (56.00)
	<b>Dividend Received</b>				
	The Indian Hotels Co. Limited		2.19 (1.88)		2.19 (1.88)
	Taj Madurai Limited	13.68 (22.80)			13.68 (22.80)
	Taj Trade & Transport Company Limited		1.01 (2.51)		1.01 (2.51)
	Benares Hotels Limited		0.01 (0.01)		0.01 (0.01)
	OHL International (HK) Limited	632.25 (528.16)			632.25 (528.16)
	TAL Hotels & Resorts Limited	134.07 (61.28)			134.07 (61.28)
	Taj Kerala Hotels & Resorts Limited		3.03 -		3.03 -
	<b>Dividend Paid</b>				
	Taj Madurai Limited	- (0.14)			- (0.14)
	The Indian Hotels Co. Limited		- (67.53)		- (67.53)
	TIFCO Holdings Limited		- (34.42)		- (34.42)
	PIEM Hotels Limited		- (7.32)		- (7.32)
	Taj Trade & Transport Company Limited		- (3.33)		- (3.33)
	<b>Operating/License Fees Paid/ Provided</b>				
	The Indian Hotels Co. Limited		1,485.11 (1,409.11)		1,485.11 (1,409.11)
	<b>Lease Rentals for Hotel Premises</b>				
	Taj Madurai Limited	196.25 (171.78)			196.25 (171.78)
	<b>Sales &amp; Marketing, Reservation &amp; Other Service Costs</b>				
	The Indian Hotels Co. Limited		1,443.85 (1,369.00)		1,443.85 (1,369.00)
	<b>Operating/Management/License Fees Received/ Accrued</b>				
	TAL Hotels & Resorts Ltd.	362.85 (394.17)			362.85 (394.17)

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

Particulars	Associate Companies/ Joint Ventures/ Subsidiary	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total ₹ in Lakhs
<b>Payables</b>				
TAL Hotels & Resorts Ltd.	- (91.96)			- (91.96)
<b>Receivables</b>				
The Indian Hotels Co. Limited		176.68 (211.98)		176.68 (211.98)
TAL Hotels & Resorts Ltd.	72.13 -			72.13 -
PIEM Hotels Limited		6.73 (7.04)		6.73 (7.04)
United Hotels Limited		1.05 (0.49)		1.05 (0.49)
Benares Hotels Limited		1.19 (0.59)		1.19 (0.59)
Kaveri Retreats and Resorts Limited			4.08 (3.41)	4.08 (3.41)
Taj GVK Hotels & Resorts Limited		21.82 (16.92)		21.82 (16.92)
Taj Madras Flight Kitchen Pvt. Ltd.		0.22 (1.67)		0.22 (1.67)
Taj Karnataka Hotels & Resorts limited		2.39 (40.05)		2.39 (40.05)
Taj Kerala Hotels & Resorts Limited		6.89 (5.32)		6.89 (5.32)
<b>Payables</b>				
Taj Madurai Limited	49.30 (53.63)			49.30 (53.63)
The Indian Hotels Co. Limited		1,136.19 (998.35)		1,136.19 (998.35)
Kaveri Retreats and Resorts Limited			1.12 (0.66)	1.12 (0.66)
PIEM Hotels Limited		13.37 (10.61)		13.37 (10.61)
United Hotels Limited		0.61 -		0.61 -
Benares Hotels Limited		0.35 (2.09)		0.35 (2.09)
Taj Kerala Hotels & Resorts Limited		13.67 (6.02)		13.67 (6.02)
Taj GVK Hotels & Resorts Limited		18.27 (4.62)		18.27 (4.62)
Taj Madras Flight Kitchen Private Limited		6.35 (1.07)		6.35 (1.07)
<b>Interest Receivable</b>				
Taj Karnataka Hotels & Resorts Limited		46.34 (50.04)		46.34 (50.04)
<b>Short Term Deposit</b>				
Taj Karnataka Hotels & Resorts Limited		560.00 (560.00)		560.00 (560.00)

**Key Management Personnel:**

Key managerial personnel comprise of Managing Director who has the authority and the responsibility for planning, directing and controlling the activities of the Company. The remuneration paid to such directors is ₹88.94 lakhs (Previous Year ₹67.99 lakhs).

Mr. Tom Antony salary ₹ 60.68 lakhs ( Previous Year ₹ 52.05 lakhs) and Mr. Rajneesh Jain salary ₹63.50 lakhs (Previous year from September 2016 ₹ 33.51 lakhs & Mr. Mohan Jayraman up to August 2016 ₹ 19.87 lakhs)

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

## 42 Income Taxes

i) Income tax expense in the statement of profit and loss comprises:

₹ Lakhs

Particulars	Year ended March 31,	
	2018	2017
Current taxes	188.58	180.35
Deferred tax	64.55	(135.09)
<b>Total</b>	<b>253.13</b>	<b>45.26</b>

ii) Income tax recognised in other comprehensive income

<b>Current Tax</b>	-	-
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**Deferred tax**

(a) Arising on income and expenses recognised in other comprehensive income:

Remeasurement of defined benefit obligation	(35.59)	(17.90)
<b>Total</b>	<b>(35.59)</b>	<b>(17.90)</b>

(b) Bifurcation of the income tax recognised in other comprehensive income into:

Items that will not be reclassified to profit or loss	(35.59)	(17.90)
<b>Total</b>	<b>(35.59)</b>	<b>(17.90)</b>

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

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	₹ Lakhs	Tax rate	₹ Lakhs	₹ Lakhs	Tax rate	₹ Lakhs
Profit before income taxes	852.87	33.06%	281.98	198.51	33.06%	65.03
Disallowance u/s 14 A of Income Tax Act, 1961			2.02			1.91
Amortised cost of financial assets - Net			35.17			36.12
Others			42.48			11.09
Dividend exempted			(6.72)			(9.14)
Foreign Dividend taxed at concessional rate			(104.52)			(87.31)
Creation of DTL for previous year difference of PPE			-			34.32
Correction in opening Deferred Tax Asset and Change in effective rate for Deferred Tax			2.72			(7.57)
<b>Effective Tax Rate</b>		<b>29.68%</b>	<b>253.13</b>		<b>22.80%</b>	<b>45.26</b>

**Footnote:****a. Income tax Asset consists of**

	As at	
	2018 ₹ Lakhs	2017 ₹ Lakhs
Advance tax	19,518.58	19,391.99
Provision for tax	(17,013.60)	(16,878.42)
Income Tax Asset (Net)	2,504.98	2,513.57

## 43. Reconciliation of Provision for Bad and Doubtful Debts:

Particulars	Year ended March 31,	
	2018 ₹ Lakhs	2017 ₹ Lakhs
<b>Opening Balance</b>	<b>161.83</b>	<b>121.16</b>
Add: Provision made during the year	(6.08)	40.67
Add: Provision adjusted directly against debtors	(0.37)	-
<b>Closing Balance</b>	<b>155.38</b>	<b>161.83</b>

As per our Report attached

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm Registration No. 003990S/S200018

**Rajeshwari S**

Partner

Membership No. 024105

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

Puneet Chhatwal

Chairman

DIN: 07624616

Pramod Ranjan

Managing Director

DIN: 00887569

Vijay Sankar

Director

DIN: 00007875

Place : Chennai

Date : May 9, 2018

Rajneesh Jain

AVP-Finance &amp; Chief Financial Officer

Tom Antony

AVP-Legal &amp; Company Secretary

# ORIENTAL HOTELS LIMITED

## FINANCIAL STATISTICS

(₹ in lakhs)

CAPITAL ACCOUNTS							REVENUE ACCOUNTS								
Year	Capital	Reserves & Surplus	Borrowings	Gross Block	Net Block	Investments	Gross Revenue	Expenditure (Including Interest)	Depreciation	Profit Before Tax	Taxes	Profit After tax	Net Transfer to Reserves	Dividends	Rate of Dividend (on Equity Shares%)
1973-74	137.03	8.76	177.69	354.97	348.56	-	10.27	20.55	6.39	-25.43	-	-25.43	8.76	-	-
1974-75	142.03	21.00	286.34	423.45	401.24	-	101.24	124.77	15.79	-51.56	-	-51.56	12.24	-	-
1975-76	152.46	21.00	325.54	427.87	405.69	-	136.95	145.55	-	-8.60	-	-8.60	-	-	-
1976-77	155.00	21.18	333.72	428.30	406.12	-	158.35	158.26	-	0.08	-	0.08	0.18	-	-
1977-78	155.00	21.23	294.32	428.18	389.87	-	205.22	165.68	*16.15	23.29	-	23.29	0.05	-	-
1978-79	155.00	21.44	219.54	431.69	367.47	-	250.32	185.96	25.95	38.41	-	38.41	0.21	-	-
1979-80	155.00	32.89	192.43	453.58	374.67	13.71	292.06	214.18	14.92	62.96	-	62.96	11.45	\$27.54	15
1980-81	155.00	65.74	182.56	477.16	381.84	18.13	364.31	284.13	16.42	63.76	-	63.76	32.84	\$29.95	20
1981-82	155.00	112.82	143.29	496.07	383.25	19.64	422.73	324.33	17.50	80.90	-	80.90	47.09	\$32.85	22
1982-83	155.00	130.09	123.46	547.51	408.06	24.59	479.18	368.82	27.13	83.23	32.15	51.08	17.27	\$32.85	22
1983-84	155.00	1358.57	110.25	570.34	402.79	26.59	557.40	435.12	29.99	92.29	50.00	42.29	17.24	\$32.85	22
1984-85	155.00	154.65	146.23	625.86	412.41	26.59	692.00	548.34	46.76	96.90	47.00	49.90	28.32	\$32.85	22
1985-86	155.00	206.49	225.85	825.16	595.57	26.59	908.29	792.47	16.17	72.17	14.00	58.17	51.84	\$32.85	22
1986-87	155.00	269.11	344.24	966.34	688.39	17.96	1173.26	985.18	54.30	133.78	33.00	100.78	62.62	\$37.20	25
1987-88	155.00	334.39	411.39	1289.51	959.66	17.96	1397.99	1206.49	58.05	133.45	30.00	103.45	65.28	\$37.20	25
1988-89	#203.00	373.30	382.80	1457.32	1069.48	6.56	1256.93	1044.17	59.05	153.71	15.00	138.71	96.91	\$40.84	20
1989-90	₹252.02	577.39	419.90	1625.06	1157.87	6.51	1865.64	1569.51	85.53	210.60	23.17	187.43	95.55	56.88	25
1990-91	252.02	719.02	783.59	1942.23	1382.58	16.51	2048.32	1702.49	100.98	244.86	40.22	204.64	127.32	63.01	25
1991-92	252.02	965.36	1207.10	2449.15	1780.95	32.89	2820.57	2321.93	121.68	376.95	55.00	321.95	250.00	75.61	30
1992-93	\$352.83	1067.51	1920.91	3452.86	2635.79	155.25	3506.32	2996.08	167.56	342.68	16.24	326.44	215.00	123.49	35
1993-94	~575.1	2741.69	1354.59	4033.13	3022.60	432.24	4542.82	3703.99	210.35	628.48	90.50	537.98	320.00	197.40	40
1994-95	₹1097.95	11729.02	1871.11	5311.47	4048.77	755.17	5290.02	4208.35	248.96	832.71	50.00	782.71	340.00	512.04	55
1995-96	1097.95	13119.15	1196.25	6284.42	4739.09	1519.56	8091.95	5289.34	348.82	2453.79	350.00	2103.79	1320.00	713.67	65
1996-97	@1646.92	14163.30	1615.07	8593.57	6727.38	1744.84	9311.24	5851.05	450.70	3009.52	420.00	2589.52	1580.27	905.81	55
1997-98	1646.92	16381.42	1723.93	10251.02	7847.77	1970.60	11504.06	7355.77	543.79	3604.50	390.00	3214.50	2133.00	905.81	55
1998-99	c1646.93	18451.69	1842.57	10656.45	7642.74	2413.60	10988.65	6745.10	627.93	3615.62	540.00	3075.62	2020.00	905.81	55
1999-00	1646.93	19201.58	1592.60	13313.65	9712.51	7409.40	9055.29	6194.94	680.00	2180.35	425.00	1755.35	480.00	905.81	55
2000-01	1646.93	19297.51	2688.53	15207.52	11062.52	7606.57	9498.40	6964.24	795.13	1738.97	410.00	1328.97	155.00	823.47	50
2001-02	1785.99	18553.33	866.15	19401.88	13494.53	6596.72	10286.34	7455.31	1124.79	1706.24	865.63	840.61	-295.00	803.70	45
2002-03	1785.99	18551.94	745.42	19943.29	12927.61	6570.00	9903.68	7785.84	1188.64	929.19	391.08	538.11	-31.00	604.45	30
2003-04	1785.99	18679.96	640.18	20456.72	12409.38	6563.70	11525.43	8753.30	1232.24	1557.89	623.94	933.95	-58.00	805.93	40
2004-05	1785.99	19091.81	645.93	21454.83	12253.50	6561.60	13527.13	9787.11	1262.77	2477.25	943.50	1533.75	140.00	1121.89	55
2005-06	1785.99	20473.44	458.03	21937.81	11672.27	7953.17	16847.37	1032.55	1189.83	4324.99	1716.00	2608.99	547.00	1527.36	75
2006-07	1785.99	22091.25	375.10	24087.79	12853.09	6946.60	19541.91	12511.84	1170.26	5859.81	2068.09	3791.72	846.13	1985.04	95
2007-08	1785.99	24246.61	304.82	28341.20	16181.95	6946.60	22004.60	14087.05	1259.95	6657.60	2308.24	4349.36	475.00	2194.00	105
2008-09	1785.99	26098.42	6766.42	34617.63	21424.98	12048.96	21836.08	14754.45	1323.79	5757.84	2025.46	3732.38	410.00	1880.57	90
2009-10	1785.99	26851.01	19065.95	42549.24	29648.96	12252.46	20216.69	15308.39	1371.31	3536.99	1222.43	2314.56	375.00	1561.97	75
2010-11	1785.99	27419.00	21667.90	50635.47	38623.68	7252.46	23904.11	19155.40	1542.72	3205.99	977.42	2228.57	500.00	1660.58	80
2011-12	1785.99	27702.99	29036.85	59196.37	43608.11	7215.81	27020.53	23184.42	1955.15	1880.96	617.76	1263.20	130.00	934.08	45
2012-13	1785.99	27983.56	28340.45	63872.33	46265.05	6583.64	29662.62	27092.06	2616.79	1390.01	-39.80	1429.81	250.00	1149.24	55
2013-14	1785.99	26114.76	30755.82	66480.93	46304.41	6583.64	30234.02	28483.72	2794.43	-1044.13	-324.57	-719.56	-	1149.24	55
2014-15	1785.99	21627.75	31096.83	67938.90	45438.19	6649.38	30671.52	28269.66	2547.50	-602.82	-303.45	-299.37	-	859.83	40
2015-16 (IND AS)	1785.99	22199.52	31741.93	43039.69	40659.59	6183.19	31626.43	31197.84	2393.78	-2598.40	-813.66	-1784.74	-	429.92	20
2016-17 (IND AS)	1785.99	22134.12	32231.93	43985.92	39107.89	6351.23	34460.39	31806.06	2497.97	198.51	45.26	153.25	-	-	-
2017-18 (IND AS)	1785.99	22855.41	31325.99	45087.10	37588.84	6603.30	36887.59	33269.76	2765.94	852.87	253.13	599.74	-	-	-

