

OHL:SEC:49AGM-Regl.34(1):2019/20  
June 29, 2019

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 2018 – 2019**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has submitted the Annual Report for the year 2018 – 2019 by uploading the same at the respective websites of the exchanges along with the Notice of 49<sup>th</sup> Annual General Meeting of the Company scheduled to be held on July 23, 2019 @ 11:00 am at Sathguru Sri Gnanananda Hall, Narada Gana Sabha, No. 314, T T K Road, Chennai 600018.

The Annual Report for the financial year 2018 – 2019 is also uploaded on the website of the Company [www.orientalhotels.co.in](http://www.orientalhotels.co.in)

Kindly take on record the above.

Thanking you,

Yours faithfully,

**For ORIENTAL HOTELS LIMITED**



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

Encl.: as above

# ORIENTAL HOTELS LIMITED

49<sup>th</sup> ANNUAL REPORT 2018-19



Taj Coromandel, Chennai



# ORIENTAL HOTELS LIMITED

## BOARD OF DIRECTORS

(As on April 25, 2019)

|                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Mr. Puneet Chhatwal</b><br/>Chairman</p> <p><b>Mr. Pramod Ranjan</b><br/>Managing Director &amp; CEO</p>                                                         | <p><u>Non-Executive Directors</u></p> <p>Mr. D. Varada Reddy</p> <p>Mr. D. Vijayagopal Reddy</p> <p>Mr. Ramesh D. Hariani</p> <p>Mr. Giridhar Sanjeevi</p> <p><u>Independent Directors</u></p> <p>Mr. S. Y. Syed Meeran</p> <p>Ms. Gita Nayyar</p> <p>Mr. Vijay Sankar</p> <p>Mr. Phillie D. Karkaria</p> <p>Mr. Harish Lakshman</p> |
| <p><b>Statutory Committees</b></p>                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                      |
| <p><u>Audit &amp; Risk Management Committee</u></p> <p>Mr. Vijay Sankar - Chairman</p> <p>Ms. Gita Nayyar - Member</p> <p>Mr. Giridhar Sanjeevi - Member</p>           | <p><u>Nomination and Remuneration Committee (NRC)</u></p> <p>Mr. Phillie D. Karkaria - Chairman</p> <p>Ms. Gita Nayyar - Member</p> <p>Mr. D. Vijayagopal Reddy - Member</p> <p>Mr. Puneet Chhatwal - Member</p>                                                                                                                     |
| <p><u>Stakeholders Relationship Committee (SRC)</u></p> <p>Mr. D. Vijayagopal Reddy - Member</p> <p>Mr. D. Varada Reddy - Member</p> <p>Mr. Pramod Ranjan - Member</p> | <p><u>Corporate Social Responsibility Committee (CSR)</u></p> <p>Mr. Vijay Sankar - Chairman</p> <p>Mr. D. Vijayagopal Reddy - Member</p> <p>Mr. Pramod Ranjan - Member</p>                                                                                                                                                          |

## ORIENTAL HOTELS LIMITED

### SHAREHOLDERS INFORMATION

|                                  |                                                                                                                                                                                                                                 |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual General Meeting           | July 23, 2019 at 11:00 a.m.                                                                                                                                                                                                     |
| Venue                            | Sathguru Sri Gnanananda Hall, Narada Gana Sabha,<br>314, T.T.K. Road, Chennai – 600018                                                                                                                                          |
| AVP Legal & Company Secretary    | Tom Antony                                                                                                                                                                                                                      |
| Chief Financial Officer          | Sreyas Arumbakkam                                                                                                                                                                                                               |
| Auditors                         | Messrs. PKF Sridhar & Santhanam LLP<br>Chartered Accountants<br>KRD GEE GEE Crystal<br>91-92, 7 <sup>th</sup> Floor, Dr. Radhakrishnan Salai<br>Mylapore, Chennai – 600004<br>Telephone : 044-28112985-86                       |
| Bankers                          | HDFC Bank Ltd.<br>Standard Chartered Bank<br>Citi Bank NA<br>State Bank of India<br>Indian Bank                                                                                                                                 |
| Debenture Trustee                | Indian Overseas Bank                                                                                                                                                                                                            |
| CIN                              | L55101TN1970PLC005897                                                                                                                                                                                                           |
| Book Closure Date                | July 17, 2019 to July 23, 2019 (both days inclusive)                                                                                                                                                                            |
| e-Voting Cut off Date            | July 16, 2019                                                                                                                                                                                                                   |
| e-Voting Window Period           | July 18, 2019, 9.00 a.m. to July 22, 2019 5.00 p.m.                                                                                                                                                                             |
| Registered Office                | Taj Coromandel,<br>37, Mahatma Gandhi Road, Chennai – 600034<br>Telephone: 044-66002827 Facsimile: 044-66002089/98                                                                                                              |
| Company Secretary's Office       | Paramount Plaza, III Floor,<br>47, Mahatma Gandhi Road, Chennai – 600034<br>Telephone : 044-66172828 Facsimile: 044-28252502                                                                                                    |
| E-mail                           | ohlshares.mad@tajhotels.com                                                                                                                                                                                                     |
| Website                          | www.orientalhotels.co.in                                                                                                                                                                                                        |
| Listing                          |                                                                                                                                                                                                                                 |
| ● Equity Shares                  | BSE Ltd.<br>1 <sup>st</sup> Floor, New Trading Ring, Rountana Building, Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400001<br>Telephone : 022-22721233/34 Facsimile: 022-22721919                                      |
| ● Global Depository Receipts     | The National Stock Exchange of India Ltd.<br>Exchange Plaza, 5 <sup>th</sup> Floor, Plat No. C/1, 'G' Block,<br>Bandra – Kurla Complex, Bandra (E), Mumbai – 400051<br>Telephone : 022-26598100/8114 Facsimile: 022-26598237/38 |
| ISIN Number                      | Luxembourg Stock Exchange<br>Societe De la Bourse de Luxembourg SA BP 165 L 2011, Luxembourg<br>INE750A01020                                                                                                                    |
| – Equity                         | Series A – INE750A0727/Series B – INE750A0735                                                                                                                                                                                   |
| – NCD                            | NSE – ORIENTHOT EQ                                                                                                                                                                                                              |
| Stock Code                       | BSE – 500314                                                                                                                                                                                                                    |
| Registrar & Share Transfer Agent | M/s. Integrated Registry Management Services Private Limited<br>II Floor, Kences Towers, 1, Ramakrishna Street, T. Nagar, Chennai – 600017<br>Telephone : 044 – 28140801 – 0803<br>E- mail : corpserv@integratedindia.in        |

## ORIENTAL HOTELS LIMITED

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Forty Ninth Annual General Meeting on Tuesday July 23, 2019 at 11:00 a.m.  
at Sathguru Sri Gnanananda Hall, Narada Gana Sabha,  
314, T.T.K. Road, Chennai – 600018.

# ORIENTAL HOTELS LIMITED

## FINANCIAL HIGHLIGHTS

(₹ Lakhs)

| FINANCIAL YEAR                                | 2018-19   | 2017-18   | 2016-17   | 2015-16    | 2014-15   | 2013-14    |
|-----------------------------------------------|-----------|-----------|-----------|------------|-----------|------------|
| Gross Revenue                                 | 35,672.01 | 36,887.59 | 34,460.39 | 31,626.43  | 30,671.52 | 30,234.02  |
| Profit Before Tax                             | 10,242.35 | 852.87    | 198.51    | (2,598.40) | (602.82)  | (1,044.13) |
| Taxation                                      | 1,298.15  | 253.13    | 45.26     | (813.66)   | (303.45)  | (324.57)   |
| Profit After Tax                              | 8,944.20  | 599.74    | 153.25    | (1,784.74) | (299.37)  | (719.56)   |
| Dividend, dividend tax,<br>Surcharge and cess | 1076.55   | -         | -         | 429.92     | 859.83    | 1,149.24   |
| Retained Earnings                             | 11,781.97 | 3,365.68  | 2,221.29  | (250.79)   | 1,098.89  | 925.63     |
| Total Assets                                  | 65,595.43 | 63,204.06 | 63,615.47 | 63,959.11  | 66,807.72 | 67,295.80  |
| Net Worth                                     | 33,790.29 | 24,641.40 | 23,920.11 | 23,985.51  | 23,413.74 | 27,900.75  |
| Borrowings                                    | 24,280.51 | 31,325.99 | 32,231.93 | 31,741.93  | 31,096.83 | 30,755.82  |
| Net Worth per Share                           | 18.92     | 13.80     | 13.39     | 13.45      | 13.11     | 15.62      |
| Earnings per Equity Share                     | 5.01      | 0.34      | 0.09      | (1.00)     | (0.17)    | (0.40)     |
| Dividend on Equity Share                      | 50%       | NIL       | NIL       | 20%        | 40%       | 55%        |
| Debt : Equity Ratio                           | 0.72:1    | 1.27:1    | 1.27:1    | 1.28:1     | 1.14:1    | 1.07:1     |

**Note :**

Net worth per share is based on equity share of ₹1/-  
From FY 2016-17 are based on IND AS Financial Statements

## ORIENTAL HOTELS LIMITED

CIN: L55101TN1970PLC005897

Reg. Office: Taj Coromandel, #37, M.G.Road, Chennai – 600034

Phone No.(044) 66002827 Facsimile: (044) 66002089

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

### NOTICE TO MEMBERS

**NOTICE** is hereby given that the 49<sup>th</sup> Annual General Meeting (AGM) of Oriental Hotels Limited will be held on Tuesday, July 23, 2019 at 11:00 a.m. at Sathguru Sri Gnanananda Hall, Narada Gana Sabha, 314, T.T.K. Road, Chennai – 600018 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, 2019 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, 2019 together with the report of the Auditors thereon.
- 3) To declare a dividend on Equity Share for the Financial Year ended March 31, 2019.
- 4) To appoint a Director in place of Mr. D.Vijayagopal Reddy (DIN: 00051554), who retires by rotation and being eligible, offers himself for re-appointment.

#### Special Business

##### 5) Not to fill the vacancy caused due to retirement

To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**“Resolved that** Mr. D. Varada Reddy (DIN: 00052200), a Director liable to retire by rotation, who does not offer himself for re-appointment, be not reappointed as a Director of the Company and the vacancy, so caused on the Board of the Company, be not filled up.”

##### 6) Approval for Related Party Transactions

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

**“Resolved that** pursuant to the provisions under Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) read with the Company’s policy on Related Party transaction(s) and applicable provisions if any under the Companies Act, 2013 and the Rules made thereunder (including any amendment, modification or re-enactment thereof), consent of the Members of the Company be and is hereby accorded to approve and ratify the “Termination Agreement” dated April 01, 2019, in relation to the Hotel Operating Agreement dated August 27, 2010 (“HOA”) entered into between the Company and The Indian Hotels Company Limited (IHCL), a related party and payment of compensation of an amount not exceeding ₹5.55 Crores plus applicable taxes to IHCL towards premature termination of HOA over a period of three (3) years as per the details set out in the Explanatory Statement pertaining to this item.

**Resolved further that** the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

##### 7) Re-appointment and approval for terms of remuneration of Mr. Pramod Ranjan (DIN : 00887569) as Managing Director and Chief Executive Officer of the Company

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

**“Resolved that** pursuant to the provisions of Sections 196, 197, 203 and such other applicable provisions, if any, read together with Schedule V of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and such other approvals if any, the Company hereby approves the re-appointment of Mr. Pramod Ranjan (DIN : 00887569) as the Managing Director and Chief Executive Officer of the Company for a period of three years w.e.f. November 11, 2018 up

# ORIENTAL HOTELS LIMITED

## NOTICE TO MEMBERS

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to November 10, 2021 on the terms and conditions, including those relating to remuneration as set out in the Explanatory Statement annexed to the Notice convening AGM (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Pramod Ranjan.

**Resolved further** that any of the Directors of the Company or the Company Secretary, be and are hereby authorized severally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

By Order of the Board of Directors  
For **ORIENTAL HOTELS LIMITED**

**Tom Antony**

Company Secretary

Membership No.: FCS 6828

Place : Chennai

Date : April 25, 2019

### 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. 5, 6 & 7 of the Notice is annexed hereto. 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 percent 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 Secretarial Department of the Company 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 17, 2019 to July 23, 2019 (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/Integrated Registry Management Services Pvt. Ltd. (RTA).
- 8) The Dividend on Equity Shares as recommended by the Board of Directors, if approved at the AGM, will be paid on or after July 29, 2019, to the Members whose names appear on the Company’s Register of Members on Wednesday, July 17, 2019, after giving effect to valid transmission in respect of transmission requests lodged

with the Company on or before Tuesday, July 16, 2019. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of the shares whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as at the close of business hours on Wednesday, July 17, 2019.

**9) 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 or 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 and unpaid dividends declared by the Company for the Financial Year 2011-12 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, 2012 | 17 <sup>th</sup> July, 2012     | 16 <sup>th</sup> August, 2019                      |

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 – 600017, Email: [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)

Members whose dividend/share 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.