\* Includes adjustment for depreciation written back ₹0.15 lakhs

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

\$ Preference and equity dividends

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

# After issue of Bonus Shares in the ratio 2:5

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

§ After issue of Bonus Shares in the ratio 2:5

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

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

@ Issue of Bonus Shares in the ratio 1:2

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

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



ORIENTAL HOTELS LIMITED

CONSOLIDATED  
FINANCIAL STATEMENTS  
2017 - 2018

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**AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

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

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

We have audited the accompanying consolidated financial statements of Oriental Hotels Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), its associates and joint venture, comprising the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

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

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

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

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at 31st March 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

### Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹17091.30 lakhs as at 31st March, 2018, total revenues of ₹544.35 lakhs, total profit after tax of ₹698.84 lakhs, total comprehensive income of ₹2501.73 lakhs and net cash outflows amounting to ₹24.40 lakhs 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 profit of ₹678.73 lakhs for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of one associate and one joint venture, 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 subsidiary, associate and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, associate and joint venture, is based solely on the reports of the other auditors.

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Group companies, and its associate company incorporated in India are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

**AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group, its associates and joint venture entity excluding companies incorporated outside India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report on Consolidated Financial Statements in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture – Refer Note 28 to the consolidated financial statements.
  - ii. The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. Unclaimed dividend for the year 2009-10 was transferred to the Investor Education and Protection Fund by the Company after a delay of 12 days in the current year by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the associate company incorporated in India.

For **PKF SRIDHAR & SANTHANAM LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**S RAJESHWARI**  
Partner  
Membership No. 024105

Place : Chennai  
Date : May 9, 2018

**ANNEXURE A**

**Referred to in paragraph 1(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of Oriental Hotels Limited**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Oriental Hotels Limited (hereinafter referred to as "the Holding Company") and its associate company, which is a company incorporated in India, as of that date.

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

The respective Board of Directors of the Holding company, and its associate company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external

# ORIENTAL HOTELS LIMITED

## ANNEXURE TO AUDITOR'S REPORT

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

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

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

### **Opinion**

In our opinion, the Holding Company, its associate company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company and its associate company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **PKF SRIDHAR & SANTHANAM LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**S RAJESHWARI**  
Partner  
Membership No. 024105

Place : Chennai  
Date : May 9, 2018

## CONSOLIDATED BALANCE SHEET

## Consolidated Balance Sheet as at March 31, 2018

₹ Lakhs

Assets	Note	March 31, 2018	March 31, 2017
<b>Non-current Assets</b>			
Property, Plant and Equipment	3	37,357.33	38,810.31
Capital work-in-progress		1,686.88	400.49
Other Intangible Assets	4	231.51	297.59
		39,275.72	39,508.39
<b>Financial Assets</b>			
Investments in joint ventures and associates	5(a)	11,654.19	11,385.89
Investments	5(b)	14,246.73	12,109.21
Other financial assets	7	2,039.16	2,007.46
Deferred Tax Assets (Net)	8	411.36	493.72
Income Tax Asset (Net)	41	2,504.98	2,513.57
Other non-current assets	9	4,879.65	4,658.99
		75,011.79	72,677.23
<b>Current Assets</b>			
Inventories	11	838.63	756.61
<b>Financial Assets</b>			
Trade Receivables	12	1,580.75	1,390.61
Cash and Cash Equivalents	13(a)	553.66	1,213.36
Bank Balances other than Cash and Cash Equivalents	13(b)	114.59	132.88
Loans	6	560.00	560.00
Other financial assets	7	634.55	617.32
Other current assets	9	630.82	782.78
Assets classified as held for sale		2,798.21	2,798.21
		7,711.21	8,251.77
<b>Total</b>		82,723.00	80,929.00
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share capital	14	1,785.99	1,785.99
Other Equity	15	42,369.74	39,443.26
<b>Total Equity</b>		44,155.73	41,229.25
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	29,428.59	30,185.93
Other financial Liabilities	17	207.66	186.52
Provisions	19	470.59	439.88
Other non-current Liabilities	20	20.73	30.24
		30,127.57	30,842.57
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	97.40	–
Trade Payables	18	3,611.96	3,228.11
Other financial Liabilities	17	3,968.64	4,502.64
Provisions	19	102.65	72.64
Other current liabilities	20	659.05	1,053.79
		8,439.70	8,857.18
<b>Total</b>		82,723.00	80,929.00
Significant Accounting Policies	2		
<b>The accompanying notes 1 to 43 form an integral part of the financial statements.</b>			

As per our Report attached

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm Registration No. 003990S/S200018

**Rajeshwari S**  
Partner  
Membership No. 024105

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

Puneet Chhatwal  
Chairman  
DIN: 07624616

Pramod Ranjan  
Managing Director  
DIN: 00887569

Vijay Sankar  
Director  
DIN: 00007875

Place : Chennai  
Date : May 9, 2018

Rajneesh Jain  
AVP-Finance & Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

# ORIENTAL HOTELS LIMITED

## CONSOLIDATED PROFIT AND LOSS STATEMENT

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

₹ Lakhs

Particulars	Note	March, 2018	March, 2017
<b>Revenue</b>			
Revenue from Operations	21	35,797.38	33,474.71
Other Income	22	429.95	499.34
<b>Total</b>		<b>36,227.33</b>	<b>33,974.05</b>
<b>Expenses</b>			
Food and Beverages Consumed	23	4,044.05	3,721.36
Employee Benefits Expense and Payment to Contractors	24	9,868.95	9,127.18
Finance Costs	25	3,088.59	3,218.97
Depreciation and Amortisation	3 & 4	2,765.94	2,497.97
Other Operating and General Expenses	26	16,273.95	15,749.65
<b>Total</b>		<b>36,041.48</b>	<b>34,315.13</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>185.85</b>	<b>(341.08)</b>
<b>Exceptional Items</b>	27	<b>0.98</b>	<b>42.15</b>
<b>Profit / (Loss) Before Tax</b>		<b>186.83</b>	<b>(298.93)</b>
<b>Tax Expense</b>			
Current Tax		188.58	180.35
Deferred Tax		64.55	(135.09)
<b>Total</b>		<b>253.13</b>	<b>45.26</b>
<b>Profit / (Loss) for the year</b>		<b>(66.30)</b>	<b>(344.19)</b>
Add : Share of Profit / (Loss) of Associates		196.43	138.52
Add : Share of Profit / (Loss) of Joint Ventures		482.30	703.91
<b>Profit / (Loss) After Tax and share of associates and joint ventures</b>		<b>612.43</b>	<b>498.24</b>
<b>Other Comprehensive income, net of tax</b>			
<b>Items that will not be reclassified subsequently to profit and loss</b>			
Remeasurements of defined benefit plans		(102.58)	(51.71)
Change in fair value of equity instruments designated irrevocably as FVTOCI		2,007.67	(464.50)
Share of other comprehensive income of associates		12.19	72.85
Less :- Income tax		(35.59)	(17.90)
		<b>1,952.87</b>	<b>(425.46)</b>
<b>Items that will be reclassified subsequently to profit and loss</b>			
Currency translation difference (net)		(30.78)	(311.46)
Share of other comprehensive income of associates and joint venture		398.46	(126.13)
Less :- Income tax expense		-	-
		<b>367.68</b>	<b>(437.59)</b>
<b>Other Comprehensive income for the year, net of tax</b>		<b>2,320.55</b>	<b>(863.05)</b>
<b>Total Comprehensive Income for the year</b>		<b>2,932.98</b>	<b>(364.81)</b>
<b>Earnings per equity share :</b>			
<b>Basic &amp; Diluted ( Face value ₹1/- per share) (Refer Note: (32))</b>		<b>0.34</b>	<b>0.28</b>
Significant Accounting Policies	2		
<b>The accompanying notes 1 to 43 form an integral part of the financial statements.</b>			

As per our Report attached

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm Registration No. 003990S/S200018

**Rajeshwari S**  
Partner  
Membership No. 024105

Place : Chennai  
Date : May 9, 2018

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

Puneet Chhatwal  
Chairman  
DIN: 07624616

Pramod Ranjan  
Managing Director  
DIN: 00887569

Vijay Sankar  
Director  
DIN: 00007875

Rajneesh Jain  
AVP-Finance & Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary



# FORTY EIGHTH ANNUAL REPORT 2017-18

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus				Debt instruments through OCI	Equity Instruments through OCI	Foreign Currency Translation Reserve	TOTAL
		Securities Premium Account	General Reserve	Other reserves*	Retained Earnings				
Balance as on 01st April, 2016	1,785.99	10,735.69	10,543.41	1,899.18	11,095.90	-	4,935.73	960.00	41,955.90
Profit for the year	-	-	-	-	498.24	-	-	-	498.24
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	-	-	(394.33)	(437.58)	(831.91)
Actuarial Gains/Losses (Not Reclass to P&L)	-	-	-	-	(31.14)	-	-	-	(31.14)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>467.10</b>	-	<b>(394.33)</b>	<b>(437.58)</b>	<b>(364.81)</b>
Dividends	-	-	-	-	(357.20)	-	-	-	(357.20)
Tax on Dividend	-	-	-	-	(4.64)	-	-	-	(4.64)
Transfer to Debenture Redemption Reserve	-	-	-	153.25	(153.25)	-	-	-	-
<b>Balance as on 31st March, 2017</b>	<b>1,785.99</b>	<b>10,735.69</b>	<b>10,543.41</b>	<b>2,052.43</b>	<b>11,047.91</b>	<b>-</b>	<b>4,541.40</b>	<b>522.42</b>	<b>41,229.25</b>

Consolidated Statement of Changes in Equity as at March 31, 2018

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus				Debt instruments through OCI	Equity Instruments through OCI	Foreign Currency Translation Reserve	TOTAL
		Securities Premium Account	General Reserve	Other reserves*	Retained Earnings				
Balance as on 01st April, 2017	1,785.99	10,735.69	10,543.41	2,052.43	11,047.91	-	4,541.40	522.42	41,229.25
Profit for the year	-	-	-	-	612.43	-	-	-	612.43
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	-	-	2,035.18	367.68	2,402.86
Actuarial Gains/Losses (Not Reclass to P&L)	-	-	-	-	(82.31)	-	-	-	(82.31)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>530.12</b>	-	<b>2,035.18</b>	<b>367.68</b>	<b>2,932.98</b>
Dividends	-	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	(6.50)	-	-	-	(6.50)
Transfer to retained earnings on disposal of investment.	-	-	-	-	46.41	-	(46.41)	-	-
Transfer to Debenture Redemption Reserve	-	-	-	646.16	(646.16)	-	-	-	-
<b>Balance as on 31st March, 2018</b>	<b>1,785.99</b>	<b>10,735.69</b>	<b>10,543.41</b>	<b>2,698.59</b>	<b>10,971.78</b>	<b>-</b>	<b>6,530.17</b>	<b>890.10</b>	<b>44,155.73</b>

\* Includes Debenture Redemption Reserve: 2018 ₹2,652.41 lakhs; 2017 ₹2006.25 lakhs & 2016 ₹1853 lakhs respectively.