- 10) 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.
- 11) SEBI vide notification No.SEBI/LD-NRO/GN/2018/24 dated June 8, 2018, has amended Regulation 40 of Listing Regulations, mandating transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) which shall be effective April 1, 2019. Accordingly requests for transfer of securities of listed entities shall not be processed unless the securities are held dematerialised form with depositories. In view of the same Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management.
- 12) Non-Resident Indian Members are requested to inform the Company or their respective DP's immediately of: a) Change in their residential status on return to India for permanent settlement; b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 13) To support the "Green Initiative" announced by the Government of India, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those Members whose e-mail addresses have been made available to the Company / DP's unless the Member has specifically requested for a hard copy of the same. The Members who are desirous of receiving the full Annual Report may write to the Company for a copy of the same. **MEMBERS WHO HAVE NOT REGISTERED THEIR EMAIL ADDRESSES WITH COMPANY /DEPOSITORIES ARE REQUESTED TO CONTRIBUTE TO THE GREEN INITIATIVE BY REGISTERING THEIR EMAIL ADDRESS, FOR RECEIVING ALL FUTURE COMMUNICATIONS THROUGH E-MAIL.** Members may note that this Notice

and the Annual Report 2018-19 will also be available on the Company's website at <https://www.orientalhotels.co.in>

- 14) **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.
- 15) The Companies Act, 2013 referred to as the "Act" in this notice.
- 16) DIN refers to Director Identification Number.
- 17) "SEBI (LODR)" or "Listing Regulations" wherever appears refers to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 18) 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.
- 19) **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 49th 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 email IDs are registered with the Company / Depository Participants(s)):

**Open e-mail and open PDF file viz. "AGM49\_2019.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 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 |
|------------------------------|---------|--------------|
|------------------------------|---------|--------------|

- 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 18, 2019 @ 9:00 a.m. and ends on July 22, 2019 @ 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e.) July 16, 2019, 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 Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
  - vii. The results of the ballot & e-voting shall be declared within 48 hours, on July 25, 2019 at company's, Corporate Office, Paramount Plaza – III Floor, 47 Mahatma Gandhi Road, Nungambakkam, Chennai 600034 and 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).
  - viii. 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 (i.e.) July 23, 2019.
- 20) 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 **ORIENTAL HOTELS LIMITED**

**Tom Antony**

Company Secretary

Membership No.: FCS 6828

Place : Chennai

Date : April 25, 2019

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**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) forming part of the Notice of the 49<sup>th</sup> Annual General Meeting of the Company.**

The following Explanatory statement sets out all material facts relating to the Special Business under Item Nos. 5, 6 & 7 mentioned in the accompanying Notice dated April 25, 2019.

**Item No. 5**

1. Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mr. D. Varada Reddy (DIN : 00052200), Director retires by rotation at the ensuing Annual General Meeting. Mr. D.Varada Reddy has informed to the Company that he is not seeking re-appointment in view of his other commitments.
2. Mr. D.Varada Reddy, has been on the Board of the Company since 2005. The Board places on record its sincere appreciation and recognition of the valuable contribution and services rendered by Mr. D.Varada Reddy during his tenure as a Director on the Board and also as the Managing Director of the Company. The Board proposes that the vacancy caused by his retirement be not filled-up.
3. Your Directors recommend the resolution to be passed as an Ordinary Resolution. None of the Directors, Key Managerial Persons of the Company and / or their relatives are concerned or interested, financially or otherwise, in the said resolution except Mr. D.Varada Reddy.

**Item No. 6**

1. The Hotel unit of the Company viz. Vivanta By Taj, Trivandrum, situated at C V Raman Pillai Road, Thycaud, Trivandrum (“Hotel”) is owned by Dodla International Limited (“DIL”) who have entered into a License Agreement dated August 11, 2009 with the Company for a period of 30 years (hereinafter referred to as “License Agreement”) for the Hotel. During July 2018, there was a change in the shareholding of DIL leading to change in ownership of the Hotel. New owners want to temporarily close the Hotel for carrying out renovation works which is expected to take close to two years. Due to this they do not wish to continue the License Agreement with the Company.
2. Consequently, during November, 2018, DIL and the Company had entered into an Agreement to terminate the License Agreement effective from April 01, 2019 so as to enable the new owners to undertake renovation of the Hotel.
3. The Company and the Indian Hotels Company Limited (IHCL), had entered into a back to back Hotel Operating Agreement dated August 27, 2010 (hereinafter referred to as “Hotel Operating Agreement”) whereby the Company had appointed IHCL to manage and operate the Hotel on the terms and conditions agreed in the Hotel Operating Agreement. The Hotel Operating Agreement had been entered into initially for a period of 20 years commencing on August 1, 2009 to September 30, 2029. This Agreement was to be renewed for further period of twenty years on terms to be mutually agreed.
4. The Hotel Operating Agreement provides for payment of compensation to IHCL in the event of premature termination of it wherein the amount of compensation is calculated as the average of the operating fees paid during the previous three years multiplied by the unexpired period of the Agreement. The total compensation payable as per the Hotel Operating Agreement amounts to ₹15.72 Crores.
5. Consequent to the termination of licensing arrangement between the Company and DIL, the Company and IHCL have mutually agreed to terminate the Hotel Operating Agreement pre- maturely.
6. IHCL is an entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company. Accordingly, IHCL and the Company are considered as related parties.
7. The premature termination of Hotel Operating Agreement is caused by the termination of License Agreement by DIL as a result of change in ownership of DIL. IHCL has agreed to waive a portion of the compensation and reduce the compensation amount payable to ₹5.55 Crores plus applicable taxes in a phased manner over a period of three (3) years in 3 equal installments. Consequently, the Termination Agreement has been entered into between the Company and IHCL, where in the payment of compensation envisaged shall be subject to the approval of the Members.
8. In terms of Regulation 23(4) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR) all material related party transactions i.e., related party transactions

irrespective of the fact that they were at arm's length and entered during the ordinary course of business, where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

9. The Company had already obtained approval of the Members in respect of the Hotel Operating Agreements entered into with IHCL due to the fact that aggregate value of the transactions under various Hotel Operating Agreements was likely to exceed the materiality threshold prescribed under LODR.
10. The compensation payable in respect of premature termination is covered under the Hotel Operating Agreement approved by the Members. However, the approval obtained from the Members did not explicitly cover the payment of compensation provided under the Hotel Operating Agreement. Further, the proposed premature termination compensation to be paid by the Company to IHCL as mentioned above, together with the value of other transactions between the Company and IHCL during the financial year 2019-20 are likely to exceed 10% of ₹35,476 lakhs (i.e. annual consolidated turnover of the Company as per the latest audited financial statements of the Company).
11. Pursuant to the aforementioned Regulation 23 (4) of the LODR, the proposed transaction is classified as material related party transaction which requires the approval of the Members of the Company and no related party shall vote to approve this resolution whether the entity is a related party to this transaction or not. Accordingly, approval of the Members is sought for payment of compensation to IHCL towards premature termination of Hotel Operating Agreement dated August 24, 2010.
12. The Board of Directors recommends passing of the resolution as set out at item no. 5 of this Notice as an Ordinary Resolution.
13. None of the Directors and Key Managerial Personnel of the Company or their respective relatives except those representing IHCL on the Board viz., Mr. Puneet Chhatwal and Mr. Giridhar Sanjeevi, in their capacity as Managing Director and CFO of IHCL respectively, are concerned or interested, financially or otherwise, in the resolution.

**Item No. 7**

1. Based on the recommendation of Nomination & Remuneration Committee (NRC), the Board of Directors of the Company at its meeting held on November 02, 2018 has, subject to approval of members, re-appointed Mr. Pramod Ranjan (DIN: 00887569) as the Managing Director and Chief Executive Officer of the Company for a further period of 3 (three) years with effect from November 11, 2018 pursuant to the provisions of Section 196, 197 and 203 of the Companies Act, 2013 and the Rules made thereunder read with Schedule V of the Act and Article 135 of the Articles of Association of the Company.
2. Mr. Pramod Ranjan aged 52 years, holds a Hons. Degree in Commerce and a Masters Degree in Business Administration from Melbourne, Australia. He is an industrialist and a Director on the Boards of Coromandel Beach Properties Private Limited, Coromandel Sea Foods Private Limited, Cocoon Resorts Private Limited, Kodai Heights Properties Private Limited, Kaveri Retreats & Resorts Limited, Primesouth Infratech Projects Private Limited, Taj Madurai Limited and OHL International (HK) Limited.
3. The Board is of the view that the re-appointment of Mr. Pramod Ranjan as Managing Director and Chief Executive Officer of the Company would enable it to continue to benefit from his experience and expertise in the hospitality industry and successfully meet the challenges and requirements of the Company in a highly competitive market environment.
4. Considering that the Company has inadequate profits to pay remuneration, the appointment of Mr. Pramod Ranjan is proposed to be made under Schedule V to the Companies Act, 2013.
5. The details of the proposed remuneration package are detailed below:
  - (i) Basic Salary: in the range of ₹6,00,000/- to ₹7,50,000/- per month. The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendation of the Nomination and Remuneration Committee (hereinafter called the "NRC") and will be performance-based and take into account the Company's performance as well.

- (ii) Performance Linked Bonus: Upto a maximum of 150% of the basic salary in a financial year. This element is an annual performance linked component. The maximum performance linked bonus will be subject to the overall ceiling stipulated in Section 197 of the Companies Act, 2013. This performance linked bonus would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of the Performance Linked Bonus by the Board (supported by the NRC) are:
- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  - Industry benchmarks of remuneration,
  - Performance of the individual
- (iii) Perquisites and benefits: .
- Rent free residential accommodation (furnished or otherwise): the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity, water charges) for the said accommodation OR House Rent, House Maintenance and Utility Allowances aggregating 85% of the basic salary (in case residential accommodation is not provided by the Company).
  - Hospitalization and major medical expenses for self, spouse, dependent (minor) children and dependent parents.
  - Car, with driver provided, maintained by the Company for official and personal use.
  - Telecommunication facilities including broadband, internet and fax as per Company's policy.
  - Housing Loan as per the Rules of the Company.
  - Other perquisites and allowances given below subject to a maximum of 55% of the annual salary:
 

|                                       |                                        |
|---------------------------------------|----------------------------------------|
| i) Allowances                         | 33.34%                                 |
| ii) Leave Travel Concession/Allowance | 8.33%                                  |
| iii) Medical allowance                | 8.33%                                  |
|                                       | <hr/> 50.00%                           |
| iv) Personal Accident Insurance       | } @ actuals subject<br>to a cap of ... |
| v) Club Membership fees               |                                        |
|                                       | <hr/> 5.00%                            |
|                                       | <hr/> 55.00%                           |
  - The Company shall keep and maintain the insurance policies as per Company's rules and policy.
  - All statutory contribution (including Provident Fund and Gratuity Fund) as per the Rules of the Company.
  - Managing Director shall be entitled to leave in accordance with the Rules of the Company.

**Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding Three years with effect from November 11, 2018 by way of basic salary, perquisites and benefits and performance linked bonus as specified above, subject to further approvals, if any, required under Schedule V of the Act, or any modification(s) thereto.

- In addition to the perquisites and benefits stated above the Company shall bear/reimburse expenses incurred by Mr. Pramod Ranjan for travelling, boarding and lodging during business trips which shall not be considered as perquisites.
- Other principal terms and conditions of appointment
  - Termination: The employment may be terminated by either party giving to the other party six months' notice or gross salary in lieu of the notice period.
  - Deduction and Taxes: All statutory deductions will be made in accordance with the current provisions or as amended from time to time. Payment of taxes (apart from those deducted at source) will be Mr. Pramod Ranjan's responsibility.
  - Code of Conduct and Confidentiality: Mr. Pramod Ranjan shall be bound by the Code of Conduct of the Company and adhere to the confidentiality undertaking in respect of all proprietary information, intellectual property and documents obtained during his association with the Company as Managing Director.

8. The Company has complied with the conditions stipulated in Section II of Part II of Schedule V of the Act relating to payment of remuneration to managerial personnel in the case of a Company having no profits or inadequate profits and pursuant thereto, the appointment of Mr. Pramod Ranjan as Managing Director and Chief Executive Officer of the Company including the remuneration payable to him is being placed before the Members of the Company for approval.
9. The following are the details of additional information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| Name                                                                    | Pramod Ranjan                                                                                                                                                                                                     |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Relationship with other Directors                                       | Mr. Pramod Ranjan is not related to any of the Directors on the Board as defined in Section 2(77) of the Companies Act, 2013                                                                                      |
| Experience in specific functional areas                                 | Mr. Pramod Ranjan, has rich experience in the hospitality industry and expertise in project planning and execution. He has exposure and experience in the hospitality industry projects both in India and abroad. |
| Directorship/Membership of Committees of Board of other listed entities | Nil                                                                                                                                                                                                               |
| No. of shares held in the Company as the date of Notice                 | 1,41,96,140 Equity Shares of face value ₹1/- each                                                                                                                                                                 |

Statement containing additional information as required by second proviso of paragraph B (iv) of Section II of Part II of Schedule V of the Companies Act, 2013

#### I. GENERAL INFORMATION:

1) **Nature of industry:**

Hospitality Industry.

2) **Date or expected date of commencement of commercial production:**

The Company was incorporated on September 18, 1970 and has been in the hospitality business for more than 45 years.

3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable

4) **Financial performance based on given indicators**

₹ lakhs

| Particulars                                  | 2018 – 19 | 2017 – 18 | 2016 – 17 |
|----------------------------------------------|-----------|-----------|-----------|
| Revenue from operations                      | 34,542.43 | 35,686.23 | 33,348.82 |
| Profit Before Tax (before exceptional items) | 626.05    | 851.89    | 156.36    |
| Profit after Tax                             | 8,944.20  | 599.74    | 153.25    |
| EPS (₹)                                      | 5.01      | 0.34      | 0.09      |
| Fixed Assets (Net Block)                     | 39,614.64 | 39,275.72 | 39,508.39 |
| Net Worth                                    | 33,790.29 | 24,641.40 | 23,920.11 |

5) **Foreign investments or collaborations, if any.**

The Company is holding 15,00,000 shares of face value US\$10 (100%) in OHL International (HK) Ltd. Hong Kong and 9,19,104 equity shares of face value US\$1 (5.25%) in TAL Hotels & Resorts Ltd., Hong Kong.

#### II. INFORMATION ABOUT THE APPOINTEE:

1) **Background details:**

Mr. Pramod Ranjan aged 52 years, holds a Hons. Degree in Commerce and a Masters Degree in Business Administration from Melbourne, Australia. He is an industrialist and a Director on the Boards of Coromandel Beach Properties Private Limited, Taj Madurai Limited, Coromandel Sea Foods Private Limited, Cocoon Resorts Private Limited, Kodai Heights Properties Private Limited, Kaveri Retreats & Resorts Limited, Primesouth Infratech Projects Private Limited and OHL International (HK) Limited. Mr. Pramod Ranjan has been acting as Managing Director and Chief Executive Officer of the Company since November 11, 2015. The Company has been able to improve its performance both operational and financial considerably during his initial tenure.

**2) Past remuneration:**

The previous term of Mr. Pramod Ranjan as a Managing Director was for the period of three years from November 11, 2015. During the previous term he had been paid Basic Salary in the range of ₹2,25,000/- to ₹3,50,000/- per month along with other perquisites which aggregates to a maximum of 140% of the basic salary.

**3) Recognition or Awards:**

None

**4) Job Profile and his suitability:**

The position of Managing Director in the Company is entrusted with overall supervision of the various hotel units run under the Company including total control on general conduct of affairs and management of the business affairs of the Company. Mr. Pramod Ranjan being part of the Promoters of the Company has been associated with the Company for a number of years and as Managing Director in the past three years. He has rich experience in the hospitality industry and expertise in project planning and execution. His exposure and experience in the hospitality industry both in India and abroad will continue to add value to functioning of the Company and its performance.

**5) Proposed remuneration:**

As detailed in the Explanatory Statement to the Notice.

**6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration of Mr. Pramod Ranjan is commensurate with remuneration paid in the services sector, including hospitality, in India for similar sized roles, taking into consideration the responsibilities shouldered by him. The table below provides a summary of the benchmark data.

₹ lacs

|                                   | P10   | P25   | P50   | Average | P66    | P75    | P90    |
|-----------------------------------|-------|-------|-------|---------|--------|--------|--------|
| Fixed Pay                         | 40.24 | 57.06 | 81.44 | 81.69   | 97.55  | 109.98 | 124.93 |
| CTC including Target Variable Pay | 44.92 | 67.00 | 87.71 | 97.30   | 117.02 | 134.89 | 154.93 |

(Data Source: Aon Hewitt CXO Survey for 2019)

**Note:** 'P' indicates Percentile. A percentile is a measure used in statistics indicating the value below which a given percentage of observations in a group of observations fall. For example, P25 i.e. the 25th percentile is the value (or score) below which 25 percent of the observations may be found.

**7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Mr. Pramod Ranjan is entitled to receive remuneration and other perquisites as Managing Director and Chief Executive Officer of the Company. He is not related to any managerial personnel of the Company. He holds 1,41,96,140 shares constituting 7.95% of the paid up share capital as on the date of this Notice.

**III. OTHER INFORMATION:****1) Reasons of loss or inadequate profits:**

The Company was able to improve its performance considerably in the past three years. However, the Company continue to incur substantial amount towards interest on its debts which were raised to fund the significant investments made by the Company to bring in place new hotels, room supply in key markets like Coimbatore and Trivandrum, in anticipation of continued growth in demand during the year 2015 to 2019. The oversupply and demand contraction in key markets coupled with the high interest cost associated with the debt raised by the Company to bring additional room inventories to its portfolio had adversely affected the business of the Company and its performance.

**2) Steps taken or proposed to be taken for improvement:**

The Company has initiated a variety of steps in recent years to address the challenges of the unprecedented economic downturn. Such measures have included the combination of cut back on fresh capital commitments

towards green field expansion, cost rationalization, continued investments behind customer engagement and brand building which will, in our view, bear fruit as we go along. During the financial year 2018-19, the Company was able to hive off its Vizag unit by way of a slump sale which helped in realizing substantial capital gain on this asset. The Company was also able to monetize certain idle assets during the financial year 2018-19. The proceeds from these sale transactions were used to repay a part of the debts in the books besides avoiding further borrowing. These measures helped in reducing the finance cost and improve profitability.

The Company also continues to focus on improving manpower efficiencies with specific aptitude and skills to serve guests, by maximizing effectiveness in terms of customer service and satisfaction. Steps are being taken to control cost both operating and finance cost to improve the profitability. The positive development in the economy coupled with a stable supply of room inventory is expected to improve the business further.

**3) Expected increase in productivity and profits:**

It would be difficult to quantify in financial terms the effect of the measures already taken/being taken by the Company to improve the overall performance. However, with the various initiatives undertaken by the company, coupled with an improvement in the economic and business environment, it is expected that the fortunes of the hospitality sector in India as also for the company will progressively improve.

**IV. DISCLOSURES:**

The disclosures as required under this section will be made in Board's Report under the heading Corporate Governance forming part of the Annual Report 2018-19.

The Board of Directors accordingly recommends the Special Resolution set out in the accompanying notice for approval of the Members.

Mr. Pramod Ranjan shall be deemed to be concerned or interested in the said Resolution. Further, except in their capacity as shareholders of the Company, none of the other directors, key managerial personnel or their relatives, have any concern or interest, financial or otherwise, in the said resolution.

By Order of the Board of Directors  
For **ORIENTAL HOTELS LIMITED**

**Tom Antony**

Company Secretary

Membership No.: FCS 6828

Place : Chennai

Date : April 25, 2019

# ORIENTAL HOTELS LIMITED

## NOTICE TO MEMBERS

This information forms part of the notice for the Annual General Meeting

**Details of Directors seeking appointment / re-appointment at the 49<sup>th</sup> Annual General Meeting of the Company:**  
**[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

| Name                                                                                                    | Mr. Pramod Ranjan                                                                                                                                                                                                                                                                                     | Mr. D. Vijayagopal Reddy                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                                                                     | 00887569                                                                                                                                                                                                                                                                                              | 0051554                                                                                                                                                                       |
| Date of Birth                                                                                           | April 02, 1967                                                                                                                                                                                                                                                                                        | August 22, 1952                                                                                                                                                               |
| Expertise in specific functional areas                                                                  | Wide experience in Business Management, Project Planning and Hospitality Industry                                                                                                                                                                                                                     | Industrialist                                                                                                                                                                 |
| Qualification                                                                                           | B.Com.,(Hons), Master Degree in Business Administration from Melbourne, Australia                                                                                                                                                                                                                     | B.Com., MBA                                                                                                                                                                   |
| Date of appointment                                                                                     | January 21, 2008                                                                                                                                                                                                                                                                                      | November 11, 2005                                                                                                                                                             |
| Number of shares held in the Company                                                                    | 1,41,96,140                                                                                                                                                                                                                                                                                           | 25,97,060                                                                                                                                                                     |
| Directorship in other Companies (as on March 31, 2019)                                                  | (1) Kaveri Retreats and Resorts Ltd.<br>(2) Coromandel Seafoods Pvt. Ltd.<br>(3) Coromandel Beach Properties Pvt. Ltd.<br>(4) Cocoon Resorts Pvt. Ltd.<br>(5) Kodai Heights Properties Pvt. Ltd.<br>(6) Primesouth Infratech Projects Pvt. Ltd.<br>(7) Devi Sea Foods Ltd.<br>(8) Taj Madurai Limited | (1) Vijay Garments Limited<br>(2) Bhavan Garments Limited<br>(3) Vijay Appliances Pvt. Ltd.<br>(4) Televijay Technologies Pvt. Ltd.<br>(5) DPS Builders & Developers (P) Ltd. |
| Chairman / Member of the Committees of other Companies on which he is a Director (as on March 31, 2019) | Nil                                                                                                                                                                                                                                                                                                   | Nil                                                                                                                                                                           |

The attendance records of the Directors seeking re-appointment are furnished in the Corporate Governance report which forms part of the Annual Report 2018-19.

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 **ORIENTAL HOTELS LIMITED**

Place: Chennai  
Date: April 25, 2019

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

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

The Board of Directors are pleased to present the 49th Annual Report of your Company along with the Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2019.

**Financial Highlights**

₹ in Lakhs

| Particulars                                                                                   | Standalone                   |                              | Consolidated                 |                              |
|-----------------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                                                                               | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| Total Income                                                                                  | 35,672.01                    | 36,887.59                    | 35,475.80                    | 36,227.33                    |
| Profit before Depreciation, Finance Cost, Tax and Exceptional Items                           | 6,181.87                     | 6,706.42                     | 5,941.56                     | 6,040.38                     |
| Less: Depreciation & Amortization                                                             | 2,837.77                     | 2,765.94                     | 2,837.77                     | 2,765.94                     |
| Less: Finance Cost                                                                            | 2,718.05                     | 3,088.59                     | 2,718.05                     | 3,088.59                     |
| <b>Profit before Tax, Exceptional Items and share of profit of equity accounted investees</b> |                              |                              |                              |                              |
| Add: Exceptional Items (net)                                                                  | 9,616.30                     | 0.98                         | 9,616.30                     | 0.98                         |
| <b>Profit/(Loss) before Tax</b>                                                               | <b>10,242.35</b>             | <b>852.87</b>                | <b>10,002.04</b>             | <b>186.83</b>                |
| Tax Expense:                                                                                  |                              |                              |                              |                              |
| – Current Tax                                                                                 | 2,157.09                     | 188.58                       | 2,157.09                     | 188.58                       |
| – Deferred Tax                                                                                | (858.94)                     | 64.55                        | (858.94)                     | 64.55                        |
| <b>Profit/(Loss) after Tax</b>                                                                | <b>8944.20</b>               | <b>599.74</b>                | <b>8,703.89</b>              | <b>(66.30)</b>               |
| Add: Share of Profit/ (Loss) of Associates                                                    | –                            | –                            | 274.69                       | 196.43                       |
| Add: Share of Profit/(Loss) of Jointly Controlled Entity                                      | –                            | –                            | 179.94                       | 482.30                       |
| <b>Profit/ (Loss) After Tax and share of associates and Jointly Controlled Entity</b>         | <b>8,944.20</b>              | <b>599.74</b>                | <b>9,158.52</b>              | <b>612.43</b>                |
| <b>Earnings per share (₹)</b>                                                                 | <b>5.01</b>                  | <b>0.34</b>                  | <b>5.13</b>                  | <b>0.34</b>                  |

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

The Company achieved a turnover of ₹35,672.01 lakhs for the period ended March 31, 2019, decreased by ₹1,215.58 lakhs (3.3%) as compared to previous year.

The Profit before Depreciation, finance cost & tax (EBITDA) for the year ended March 31, 2019 amounted to ₹6,181.87 lakhs, decreased by ₹524.55 lakhs (7.82%) compared to previous year.

Depreciation for the year was higher at ₹2,837.77 lakhs as compared to ₹2,765.94 lakhs for 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, 2019 at ₹2,718.05 lakhs was lower than previous year by ₹370.54 lakhs due to full repayment of rupee term loan with the proceeds from sale of business undertaking.

The Profit Before Tax for the year ended March 31, 2019 amounted to ₹10,242.35 lakhs as against a profit of ₹852.87 lakhs in the previous year.

The tax expense (including deferred tax) for the year ended March 31, 2019 amounted to ₹1,298.15 lakhs. The Profit After Tax for the year ended March 31, 2019 stood at ₹8,944.20 lakhs as against a profit of ₹599.74 lakhs of the previous year.

Debenture Redemption Reserve (DRR) available at the year ended March 31, 2019 amounted to ₹5,463.00 lakhs after the transfer of ₹2,810.59 lakhs to the DRR during the year. No transfer was made to General Reserve during the year ended March 31, 2019.

The Company achieved a consolidated turnover of ₹35,475.80 lakhs for the year ended March 31, 2019, a decrease of ₹751.53 lakhs (2.07%) as compared to ₹36,227.33 lakhs in the previous year. The Consolidated Profit Before Tax for the year ended March 31, 2019 amounted to ₹10,002.04 lakhs as against a consolidated profit of ₹186.83 lakhs in the previous year.

A detailed analysis of the operating results is provided in the Management Discussion and Analysis Report.

**Business Overview**

India continued to build its lead as the fastest-growing economy in the world with 7.0% growth in GDP during FY 2018-19. An improved private consumption (up from mid-single digits in the previous year to high single digits in FY 2018-19) and steady construction activity were other enablers to this growth. Domestic consumption is expected

to grow into a \$6 trillion opportunity by 2030 (Source: WEF Future of Consumption in Fast-Growth Consumer Markets: India, January 2019).

Travel and tourism industry contributed 9.2% to India's GDP and registered a growth of 6.7% in 2018 (Source: WTTC). The industry supported 43 million jobs in the country (8.1% of total employment). India offers a diverse portfolio of niche tourism products, including cruises; adventure; medical; wellness; sports; meetings, incentives, conventions and exhibitions (MICE); eco-tourism; films; rural and religious tourism. The country has been recognised as a destination for spiritual tourism for domestic and international tourists. Besides, the introduction of a new category of visa—the medical visa or M visa—is expected to encourage medical tourism in India. A detailed overview on the company's business is provided in the Management Discussion and Analysis Report.

### **Sale of Business Division**

During the year the Company sold its hotel unit at Visakhapatnam, viz., The Gateway Hotel, Beach Road, Visakhapatnam to Varun Hospitality Private Limited (VHPL) for a consideration of ₹120.10 crores. The Hotel unit will be continued to be managed by The Indian Hotels Company Limited (IHCL) under a fresh Hotel Operating Agreement executed between IHCL and VHPL.

Effective April 01, 2019, the Company ceased to operate its Hotel unit at Trivandrum viz., Vivanta By Taj Trivandrum (VBT Trivandrum) consequent to the termination of the licensing arrangement in respect of the hotel property by its new owners to undertake renovation of the hotel property.

### **Dividend**

On account of improved performance and Profit after Tax reported by your Company during the current year, the Board of Directors recommend a dividend at the rate of 50% i.e. ₹0.50 per share (Previous Year – Nil). The dividend on equity shares, if approved by the Members, would involve a cash payout of ₹892.99 lakhs as dividend and dividend distribution tax of ₹183.56 laks. The dividend pay-out is in accordance with the Company's dividend distribution policy.

### **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).

### **Transfer to Reserves**

The Board of Directors of your Company proposed to transfer ₹2,810.59 lakhs (previous year ₹646.16 lakhs) to Debenture Redemption Reserve. Further no amount is proposed for transfer to the General Reserve. An amount of ₹5,461.31 lakhs is proposed to be retained in the profit and loss account.

### **Share Capital**

The Paid up equity share Capital of the Company as on March 31, 2019 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 2018-19.

### **Borrowings**

The Company's borrowings as at March 31, 2019 on a standalone and consolidated basis stood at ₹24,280.51 lakhs as against ₹31,325.99 lakhs as at March 31, 2018.

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

As on March 31, 2019, the outstanding NCDs amounts to ₹20,000 lakhs comprising of 1000, 'Series-A Senior Secured Redeemable Non-Convertible Debentures' having of 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 of 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. The NCDs are due for redemption on November 21, 2019.

### **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, 2019 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**

The Company has not given any loans or provided any security or guarantee 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 and 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 were adequate and effective during the financial year 2018-19.

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, 2019, 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, 2019 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 were 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. Harish Lakshman (DIN: 00012602) as an Additional Director under the category of Independent

Director with effect from May 09, 2018. Subsequently, he was regularized as an Independent Director for a period of 5 years, in the Annual General Meeting of the Company held on July 25, 2018.