As per our Report attached

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm Registration No. 003990S/S200018

**Rajeshwari S**  
Partner  
Membership No. 024105

Place : Chennai  
Date : May 9, 2018

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

Puneet Chhatwal  
Chairman  
DIN: 07624616

Pramod Ranjan  
Managing Director  
DIN: 00887569

Vijay Sankar  
Director  
DIN: 00007875

Rajneesh Jain  
AVP-Finance & Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

# ORIENTAL HOTELS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash flow Statement for the year ended March 31, 2018

₹ in Lakhs

Particulars		March 31, 2018		March 31, 2017
A.	<b>Cash flow from Operating Activities</b>			
	Profit/(Loss) before tax		186.83	(298.93)
	Adjustments for			
	Depreciation and Amortization	2,765.94		2,497.97
	Loss on Sale of Fixed Assets	7.80		18.74
	Assets written off	12.21		13.23
	Allowances for doubtful debts	(6.08)		40.67
	Allowances for doubtful advances	2.07		2.91
	Provision and balances written back	(186.16)		(82.73)
	Finance Cost	3,088.59		3,218.97
	Interest Income	(163.66)		(220.12)
	Dividend received	(6.65)		(4.84)
	Changes in Fair valuation of financial Liabilities	(0.98)		(42.17)
	Others	(19.14)		(51.71)
	Exchange Loss/(Gain)	(5.11)		2.76
			5,488.83	5,393.68
	<b>Changes in Operating Assets and Liabilities</b>		5,675.66	5,094.75
	Adjustments for			
	Financial Assets	63.97		1.29
	Inventories	(82.03)		19.21
	Trade receivables	(178.48)		125.26
	Other assets	24.78		(306.11)
	Trade Payables	570.02		69.29
	Other Liabilities	(343.57)		19.58
	Other Financial Liabilities	(315.17)		(553.74)
			(260.48)	(625.22)
	Cash generated from operations		5,415.18	4,469.53
	Direct Taxes Paid		(210.03)	(239.05)
	<b>Net cash flow from operating activities (A)</b>		5,205.15	4,230.48
B.	<b>Cash flow from investing activities</b>			
	Payments for Purchase of Property, Plant and Equipment	(2,613.07)		(1,033.52)
	Proceeds from sale of Property, Plant and Equipment	42.44		104.92
	Payments for Purchase of Investments	(114.72)		(2.28)
	Proceeds from Sale of Investments	51.19		6.60
	Dividend received	645.98		315.47
	Interest	126.81		201.50
	<b>Net cash flow from investing activities (B)</b>		(1,861.37)	(407.31)

## CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash flow Statement for the year ended March 31, 2018

₹ in Lakhs

Particulars		March 31, 2018		March 31, 2017
C.	<b>Cash flow from financing activities</b>			
	Proceeds from Long term Borrowings	–		9,000.00
	Repayment of Long term Borrowings	(2,046.00)		(1,528.00)
	Proceeds from Short term Borrowings	97.40		–
	Repayment of Short term Borrowings	–		(7,916.55)
	Finance Cost	(2,054.80)		(2,356.98)
	Dividend Paid	–		(357.20)
	<b>Net cash flow from financing activities (C)</b>		(4,003.40)	(3,158.73)
	<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>		(659.62)	664.44
	Cash as on 01st April 2017		1,213.36	546.96
	Effect of exchange differences on translation of foreign currency cash and cash equivalents		0.08	(1.96)
	Cash as on 31st March 2018		553.66	1,213.36
	<b>Net Increase / (Decrease) in cash and cash equivalents</b>		(659.62)	664.44
	<b>NOTES TO THE CASH FLOW STATEMENT :</b>		<b>As at</b>	<b>As at</b>
i)	Bank Balances other than Cash and Cash Equivalents		<b>March 31, 2018</b>	March 31, 2017
	Margin Money Deposits		53.17	53.48
	Earmarked balances		61.42	79.40
	Cash and Cash Equivalents as restated		114.59	132.88
ii)	Refer Note No. 16 for net debt reconciliation			
<b>The accompanying notes 1 to 43 form an integral part of the financial statements.</b>				

As per our Report attached

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm Registration No. 003990S/S200018

**Rajeshwari S**

Partner

Membership No. 024105

Place : Chennai

Date : May 9, 2018

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

Puneet Chhatwal

Chairman

DIN: 07624616

Pramod Ranjan

Managing Director

DIN: 00887569

Vijay Sankar

Director

DIN: 00007875

Rajneesh Jain

AVP-Finance &amp; Chief Financial Officer

Tom Antony

AVP-Legal &amp; Company Secretary

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Notes to Consolidated Financial Statements for the year ended March 31, 2018

#### Note 1. Corporate Information

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

The company business operation is mainly in India.

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

The consolidated financial statements relate to Oriental Hotels Limited (‘the Company’), it’s wholly owned subsidiary company, Associates and Joint Venture Entities.

Particulars of the Subsidiary Companies, Associates and Joint Venture Entities at the end of the reporting period are as follows.

Name of the Company	Category	Country of incorporation	% of Shares held.
OHL International (HK) Ltd.*	Subsidiary	Hong kong	100
Taj Madurai Limited	Associate	India	26
Lanka Island Resorts Ltd.	Associate of OHL International (HK) Ltd.	Sri Lanka	23.08
Tal Hotels & Resorts Ltd.	Joint Venture	Hong Kong	21.74

\*The consolidated financial results of OHL International (HK) Ltd. includes the results of Lank Island Resorts Ltd., an Associate.

#### Note 2. Significant Accounting Policies

##### (a) Statement of compliance:

In accordance with the notification dated 16<sup>th</sup> February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) issued under Section 133 of the Companies Act, 2013 and notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

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

All amounts included in financial statements are reported in India Rupees except Share and has been rounded off to nearest lakhs

##### (b) Basis of preparation and presentation:

These financial statements have been prepared on a historical cost basis, except for certain financial instruments and defined benefit plans that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in Ind AS-1 ‘Presentation of Financial Statements’ and Schedule III to the Companies Act, 2013.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Financial Statements are presented in Indian Rupees Lakhs, and all values are rounded off to the nearest two decimals except when otherwise stated.

### (c) Principles of Consolidation and equity accounting

#### i. Subsidiaries

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

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

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

#### ii. Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

#### iii. Joint Venture

Interest in Joint Venture are accounted for using the equity method after initially being recognized at cost in the consolidated balance sheet.

#### iv. Equity method

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

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

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

#### v. Change in ownership interest

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

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

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 recognized in other comprehensive income is reclassified to profit or loss where appropriate.

**(d) Use of estimates and judgements**

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

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

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

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

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

- **Loyalty program:** The Company estimates the fair value of points awarded under the Loyalty Program by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

**(e) Revenue recognition :**

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

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

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

**Interest**

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

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

**Dividend**

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

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

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

- Gratuity Fund**

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the other comprehensive income and reflected in retained earnings and will not be reclassified to the statement of profit and loss.

**iii. Post-Retirement Pension Scheme and Medical Benefits**

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

**iv. Compensated Absences**

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

**v. Long Service Awards**

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

**vi. Other employee termination benefits**

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

**vii. Other Employee Benefits**

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

**(g) Property, Plant and Equipment:**

The Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

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

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

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

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

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

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

**(h) Intangible Fixed Assets:**

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

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

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

<u>Class of Asset</u>	<u>Estimated Useful Life</u>
Software and Licences	6 years

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

**(i) Impairment of Property plant and equipment and intangible assets:**

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

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

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**(j) Foreign Currency Translation :****i. Functional and presentation currency.**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statement are prepared in Indian rupees (INR), which is Oriental Hotels Limited's functional and presentation currency.

**ii. Initial Recognition**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions.

**iii. Subsequent Recognition**

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

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

**iv. Group Companies**

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

Assets and liabilities are translated at the closing rate at the date of that balance sheet.

Income and expenses are translated at average exchange rates and all resulting exchange differences are recognized in other comprehensive income.

**v. Cumulative Translation Differences**

INDAs allow cumulative translation gain and losses to be reset to zero at the transition date. The group elected to reset all cumulative transition gain and losses to zero by transferring it to opening retained earnings at its transition date.

**(k) Non-current assets held for sale:**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable and expected to be completed within one year from the date of classification.

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

**(l) Assets taken on lease:**

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

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

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

**(m) Inventories:**

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

**(n) Government Grants:**

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

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

**(o) Income Taxes:**

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

**(i) Current tax:**

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

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

**(ii) Deferred tax :**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

**(p) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

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

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

Contingent assets are not recognized in the financial statements.

**(q) Borrowing Costs:**

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

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

**(r) Cash and Cash Equivalents (for the purpose of cash flow statements):**

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

**(s) Cash Flow Statement:**

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

**(t) Share capital:**

**Ordinary Shares**

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

**(u) Dividends:**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**(v) Earnings Per Share:**

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

**(w) Segment Reporting:**

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

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

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

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

**(x) Financial Instruments:**

**Financial Assets:**

Classification:

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

Initial Recognition and measurement:

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

Debt instruments at amortised cost:

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

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

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Equity investments:

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

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

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

Derecognition:

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets:

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

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

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

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

**Financial Liabilities:**Classification

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

Initial recognition and measurement

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

### Financial liabilities at fair value through profit or loss

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

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

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

### Loans and borrowings

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

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

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

### Derecognition

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

### Offsetting of financial instruments

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

### Derivative financial instruments

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Equity instruments

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

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

**(y) Financial guarantee contracts:**

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

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

**(z) Recent Accounting Pronouncements:**

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018.

**Ind-AS 115 – Revenue from Contract with Customers:**

Ind-AS 115 will supersede the existing revenue recognition standard 'Ind-AS 18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company has completed its preliminary evaluation of the possible impact of Ind-AS 115 and will adopt it retrospectively with the cumulative effect of initially applying this standard recognised as an adjustment to the opening balance of retained earnings at the date of initial application i.e. April 1, 2018 and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. This standard is applied retrospectively only to the contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of new standard to be material on its retained earnings and to its net income on an ongoing basis.

**Ind-AS 21 – The effect of changes in Foreign Exchange rates (Appendix B)**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

Other changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind-AS 40), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind-AS 12), and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind-AS 112).

None of these amendments are expected to have any material effect on the company's financial statements.



# FORTY EIGHTH ANNUAL REPORT 2017-18

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

₹ Lakhs

Particulars	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Gross Block at Cost</b>							
At April 1, 2016	5,697.32	16,944.15	13,722.95	5,660.76	466.42	125.30	42,616.90
Additions	-	12.98	781.38	103.15	83.13	0.33	980.97
Disposals	-	(2.41)	(38.86)	(6.14)	(0.12)	(2.02)	(49.55)
<b>At March 31, 2017</b>	<b>5,697.32</b>	<b>16,954.72</b>	<b>14,465.47</b>	<b>5,757.77</b>	<b>549.43</b>	<b>123.61</b>	<b>43,548.32</b>
<b>Depreciation</b>							
At April 1, 2016	-	440.62	1,176.10	550.95	127.63	26.91	2,322.21
Charge for the year	-	447.26	1,272.91	546.24	129.94	19.45	2,415.80
<b>At March 31, 2017</b>	<b>-</b>	<b>887.88</b>	<b>2,449.01</b>	<b>1,097.19</b>	<b>257.57</b>	<b>46.36</b>	<b>4,738.01</b>
<b>Net Block At March 31, 2017</b>	<b>5,697.32</b>	<b>16,066.84</b>	<b>12,016.46</b>	<b>4,660.58</b>	<b>291.86</b>	<b>77.25</b>	<b>38,810.31</b>

#### Footnotes:

- Buildings include WDV on improvements to building constructed on leasehold land ₹1078.21 Lakhs; (Previous year ₹1,097.25 Lakhs).
- Assets pledged as security (Refer Note 16: Borrowings )

### Note 4 : Intangible Assets (Acquired)

₹ Lakhs

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

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

₹ Lakhs

Particulars	Freehold Land	Buildings Refer Footnote (i)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	TOTAL
<b>Gross Block at Cost</b>							
As at April 1, 2017	5,697.32	16,954.72	14,465.47	5,757.77	549.43	123.61	43,548.32
Additions	-	194.53	919.72	94.04	86.16	-	1,294.45
Disposals	-	(3.65)	(184.76)	(18.18)	(0.78)	(0.79)	(208.16)
<b>At March 31, 2018</b>	<b>5,697.32</b>	<b>17,145.60</b>	<b>15,200.43</b>	<b>5,833.63</b>	<b>634.81</b>	<b>122.82</b>	<b>44,634.61</b>
<b>Depreciation</b>							
As at April 1, 2017	-	887.88	2,449.01	1,097.19	257.57	46.36	4,738.01
Charge for the year	-	578.83	1,410.25	572.75	105.79	17.35	2,684.97
Disposals	-	(1.12)	(139.64)	(3.77)	(0.42)	(0.75)	(145.70)
<b>At March 31, 2018</b>	<b>-</b>	<b>1,465.59</b>	<b>3,719.62</b>	<b>1,666.17</b>	<b>362.94</b>	<b>62.96</b>	<b>7,277.28</b>
<b>Net Block at March 31, 2018</b>	<b>5,697.32</b>	<b>15,680.01</b>	<b>11,480.81</b>	<b>4,167.46</b>	<b>271.87</b>	<b>59.86</b>	<b>37,357.33</b>