Dr. Gopalan Sundaram, an Independent Director on the Board of the Company, resigned with effect from April 01, 2019 to adhere with the age limit prescribed under the TATA Governance Guidelines for Board Effectiveness.

Mr. Rajneesh Jain, Chief Financial Officer of the Company, resigned with effect from February 04, 2019 to pursue new opportunities. The Board, upon resignation of Mr. Rajneesh Jain and based on the recommendations of Nomination and Remuneration Committee (NRC) designated Mr. Sreyas Arumbakkam, who has been associated with the Taj Group in various roles since June 2011, as the Chief Financial Officer with effect from February 05, 2019.

The Board of Directors on recommendation of the NRC has re-appointed Mr. Pramod Ranjan (DIN : 00887569) as Managing Director and Chief Executive Officer of the Company for a period of three (3) years with effect from November 11, 2018 subject to approval of members.

In accordance with provisions under the Companies Act, 2013 and Articles of Association of the Company, Mr. D. Varada Reddy (DIN.:00052200) and Mr. D. Vijayagopal Reddy (DIN.:00051554), Directors of the Company retire by rotation at the ensuing Annual General Meeting. Mr. Dodla Varada Reddy, has expressed his desire not to offer himself for re-appointment in the AGM, owing to his pre-occupation. He has been serving on the Board since 2005. During his tenure of office, he has made distinct and immense contribution to the deliberations of the meetings of the Board in general and for the growth of the Company in particular during his tenure as Managing Director. He is liable to retire by rotation and due for re-appointment in the AGM, in terms of the applicable provisions of the Companies Act, 2013. The Directors place on record the valuable guidance, support and advice extended by him during his tenure. Mr. Dodla Vijayagopal Reddy being eligible offer himself for re-appointment.

#### **Independent Directors' Declaration**

The Independent Directors have submitted a declaration that each of them meet the criteria for independence as laid down under Section 149(6) of the Act read with Rules framed thereunder and Regulation 16 of the Listing Regulations and that they are not aware of any circumstance or situation, which exists or is anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence as required under Regulation 25 of Listing Regulations.

#### **Board and Committee Meetings**

The Board of Directors has met seven (7) 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.

#### **Governance Guidelines for Board Effectiveness**

The Company has adopted the Governance Guidelines for Board Effectiveness 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, KMPs 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 and and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 mandate 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:

| Name of the Policy                               | Brief Description                                                                                                                                                                                                                                                                                                                                                                                                                                  | Web link                                                                                                                                                                                                                      |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.<br><br>The Whistleblower policy was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, enabling employees to report instances of leak of Unpublished Price Sensitive Information (UPLSI). | <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.<br><br>The Policy on Material Subsidiaries was amended in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The key changes include, inter alia, the definition of material subsidiary.                   | <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> |

| Name of the Policy                                 | Brief Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Web link                                                                                                                                                                                                                                |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Related Party Transaction Policy                   | The policy regulates all transactions between the Company and its related parties.<br>The Related Party Transaction Policy was amended in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The key changes include, inter alia, threshold limits for determining materiality.                                                                                                                                                        | <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>                                 |
| Insider Trading Policies                           | The policy provides the framework in dealing with securities of the Company.<br>The Insider Trading Policies were amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The key changes include, inter alia, change in the definition of designated persons, maintenance of digital database, internal controls, and policy and procedure for inquiry in case of leak of UPSI. Further policy on determination of legitimate purpose was also adopted by the Board. | <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 policy provides for 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 were 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 and the number of meetings etc., are included in the Corporate Governance Report, which forms 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 term of 5 years Commencing from July 25, 2017. The Statutory Auditor has furnished a certificate of their eligibility and consent Under Section 139(1) and 141 of the Act and Rules framed thereunder for their continuance as Statutory Auditors of the Company for Financial Year 2019-20.

The Report of the Statutory Auditor forms part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation, adverse remark or disclaimer. Further the Statutory Auditors of the Company have not reported any fraud as specified in Section 143(12) of the Act.

**(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, 2019. 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 (CSR)**

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 ₹50.14 lakhs during the financial year 2018-19 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.

**Material Changes and Commitments affecting the Financial Position**

There have been no material changes and commitments, affecting the financial position of the company have occurred between the end of the financial year 2018-19 and the date of this report.

**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 or 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. During the year, the Company has transferred the unclaimed and unpaid dividends of ₹9,90,328. Further, 34,131 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF rules. The details of which are provided on our website, at <http://orientalhotels.co.in/investors/unclaimed-amounts/transfers-to-iepf/>

The Board has appointed Mr. Tom Antony, Company Secretary, as the Nodal Officer to ensure compliance with the IEPF Rules. Details of Nodal Officer is placed on the website of the Company and can be accessed at <http://orientalhotels.co.in/investors/unclaimed-amounts/transfers-to-iepf/>

**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 and a certificate from Practicing Company Secretary under Clause 10 of Part C of Schedule V of LODR thereon form part of the Annual Report.

**Compliance with Secretarial Standards**

During Financial Year 2018-19, the Company has complied with relevant provisions of Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

**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:

**Maintenance of Cost Records**

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

**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.

Further the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review the Company has received four (4) complaints on sexual harassment. Except one (1) remaining complaints were resolved.

**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. Annual return of 2017-18 can be accessed via web link: [http://orientalhotels.co.in/wp-content/uploads/2019/06/Annual-Return\\_2017-18.pdf](http://orientalhotels.co.in/wp-content/uploads/2019/06/Annual-Return_2017-18.pdf)

**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 : April 25, 2019

**Puneet Chhatwal**  
(DIN: 07624616)  
Chairman

## Annexure – 1

## AOC-1

Statement containing the salient features of the financial statement of Subsidiary/Associate/Joint Venture as at March 31, 2019

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

## PART A: Subsidiaries

amount in lakhs

| Name of Subsidiary Company<br>Reporting Currency: | OHL International (HK) Ltd. |                |
|---------------------------------------------------|-----------------------------|----------------|
|                                                   | USD                         | INR Equivalent |
| Share Capital                                     | 150.00                      | 10,377         |
| Reserves & Surplus                                | 80.42                       | 5,563.21       |
| Total Assets                                      | 230.42                      | 15,940.46      |
| Total Liabilities                                 | 230.42                      | 15,940.46      |
| Investments                                       | 219.92                      | 15,214.07      |
| Total Income                                      | 8.55                        | 591.49         |
| Profit Before Taxation                            | 11.37                       | 786.58         |
| Provision for Taxation                            | –                           | –              |
| Profit After Taxation                             | 11.37                       | 786.58         |
| Interim Dividend                                  | 2.50                        | 172.95         |
| % of Shareholding                                 | 100%                        |                |

Note: 1. Exchange conversion rate used for USD is ₹69.18

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

## Part B: Associate &amp; Joint Venture

| Entity Name                                       | Taj Madurai Ltd. | TAL Hotels & Resorts Ltd. |
|---------------------------------------------------|------------------|---------------------------|
| Associate/Joint Venture                           | Associate        | Joint Venture             |
| Latest audited Balance Sheet Date                 | 31-Mar-19        | 31-Mar-19                 |
| <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                                 | 2,375.46         | 39,903.01                 |
| <b>Profit/(Loss) for the Year</b>                 |                  |                           |
| Considered in Consolidation ₹ lakhs               | 33.76            | 179.94                    |
| Not Considered in Consolidation ₹ lakhs           | 96.08            | 647.90                    |

The Company earned a dividend income from its subsidiary during the financial year amounting to ₹175.33 lakhs.

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

**Mr. Pramod Ranjan**  
Managing Director  
DIN: 00887569

**Mr. Vijay Sankar**  
Director  
DIN: 00007875

Place : Chennai  
Date : April 25, 2019

**Mr. Sreyas Arumbakkam**  
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, 2019, 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             | Sl. No.                                                                                                                                                                                                                                              | Hotel Unit covered under the Contract      | Tenure                  |
|                                  | 1                                                                                                                                                                                                                                                    | Taj Coromandel                             | 01.07.2008 – 30.06.2028 |
|                                  | 2                                                                                                                                                                                                                                                    | Taj Fishermen's Cove Resort & Spa, Chennai | 01.02.2008 – 31.01.2028 |
|                                  | 3                                                                                                                                                                                                                                                    | Taj Malabar Resort & Spa, Cochin           | 14.04.2006 – 13.04.2026 |
|                                  | 4                                                                                                                                                                                                                                                    | TGH Madurai                                | 01.07.2015 – 30.06.2025 |
|                                  | 5                                                                                                                                                                                                                                                    | Gateway Coonoor                            | 01.04.2016 – 31.03.2036 |
|                                  | 6                                                                                                                                                                                                                                                    | *TGH Vizag                                 | 01.01.2011 – 31.12.2030 |
|                                  | 7                                                                                                                                                                                                                                                    | TGH Mangalore                              | 01.12.1993 – 30.11.2018 |
|                                  | 8                                                                                                                                                                                                                                                    | Vivanta Coimbatore                         | 01.01.2011 – 09.11.2031 |
|                                  | 9                                                                                                                                                                                                                                                    | VBT Trivandrum                             | 01.08.2019 – 31-07-2029 |
| 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 | April 25, 2019                                                                                                                                                                                                                                       |                                            |                         |

\* The Hotel Unit at Vishakapatnam was sold during the year.

₹ Lakhs

| Nature of transactions                              | Amount   |
|-----------------------------------------------------|----------|
| Sales of Goods / Services                           | 155.09   |
| Staff reimbursements                                | 375.22   |
| Purchase of Goods / Services                        | 907.06   |
| Reimbursement of deputed staff salaries             | 1,585.56 |
| Dividend Received                                   | 3.01     |
| Operating/License Fees Paid/ Provided               | 2,109.13 |
| Sale & Marketing, Reservation & Other Service Costs | 1,394.89 |
| Receivables                                         | 149.26   |
| Payables                                            | 1,547.08 |

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

**Mr. Vijay Sankar**  
Director  
DIN: 00007875

Place : Chennai  
Date : April 25, 2019

**Mr. Sreyas Arumbakkam**  
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 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
- Up gradation 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 criterion's 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, 2019)

[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 (CIN: L55101TN1970PLC005897) (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 31<sup>st</sup> March, 2019, 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, 2019 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, 2015;

- 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), 2018 – 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, 2018; Not Applicable for the year under review;
  - j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; Not Applicable for the year under review.
2. We further report that, based on examination on test check basis, of the relevant documents, information received, 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
  - o) Food Safety and Standards Act 2006
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;
  - 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, during the period under review, the Company has, in our opinion, complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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.

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 : 24.04.2019

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 : 24.04.2019

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

The Company continued to increase the share of renewable energy through group captive consumption scheme and saved considerable cost on power besides reduction of carbon footprint. In addition to that, the hotel unit(s) reduced the consumption of power (electricity) through energy saving measures and conscious efforts are made to reduce consumption of fossil fuel by selective use of electricity generators. The Company for effective utilization of alternative energy resource has invested ₹32.05 lakhs as on March 31, 2019 under group captive consumption 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 Desuper 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 and 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**

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)

| Particulars                         | Year ended March 31, 2019 |
|-------------------------------------|---------------------------|
| Earnings                            | 9,638.49                  |
| Expenditure                         | 1,327.64                  |
| Net foreign exchange earnings (NFE) | 8,310.85                  |

**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 2018-19 is given below:

| Managing Director | Ratio to median remuneration |
|-------------------|------------------------------|
| Mr. Pramod Ranjan | 19.50                        |

Even though non-executive directors are eligible for a profit linked commission as remuneration, no payment in this regard was made due to the absence of profits. However non-executive directors other than those who representing IHCL 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:**

No remuneration other than sitting fee was paid to Non-executive Directors including Independent Directors during the financial year. The percentage increase in remuneration of the Managing Director, Chief Financial Officer, Company Secretary during the financial year 2018-19 is given below:

| Name - Designation                          | Percentage Increase in Remuneration |
|---------------------------------------------|-------------------------------------|
| Mr. Pramod Ranjan – Managing Director       | 26%                                 |
| Mr. Rajneesh Jain – Chief Financial Officer | Not Applicable                      |
| Mr. Sreyas Arumbakkam                       | Not Applicable                      |
| Mr. Tom Antony – Company Secretary          | 7%                                  |

*\* Since the remuneration is only for part of the year, percentage of increase in remuneration is not comparable and hence not stated.*

- The percentage increase in the median remuneration of employees in the financial year was 12.75%
- The number of permanent employees on the rolls of Company was 764
- The average percentile increase in the salaries of employees other than the managerial personnel during the last financial year was 7%
- 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 31/03/2019**  
**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"/><br>2. Private Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
| iii)                                   | <b>Sub Category of the Company</b>                          | <table border="1"> <tr><td>1. Government Company</td><td></td></tr> <tr><td>2. Small Company</td><td></td></tr> <tr><td>3. One Person Company</td><td></td></tr> <tr><td>4. Subsidiary of Foreign Company</td><td></td></tr> <tr><td>5. NBFC</td><td></td></tr> <tr><td>6. Guarantee Company</td><td></td></tr> <tr><td>7. Limited by shares</td><td></td></tr> <tr><td>8. Unlimited Company</td><td></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></td></tr> <tr><td>11. Company Registered under Section 8</td><td></td></tr> </table> |                                     |      | 1. Government Company |                     | 2. Small Company |   | 3. One Person Company |        | 4. Subsidiary of Foreign Company |                                       | 5. NBFC   |  | 6. Guarantee Company |  | 7. Limited by shares |  | 8. Unlimited Company |  | 9. Company having share capital | <input checked="" type="checkbox"/> | 10. Company not having share capital |  | 11. Company Registered under Section 8 |  |
|                                        |                                                             | 1. Government Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             | 2. Small Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             | 3. One Person Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             | 4. Subsidiary of Foreign Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             | 5. NBFC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             | 6. Guarantee Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             | 7. Limited by shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             | 8. Unlimited Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             | 9. Company having share capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <input checked="" type="checkbox"/> |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             | 10. Company not having share capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
| 11. Company Registered under Section 8 |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
|                                        |                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                     |      |                       |                     |                  |   |                       |        |                                  |                                       |           |  |                      |  |                      |  |                      |  |                                 |                                     |                                      |  |                                        |  |

# ORIENTAL HOTELS LIMITED

## BOARD'S REPORT

|      |                                                                                                                  |                                                                                                       |
|------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| 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 – 66002089                                                                                        |
|      | 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 600034 |
| 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 Services Private Limited                                           |
|      | Address                                                                                                          | Kences Towers, No.1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai                           |
|      | Town / City                                                                                                      | Chennai                                                                                               |
|      | State                                                                                                            | Tamil Nadu                                                                                            |
|      | Pin Code:                                                                                                        | 600017                                                                                                |
|      | 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       | TAL Hotels & Resorts Ltd.     | NA*                   | Joint Venture | 21.736%           | 2(6)               |

\*Incorporated outside India

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

## A) Category-wise Share Holding

| Category of Shareholders                                | No. of Shares held at the beginning of the year<br>[As on 31-March-2018] |          |                  |                   | No. of Shares held at the end of the year<br>[As on 31-March-2019] |          |                  |                   | % 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                                      | 3556447                                                                  | 0        | 3556447          | 2.00              | 3539761                                                            | 0        | 3539761          | 1.98              | -0.01                    |
| b) Central Govt.                                        | 0                                                                        | 0        | 0                | 0                 | 0                                                                  | 0        | 0                | 0                 | 0.00                     |
| c) State Govt.(s)                                       | 0                                                                        | 0        | 0                | 0                 | 0                                                                  | 0        | 0                | 0                 | 0.00                     |
| d) Bodies Corp.                                         | 59961430                                                                 | 0        | 59961430         | 33.57             | 59961430                                                           |          | 59961430         | 33.57             | 0.00                     |
| e) Banks / FI                                           | 0                                                                        | 0        | 0                | 0                 | 0                                                                  | 0        | 0                | 0                 | 0.00                     |
| f) Any other – Director & Relatives                     | 30845982                                                                 | 0        | 30845982         | 17.27             | 31197331                                                           |          | 31197331         | 17.47             | 0.20                     |
| <b>Sub Total (A)(1)</b>                                 | <b>94363859</b>                                                          | <b>0</b> | <b>94363859</b>  | <b>52.84</b>      | <b>94698522</b>                                                    | <b>0</b> | <b>94698522</b>  | <b>53.02</b>      | <b>0.18</b>              |
| <b>2) Foreign</b>                                       |                                                                          |          |                  |                   |                                                                    |          |                  |                   |                          |
| a) NRIs - Individuals                                   | 0                                                                        | 0        | 0                | 0                 | 0                                                                  | 0        | 0                | 0                 | 0                        |
| b) Other - Individuals                                  | 8851799                                                                  | 0        | 8851799          | 4.95              | 8851799                                                            | 0        | 8851799          | 4.95              | 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>110139068</b>                                                         | <b>0</b> | <b>110139068</b> | <b>61.67</b>      | <b>110473731</b>                                                   | <b>0</b> | <b>110473731</b> | <b>61.85</b>      | <b>0.18</b>              |
| <b>B. Public Shareholding</b>                           |                                                                          |          |                  |                   |                                                                    |          |                  |                   |                          |
| <b>1. Institutions</b>                                  |                                                                          |          |                  |                   |                                                                    |          |                  |                   |                          |
| a) Mutual Funds                                         | 16527423                                                                 | 0        | 16527423         | 9.25              | 19457026                                                           | 0        | 19457026         | 10.89             | 1.64                     |
| b) Banks / FI                                           | 998314                                                                   | 0        | 998314           | 0.56              | 942393                                                             | 0        | 942393           | 0.53              | -0.03                    |
| 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                                  | 2368630                                                                  | 0        | 2368630          | 1.33              | 2368630                                                            | 0        | 2368630          | 1.33              | 0                        |
| 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>19894367</b>                                                          | <b>0</b> | <b>19894367</b>  | <b>11.14</b>      | <b>22768049</b>                                                    | <b>0</b> | <b>22768049</b>  | <b>12.75</b>      | <b>1.61</b>              |

| Category of Shareholders                                                       | No. of Shares held at the beginning of the year<br>[As on 31-March-2018] |                |                  |                   | No. of Shares held at the end of the year<br>[As on 31-March-2019] |                |                  |                   | % Change during the year |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------|------------------|-------------------|--------------------------------------------------------------------|----------------|------------------|-------------------|--------------------------|
|                                                                                | Demat                                                                    | Physical       | Total            | % of Total Shares | Demat                                                              | Physical       | Total            | % of Total Shares |                          |
| <b>2. Non-Institutions</b>                                                     |                                                                          |                |                  |                   |                                                                    |                |                  |                   |                          |
| <b>a) Bodies Corp.</b>                                                         |                                                                          |                |                  |                   |                                                                    |                |                  |                   |                          |
| i) Indian                                                                      | 4267829                                                                  | 5870           | 4273699          | 2.39              | 3127190                                                            | 5870           | 3133060          | 1.75              | -0.64                    |
| ii) Overseas                                                                   | 0                                                                        | 0              | 0                | 0                 | 0                                                                  | 0              | 0                | 0                 | 0.00                     |
| <b>b) Individuals</b>                                                          |                                                                          |                |                  |                   |                                                                    |                |                  |                   |                          |
| i) Individual shareholders holding nominal share capital up to ₹1 lakh         | 19481136                                                                 | 2659577        | 22140713         | 12.40             | 19275387                                                           | 2280676        | 21556063         | 12.07             | -0.33                    |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 6050950                                                                  | 1223110        | 7274060          | 4.07              | 4777979                                                            | 1223110        | 6001089          | 3.36              | -0.71                    |
| <b>c) Others (specify)</b>                                                     |                                                                          |                |                  |                   |                                                                    |                |                  |                   |                          |
| Non Resident Indians                                                           | 2850272                                                                  | 14490          | 2864762          | 1.60              | 2847918                                                            | 14490          | 2862408          | 1.60              | 0.00                     |
| Clearing Members                                                               | 111310                                                                   | 0              | 111310           | 0.06              | 79154                                                              | 0              | 79154            | 0.04              | -0.02                    |
| Trusts                                                                         | 10320                                                                    | 0              | 10320            | 0.01              | 10320                                                              | 0              | 10320            | 0.01              | 0.00                     |
| Directors & Relatives                                                          | 174608                                                                   | 0              | 174608           | 0.10              | 174390                                                             | 0              | 174390           | 0.10              | 0.00                     |
| HUF                                                                            | 1074733                                                                  | 0              | 1074733          | 0.60              | 873785                                                             | 0              | 873785           | 0.49              | -0.11                    |
| NBFC – RBI Registered                                                          | 11000                                                                    | 0              | 11000            | 0.01              | 2460                                                               | 0              | 2460             | 0.001             | -0.01                    |
| Investor Education and Protection Fund (IEPF) Authority                        | 658110                                                                   | 0              | 658110           | 0.37              | 692241                                                             | 0              | 692241           | 0.39              | 0.02                     |
| <b>Sub-total (B)(2)</b>                                                        | <b>34690268</b>                                                          | <b>3903047</b> | <b>38593315</b>  | <b>22.73</b>      | <b>31860824</b>                                                    | <b>3524146</b> | <b>35384970</b>  | <b>19.82</b>      | <b>-1.79</b>             |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                            | <b>54584635</b>                                                          | <b>3903047</b> | <b>58487682</b>  | <b>32.75</b>      | <b>54628873</b>                                                    | <b>3524146</b> | <b>58153019</b>  | <b>32.57</b>      | <b>-0.18</b>             |
| <b>C. Shares held by Custodian for GDRs</b>                                    | 9972430                                                                  | 0              | 9972430          | 5.58              | 9972430                                                            | 0              | 9972430          | 5.58              | 0.00                     |
| <b>Grand Total (A + B + C)</b>                                                 | <b>174696133</b>                                                         | <b>3903047</b> | <b>178599180</b> | <b>100.00</b>     | <b>175075034</b>                                                   | <b>3524146</b> | <b>178599180</b> | <b>100.00</b>     | <b>0.00</b>              |

**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    | 50972910                                | 28.54 | 0    | 9.63  |
| 2       | TIFCO HOLDINGS LIMITED*                 | 17208360                                        | 9.63  | 0    | 0                                       | 0     | 0    | -9.63 |
| 3       | PIEM HOTELS LIMITED                     | 3657170                                         | 2.05  | 0    | 3657170                                 | 2.05  | 0    | 0.00  |
| 4       | TATA CHEMICALS LIMITED                  | 2523000                                         | 1.41  | 0    | 2523000                                 | 1.41  | 0    | 0.00  |
| 5       | TAJ TRADE AND TRANSPORT COMPANY LIMITED | 1664090                                         | 0.93  | 0    | 1664090                                 | 0.93  | 0    | 0.00  |
| 6       | TATA INVESTMENT CORPORATION LTD.        | 1076000                                         | 0.60  | 0    | 1076000                                 | 0.60  | 0    | 0.00  |
| 7       | TAJ MADURAI LIMITED                     | 68260                                           | 0.04  | 0    | 68260                                   | 0.04  | 0    | 0.00  |
| 8       | PRAMOD RANJAN                           | 14196140                                        | 7.95  | 5.33 | 14196140                                | 7.95  | 5.33 | 0.00  |
| 9       | D. VARADA REDDY                         | 6283414                                         | 3.52  | 0    | 6614763                                 | 3.70  | 0    | 0.18  |
| 10      | RAMESH DOULATRAM HARIANI                | 3813788                                         | 2.14  | 0    | 3813788                                 | 2.14  | 0    | 0.00  |
| 11      | GIRIJA GOLLAMUDI REDDY                  | 2687630                                         | 1.50  | 0    | 2687630                                 | 1.50  | 0    | 0.00  |
| 12      | D. VIJAYAGOPAL REDDY                    | 2597060                                         | 1.45  | 0    | 2597060                                 | 1.45  | 0    | 0.00  |
| 13      | ROHIT REDDY D.                          | 2212500                                         | 1.24  | 0    | 2212500                                 | 1.24  | 0    | 0.00  |
| 14      | AMITH REDDY D.                          | 2132900                                         | 1.19  | 0.70 | 2152900                                 | 1.21  | 0    | 0.02  |
| 15      | DODLA PREMALEELA REDDY                  | 2019980                                         | 1.13  | 0    | 2019980                                 | 1.13  | 0    | 0.00  |
| 16      | D. NAVEEN REDDY                         | 1313900                                         | 0.74  | 0    | 1313900                                 | 0.74  | 0    | 0.00  |
| 17      | DODLA PRAKASH REDDY                     | 1309320                                         | 0.73  | 0    | 1309320                                 | 0.73  | 0    | 0.00  |
| 18      | D. ARUNA REDDY                          | 1283710                                         | 0.72  | 0    | 1283710                                 | 0.72  | 0    | 0.00  |
| 19      | G. V. REDDY                             | 1258450                                         | 0.70  | 0    | 1258450                                 | 0.70  | 0    | 0.00  |
| 20      | JAKKA SUREKHA REDDY                     | 1041398                                         | 0.58  | 0    | 1141398                                 | 0.64  | 0    | 0.06  |
| 21      | P. SHOBA REDDY                          | 1081450                                         | 0.61  | 0    | 1081450                                 | 0.61  | 0    | 0.00  |
| 22      | DODLA POORNIMA REDDY                    | 900000                                          | 0.50  | 0    | 900000                                  | 0.50  | 0    | 0.00  |
| 23      | CHILAMILIKA LALINI HARIANI              | 807692                                          | 0.45  | 0    | 807692                                  | 0.45  | 0    | 0.00  |
| 24      | DODLA VENKATARAMANI                     | 767890                                          | 0.43  | 0    | 751204                                  | 0.42  | 0    | -0.01 |
| 25      | M. KALA REDDY                           | 406030                                          | 0.23  | 0    | 626120                                  | 0.35  | 0    | 0.12  |
| 26      | C. HEMALATHA REDDY                      | 506430                                          | 0.28  | 0    | 506430                                  | 0.28  | 0    | 0.00  |
| 27      | M. NITYA REDDY                          | 467300                                          | 0.26  | 0    | 467300                                  | 0.26  | 0    | 0.00  |
| 28      | PRAVIN RANJAN                           | 366220                                          | 0.21  | 0    | 366220                                  | 0.21  | 0    | 0.00  |
| 29      | D. LALITHAMMA**                         | 320090                                          | 0.18  | 0    | 0                                       | 0     | 0    | -0.18 |
| 30      | P. VIDYA REDDY                          | 316970                                          | 0.18  | 0    | 316970                                  | 0.18  | 0    | 0.00  |

# ORIENTAL HOTELS LIMITED

## BOARD'S REPORT

| 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 %  |      |
| 31      | SUDHAKAR REDDY          | 313455                                          | 0.18  | 0    | 313455                                  | 0.18  | 0    | 0.00 |
| 32      | C. LEENAJA REDDY        | 311250                                          | 0.17  | 0    | 311250                                  | 0.17  | 0    | 0.00 |
| 33      | DODLA SHILPA            | 247520                                          | 0.14  | 0    | 247520                                  | 0.14  | 0    | 0.00 |
| 34      | NEETHA REDDY            | 169989                                          | 0.10  | 0    | 169989                                  | 0.10  | 0    | 0.00 |
| 35      | DODLA SUDHA REDDY       | 156630                                          | 0.09  | 0.08 | 156630                                  | 0.09  | 0.08 | 0.00 |
| 36      | PRASAD REDDY D. V. S.   | 155500                                          | 0.09  | 0.09 | 155500                                  | 0.09  | 0.09 | 0.00 |
| 37      | M. V. SURESH REDDY      | 130000                                          | 0.07  | 0    | 130000                                  | 0.07  | 0    | 0.00 |
| 38      | D. SUNDER NISCHAL       | 99000                                           | 0.06  | 0    | 99000                                   | 0.06  | 0    | 0.00 |
| 39      | P. DWARAKNATH REDDY     | 87390                                           | 0.05  | 0    | 87390                                   | 0.05  | 0    | 0.00 |
| 40      | S. RAMALINGA REDDY      | 80410                                           | 0.05  | 0    | 80410                                   | 0.05  | 0    | 0.00 |
| 41      | D. K. PAVAN             | 65850                                           | 0.04  | 0    | 65850                                   | 0.04  | 0    | 0.00 |
| 42      | D. V. SHARAN            | 65850                                           | 0.04  | 0    | 65850                                   | 0.04  | 0    | 0.00 |
| 43      | KIRAN REDDY JAKKA       | 54830                                           | 0.03  | 0    | 54830                                   | 0.03  | 0    | 0.00 |
| 44      | D. RAHUL REDDY          | 38420                                           | 0.02  | 0    | 38420                                   | 0.02  | 0    | 0.00 |
| 45      | D. PRASANNA REDDY       | 25000                                           | 0.01  | 0    | 25000                                   | 0.01  | 0    | 0.00 |
| 46      | DODLA ABISHEK           | 22770                                           | 0.01  | 0    | 22770                                   | 0.01  | 0    | 0.00 |
| 47      | DODLA PADMAPRIYA REDDY  | 20162                                           | 0.01  | 0    | 20162                                   | 0.01  | 0    | 0.00 |
| 48      | J. CHAITANYA REDDY      | 16820                                           | 0.01  | 0    | 16820                                   | 0.01  | 0    | 0.00 |
| 49      | G. V. K. RANJAN         | 12000                                           | 0.01  | 0    | 12000                                   | 0.01  | 0    | 0.00 |
| 50      | DODLA KAMESWARI REDDY   | 5200                                            | 0.003 | 0    | 5200                                    | 0.003 | 0    | 0.00 |
| 51      | KODANDARAMA REDDY JAKKA | 5000                                            | 0.003 | 0    | 5000                                    | 0.003 | 0    | 0.00 |
| 52      | D. DEEPTHA              | 4030                                            | 0.002 | 0    | 4030                                    | 0.002 | 0    | 0.00 |
| 53      | D. KARTHIK REDDY        | 300                                             | 0     | 0    | 300                                     | 0.00  | 0    | 0.00 |