#### Footnotes :

- (i) 'Buildings include WDV on improvements to building constructed on leasehold land ₹1025.32 Lakhs; (Previous year ₹1,078.21 Lakhs).
- (ii) Assets pledged as security (Refer Note 16: Borrowings)

### Note 4 : Intangible Assets (Acquired)

₹ Lakhs

Particulars	Software	Total
<b>Gross Block at Cost</b>		
At April 1, 2017	-	437.61
Additions	-	14.89
Disposals	-	-
<b>At March 31, 2018</b>	<b>-</b>	<b>452.50</b>
<b>Amortisation</b>		
At April 1, 2017	-	140.02
Charge for the year	-	80.97
Disposals	-	-
<b>At March 31, 2018</b>	<b>-</b>	<b>220.99</b>
<b>Net Block at March 31, 2018</b>	<b>-</b>	<b>231.51</b>

# FORTY EIGHTH ANNUAL REPORT 2017-18

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to Consolidated Financial Statements for the year ended March 31, 2018

### Note 5 (a): Investments in Joint Ventures and Associates

	Face Value	March 31, 2018		March 31, 2017	
		Holdings		Holdings	
		As at	₹ Lakhs	As at	₹ Lakhs
<b>Fully Paid Un quoted Equity Investments :</b>					
<b>Investments in Joint Ventures-Unquoted</b>					
TAL Hotels & Resorts Limited	US\$1	3,803,718	8699.99	3,803,718	8,473.81
<b>Total</b>			<b>8,699.99</b>		<b>8,473.81</b>
<b>Investments in Associate Companies</b>					
Taj Madurai Limited-Equity Shares	₹10	912,000	535.02	912,000	491.51
Lanka Island Resorts Limited (refer footnote viii)	LKR 10	18,690,000	2419.18	18,690,000	2,420.57
<b>Total</b>			<b>2,954.20</b>		<b>2,912.08</b>
<b>Grand Total</b>			<b>11,654.19</b>		<b>11,385.89</b>

### Note 5 (b): Other Non-Current Investments

#### Fully Paid Unquoted Equity Investments :

#### Investments in Other Companies Equity Shares (Fair Value Through OCI)

Taj Kerala Hotels and Resorts Limited	₹10	1,515,000	160.29	1,515,000	167.56
Taj Karnataka Hotels and Resorts Limited	₹10	300,000	-	300,000	38.16
Taj Air Limited (Refer Footnote iii)	₹10	6,250,000	154.38	6,250,000	-
Taj Trade & Transport Company Limited.	₹10	100,500	42.72	100,500	40.56
St. James Court Limited	GBP1	6,000,000	12,882.71	6,000,000	10,997.26
Green Infra Wind Farms Limited (acquired during the year 15,000 shares).	₹10	60,000	6.00	45,000	4.50
Green Infra Wind Generation Limited	₹10	42,000	4.20	42,000	4.20
Citron Ecopower Private Limited (acquired during the year 2,00,000 shares) (Refer Footnote iv)	₹10	222,750	21.45	22,750	2.28
<b>Total</b>			<b>13,271.75</b>		<b>11,254.52</b>

#### Fully Paid Quoted Equity Investments :

#### Investment in Other Companies (Fair value through OCI)

The Indian Hotels Company Limited (Refer Footnote v)	₹1	752,398	958.18	626,999	796.29
Tulip Star Hotels Limited	₹10	29,600	15.98	29,600	15.41
Velan Hotels Limited	₹10	4,000	0.24	4,000	0.28
Benares Hotels Limited	₹10	50	0.58	50	0.63
*Hotel Leela Venture Limited	₹2	-	-	500	0.08
*EIH Limited	₹2	-	-	1,125	1.35
*Asian Hotels West Limited	₹10	-	-	70	0.16
*Asian Hotels East Limited	₹10	-	-	70	0.15
*Asian Hotels North Limited	₹10	-	-	70	0.08
*Jaiprakash Associates Limited	₹2	-	-	150	0.02
*Thomas Cook (I) Limited	₹1	-	-	600	1.39
*Apollo Sindoori Hotels Limited	₹10	-	-	100	-
*EIH Associated Hotels Limited	₹10	-	-	4,314	15.10
*ICICI Bank Limited	₹2	-	-	7,730	21.42
*Apollo Hospital Enterprises Limited.	₹5	-	-	200	2.33
<b>Total</b>			<b>974.98</b>		<b>854.69</b>

\* Sold during the Year.

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Face Value	March 31, 2018		March 31, 2017	
		Holdings		Holdings	
		As at	₹ Lakhs	As at	₹ Lakhs
<b>Others-Non-Trade Unquoted Equity Shares</b>					
Chennai Willingdon Corporate Foundation	₹10	5	-	5	-
Indian Dairy Entrepreneurs Agricultural Company Limited. (Refer footnote (vi))	₹1	86,302	-	86,302	-
<b>Grand Total</b>			<b>14,246.73</b>		<b>12,109.21</b>

**Footnotes :**

- (i) Aggregate of Quoted Investments : Cost 465.03 375.78  
: Market Value 974.98 854.69
- (ii) Aggregate of Unquoted Investments 24,925.94 22,640.41
- (iii) In terms of an undertaking, transfer of this shareholding is restricted to Taj /TATA group Companies.
- (iv) Acquired 2,00,000 shares during the year at a cost of ₹19.17 lakhs.
- (v) 1,25,399 shares have been acquired by way of right issue during the year.
- (vi) Equity Shares of ₹10/- each have been reduced to ₹1 /- each as confirmed by the order of the court and provision for diminution in value has been made in the earlier years.
- (vii) Wholly owned Subsidiary OHL International HK Limited together with a related party and a third party (collectively, the "Promoters") entered in to an agreement with a bank (Lender), in consideration for the Lender providing a credit facility of up to US\$9 million to Lanka Island Resorts Limited (Borrower), an associate of the Company. The Promoters executed a shortfall undertaking and a non-disposal undertaking for shares in the Borrower in favour of the Lender as security for the repayment of the credit facilities and any and all monies payable by Borrower to the Lender under the Facility Agreement and performance and observance by the Lender of all its obligations and covenants under the Facility Agreement.
- (viii) Investment in associate is at its carrying value in the consolidated books without reflecting the adjustments done by the subsidiary to its carrying value. This has been consistently followed subject to foreign currency fluctuation differences.

₹ Lakhs

	March 31, 2018	March 31, 2017
<b>Note 6 : Loans</b>		
<b>A) Non-Current</b>	-	-
	-	-
<b>B) Current</b>		
(Unsecured, considered good unless stated otherwise)		
Related Parties	560.00	560.00
	<b>560.00</b>	<b>560.00</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ Lakhs	
<b>Note 7 : Other Financial Assets</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>A) Non-Current</b>		
<b>Long-term security deposits placed for Hotel Properties at amortised cost</b>		
External parties	498.45	413.08
<b>Deposits with Public Bodies and Others at amortised costs</b>		
Public Bodies and Others – Considered good	531.19	609.78
– Considered doubtful	2.45	2.45
	533.64	612.23
Less : Provision for Doubtful advances	2.45	2.45
	531.19	609.78
Amounts Recoverable (Net of provisions)	883.89	883.89
(Refer Footnote (i), (ii) & (iii))		
<b>Interest Receivable</b>		
Others	45.51	45.51
	45.51	45.51
Other Advances	80.12	55.20
	2,039.16	2,007.46
<b>Footnote:</b>		
(i) The company had a property in Coimbatore whose title was found to be defective by a Court order. The Company sued the original seller of the property and obtained partial settlement. The balance unrecovered amount amounting to ₹374.93 lakhs (Previous Year ₹374.93 lakhs) has been provided in the books of account as on 31st March 2016. The company is however pursuing the legal process for recovery.		
(ii) The company entered into a long term agreement for development of hotel at Bannerghatta in Bengaluru in the year 2007. During the year 2013-14, the Company decided to terminate the lease agreement and recover the amount spent on the project along with the deposit made. As per the lease agreement the termination will take effect when the lessor fulfills the conditions laid in the termination agreement and hence an amount of ₹777.65 lakhs (Previous Year ₹777.65 lakhs) that was lying in long term deposits placed for hotel properties and in capital work in progress have been transferred to amounts recoverable. The company has taken adequate steps for recovery of amounts.		
(iii) As per the benefits granted to investors in specified categories in the Tourism sector, the Kerala Department of tourism will pay the difference between the commercial tariff and the industrial tariff on electricity as subsidy for the first 5 years of commencement of business. The claim by the Company, in this regard, has been lodged for ₹141.73 lakhs, out of which ₹35.49 lakhs was received during 2015-16. The Company is confident of receiving the balance receivable of ₹106.24 lakhs (Previous Year ₹106.24 lakhs) from the Department.		
<b>B) Current</b>		
<b>Deposit with public bodies and others</b>	88.34	76.92
<b>Other advances</b>		
Considered good	119.91	167.34
Considered doubtful	6.53	9.83
	126.44	177.17
Less: Allowance for Advances doubtful of recovery	6.53	9.83
	119.91	167.34
<b>Interest receivable</b>		
Related Parties	46.34	50.40
Others	19.13	21.71
	65.47	72.11
<b>On Current Account dues :</b>		
Related Parties	243.38	199.29
Others	117.45	101.66
	360.83	300.95
	634.55	617.32

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

<b>Note 8 : Deferred Tax Assets (Net)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Deferred Tax Assets:</b>		
Provision for Employee Benefits	174.81	153.02
Loss u/s 35AD of Income Tax Act, 1961 (Refer Footnote)	5,762.62	6,050.14
MAT Credit Entitlement	-	53.39
Receivables, Financial Assets at amortised cost	57.44	59.40
Others	105.34	77.85
<b>Total (A)</b>	<b>6,100.21</b>	<b>6,393.80</b>
<b>Deferred Tax Liabilities:</b>		
Property, Plant and equipment & Intangible Assets	5,688.85	5,900.08
<b>Total (B)</b>	<b>5,688.85</b>	<b>5,900.08</b>
<b>Net Deferred Tax Assets (A-B)</b>	<b>411.36</b>	<b>493.72</b>

**Footnote:** Losses u/s 35AD of the Income Tax Act, 1961 have an indefinite carry forward period.

<b>Note 9 : Other assets</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>A) Non-current</b>		
Capital Advances	137.42	43.95
Prepaid Expenses	3,610.68	3,755.34
Deposits with Government Authorities	125.06	132.84
Export Incentive Receivable	700.28	399.98
Others (Refer Footnote (i))	306.21	326.88
	<b>4,879.65</b>	<b>4,658.99</b>

**Footnote :**

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

**B) Current**

Prepaid Expenses	538.43	499.94
Indirect tax recoverable	-	166.37
Advance to Suppliers	65.14	108.65
Advance to Employees	27.25	7.82
	<b>630.82</b>	<b>782.78</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Financial Instruments

Table 1: Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows: ₹ Lakhs

Particulars	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Amortised cost	Total
<b>Financial assets:</b>				
Investments				
Equity Investment	-	-	-	-
JVs and Associates	-	-	11,654.19	11,654.19
External Companies	-	14,246.73	-	14,246.73
Debentures	-	-	-	-
Trade Receivables	-	-	1,580.75	1,580.75
Cash and Cash Equivalents and Bank balances	-	-	668.25	668.25
Long Term Loans & Advances	-	-	-	-
Short Term Loans & Advances	-	-	560.00	560.00
Derivative Financial Assets	-	-	-	-
Security Deposits	-	-	-	-
Other Financial Assets	-	-	2,673.71	2,673.71
<b>Total - Financial Assets</b>	-	<b>14,246.73</b>	<b>17,136.90</b>	<b>31,383.63</b>
<b>Financial liabilities:</b>				
Borrowings	-	-	31,325.99	31,325.99
Derivative Financial Liabilities	-	-	-	-
Trade Payables including Capital Creditors	-	-	3,760.73	3,760.73
Deposits	-	-	-	-
Other Financial Liabilities	-	-	2,227.53	2,227.53
<b>Total - Financial Liabilities</b>	-	-	<b>37,314.25</b>	<b>37,314.25</b>

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

Particulars	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Amortised cost	Total
<b>Financial assets:</b>				
Investments				
Equity Investment	-	-	-	-
JVs and Associates	-	-	11,385.89	11,385.89
External Companies	-	12,109.21	-	12,109.21
Debentures	-	-	-	-
Trade Receivables	-	-	1,390.61	1,390.61
Cash and Cash Equivalents and Bank balances	-	-	1,346.25	1,346.25
Long Term Loans & Advances	-	-	-	-
Short Term Loans & Advances	-	-	560.00	560.00
Derivative Financial Assets	-	-	-	-
Security Deposits	-	-	-	-
Other Financial Assets	-	-	2,624.78	2,624.78
<b>Total - Financial Assets</b>	-	<b>12,109.21</b>	<b>17,307.53</b>	<b>29,416.74</b>
<b>Financial liabilities:</b>				
Borrowings	-	-	32,231.93	32,231.93
Derivative Financial Liabilities	-	528.99	-	528.99
Trade Payables including Capital Creditors	-	-	3,300.78	3,300.78
Deposits	-	-	-	-
Other Financial Liabilities	-	-	2,041.51	2,041.51
<b>Total - Financial Liabilities</b>	-	<b>528.99</b>	<b>37,574.22</b>	<b>38,103.21</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Table 2: Fair value hierarchy**