(\*) TIFCO Holdings merged with The Indian Hotels Company Limited

(\*\*) Due to the demise of Ms D. Lalithamma, her shares were transmitted to legal heirs

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       | THE INDIAN HOTELS COMPANY LIMITED |                                           |                                  |            |                   |                     |                                  |                                         |                                  |
|         |                                   | Opening Balance as on 01/04/2018          | 33764550                         | 18.91      |                   |                     |                                  |                                         |                                  |
|         |                                   |                                           |                                  | 15-05-2018 | Merger            | 17208360            | 9.64                             | 50972910                                | 28.54                            |
|         | Closing Balance as on 31/03/2019  |                                           |                                  |            |                   |                     |                                  | 50972910                                | 28.54                            |
| 2       | TIFCO HOLDINGS LIMITED            |                                           |                                  |            |                   |                     |                                  |                                         |                                  |
|         |                                   | Opening Balance as on 01/04/2018          | 17208360                         | 9.64       |                   |                     |                                  |                                         |                                  |
|         |                                   |                                           |                                  | 15-05-2018 | Merger            | -17208360           | -9.64                            | 0                                       | 0.00                             |
|         | Closing Balance as on 31/03/2019  |                                           |                                  |            |                   |                     |                                  | 0                                       | 0.00                             |
| 4       | D. VARADA REDDY                   |                                           |                                  |            |                   |                     |                                  |                                         |                                  |
|         |                                   | Opening Balance as on 01/04/2018          | 6283414                          | 3.52       |                   |                     |                                  |                                         |                                  |
|         |                                   |                                           |                                  | 02-08-2018 | Purchase          | 644                 | 0.00                             | 6284058                                 | 3.52                             |
|         |                                   |                                           |                                  | 03-08-2018 | Purchase          | 94358               | 0.05                             | 6378416                                 | 3.57                             |
|         |                                   |                                           |                                  | 28-08-2018 | Purchase          | 22702               | 0.01                             | 6401118                                 | 3.58                             |
|         |                                   |                                           |                                  | 29-08-2018 | Purchase          | 19565               | 0.01                             | 6420683                                 | 3.60                             |
|         |                                   |                                           |                                  | 31-08-2018 | Purchase          | 2393                | 0.00                             | 6423076                                 | 3.60                             |
|         |                                   |                                           |                                  | 05-09-2018 | Purchase          | 58161               | 0.03                             | 6481237                                 | 3.63                             |
|         |                                   |                                           |                                  | 06-09-2018 | Purchase          | 60000               | 0.03                             | 6541237                                 | 3.66                             |
|         |                                   |                                           |                                  | 25-09-2018 | Purchase          | 227                 | 0.00                             | 6541464                                 | 3.66                             |
|         |                                   |                                           |                                  | 26-09-2018 | Purchase          | 5281                | 0.00                             | 6546745                                 | 3.67                             |
|         |                                   |                                           |                                  | 27-09-2018 | Purchase          | 13044               | 0.01                             | 6559789                                 | 3.67                             |
|         |                                   |                                           |                                  | 03-10-2018 | Purchase          | 54974               | 0.03                             | 6614763                                 | 3.70                             |
|         | Closing Balance as on 31/03/2019  |                                           |                                  |            |                   |                     |                                  | 6614763                                 | 3.70                             |
| 5       | DODLA AMIT REDDY                  |                                           |                                  |            |                   |                     |                                  |                                         |                                  |
|         |                                   | Opening Balance as on 01/04/2018          | 2132900                          | 1.19       |                   |                     |                                  |                                         |                                  |
|         |                                   |                                           |                                  | 26-09-2018 | Purchase          | 20000               | 0.01                             | 2152900                                 | 1.21                             |
|         | Closing Balance as on 31/03/2019  |                                           |                                  |            |                   |                     |                                  | 2152900                                 | 1.21                             |
| 6       | JAKKA SUREKHA REDDY               |                                           |                                  |            |                   |                     |                                  |                                         |                                  |
|         |                                   | Opening Balance as on 01/04/2018          | 1041398                          | 0.58       |                   |                     |                                  |                                         |                                  |
|         |                                   |                                           |                                  | 19-09-2018 | Inter-se Transfer | 100000              | 0.06                             | 1141398                                 | 0.64                             |
|         | Closing Balance as on 31/03/2019  |                                           |                                  |            |                   |                     |                                  | 1141398                                 | 0.64                             |

| 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 |
| 7       | DODLA VENKATARAMANI   |                                           |                                  |            |                   |                     |                                  |                                         |                                  |
|         |                       | Opening Balance as on 01/04/2018          | 767890                           | 0.43       |                   |                     |                                  |                                         |                                  |
|         |                       |                                           |                                  | 13-03-2019 | Sale              | -7686               | -0.004                           | 760204                                  | 0.43                             |
|         |                       |                                           |                                  | 19-03-2019 | Sale              | -9000               | -0.005                           | 751204                                  | 0.42                             |
| 8       | M. KALA REDDY         |                                           |                                  |            |                   |                     |                                  | 751204                                  | 0.42                             |
|         |                       | Opening Balance as on 01/04/2018          | 406030                           | 0.23       |                   |                     |                                  |                                         |                                  |
|         |                       |                                           |                                  | 14-08-2018 | Transmission      | 320090              | 0.18                             | 726120                                  | 0.41                             |
|         |                       |                                           |                                  | 19-09-2018 | Inter-se Transfer | -100000             | -0.06                            | 626120                                  | 0.35                             |
| 9       | D. LALITHAMMA         |                                           |                                  |            |                   |                     |                                  | 626120                                  | 0.35                             |
|         |                       | Closing Balance as on 31/03/2019          |                                  |            |                   |                     |                                  |                                         |                                  |
|         |                       | Opening Balance as on 01/04/2018          | 320090                           | 0.18       |                   |                     |                                  |                                         |                                  |
|         |                       |                                           |                                  | 14-08-2018 | Transmission      | -320090             | -0.18                            | 0                                       | 0.00                             |
|         |                       | Closing Balance as on 31/03/2019          |                                  |            |                   |                     |                                  |                                         |                                  |

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

|   |                                             |          |      |            |          |        |      |          |  |      |
|---|---------------------------------------------|----------|------|------------|----------|--------|------|----------|--|------|
| 1 | RELANCE CAPITAL TRUSTEE COMPANY LIMITED A/C |          |      |            |          |        |      |          |  |      |
|   | Opening Balance as on 01/04/2018            | 11950000 | 6.69 |            |          |        |      |          |  |      |
|   |                                             |          |      | 05-10-2018 | Purchase | 39921  | 0.02 | 11989921 |  | 6.71 |
|   |                                             |          |      | 12-10-2018 | Purchase | 105403 | 0.06 | 12095324 |  | 6.77 |
|   |                                             |          |      | 19-10-2018 | Purchase | 1405   | 0.00 | 12096729 |  | 6.77 |
|   |                                             |          |      | 26-10-2018 | Purchase | 19404  | 0.01 | 12116133 |  | 6.78 |
|   |                                             |          |      | 02-11-2018 | Purchase | 29494  | 0.02 | 12145627 |  | 6.80 |
|   |                                             |          |      | 09-11-2018 | Purchase | 1539   | 0.00 | 12147166 |  | 6.80 |
|   |                                             |          |      | 23-11-2018 | Purchase | 8397   | 0.01 | 12155563 |  | 6.81 |
|   |                                             |          |      | 30-11-2018 | Purchase | 29851  | 0.02 | 12185414 |  | 6.82 |
|   |                                             |          |      | 07-12-2018 | Purchase | 52475  | 0.03 | 12237889 |  | 6.85 |
|   |                                             |          |      | 14-12-2018 | Purchase | 12111  | 0.01 | 12250000 |  | 6.86 |
|   |                                             |          |      | 01-02-2019 | Purchase | 15421  | 0.01 | 12265421 |  | 6.87 |
|   |                                             |          |      | 15-02-2019 | Purchase | 78584  | 0.04 | 12344005 |  | 6.91 |
|   |                                             |          |      | 22-02-2019 | Purchase | 102062 | 0.06 | 12446067 |  | 6.97 |
|   |                                             |          |      | 01-03-2019 | Purchase | 19354  | 0.01 | 12465421 |  | 6.98 |
|   | Closing Balance as on 31/03/2019            |          |      |            |          |        |      | 12465421 |  | 6.98 |

| 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 |
| 2       | ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED | Opening Balance as on 01/04/2018          | 3167569                          | 1.77       |          |                     |                                  |                                         |                                  |
|         |                                               |                                           |                                  |            |          |                     |                                  |                                         |                                  |
|         |                                               |                                           |                                  | 06-07-2018 | Sale     | -78000              | -0.04                            | 3089569                                 | 1.73                             |
|         |                                               |                                           |                                  | 19-10-2018 | Sale     | -9206               | -0.01                            | 3080363                                 | 1.73                             |
|         |                                               |                                           |                                  | 09-11-2018 | Sale     | -1700               | 0.00                             | 3078663                                 | 1.72                             |
|         |                                               |                                           |                                  | 01-03-2019 | Sale     | -2000               | 0.00                             | 3076663                                 | 1.72                             |
| 3       | THE ORIENTAL INSURANCE COMPANY LIMITED        |                                           |                                  | 08-03-2019 | Sale     | -21400              | -0.01                            | 3055263                                 | 1.71                             |
|         |                                               | Closing Balance as on 31/03/2019          |                                  |            |          |                     |                                  | 3055263                                 | 1.71                             |
|         |                                               |                                           |                                  |            |          |                     |                                  |                                         |                                  |
|         |                                               | Opening Balance as on 31/03/2018          | 2368630                          | 1.33       |          |                     |                                  |                                         |                                  |
|         |                                               | Closing Balance as on 31/03/2019          |                                  |            |          | 0                   | 0.00                             | 2368630                                 | 1.33                             |
|         |                                               |                                           |                                  |            |          |                     |                                  |                                         |                                  |
| 4       | SUNDARAM MUTUAL FUND A/C SUNDARAM VALCIE FUND | Opening Balance as on 01/04/2018          | 1409854                          | 0.79       |          |                     |                                  |                                         |                                  |
|         |                                               |                                           |                                  | 01-06-2018 | Purchase | 63089               | 0.04                             | 1472943                                 | 0.83                             |
|         |                                               |                                           |                                  | 08-06-2018 | Purchase | 489039              | 0.27                             | 1961982                                 | 1.10                             |
|         |                                               |                                           |                                  | 15-06-2018 | Purchase | 143540              | 0.08                             | 2105522                                 | 1.18                             |
|         |                                               |                                           |                                  | 22-06-2018 | Purchase | 88073               | 0.05                             | 2193595                                 | 1.23                             |
|         |                                               |                                           |                                  | 29-06-2018 | Purchase | 31000               | 0.02                             | 2224595                                 | 1.25                             |
|         |                                               |                                           |                                  | 06-07-2018 | Purchase | 209247              | 0.12                             | 2433842                                 | 1.36                             |
|         |                                               |                                           |                                  | 13-07-2018 | Purchase | 48572               | 0.03                             | 2482414                                 | 1.39                             |
|         |                                               |                                           |                                  | 20-07-2018 | Purchase | 57000               | 0.03                             | 2539414                                 | 1.42                             |
|         |                                               |                                           |                                  | 27-07-2018 | Purchase | 2733                | 0.00                             | 2542147                                 | 1.42                             |
|         |                                               |                                           |                                  | 10-08-2018 | Purchase | 9894                | 0.01                             | 2552041                                 | 1.43                             |
|         |                                               |                                           |                                  | 17-08-2018 | Purchase | 28650               | 0.02                             | 2580691                                 | 1.45                             |
|         |                                               |                                           |                                  | 24-08-2018 | Purchase | 14732               | 0.01                             | 2595423                                 | 1.45                             |
|         |                                               |                                           |                                  | 28-09-2018 | Purchase | 6617                | 0.00                             | 2602040                                 | 1.46                             |
|         |                                               |                                           |                                  | 23-11-2018 | Purchase | 9387                | 0.01                             | 2611427                                 | 1.46                             |
|         |                                               |                                           |                                  | 30-11-2018 | Purchase | 71995               | 0.04                             | 2683422                                 | 1.50                             |
|         |                                               |                                           |                                  | 07-12-2018 | Purchase | 98377               | 0.06                             | 2781799                                 | 1.56                             |
|         |                                               |                                           |                                  | 14-12-2018 | Purchase | 59625               | 0.03                             | 2841424                                 | 1.59                             |
|         |                                               |                                           |                                  | 21-12-2018 | Purchase | 127060              | 0.07                             | 2968484                                 | 1.66                             |
|         |                                               |                                           |                                  | 28-12-2018 | Purchase | 19444               | 0.01                             | 2987928                                 | 1.67                             |
|         |                                               |                                           |                                  | 31-12-2018 | Purchase | 68999               | 0.04                             | 3056927                                 | 1.71                             |

| 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 |
|         |                                            |                                           |                                  | 04-01-2019 | Purchase | 56377               | 0.03                             | 3113304                                 | 1.74                             |
|         |                                            |                                           |                                  | 11-01-2019 | Purchase | 56043               | 0.03                             | 3169347                                 | 1.78                             |
|         |                                            |                                           |                                  | 18-01-2019 | Purchase | 66990               | 0.04                             | 3236337                                 | 1.81                             |
|         |                                            |                                           |                                  | 25-01-2019 | Purchase | 87102               | 0.05                             | 3323439                                 | 1.86                             |
|         |                                            |                                           |                                  | 01-02-2019 | Purchase | 1826                | 0.00                             | 3325265                                 | 1.86                             |
|         |                                            |                                           |                                  | 08-02-2019 | Purchase | 40501               | 0.02                             | 3365766                                 | 1.89                             |
|         |                                            |                                           |                                  | 15-02-2019 | Purchase | 50796               | 0.03                             | 3416562                                 | 1.91                             |
|         |                                            |                                           |                                  | 22-02-2019 | Purchase | 13966               | 0.01                             | 3430528                                 | 1.92                             |
|         |                                            |                                           |                                  | 01-03-2019 | Purchase | 8017                | 0.00                             | 3438545                                 | 1.93                             |
|         |                                            |                                           |                                  | 15-03-2019 | Purchase | 92869               | 0.05                             | 3531414                                 | 1.98                             |
|         |                                            |                                           |                                  | 22-03-2019 | Purchase | 312931              | 0.18                             | 3844345                                 | 2.15                             |
|         |                                            |                                           |                                  | 29-03-2019 | Purchase | 91997               | 0.05                             | 3936342                                 | 2.20                             |
|         | Closing Balance as on 31/03/2019           |                                           |                                  |            |          |                     |                                  | 3936342                                 | 2.20                             |
| 5       | <b>NARGESH K. PARAKH</b>                   |                                           |                                  |            |          |                     |                                  |                                         |                                  |
|         | Opening Balance as on 01/04/2018           | 1223110                                   | 0.69                             |            |          |                     |                                  |                                         |                                  |
|         | Closing Balance as on 31/03/2019           |                                           |                                  |            |          | 0                   | 0.00                             | 1223110                                 | 0.69                             |
| 6       | <b>ALISHA DODLA REDDY</b>                  |                                           |                                  |            |          |                     |                                  |                                         |                                  |
|         | Opening Balance as on 31/03/2018           | 1000000                                   | 0.56                             |            |          |                     |                                  |                                         |                                  |
|         | Closing Balance as on 30/03/2019           |                                           |                                  |            |          | 0                   | 0.00                             | 1000000                                 | 0.56                             |
| 7       | <b>ASHNA DODLA REDDY</b>                   |                                           |                                  |            |          |                     |                                  |                                         |                                  |
|         | Opening Balance as on 31/03/2018           | 1000000                                   | 0.56                             |            |          |                     |                                  |                                         |                                  |
|         | Closing Balance as on 30/03/2019           |                                           |                                  |            |          | 0                   | 0.00                             | 1000000                                 | 0.56                             |
| 8       | <b>INDIAN SYNTANS INVESTMENTS (P) LTD.</b> |                                           |                                  |            |          |                     |                                  |                                         |                                  |
|         | Opening Balance as on 31/03/2018           | 1000000                                   | 0.56                             |            |          |                     |                                  |                                         |                                  |
|         | Closing Balance as on 30/03/2019           |                                           |                                  |            |          | 0                   | 0.00                             | 1000000                                 | 0.56                             |
| 9       | <b>BANK OF INDIA MANEKCHOWK BRANCH</b>     |                                           |                                  |            |          |                     |                                  |                                         |                                  |
|         | Opening Balance as on 31/03/2018           | 888400                                    | 0.50                             |            |          |                     |                                  |                                         |                                  |
|         | Closing Balance as on 30/03/2019           |                                           |                                  |            |          | 0                   | 0.00                             | 888400                                  | 0.50                             |
| 10      | <b>VINODCHANDRA MANSUKHLAL PAREKH</b>      |                                           |                                  |            |          |                     |                                  |                                         |                                  |
|         | Opening Balance as on 31/03/2018           | 787220                                    | 0.44                             |            |          |                     |                                  |                                         |                                  |
|         | Closing Balance as on 30/03/2019           |                                           |                                  |            |          | 0                   | 0.00                             | 787220                                  | 0.44                             |

## 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 |                                  | Date       | Reason   | Increase / Decrease |                                  | Cumulative Shareholding during the year |                                  |
|---------|------------------------------------------------------------------|-------------------------------------------|----------------------------------|------------|----------|---------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                  | No. of shares                             | % of total shares of the Company |            |          | No. of Shares       | % to total Shares of the Company | No. of shares                           | % of total shares of the Company |
| 1       | Mr. Puneet Chhatwal                                              | -                                         | -                                | -          | -        | -                   | -                                | -                                       | -                                |
| 2       | Mr. Pramod Ranjan                                                | 14196140                                  | 7.95                             |            |          |                     |                                  | 14196140                                | 7.95                             |
| 3       | Mr. D Varada Reddy                                               | 6283414                                   | 3.52                             | 02-08-2018 | Purchase | 644                 | 0.00                             | 6284058                                 | 3.52                             |
|         |                                                                  |                                           |                                  | 03-08-2018 | Purchase | 94358               | 0.05                             | 6378416                                 | 3.57                             |
|         |                                                                  |                                           |                                  | 28-08-2018 | Purchase | 22702               | 0.01                             | 6401118                                 | 3.58                             |
|         |                                                                  |                                           |                                  | 29-08-2018 | Purchase | 19565               | 0.01                             | 6420683                                 | 3.60                             |
|         |                                                                  |                                           |                                  | 31-08-2018 | Purchase | 2393                | 0.00                             | 6423076                                 | 3.60                             |
|         |                                                                  |                                           |                                  | 05-09-2018 | Purchase | 58161               | 0.03                             | 6481237                                 | 3.63                             |
|         |                                                                  |                                           |                                  | 06-09-2018 | Purchase | 60000               | 0.03                             | 6541237                                 | 3.66                             |
|         |                                                                  |                                           |                                  | 25-09-2018 | Purchase | 227                 | 0.00                             | 6541464                                 | 3.66                             |
|         |                                                                  |                                           |                                  | 26-09-2018 | Purchase | 5281                | 0.00                             | 6546745                                 | 3.67                             |
|         |                                                                  |                                           |                                  | 27-09-2018 | Purchase | 13044               | 0.01                             | 6559789                                 | 3.67                             |
|         |                                                                  |                                           |                                  | 03-10-2018 | Purchase | 54974               | 0.03                             | 6614763                                 | 3.70                             |
| 4       | Dr. G Sundaram                                                   | -                                         | -                                | -          | -        | -                   | -                                | -                                       | -                                |
| 5       | Mr. D Vijayagopal Reddy                                          | 2597060                                   | 1.45                             | -          | -        | -                   | -                                | 2597060                                 | 1.45                             |
| 6       | Mr. S Y Syed Meeran                                              | 10500                                     | 0.01                             | -          | -        | -                   | -                                | 10500                                   | 0.01                             |
| 7       | Mr. Ramesh D Hariani                                             | 3813788                                   | 2.14                             | -          | -        | -                   | -                                | 3813788                                 | 2.14                             |
| 8       | Ms. Gita Nayyar                                                  | -                                         | -                                | -          | -        | -                   | -                                | -                                       | -                                |
| 9       | Mr. Vijay Sankar                                                 | -                                         | -                                | -          | -        | -                   | -                                | -                                       | -                                |
| 10      | Mr. Phillie D Karkaria                                           | -                                         | -                                | -          | -        | -                   | -                                | -                                       | -                                |
| 11      | Mr. Giridhar Sanjeevi                                            | -                                         | -                                | -          | -        | -                   | -                                | -                                       | -                                |
| 12      | Mr. Harish Lakshman<br>(from May 09, 2018)                       | -                                         | -                                | -          | -        | -                   | -                                | -                                       | -                                |
| 13      | Mr. Tom Antony – CS                                              | -                                         | -                                | -          | -        | -                   | -                                | -                                       | -                                |
| 14      | Mr. Rajneesh Jain – CFO<br>(till February 04, 2019)              | -                                         | -                                | -          | -        | -                   | -                                | -                                       | -                                |
| 15      | Mr. Sreyas Arumbakkam<br>(from February 05, 2019)                | -                                         | -                                | -          | -        | -                   | -                                | -                                       | -                                |

## 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                                        | 31331                            | -               | -        | 31331              |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | 441                              | -               | -        | 441                |
| <b>Total (i+ii+iii)</b>                                    | <b>31772</b>                     | <b>-</b>        | <b>-</b> | <b>31772</b>       |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| * Addition                                                 | 1147                             | -               | -        | 1147               |
| * Reduction                                                | -8208                            | -               | -        | -8208              |
| <b>Net Change</b>                                          | <b>-7061</b>                     | <b>-</b>        | <b>-</b> | <b>-7061</b>       |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount                                        | 24281                            | -               | -        | 24281              |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | 430                              | -               | -        | 430                |
| <b>Total (i+ii+iii)</b>                                    | <b>24711</b>                     | <b>-</b>        | <b>-</b> | <b>24711</b>       |

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

(₹ in lakhs)

| Particulars of Remuneration                                                         | Managing Director |
|-------------------------------------------------------------------------------------|-------------------|
|                                                                                     | Mr. Pramod Ranjan |
| <b>Gross salary</b>                                                                 |                   |
| (a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961 | 80.50             |
| (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                      | 15.08             |
| (c) Performance incentive                                                           | 16.50             |
| <b>Total</b>                                                                        | <b>112.08</b>     |

The remuneration to MD was within the ceiling as per the Act. The details in the above table are on accrual basis.

**B. Remuneration to other Directors**

(Amount in ₹)

| Sl. No. | Particulars                          | Setting Fees     |
|---------|--------------------------------------|------------------|
|         | <b>Independent Directors</b>         |                  |
| 1       | Dr. G. Sundaram                      | 3,60,000         |
| 2       | Mr. S. Y. Syed Meeran                | 2,50,000         |
| 3       | Ms. Gita Nayyar                      | 4,70,000         |
| 4       | Mr. Vijay Sankar                     | 4,10,000         |
| 5       | Mr. Phillie D. Karkaria              | 2,50,000         |
| 6       | Mr. Harish Lakshman                  | 1,80,000         |
|         | <b>Total (a)</b>                     | <b>19,20,000</b> |
|         | <b>Other Non Executive Directors</b> |                  |
| 7       | Mr. D. Varada Reddy                  | 2,20,000         |
| 8       | Mr. D. Vijayagopal Reddy             | 3,20,000         |
| 9       | Mr. Ramesh. D. Hariani               | 1,50,000         |
|         | <b>Total (b)</b>                     | <b>6,90,000</b>  |
|         | <b>Grant Total (a+b)</b>             | <b>26,10,000</b> |

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

(₹ in lakhs)

| Particulars of Remuneration                                                         | Key Managerial Personnel |                                                  |                                                  |
|-------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------|--------------------------------------------------|
|                                                                                     | Company Secretary        | Chief Financial Officer (till February 04, 2019) | Chief Financial Officer (from February 05, 2019) |
|                                                                                     | Mr. Tom Antony           | Mr. Rajneesh Jain                                | Mr. Sreyas Arumbakkam                            |
| <b>Gross salary</b>                                                                 |                          |                                                  |                                                  |
| (a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961 | 58.69                    | 49.32                                            | 7.48                                             |
| (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                      | -                        | -                                                | -                                                |
| (c) Performance incentive                                                           | 6.22                     | 7.23                                             | -                                                |
| <b>Total</b>                                                                        | <b>64.91</b>             | <b>56.55</b>                                     | <b>7.48</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.

**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, 2018 to March, 2019. 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.

**ECONOMIC ENVIRONMENT – OVERVIEW****Global**

Amongst South Asian countries, excluding India, growth was moderate to good. The International Monetary Fund (IMF) estimated the global economic growth to be 3.6% for 2018. The lacklustre progress of the world economy is a consequence of rising trade tensions between the US and China; financial tightening amid normalisation of monetary policies in larger advanced economies; tighter credit policies in China; volatile crude oil prices and moderating industrial production. These headwinds negatively influenced the recovery in emerging markets and developing economies, as well. As a result, the global economy now faces more acute downside risks that include the possibility of disorderly financial market movements and an escalation of trade dispute.

**India**

India continued to build its lead as the fastest-growing economy in the world during Financial Year (FY) 2018-19. Recent estimates as per the Central Statistical Office pegged GDP growth for FY 2018-19 at 7% led by government expenditure in infrastructure mainly roads, affordable housing and improved exports. Domestic consumption is expected to grow into a \$6 trillion opportunity by 2030 (Source: WEF Future of Consumption in Fast-Growth Consumer Markets: India, January 2019). Healthy savings by Indian households, higher proportion of young working population and policy reforms are expected to be the long-term drivers for India's economic growth in future.

Inflation, as measured by Consumer Price Index (CPI), remained modest for major part of the year largely due to the benign food inflation which is a major constituent of CPI. The soft food inflation trend is expected to continue given the increased agricultural productivity in the country. Wholesale Price Index (WPI) inflation too remained in low single digits during the year on account of marginal increase in fuel prices.

**Outlook**

India is expected to lean towards domestic factors to drive its progress owing to a weak global economic environment. In FY 2019-20, India's economy is likely to grow by 7.2% (Source: RBI). The country's GDP growth will primarily be driven by continued momentum in private investment, as well as gross capital formation, growth in bank credit and strong financial flows to the commercial sector. Normal monsoon and lower oil prices will also augur well for the economy.

However, India has been witnessing some downside on the domestic front since April 2019. Primarily, these were weakness in consumption led by automobiles and two-wheelers, reduction in non-banking financial companies credit funding, impact on exports from moderating global demand and political uncertainty in anticipation of general elections, which has led to mixed views on whether the downside is transient or structural. There have been some recent forecasts, which have pegged the estimated growth of the Indian economy to sub-7% levels.