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

March 31, 2018

₹ Lakhs

Particulars	As of March 31, 2018	Fair value measurement at end of the reporting period/year using		
	Total	Level 1	Level 2	Level 3
<b>Financial assets:</b>				
Cash & Cash Equivalents	-	-	-	-
Equity shares	14,246.73	974.98	-	13,271.75
Liquid Mutual Funds	-	-	-	-
Long Term Loans & Advances	-	-	-	-
Short Term Loans & Advances	-	-	-	-
<b>Total</b>	<b>14,246.73</b>	<b>974.98</b>	<b>-</b>	<b>13,271.75</b>
<b>Financial liabilities:</b>				
Liability on Derivative Contracts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

₹ Lakhs

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

Particulars	As of March 31, 2017	Fair value measurement at end of the reporting period/year using			
		Total	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash & Cash Equivalents	-	-	-	-	
Equity shares	12,109.21	854.69	-	11,254.52	
Liquid Mutual Funds	-	-	-	-	
Long Term Loans & Advances	-	-	-	-	
Short Term Loans & Advances	-	-	-	-	
<b>Total</b>	<b>12,109.21</b>	<b>854.69</b>	<b>-</b>	<b>11,254.52</b>	
<b>Financial liabilities:</b>					
Liability on Derivative Contracts	528.99	-	528.99	-	
<b>Total</b>	<b>528.99</b>	<b>-</b>	<b>528.99</b>		

**Note 11 : Inventories**

₹ Lakhs

	March 31, 2018	March 31, 2017
Food and Beverages	448.66	428.73
Stores and Operating Supplies	389.97	327.88
	<b>838.63</b>	<b>756.61</b>

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

**Note 12. Trade receivables****Unsecured**

Considered good (Refer Footnote)	1,580.75	1,390.61
Considered doubtful	155.38	161.83
	<b>1,736.13</b>	<b>1,552.44</b>
Less : Allowances for doubtful debts (Refer Note 42)	155.38	161.83
	<b>1,580.75</b>	<b>1,390.61</b>

**Footnote:** Refer Note 40 for amount receivable from related parties.

**Note 13(a). Cash and Cash Equivalents**

<b>Cash and cash equivalents</b>		
Cash on hand	78.94	15.43
Cheques, Drafts on hand	21.10	45.85
Balances with banks in current account	103.62	652.08
Balances with banks in call and short-term deposit accounts (original maturity less than 3 months)	350.00	500.00
	<b>553.66</b>	<b>1,213.36</b>



# FORTY EIGHTH ANNUAL REPORT 2017-18

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 13(b). Bank Balances other than Cash and Cash Equivalents		₹ Lakhs
	March 31, 2018	March 31, 2017
<b>Other Balances with banks</b>		
Margin money deposits	53.17	53.48
Earmarked balances (Refer Footnote (i))	61.42	79.40
	<b>114.59</b>	<b>132.88</b>

**Footnote :**

(i) Includes amounts in unpaid dividend accounts ₹59.01 lakhs (Previous year ₹76.99 lakhs)

Note 14 : Share Capital		March 31, 2018	March 31, 2017
<b>1 Authorised Share capital</b>			
a) Equity Shares			
24,50,00,000 – Equity Shares of ₹1 each (Previous year 24,50,00,000 – Equity Shares of ₹1 each)		2,450.00	2,450.00
b) Redeemable Cumulative Preference Shares			
50,50,000 - Redeemable Cumulative Preference Shares of ₹100 each (Previous Year 50,50,000 - Redeemable Cumulative Preference Shares of ₹100 each)		5,050.00	5,050.00
<b>Total</b>		<b>7,500.00</b>	<b>7,500.00</b>

**2 Issued, Subscribed and Paid up**

17,85,99,180 - Equity Shares of ₹1 each fully paid (Previous year 17,85,99,180 - Equity Shares of ₹1 each)

**Total**

1,785.99	1,785.99
<b>1,785.99</b>	<b>1,785.99</b>

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

(b) Reconciliation of Equity Shares

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Shares outstanding at the beginning of the year	178,599,180	1,785.99	178,599,180	1,785.99
Add : Shares Issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>178,599,180</b>	<b>1,785.99</b>	<b>178,599,180</b>	<b>1,785.99</b>

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

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	% Holding	No. of shares	% Holding
The Indian Hotels Company Limited	33,764,550	18.91%	33,764,550	18.91%
TIFCO Holdings Limited (Refer Footnote)	17,208,360	9.64%	17,208,360	9.64%
Reliance Capital Trustee Co. Ltd. - Reliance Mid & Small Cap Fund	11,950,000	6.69%	12,990,561	7.27%
Pramod Ranjan	14,196,140	7.95%	14,196,140	7.95%

**Footnote:** TIFCO Holdings Limited has been amalgamated with The Indian Hotels Co. Ltd. vide NCLT Order dated March 08, 2018 with Appointed Date April 01, 2017.

Aggregate number of shares issued as GDR

March 31, 2018		March 31, 2017	
No. of shares	% Holding	No. of shares	% Holding
9,972,430	5.58%	9,972,430	5.58%

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ Lakhs	
Note15: Other Equity	March 31, 2018	March 31, 2017
<b>Securities Premium Account</b>		
Opening and Closing Balance	10,735.69	10,735.69
<b>Debenture redemption reserve</b>		
Opening Balance	2,006.25	1,853.00
Add : Transfer during the year	646.16	153.25
Closing Balance	2,652.41	2,006.25
<b>Investment allowance utilised reserve</b>		
Opening and Closing Balance	45.75	45.75
<b>Export profits reserve</b>		
Opening and Closing Balance	0.43	0.43
<b>Foreign Currency Translation reserve</b>		
Opening Balance	522.42	960.00
Add/(Less)Currency Translation difference arising transferred during the year	367.68	(437.58)
Closing Balance	890.10	522.42
<b>General Reserve</b>		
Opening and Closing Balance	10,543.41	10,543.41
<b>Retained Earning</b>		
Surplus/(Deficit) in the Profit And Loss b/f	11,047.91	11,095.90
Add: Current Year profits	612.43	498.24
Less: Final Dividend	-	(357.20)
Less: Tax on Dividend	6.50	4.64
Less: Transfer to Debenture Redemption Reserve	(646.16)	(153.25)
Add: Ind AS - Transfer of OCI Equity Inst. Realised to retained earning	46.41	-
Less: Ind AS - OCI Movements - Net Defined Benefit Plans	(117.90)	(49.03)
Add: Ind AS - OCI Movements - Tax on Net Defined Benefit Plans	35.59	(82.31)
Closing retained earning	10,971.78	11,047.91
<b>Total Reserves and Surplus</b>	35,839.57	34,901.86
<b>Other Comprehensive Income</b>		
OCI - Equity Instruments (Not Reclass to P&L) (Refer Statement of Changes in Equity)	6,447.46	4,486.21
OCI - Share of Investment in Associate	82.71	55.19
	6,530.17	4,541.40
<b>Total</b>	42,369.74	39,443.26

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

							₹ Lakhs
Note 16 : Borrowings							
			March 31, 2018		March 31, 2017		
	Effective Rate of Interest (%)	Maturity	Face Value	Amortised cost	Face Value	Amortised cost	
<b>A) Long-term borrowings</b>							
<b>Non-Convertible Debentures (NCDs)</b>							
(Refer Footnote (ii))							
1000 Series A Debentures	10.25	21/11/2019	1,000,000	10,000.00	1,000,000	10,000.00	
1000 Series B Debentures with YTM rate of 10.25%	2.00	21/11/2019	1,000,000	13,133.55	1,000,000	12,093.29	
				23,133.55		22,093.29	
<b>Term Loan from Banks</b>							
Secured (Refer Footnote (iii))				8,100.00		10,146.00	
Unsecured				-		-	
Less: Unamortised Borrowing Cost				(4.96)		(7.36)	
				8,095.04		10,138.64	
<b>Total Long term borrowings</b>				31,228.59		32,231.93	
Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities)				1,800.00		2,046.00	
<b>Total Long term borrowings</b>				29,428.59		30,185.93	
<b>B) Short term borrowings</b>							
<b>Loans repayable on demand from Bank</b>							
Secured (Refer Footnote iv)				97.40		-	
Unsecured				-		-	
				97.40		-	
<b>Total Short term borrowings</b>				97.40		-	
<b>Total Borrowings</b>				31,325.99		32,231.93	

Footnotes to Borrowings:

(i) Details of Borrowings as at:							₹ Lakhs
Particulars		March 31, 2018		March 31, 2017			
		Non-Current	Current	Non-Current	Current		
Debentures		23,133.55		22,093.29			
Term Loans from Banks		6,300.00	1,800.00	8,100.00	2,046.00		
		29,433.55	1,800.00	30,193.29	2,046.00		

(ii) Non-Convertible Debentures (NCDs)				
Particulars	Loan Outstanding ₹	No. of Instalments	Security	Repayment Terms
1000, 10.25% Series A Debentures of ₹ 10 lakhs each.	10000		Secured by Mortgage of Buildings and other fixed assets of Taj Coromandel, Chennai	Reedeemable at par at the end of the 5th year from the date of allotment (November 21,2014).
1000, 2% Series B Debentures of ₹ 10 lakhs each.	10000		Secured by Mortgage of Buildings and other fixed assets of Taj Coromandel, Chennai	Reedeemable (at par) at the end of the 5th year from the date of allotment (November 21,2014) along with redemption premium of ₹ 5,06,610 per debentures.
(iii) Rupee Term Loan From:				
Kotak Mahindra Bank Limited: Secured	8100	18	Secured by Equitable Mortgage of Moveable and Immoveable Fixed Assets at The Gateway Hotel, Visakhapatnam.	20 quarterly equal instalments of ₹ 450 lakhs commenced from October 2017 carrying interest rate of 8.35%

(iv) Secured loans from banks represents short term loan secured by way of mortgage by deposit of title deeds in respect of immoveable properties of Fisherman's Cove & additionally secured by way of exclusive first charge of credit card receivables of the Company with carrying interest at 8.25%

Net Debt Reconciliation

Particulars	As at March 31, 2018 ₹ in lakhs		As at March 31, 2017 ₹ in lakhs	
Cash and Cash Equivalents		553.66		1,213.36
Current Borrowings		(97.40)		-
Non-Current Borrowings		(31,228.59)		(32,231.93)
Interest accrued and not due		(441.35)		(450.23)
<b>Net Debt</b>		<b>(31,213.68)</b>		<b>(31,468.80)</b>

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Cash and Cash Equivalents	Current Borrowings	Non-Current Borrowings	Interest accrued and not due	Total
Net Debt as at 1st April 2016	546.96	(7,916.55)	(23,825.38)	(522.79)	(31,717.76)
Cash Flows	664.44	7,916.55			8,580.99
Proceeds from availments			(9,000.00)		(9,000.00)
Repayments			1,528.00		1,528.00
Interest Expenses				(2,284.43)	(2,284.43)
Interest Paid				2,356.98	2,356.98
Non Cash Movements	1.96				1.96
Unamortized cost of borrowings			7.36		7.36
Amortized Cost of low coupon debentures			(941.90)		(941.90)
<b>Net Debt as at 1st April 2017</b>	<b>1,213.36</b>	<b>-</b>	<b>(32,231.92)</b>	<b>(450.24)</b>	<b>(31,468.80)</b>
Cash Flows	(659.66)	-			(659.66)
Proceeds from availments		(97.40)			(97.40)
Repayments			2,046.00		2,046.00
Interest Expenses				(2,053.30)	(2,053.30)
Interest Paid				2,062.15	2,062.15
Non-Cash Movements	-				-
Unamortized cost of borrowings			(2.40)		(2.40)
Amortized Cost of low coupon debentures			(1,040.27)		(1,040.27)
<b>Net Debt as at 31st March 2018</b>	<b>553.70</b>	<b>(97.40)</b>	<b>(31,228.59)</b>	<b>(441.39)</b>	<b>(31,213.68)</b>

₹ Lakhs

### Note 17 : Other financial liabilities

March 31, 2018

March 31, 2017

#### A) Non-Current financial liabilities

##### Deposits from related parties

Unsecured

137.91

124.81

137.91

124.81

##### Deposits from others

Unsecured

69.75

61.71

69.75

61.71

207.66

186.52

#### B) Current financial liabilities

##### Current maturities of long term borrowings

Term loans from Banks

1,800.00

2,046.00

Liability on derivative contracts

-

528.99

##### Payables on Current Account dues :

Related Parties

236.25

119.63

Others

190.75

171.15

427.00

290.78

##### Deposits from others

Unsecured

21.53

19.06

21.53

19.06

Interest accrued but not due on borrowings at amortised costs

441.39

450.24

Creditors for capital expenditure

148.77

72.67

Unclaimed dividend (Refer Footnote (i))

59.01

76.99

Unclaimed Matured Deposits and interest accrued thereon

0.71

0.71

Employee related liabilities

855.76

738.53

Other Payables

External Party

28.45

60.67

Related Party (Payable to Oriental Hotels Employees Gratuity Trust)

186.02

218.00

3,968.64

4,502.64

#### Footnote :

- (i) The amount reflects the position as on 31st March 2018, the actual amount to be transferred to the "Investor Education & Protection Fund" shall be determined and paid to the credit of the fund on due dates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ Lakhs	
<b>Note 18: Trade Payables</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Trade Payables</b>		
Micro and Small Enterprises (Refer Footnote i)	12.81	3.18
Vendor Payables (Refer Footnote ii)	2,291.71	2,164.46
Accrued expenses and others	1,307.44	1,060.47
	<b>3,611.96</b>	<b>3,228.11</b>

**Footnote :**

i) Amounts due to Micro, Small and Medium Enterprises:

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

	₹ Lakhs	
<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	12.81	3.18
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	0.01
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	0.01	-
(iv) The amount of interest due and payable for the year	-	0.01
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	0.01
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

ii) Includes related party payable of ₹842.56 lakhs (Previous Year ₹792.68 lakhs) towards management and operating fees.

	₹ Lakhs	
<b>Note 19 : Provisions</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>A) Long term provisions</b>		
Provision for Employee Benefits	430.77	397.12
Provision for Pension liability for retired directors and their relatives	39.82	42.76
	<b>470.59</b>	<b>439.88</b>
<b>B) Short term provisions</b>		
Provision for Employee Benefits	93.78	63.77
Provision for Pension liability for retired directors and their relatives	8.87	8.87
	<b>102.65</b>	<b>72.64</b>

	₹ Lakhs	
<b>Note 20 : Other non-financial Liabilities</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>A) Non-current</b>		
Income received in advance – Related Party	20.73	30.24
	<b>20.73</b>	<b>30.24</b>
<b>B) Current</b>		
Income received in advance- Related Party	7.61	99.54
Advances collected from customers	335.12	363.54
Statutory dues	316.32	590.71
Others		
	<b>659.05</b>	<b>1,053.79</b>

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 21 : Revenue from Operations		₹ Lakhs
	March, 2018	March, 2017
Room Income	16,744.26	16,354.23
Food, Restaurants and Banquet Income (Refer Footnote (i))	15,983.29	14,093.93
Shop rentals	138.16	163.17
Membership fees	75.76	70.78
Management and operating fees	474.00	520.05
Others (Refer Footnote (ii))	2,381.91	2,272.55
<b>Total</b>	<b>35,797.38</b>	<b>33,474.71</b>

**Footnote:**

- (i) Includes excise duty of ₹2.41 lakhs (Previous Year ₹11.43 lakhs)
- (ii) Others include Car hire income of ₹622.17 lakhs (Previous Year ₹601.99 lakhs) and Service Exports from India Scheme (SEIS) income of ₹300.30 lakhs (Previous year ₹209.06 lakhs).

Note 22 : Other Income	March, 2018	March, 2017
Interest Income at amortised cost		
Inter-corporate deposits	56.72	56.90
Deposits with banks	16.43	7.20
Others	76.89	132.45
Interest on Income Tax Refunds	13.62	23.57
Dividend Income from equity investments designated at fair value through OCI	6.65	4.84
Exchange Gain (Net)	14.18	7.87
Others	245.46	266.51
<b>Total</b>	<b>429.95</b>	<b>499.34</b>

Note 23 : Food and Beverages Consumed (Including smokes)	March, 2018	March, 2017
Opening Stock	428.73	463.13
Add : Purchases	4,063.98	3,686.96
	4,492.71	4,150.09
Less : Closing Stock	448.66	428.73
Food and Beverages Consumed	4,044.05	3,721.36

Note 24 : Employee Benefit Expense and Payment to Contractors	March, 2018	March, 2017
Salaries, Wages, Bonus etc.	5,269.96	4,870.33
Company's Contribution to Provident and Other Funds	448.99	387.67
Reimbursement of Expenses on Personnel Deputed to the Company	1,918.86	1,764.19
Payment to Contractors	1,075.85	1,053.09
Staff Welfare Expenses	1,155.29	1,051.90
<b>Total</b>	<b>9,868.95</b>	<b>9,127.18</b>

Note 25 : Finance costs	March, 2018	March, 2017
Interest Expense at effective interest rate on financial liabilities	3,088.59	3,218.97
<b>Total</b>	<b>3,088.59</b>	<b>3,218.97</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<b>Note 26 : Other Operating and General Expenses</b>		₹ Lakhs
	March, 2018	March, 2017
<b>(i) Operating expenses consist of the following :</b>		
Linen and Room Supplies	672.66	599.89
Catering Supplies	264.66	281.50
Other Supplies	73.39	69.59
Fuel, Power and Light	3,481.21	3,425.24
Repairs to Buildings	478.34	516.73
Repairs to Machinery	1,005.82	1,008.88
Repairs to Others	185.59	234.26
Linen and Uniform Washing and Laundry Expenses	365.00	364.15
Payment to Orchestra Staff, Artists and Others	79.21	69.14
Communication Charges	311.50	318.17
Guest Transportation	525.17	477.56
Travel Agents' Commission	467.92	443.18
Discount to Collecting Agents	318.56	295.49
Fees to Consultants	1,485.11	1,409.12
Other Operating Expenses	605.22	589.13
<b>Total</b>	<b>10,319.36</b>	<b>10,102.03</b>
<b>(ii) General expenses consist of the following :</b>		
Rent	277.27	334.01
Licence Fees	1,095.96	992.71
Rates and Taxes	631.33	645.76
Insurance	90.90	90.02
Advertising and Publicity	1,728.61	1,544.80
Printing and Stationery	149.43	147.97
Passage and Travelling	47.71	57.97
Allowances for Doubtful Debts	0.18	40.67
Expenditure on Corporate Social Responsibility	45.05	33.50
Professional Fees	437.73	413.06
Exchange Loss (Net)	-	4.48
Loss on Sale of Fixed Assets (Net)	7.80	18.74
Payment made to Statutory Auditors (Refer Footnote)	47.02	71.92
Directors' Fees and Commission	6.13	5.52
Reservation & Other Services	763.28	695.21
Other Expenses	626.19	551.28
<b>Total</b>	<b>5,954.59</b>	<b>5,647.62</b>
	<b>16,273.95</b>	<b>15,749.65</b>
<b>Footnote:</b>		
Payment made to Statutory Auditors		
i) As auditors	29.85	29.62
ii) For taxation matters	5.00	9.65
iii) For other services (Payment made to erstwhile auditors of Holding Company)	10.49	26.80
iv) For reimbursement of expenses & service tax	1.68	5.85
<b>Total payment made to Statutory Auditors</b>	<b>47.02</b>	<b>71.92</b>
<b>Note 27 : Exceptional Items</b>	<b>March, 2018</b>	<b>March, 2017</b>
MTM Gain/(losses) on derivative contracts	0.98	42.15
	<b>0.98</b>	<b>42.15</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**28 Contingent Liabilities and Commitments**

Contingent Liabilities (to the extent not provided for) :

## a) On account of income tax matters in dispute

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

	March 31, 2018 ₹ in Lakhs	March 31, 2017 ₹ in Lakhs
a) In respect of tax matters for which appeals are pending amounting to	837.23	721.75
b) On account of other disputes:		
– Luxury Tax	115.36	143.21
– Sales Tax	184.92	184.92
– Provident Fund	41.35	41.35
– Electricity Tax and Adjustment Charges	531.65	470.09
– Service Tax	267.43	371.24
The company is a defendant/party to claims (plus interest thereon) in various legal actions as listed above which arose during the ordinary course of business. Based on the facts presently known, the Management believes that the results of these actions will not have material impact on the company's financial statements.		
c) Bank Guarantee/Bond executed by the Company	166.23	245.34
d) Letter of credits opened by bankers	-	29.96
e) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	451.50	292.01
f) Contingent Liability pertaining to wholly owned subsidiary OHL International HK Ltd. – refer footnote no. vii under Note No. 5 – Investments.		
g) Contingent Liability pertaining to Joint Venture and Associates		
Associate Company – Taj Madurai Limited – Service Tax	12.59	12.59
Associate Company – Lanka Islands and Resorts Limited		
Pending Litigations	2.95	2.98
Commitments	30.67	-
Joint Venture Company – TAL Hotels and Resorts Limited		
Guarantees outstanding	5.46	1.53
Pending litigations	-	9.46
Capital Commitments	222.63	130.80

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

30	Disclosure Under IND AS19 Employee Benefits	March 31, 2018	March 31, 2017
	Staff Costs include the following		
	<b>Defined Contribution Schemes</b>		
	Company's contribution to Provident Fund & Other Funds	379.82	342.88
	i) <b>Defined Benefit Schemes (Gratuity - Funded Scheme)</b>		
	Liability Recognised in the Balance Sheet		
	Present value of Obligation -		
	At the beginning of the period	2,037.44	1,862.24
	Interest cost	144.44	138.08
	Service Cost	122.71	152.82
	Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	-
	Benefits Paid	(130.75)	(121.90)
	Actuarial (gain) /loss on obligations	87.61	6.20
	<b>At the end of the period</b>	<b>2,261.45</b>	<b>2,037.44</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ in Lakhs	
	March 31, 2018	March 31, 2017
Less:		
Fair Value of Assets		
At the beginning of the period	1,789.75	1,701.47
Expected return on plan assets less loss on investments	134.18	123.92
Actuarial gain /(loss) on Investments	(12.77)	66.42
Employers' Contribution	292.28	19.84
Benefits Paid	(130.75)	(121.90)
<b>At the end of the period</b>	<b>2,072.69</b>	<b>1,789.75</b>
<b>ii) Expense during the year</b>		
Interest Cost	144.44	138.08
Service Cost	122.71	152.82
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	-
Expected Return on Plan assets	(134.18)	(123.92)
Actuarial (Gain) /Loss	100.38	(60.21)
<b>Expense recognised in the statement of Profit and Loss/OCI * (Total)</b>	<b>233.35</b>	<b>106.77</b>
<b>iii) Principal Actuarial Assumptions</b>		
<b>Discount Rate</b>	<b>7.55%</b>	<b>7.45%</b>
<b>Rate of increase in Salaries</b>	<b>4% Executive/ 5% Staff</b>	<b>5.00%</b>
<b>iv) Amount to be recognised in the Balance Sheet</b>		
Present Value of Funded Obligations	2,261.45	2,037.44
Fair Value of Plan Assets	2,072.69	1,789.75
Net Liability	188.76	247.69
Amount in Balance Sheet		
Liability		
Liability / (Asset)	188.76	247.68
<b>The expected contribution payable to the plan next year is ₹220 Lakhs.</b>		
<b>i) Defined Benefit Schemes (Pension Non-Funded Scheme)</b>		
Liability Recognised in the Balance Sheet		
i) Present value of Obligation		
At the beginning of the period	51.64	45.07
Interest cost	3.52	3.11
Service Cost	-	-
Benefits Paid	(9.16)	(8.87)
Actuarial (gain) /loss on obligations	2.22	12.33
<b>At the end of the period</b>	<b>48.22</b>	<b>51.64</b>
<b>ii) Expense during the year</b>		
Interest Cost	3.52	3.11
Service Cost	-	-
Expected Return on Plan assets	-	-
Actuarial (Gain) /Loss	2.22	12.33
<b>iii) Expense recognised in the statement of profit and loss/OCI *</b>	<b>5.74</b>	<b>15.44</b>
<b>Principal Actuarial Assumptions</b>		
<b>Discount Rate</b>	<b>7.55%</b>	<b>7.45%</b>
<b>Pension Increase rate</b>	<b>5%</b>	<b>5%</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakhs

	March 31, 2018	March 31, 2017
<b>iv) Amount to be recognised in the Balance Sheet</b>		
Present Value of Funded Obligations	48.22	51.64
Fair Value of Plan Assets	-	-
Net Liability	48.22	51.64
Amount in Balance Sheet		
Liability	48.22	51.64
*Disclosure relating to only "post employment defined benefits plan".		
<b>Expenses recognised in Other Comprehensive Income (OCI)</b>		
Opening amount recognised in OCI outside profit and loss account	(23.76)	27.96
Remeasurements due to actuarial loss/ (gain) arising from:		
Changes in financial assumptions	(67.06)	28.91
Changes in demographic assumptions	-	-
Experience adjustments	156.87	(11.34)
Actual return on plan assets less interest on plan assets	12.77	(69.29)
<b>Closing amount recognised in OCI outside profit and loss account</b>	<b>78.82</b>	<b>(23.76)</b>

Adjustment to recognise the effect of asset ceiling

<b>(i) Disaggregation of Plan Assets (Managed by an Insurance Company)</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Insurer Managed Fund</b>		
<b>In Bonds</b>		
Government Securities	706.68	330.30
Corporate Bonds	632.97	683.47
Money Market Instruments & others	212.13	339.90
<b>In Equity</b>		
Equity	47.27	48.19
Money Market Instruments & others	3.46	1.95
Bank Balance-Trust Books	6.44	4.44
Special Deposit Scheme	7.49	7.49
Funds With LIC	456.27	374.02
<b>Total</b>	<b>2,072.71</b>	<b>1,789.76</b>

**Sensitivity Analysis defined benefit plan- Gratuity Funded**

Particulars		Year Ended	
		March 31, 2018	March 31, 2017
<b>Managed by LIC</b>			
Impact of increase in 50 bps on DBO	Discount Rate	-4.16%	-3.85%
	Salary Escalation Rate	4.57%	4.18%
Impact of decrease in 50 bps on DBO	Discount Rate	4.46%	4.11%
	Salary Escalation Rate	-4.29%	-3.95%
<b>Managed by TATA AIA</b>			
Impact of increase in 50 bps on DBO	Discount Rate	-3.55%	-3.73%
	Salary Escalation Rate	3.86%	4.05%
Impact of decrease in 50 bps on DBO	Discount Rate	3.78%	3.97%
	Salary Escalation Rate	-3.66%	-3.83%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Sensitivity Analysis defined benefit plan – Non-Funded**

Particulars	Year Ended		Year Ended	
	March 31, 2018		March 31, 2017	
	Pension	Medical Benefits	Pension	Medical Benefits
<b>Discount Rate</b>				
Impact of increase in 50 bps on DBO	-1.47%	-1.52%	-1.60%	-1.65%
Impact of decrease in 50 bps on DBO	1.52%	1.57%	1.65%	1.71%
<b>Pension Increase rate</b>				
Impact of increase in 100 bps on DBO	3.12%	3.19%	3.40%	3.48%
Impact of decrease in 100 bps on DBO	-2.99%	-3.05%	-3.24%	-3.31%
<b>Life expectancy</b>				
Impact of increase by 1 year on DBO	4.70%	4.88%	4.76%	4.97%
Impact of decrease by 1 year on DBO	-4.70%	-4.88%	-4.76%	-4.96%

**31 DISCLOSURE REQUIREMENT UNDER IND-AS 17 – LEASE/LICENSE TRANSACTION**

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

Particulars	March 31, 2018 ₹ in Lakhs	March 31, 2017 ₹ in Lakhs
a) The total of future minimum license payments under non-cancellable operating license for each of the following periods		
i. not later than one year	303.82	400.35
ii. later than one year and not later than five years	1,182.46	1,627.05
iii. later than five years	5,781.33	9,338.80
b) Licence payments recognized in the profit and loss account	585.79	631.77

**32 Earnings Per Share :**

Earnings per share is computed based on the following :

Profit after Tax ( ₹ in Lakhs)	612.43	498.24
Nominal Value of share (₹)	1.00	1.00
Weighted Average Number of Equity Shares	178,599,180	178,599,180
Earnings Per Share ₹ (Basic and Diluted)	0.34	0.28

**33 Financial risk management**

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

Credit risk  
Liquidity risk  
Market risk  
Currency risk  
Interest rate risk

**i. Risk management framework**

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

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### ii. Market Risk

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

### iii. Credit Risk

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

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

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹2,883.55 lakhs and ₹3,354.17 lakhs as of March 31, 2018 and March 31, 2017, respectively, being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled revenue, other financial assets and investments excluding equity and preference investments.

Oriental Hotels Limited exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2018 and March 31, 2017.

#### Trade and other receivables:

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

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

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

#### Cash and bank balance:

The Company held cash and bank balance of ₹668.25 Lakhs at March 31, 2018 (March 31, 2017: ₹1346.24 lakhs). The cash and bank balances are held with bank and financial institution counterparties.

#### Derivatives

The derivatives are entered into with bank and financial institution counterparties.

### iv. Liquidity Risk

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	₹ in Lakhs			
March 31, 2018	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year
Non-derivative financial liabilities:				
Trade and other payables	3,760.73	-	-	-
Borrowings*	1,897.40	26,866.00	4,500.00	-
Other financial liabilities	2,227.53	-	-	-
<b>Total</b>	<b>7,885.66</b>	<b>26,866.00</b>	<b>4,500.00</b>	<b>-</b>

\* The maturity amount for borrowings is inclusive of redemption premium payable ₹5,066 lakhs at the time of maturity of 2% Coupon Debentures

Derivative financial liabilities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company's Cash and bank balances and Trade receivable as at March 31, 2018 aggregating ₹2,249.00 lakhs. The balance exposure will be met by asset held for sale, internal accruals and overdraft facilities available with the banks. Accordingly, Company does not perceive any non-managable liquidity risk.

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

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

Derivative financial liabilities	528.99	-	-	-
<b>Total</b>	<b>528.99</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company's Cash and bank balances and Trade receivable as at March 31, 2017 aggregating ₹2,736.85 lakhs. The balance exposure will be met by asset held for sale, internal accruals and overdraft facilities available with the banks. Accordingly, Company does not perceive any non-managable liquidity risk.

#### v. Market Risk

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

#### vi. Currency Risk

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

#### 34 Following is the derivative financial instruments to hedge the foreign exchange rate risk as of March 31, 2018:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakhs

	March 31, 2018	March 31, 2017
i) Derivative instruments that are outstanding		
- Principle only swaps – in US\$	-	25.90
- in ₹	-	1,146.00
ii) Unhedged Foreign Currency Exposure/the Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise Receivables/(Payables)	1.12	(1.42)
Outstanding – in US\$		
- in ₹	72.13	(91.96)

**35 Interest Rate Risk**

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

**36 Exposure to Interest Rate Risk**

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

Particulars	Interest Rate
<b>Debentures</b>	
1000 Series A Debentures	10.25%
1000 Series B Debentures with YTM rate of 10.25%	2.00%
<b>Rupee Term Loan</b>	
Kotak Mahindra Bank Limited	8.35%
WCDL Loan from HDFC	8.25%

**37 Capital Management**

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

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

The Company's policy is to keep the ratio below 1.50. The Company's adjusted gearing ratio at March 31, 2018 was as follows.

Particulars	March 31, 2018	March 31, 2017
<b>Loans and Borrowings</b>	<b>31,325.99</b>	32,231.93
Less: Cash and bank balance	553.66	1,213.36
<b>Net Debt</b>	<b>30,772.33</b>	<b>31,018.57</b>
Equity	44,155.73	41,229.25
<b>Gearing Ratio</b>	<b>0.70</b>	0.75

**38 Fair value Sensitivity Analysis for fixed-rate instruments**

A change of 100 basis points in interest rates would have increased or decreased equity by ₹54.19 lakhs after tax (March 31, 2017 ₹68.52 lakhs).

**39 Asset held for sale represents free hold lands which Company has decided to dispose off and has entered in to a Memorandum of Understanding with the prospective buyer for sale of the property. The transaction could not be completed in the current year due to unforeseen circumstances. The Company is confident of completing the sale in the near future.**

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

List of related parties as tabled below:

A	Trust	Oriental Hotels Employees Gratuity Trust
B	Associate Companies	Taj Madurai Limited
		Lanka Island Resorts Ltd.
C	Joint Venture	TAL Hotels & Resorts Ltd.
D	Significant Influence	The Indian Hotels Company Ltd (IHCL)
	Subsidiary of The Indian Hotels Company Ltd. Domestic Roots Corporation Ltd. TIFCO Holdings Ltd. PIEM Hotels Limited Taj Trade and Transport Company Limited United Hotels Limited Indi Travels Limited KTC Hotels Taj SATS Air Catering Ltd Taj Enterprises Ltd Northern India Hotels Ltd Lands End Properties Private Limited Skydeck Properties and Developers Private Limited Sheena Investments Private Limited ELEL Hotels & Investments Limited Luthria & Lalchandani Hotel & Properties Pvt. Ltd Benares Hotels Limited	Country of Incorporation  India India India India India India India India India India India India India India India India
	Subsidiary of The Indian Hotels Company Ltd. International Taj International (HK) Ltd. Apex Hotel Management Services (Pte) Ltd. Chieftain Corporation NV Samsara Properties Ltd. IHOCO BV St. James Court Hotel Ltd. Taj International Hotels Ltd. PIEM International (H.K.) Ltd. United Overseas Holding Inc. Apex Hotel Management Services (Australia) Pty. Ltd. BAHC 5 Pte Ltd.	Hong Kong Singapore Netherlands Antilles British Virgin Islands Netherlands United Kingdom United Kingdom Hong Kong United States of America Australia  Singapore
	Jointly Controlled Entities of The Indian Hotels Company Limited Domestic Taj Madras Flight Kitchen Pvt. Ltd. Taj Karnataka Hotels & Resorts Ltd. Taj Kerala Hotels & Resorts Ltd. Taj GVK Hotels & Resorts Ltd. Taj Safaris Ltd. Kaveri Retreats and Resorts Ltd.	India India India India India India
	International TAL Hotels & Resorts Ltd. TAL Maldives Resorts Private Ltd. IHMS Hotels (SA) (Proprietary) Ltd.	Hong Kong Maldives South Africa
E	Key Management Personnel	Mr. Pramod Ranjan - Managing Director Mr. Tom Antony - Associate Vice President - Legal & Company Secretary & Mr. Rajneesh Jain - Associate Vice President - Finance & Chief Financial Officer
F	Enterprises influenced by Relatives of Key Management Personnel	Kaveri Retreats and Resorts Limited.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Associate Companies / Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total ₹ in Lakhs
<b>Sales of Goods / Services</b>				
The Indian Hotels Co. Limited		466.56 (431.83)		466.56 (431.83)
PIEM Hotels Limited		41.72 (22.61)		41.72 (22.61)
Taj Trade & Transport Company Limited		12.82 (12.80)		12.82 (12.80)
United Hotels Limited		5.71 (3.56)		5.71 (3.56)
Benares Hotels Limited		6.96 (4.96)		6.96 (4.96)
Kaveri Retreats and Resorts Limited			14.17 (28.63)	14.17 (28.63)
Taj Karnataka Hotels & Resorts Limited		11.03 (11.48)		11.03 (11.48)
Taj Kerala Hotels & Resorts Limited		4.87 (62.86)		4.87 (62.86)
Taj GVK Hotels & Resorts Limited		106.03 (48.71)		106.03 (48.71)
<b>Purchase of Goods / Services</b>				
The Indian Hotels Co. Limited		897.69 (762.85)		897.69 (762.85)
PIEM Hotels Limited		7.43 (5.01)		7.43 (5.01)
Taj Karnataka Hotels & Resorts Limited		0.83 (0.10)		0.83 (0.10)
Taj Kerala Hotels & Resorts Limited		4.02 (9.89)		4.02 (9.89)
Taj GVK Hotels & Resorts Limited		0.38 (0.30)		0.38 (0.30)
Benares Hotels Limited		0.93 (1.50)		0.93 (1.50)
Kaveri Retreats & Resorts Limited			9.44 (0.64)	9.44 (0.64)
<b>Purchase of Investments</b>				
The Indian Hotels Co. Limited		94.05		94.05
<b>Interest Paid</b>				
TIFCO Holdings Limited		- (90.86)		- (90.86)
Taj SATS Air Catering Limited		- (49.79)		- (49.79)
ELEL Hotels & Investments Limited		- (30.80)		- (30.80)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Associate Companies / Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total ₹ in Lakhs
<b>Reimbursement of deputed staff salaries</b>				
The Indian Hotels Co. Limited		1672.04 (1593.80)		1672.04 (1593.80)
PIEM Hotels Limited		49.57 (48.64)		49.57 (48.64)
Benares Hotels Limited		5.29 (13.67)		5.29 (13.67)
Taj Kerala Hotels & Resorts Limited		88.38 (82.07)		88.38 (82.07)
Taj GVK Hotels & Resorts Limited		61.41 (53.59)		61.41 (53.59)
Kaveri Retreats & Resorts Limited			2.46	2.46
<b>Interest Received</b>				
Taj Karnataka Hotels & Resorts Limited		56.00 (56.00)		56.00 (56.00)
<b>Dividend Received</b>				
The Indian Hotels Co. Limited		2.19 (1.88)		2.19 (1.88)
Taj Madurai Limited	13.68 (22.80)			13.68 (22.80)
Taj Trade & Transport Company Limited		1.01 (2.51)		1.01 (2.51)
Benares Hotels Limited		0.01 (0.01)		0.01 (0.01)
TAL Hotels & resorts Limited	134.07 (61.28)			134.07 (61.28)
Lanka Island Resorts Limited	155.41 (40.96)			155.41 (40.96)
Taj Kerala Hotels & Resorts Limited		3.03 -		3.03 -
<b>Dividend Paid</b>				
Taj Madurai Limited	- (0.14)			- (0.14)
The Indian Hotels Co. Limited		- (67.53)		- (67.53)
TIFCO Holdings Limited		- (34.42)		- (34.42)
PIEM Hotels Limited		- (7.32)		- (7.32)
Taj Trade & Transport Company Limited		- (3.33)		- (3.33)
<b>Operating/License Fees Paid/ Provided</b>				
The Indian Hotels Co. Limited		1485.11 (1409.11)		1485.11 (1409.11)
<b>Lease Rentals for Hotel Premises</b>				
Taj Madurai Limited	196.25 (171.78)			196.25 (171.78)
<b>Sale &amp; Marketing, Reservation &amp; Other Service Costs</b>				
The Indian Hotels Co. Limited		1443.85 (1369.00)		1443.85 (1369.00)
<b>Operating/Management/License Fees Received/ Accrued</b>				
TAL Hotels & Resorts Ltd.	362.85 (394.17)			362.85 (394.17)
<b>Taj International (HK) Ltd.</b>		111.14 (125.88)		111.14 (125.88)

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Associate Companies / Joint Ventures	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total ₹ in Lakhs
<b>Payables</b>				
TAL Hotels & Resorts Ltd.	- (91.96)			- (91.96)
<b>Receivables</b>				
The Indian Hotels Co. Limited		176.68 (211.98)		176.68 (211.98)
Taj International (HK) Ltd.		117.57 (119.22)		117.57 (119.22)
TAL Hotels & Resorts Ltd.	72.13			72.13
PIEM Hotels Limited	-	6.73 (7.04)		6.73 (7.04)
United Hotels Limited		1.05 (0.49)		1.05 (0.49)
Benares Hotels Limited		1.19 (0.59)		1.19 (0.59)
Kaveri Retreats and Resorts Limited			4.08 (3.41)	4.08 (3.41)
Taj GVK Hotels & Resorts Limited		21.82 (16.92)		21.82 (16.92)
Taj Madras Flight Kitchen Pvt. Ltd.		0.22 (1.67)		0.22 (1.67)
Taj Karnataka Hotels & Resorts limited		2.39 (40.05)		2.39 (40.05)
Taj Kerala Hotels & Resorts Limited		6.89 (5.32)		6.89 (5.32)
Lanka Island Resorts Limited	77.78			77.78
<b>Payables</b>				
Taj Madurai Limited	49.30 (53.63)			49.30 (53.63)
The Indian Hotels Co. Limited		1136.19 (998.35)		1136.19 (998.35)
Kaveri Retreats and Resorts Limited			1.12 (0.66)	1.12 (0.66)
PIEM Hotels Limited		13.37 (10.61)		13.37 (10.61)
United Hotels Limited		0.61		0.61
Benares Hotels Limited		0.35 (2.09)		0.35 (2.09)
Taj Kerala Hotels & Resorts Limited		13.67 (6.02)		13.67 (6.02)
Taj GVK Hotels & Resorts Limited		18.27 (4.62)		18.27 (4.62)
Taj Madras Flight Kitchen Private Limited		6.35 (1.07)		6.35 (1.07)
<b>Interest Receivable</b>				
Taj Karnataka Hotels & Resorts Limited		46.34 (50.04)		46.34 (50.04)
<b>Short Term Deposit</b>				
Taj Karnataka Hotels & Resorts Limited		560.00 (560.00)		560.00 (560.00)

**Key Management Personnel:**

Key managerial personnel comprise Managing Director who has the authority and the responsibility for planning, directing and controlling the activities of the Company. The remuneration paid to such directors is ₹88.94 lakhs (Previous Year ₹67.99 lakhs).

Mr. Tom Antony salary ₹60.68 lakhs ( Previous Year ₹52.05 lakhs) and Mr. Rajneesh Jain Salary ₹ 63.50 lakhs (Previous year from September 2016 ₹ 33.51 lakhs & Mr. Mohan Jayraman up to August 2016 ₹19.87 lakhs)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

41 Income Taxes

i) Income tax expense in the statement of profit and loss comprises:

₹ Lakhs

Particulars	Year ended March 31,	
	2018	2017
Current taxes	188.58	180.35
Deferred tax	64.56	(135.09)
<b>Total</b>	<b>253.14</b>	<b>45.26</b>

ii) Income tax recognised in other comprehensive income

<b>Current taxes</b>	-	-
<b>Deferred tax</b>		
(a) Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(35.59)	(17.90)
<b>Total</b>	<b>(35.59)</b>	<b>(17.90)</b>
(b) Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(35.59)	-17.90
<b>Total</b>	<b>(35.59)</b>	<b>-17.90</b>

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

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	₹ Lakhs	Tax rate	₹ Lakhs	₹ Lakhs	Tax rate	₹ Lakhs
Profit before income taxes	186.82	33.06%	61.77	(298.93)	33.06%	(98.84)
Disallowance u/s 14 A of Income Tax Act, 1961			2.02			1.91
Amortised cost of financial assets - Net			35.17			36.12
Others			42.48			11.09
Dividend exempted			(6.72)			(9.14)
Foreign Dividend taxed at concessional rate			(104.52)			(87.31)
Profit on Sale of Investments *			-			-
Creation of DTL for previous year difference of PPE			-			34.52
Consolidation adjustments having no tax impact			220.21			164.47
Correction in opening Deferred Tax Asset and Change in effective rate for Deferred Tax			2.72			(7.57)
<b>Effective Tax</b>			<b>253.14</b>			<b>45.26</b>

Footnote:

	As at	
	2018	2017
	₹ Lakhs	₹ Lakhs
Advance tax	19,518.58	19,391.99
Provision for tax	(17,013.60)	(16,878.42)
Income Tax Asset (Net)	2,504.98	2,513.57

42 Reconciliation of Provision for Bad and Doubtful Debts:

Particulars	Year ended March 31,	
	2018	2017
	₹ Lakhs	₹ Lakhs
<b>Opening Balance</b>	<b>161.83</b>	<b>121.16</b>
Add: Provision made during the year	(6.08)	40.67
Add: Provision adjusted directly against debtors	(0.37)	-
<b>Closing Balance</b>	<b>155.38</b>	<b>161.83</b>

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 43 Additional information as required by Schedule III

Name of the Entity in the Group	Net Assets (Total Assets minus total liabilities)		Share in profit or loss		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	As a % of Consolidated net Assets	Amount ₹ Lakhs	As a % of Consolidated profit or loss	Amount ₹ Lakhs	As a % of Consolidated other Comprehensive Income	Amount ₹ Lakhs	As a % of Consolidated total Comprehensive Income	Amount ₹ Lakhs
Parent: Oriental Hotels Limited								
March 31, 2018	43.94	19,402.10	-98.77	(604.87)	3.91	90.78	-17.53	(514.09)
March 31, 2017	45.31	18,680.79	-130.89	(652.16)	(16.05)	138.55	140.78	(513.61)
Subsidiary – Foreign								
OHL International (HK) Ltd.								
March 31, 2018	29.67	13,099.45	87.94	538.57	78.39	1,819.11	80.39	2,357.68
March 31, 2017	27.07	11,162.55	61.81	307.97	109.88	(948.32)	175.53	(640.35)
Associate – Indian								
Taj Madurai Limited								
March 31, 2018	1.21	535.02	5.91	36.17	1.19	27.52	2.17	63.69
March 31, 2017	1.19	491.51	4.02	20.03	(8.13)	70.17	-24.72	90.20
Associate – Foreign								
Lanka Island Resorts Limited								
March 31, 2018	5.48	2,419.18	26.17	160.26	(0.08)	(1.95)	5.40	158.31
March 31, 2017	5.87	2,420.59	23.78	118.49	(0.31)	2.68	-33.21	121.17
Joint Venture – Foreign								
TAL Hotels and Resorts Limited								
March 31, 2018	19.70	8,699.98	78.75	482.30	16.59	385.09	29.57	867.39
March 31, 2017	20.55	8,473.81	141.28	703.91	14.61	(126.13)	-158.38	577.78
<b>Total</b>								
March 31, 2018	<b>100.00</b>	<b>44,155.73</b>	<b>100.00</b>	<b>612.43</b>	<b>100.00</b>	<b>2,320.55</b>	<b>100.00</b>	<b>2,932.98</b>
March 31, 2017	100.00	41,229.25	100.00	498.24	100.00	(863.05)	100.00	(364.81)

As per our Report attached

For PKF SRIDHAR & SANTHANAM LLP  
Chartered Accountants  
Firm Registration No. 003990S/S200018

**Rajeshwari S**  
Partner  
Membership No. 024105

Place : Chennai  
Date : May 9, 2018

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

Puneet Chhatwal  
Chairman  
DIN: 07624616

Pramod Ranjan  
Managing Director  
DIN: 00887569

Vijay Sankar  
Director  
DIN: 00007875

Rajneesh Jain  
AVP-Finance & Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary



## ORIENTAL HOTELS LIMITED

CIN: L55101TN1970PLC005897

Reg. Office: Taj Coromandel, 37 M. G. Road, Chennai-600 034.

Phone No. : (044) 66002827 Fax No. : (044) 28254447

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

### BALLOT PAPER

Serial No.

Sl. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	EQUITY

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sl. No.	Resolution	OR	No. of shares held by me	I Assent to the resolution	I Dissent from the resolution
<b>Ordinary Business</b>					
1.	Adoption of Audited financial statements for the year ended March 31, 2018.	OR			
2.	Adoption of Audited consolidated financial statements for the year ended March 31, 2018.				
3.	Appointment of Director in place of Mr. Ramesh D. Hariani (DIN: 00131240) who retires by rotation and is eligible for re-appointment.	OR			
4.	Appointment of Director in place of Mr. Pramod Ranjan (DIN: 00887569) who retires by rotation and is eligible for re-appointment				
5.	To ratify appointment of the Statutory Auditors and fix their remuneration	OR			
<b>Special Business</b>					
6.	Appointment of Mr. Giridhar Sanjeevi (DIN: 06648008) as a Non-executive Director of the Company.	OR			
7.	Appointment of Mr. Puneet Chhatwal (DIN: 07624616) as a Non-executive Director of the Company	OR			
8.	Appointment of Mr. Harish Lakshman (DIN: 00012602) as an Independent Director of the Company	OR			
9.	Payment of Commission to Non-Executive Directors of the Company	OR			
10.	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member	OR			

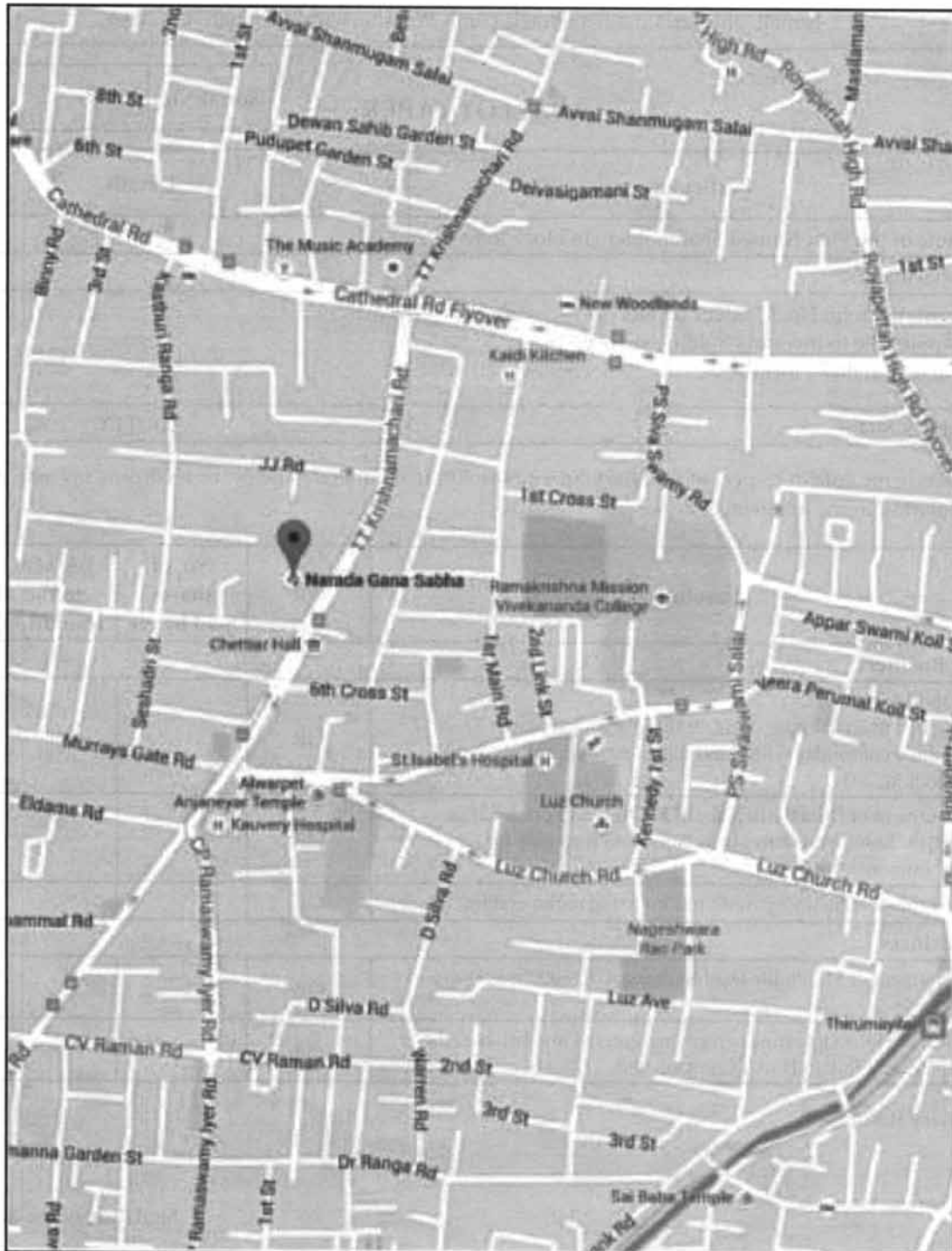
OR – Ordinary Resolution

Place :

Date :

Signature of the Shareholder:

## Route Map to AGM Venue



Taj Malabar Resort & Spa. Cochin





VIVANTA

THE GATEWAY