The headwinds that the global economy is facing, including faster-than-anticipated deceleration in global growth, volatility in financial markets, geo-political events and worsening trade disputes could further impact businesses in developed markets as well as emerging markets and cause a plateauing of growth.

**INDIAN HOSPITALITY AND TOURISM INDUSTRY**

Travel and tourism industry contributed 9.2% to India's GDP and registered a growth of 6.7% in 2018 (Source: WTTC). The industry supported 43 million jobs in the country (8.1% of total employment). India offers a diverse

# ORIENTAL HOTELS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

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portfolio of niche tourism products, including cruises; adventure; medical; wellness; sports; meetings, incentives, conventions and exhibitions (MICE) eco-tourism; films; rural and religious tourism. The country has been recognised as a destination for spiritual tourism for domestic and international tourists. Besides, the introduction of a new category of visa—the medical visa or M visa—is expected to encourage medical tourism in India. Several other factors promoting tourism, in general and hospitality, in particular are;

- Focus on improving infrastructure, including airports, roads and rail connectivity across the country
- Positive amendments to Coastal Regulation Zones Rules are expected to facilitate development of beach resorts across the coastline
- Digitisation of services, including payment mechanisms
- E-visas offered to nationals of 166 countries is expected to increase foreign travelers
- New avenues of funding Real Estate and Hospitality assets through institutional equity by way of listing Real Estate Investment Trusts (REIT) and Initial Public Offers (IPOs) of certain hospitality companies
- Introduction of the Insolvency and Bankruptcy Code (IBC) to resolve insolvencies efficiently, which in turn gives rise to opportunities for expansion.

The industry's concern however, are high GST rates, which at 28% for room tariffs above ₹7,500 are amongst the highest in South East Asia positioning the country as an expensive destination in comparison with regional peers. Further, the recent turmoil within the airline industry in India leading to a decline in flights has impacted travel, notwithstanding the high demand for air travel.

The demand for rooms has outpaced supply of rooms over the past six years and this trend continued in 2018 as well. India's hotel industry is on an upswing on the back of robust prospects in the domestic tourism industry, increasing foreign tourist arrivals, improving forex inflows, high demand for air travel and muted supply growth. These factors corroborated by domestic macroeconomic data suggest the road ahead will bring higher revenues and margins for the hospitality industry in the country. Growth in upscale and budget hotels, in particular is expected to be buoyant with other segments too witnessing healthy momentum.

### **Renovation**

During FY 2018-19, the renovation of rooms and suites on three floors and the Club lounge at Taj Coromandel, Chennai and 52 rooms on the lobby block, the all-day diner and lobby at Taj Fisherman's Cove, Chennai were completed. Renovation of cottages and villas at Taj Fisherman's Cove is under progress and will be completed during FY 2019-20.

### **ENVIRONMENT, HEALTH AND SAFETY**

The Company utilizes power from renewable energy sources which not only helps in reducing the carbon footprint but also in optimizing cost of power. The share of renewable energy in Company's total power consumption was 71% in FY 2018-19.

Waste management is an integral part of Company's environment management endeavours, The Company promotes waste reduction, as well as segregation and recycling. Water security assessment of hotels in key cities to identify water-related risks and strengthen preparedness to manage them form part of this. Rainwater harvesting and recycling of greywater by utilizing onsite waste water treatment plants are some of the measures adopted for water preservation.

The Fire and Life Safety (FLS) audits were revised to move from a score-based annual audit to a risk-based bi-annual audit. Standard Operating Procedures (SOPs) on safety such as Safe Sewage Treatment Plant Operations, Safe Banqueting Operations, Visitors Access Control, Contractor Safety Management, Permits to Work, Personal Protective Equipment form part of the measures introduced to improve Safety. Rigorous monitoring of food safety practices supported by bi-annual audits ensure adherence to Food Safety and Standards Authority of India (FSSAI) requirements, as well as hygiene.

### **Human Capital**

The Human Resource Policies and Practices of your company are aligned with IHCL group HR Policies and Practices. Your Company's employees are its most valuable asset who enable the Company to deliver a level of service that is among the highest in the hospitality industry. A combination of talent management strategy combined with a robust and transparent performance management system which leads to an attractive long term compensation philosophy is employed to attract and retain the best available talent.

As at March 31, 2019, the Company employed 1,203 employees of which 764 were permanent employees and 439 were contract employees.

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 initiatives undertaken by Group HR are explained here.

#### **LEADERSHIP DEVELOPMENT**

- The General Manager Development Programme for cohort 2 adopted the process of experiential learning and was conducted at Nanyang Technological University in Singapore
- Sustainability Leadership Development Programmes for chief engineers. This was designed and executed in collaboration with National Institute of Industrial Engineering (NITIE), Mumbai. This is focused on environment, health, safety and sustainability
- As part of our efforts to continue the senior leadership team's emphasis on emotional intelligence, a session on mindfulness was conducted

#### **Online Learning**

- Taj LEAD continues to provide functional and leadership online learning content
- Partnered with American Hotel & Lodging Educational Institute (AHLEI) to provide supervisors and managers functional expertise through an online platform
- Deployed Hello English, an interactive English learning app for 550+ frontline associates
- Initiated the pilot of the Tajness learning app, which helps bring Tajness values to life

#### **VConnect**

- VConnect is our continuous engagement initiative to provide virtual space where employees can voice their opinions anonymously, at any point of time
- The initiative is deployed in all of our hotels in India
- The feedback from employees are addressed by managers within ten days of receiving them

#### **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 considerably.

##### **Company's specific Risks**

The Company specific risks have been reviewed and some of the critical risks are as under.

##### **Heavy Dependence on India**

A significant portion of your Company's revenues are realized 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.

# ORIENTAL HOTELS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

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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, 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.

### Hotels on lease/licence

Some of our hotels operate under lease/licence arrangements with third parties. Such arrangements are subject to various risks including unfavourable terms and conditions on renewal or non-renewal, which has a potential to impact our business. Your Company has attempted to mitigate such risks by entering into relatively long-term arrangements.

### Risk Mitigation Initiatives

Your Company employs various policies, processes and methods to counter these risks effectively, as enumerated below.

Your Company is continuously evaluating options for improving profitability of its assets, including restructuring of operations and arrangements and exiting from non-performing assets.

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.

Your Company constantly reviews and implements various security measures at all its properties, to counter the security/terrorism risk.

With the advent and increasing use of online transactions, the share of revenues from Online Travel Agents is also proportionately increasing.

Adequate measures were taken to educate customers on the benefits of booking directly on the Taj website. The website has also been revamped to enhance the customer experience. Additionally, mobile platforms have been developed for customers, specially targeted at the loyalty and “on-the-go” segments.

### Internal Control Systems and their Adequacy

The Company has institutionalised an adequate system of internal controls, with documented procedures covering all corporate functions and hotel operating units. Internal controls 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. The internal audit process (Taj Positive Assurance Model) provides a positive assurance, based on the audits of operating units and corporate functions. It converges process framework, risk and control matrix and a scoring matrix, covering all critical and important functions inter-alia revenue management, hotel operations, purchase, finance, human resources and safety.

A framework for each functional area is identified based on risk assessment and control, allowing the unit to identify and mitigate high-risk areas. These policies and procedures are updated periodically and monitored by the Group Internal Audit. Internal controls are reviewed through the annual internal audit process, which is undertaken for every operational unit and all major corporate functions under the direction of Group Internal Audit. The focus of these reviews is:

- Identification of weaknesses and improvement areas
- Compliance with defined policies and processes
- Compliance with applicable statutes
- Safeguarding tangible and intangible assets
- Managing risk environment, including operational, financial, social and regulatory risks
- Conformance to the Tata Code of Conduct

The Company complies with applicable IT laws and regulations. Real-time monitoring solutions of IT assets were introduced to enable detection of cyber security attack. The internal audit team conducts periodic audits through external IT and security auditors of the information technology landscape and report their observations along with mitigating actions.

The Board's Audit & Risk Management Committee oversees the adequacy of the internal control environment through periodic reviews of audit findings and monitoring implementations of internal audit recommendations through

compliance reports. The Statutory Auditors have opined in their report that there are adequate internal controls over financial reporting at the Company.

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

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

### Results of Operations for the year ended March 31, 2019

#### Standalone Financial Results

The following table sets forth financial information for the Company for the year ended March 31, 2019

₹ lakhs

| Particulars                                    | Year ended       |                  |
|------------------------------------------------|------------------|------------------|
|                                                | March 31, 2019   | March 31, 2018   |
| <b>Income</b>                                  |                  |                  |
| Revenue from operations                        | 34,542.43        | 35,686.23        |
| Other Income                                   | 1,129.58         | 1,201.36         |
| <b>Total Income</b>                            | <b>35,672.01</b> | <b>36,887.59</b> |
| <b>Expenditure</b>                             |                  |                  |
| Food and Beverages Consumed                    | 3,706.74         | 4,044.05         |
| Employee Benefit Expense                       | 9,759.25         | 9,868.95         |
| Depreciation and Amortisation Expense          | 2,837.77         | 2,765.94         |
| Other Expenditure                              | 16,024.15        | 16,268.17        |
| <b>Total Expenditure</b>                       | <b>32,327.91</b> | <b>32,947.11</b> |
| <b>Profit before Finance Cost and Tax</b>      |                  |                  |
| Finance Costs                                  | 2,718.05         | 3,088.59         |
| <b>Profit before Exceptional Items and Tax</b> | <b>626.05</b>    | <b>851.89</b>    |
| Exceptional Items                              | 9,616.30         | 0.98             |
| <b>Profit before Tax</b>                       | <b>10,242.35</b> | <b>852.87</b>    |
| Tax Expense                                    | 1,298.15         | 253.13           |
| <b>Profit after Tax</b>                        | <b>8,944.20</b>  | <b>599.74</b>    |

The analysis of major items of financial statements are given below:

#### a) Revenues

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

₹ lakhs

| Particulars                        | Year Ended       |                  | Change %      |
|------------------------------------|------------------|------------------|---------------|
|                                    | March 31, 2019   | March 31, 2018   |               |
| Room Income                        | 16,048.21        | 16,744.26        | (4.16)        |
| Food, Beverage & Banqueting Income | 15,568.24        | 15,983.29        | (2.60)        |
| Other Operating Income             | 2,925.98         | 2,958.68         | (1.10)        |
| Non-Operating Income               | 1,129.58         | 1,201.36         | (5.97)        |
| <b>Total Income</b>                | <b>35,672.01</b> | <b>36,887.59</b> | <b>(3.30)</b> |
| Statistical Information            |                  |                  |               |
| Average Room Rate (₹)              | 6,725            | 6,429            | 4.60          |
| Occupancy (%)                      | 64               | 66               | (3.00)        |

- Room income and Food, beverage & banqueting income decreased by 4.16% and 2.6% respectively, compared to the previous year due to sale of unit at Visakhapatnam.
- Other Operating Income primarily comprises income from management fees, laundry, spa & health club, telephone and business centre rents, among others. Other operating income decreased by 1.1% over the previous year, majorly on account of sale of Visakhapatnam unit.

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## MANAGEMENT DISCUSSION AND ANALYSIS

- Non-Operating Income decreased by ₹71.78 lakhs, compared to the previous year. The non-operating income mainly comprises of dividend income, gain on investment in mutual funds and interest income.

### b) Operating Expenses

The operating expense decreased by 2.29% from ₹30,181.17 lakhs to ₹29,490.14 lakhs during the current year. The main reason for decrease in all expenditure heads is on account of sale of Visakhapatnam unit.

#### i) Food and Beverages Consumed

₹ lakhs

|                             | March 31, 2019 | March 31, 2018 | Change (%) |
|-----------------------------|----------------|----------------|------------|
| Food and beverages consumed | 3,706.74       | 4,044.05       | 8.34       |

The decrease in consumption of food and beverages is variable to income from food, beverages and banqueting business, which decreased by 2.60% over the previous year. The main impact is on account of sale of Visakhapatnam unit.

#### ii) Employee Benefit Expenses and Payment to Contractors

₹ lakhs

|                                                      | March 31, 2019 | March 31, 2018 | Change (%) |
|------------------------------------------------------|----------------|----------------|------------|
| Employee benefit expenses and payment to contractors | 9,759.25       | 9,868.95       | 1.11       |

The employee benefit expenses were lower than the previous year, mainly on account of sale of Visakhapatnam unit.

#### iii) Depreciation and Amortisation Expenses

₹ lakhs

|                                        | March 31, 2019 | March 31, 2018 | Change (%) |
|----------------------------------------|----------------|----------------|------------|
| Depreciation and amortisation expenses | 2,837.77       | 2,765.94       | (2.6)      |

The increase in depreciation charge for the year was mainly due to additions to assets during the second part of the previous year arising out of the Company's renovation program.

#### iv) Other Expenditure

₹ lakhs

| Particulars              | March 31, 2019   | March 31, 2018   | Change (%)  |
|--------------------------|------------------|------------------|-------------|
| Other Operating Expenses | 10,093.12        | 10,319.36        | 2.19        |
| General expenses         | 5,931.03         | 5,948.81         | 0.30        |
| <b>Total</b>             | <b>16,024.15</b> | <b>16,268.17</b> | <b>1.50</b> |

The Other Expenditure decreased by 1.5% from ₹16,268.17 lakhs to ₹16,024.15 lakhs in the current year.

#### c) Finance Costs

₹ lakhs

| Particulars   | March 31, 2019 | March 31, 2018 | Change (%) |
|---------------|----------------|----------------|------------|
| Finance Costs | 2,718.05       | 3,088.59       | 12         |

Finance Costs for the current year at ₹2,718.05 lakhs were lower than the previous year by ₹370.54 lakhs, mainly due to prepayment of debts during the year out of proceeds from sale of business undertaking.

#### d) Exceptional Items

Exceptional items includes items as under:

₹ lakhs

| Particulars                                                                                                                                                             | Year Ended      |                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|
|                                                                                                                                                                         | March 31, 2019  | March 31, 2018 |
| Gain on sale of a hotel undertaking at Visakhapatnam                                                                                                                    | 10,146.07       | —              |
| Notional adjustment on account of deposit carried at amortized cost under IND AS is reversed due to premature termination of lease agreement pertaining to a hotel unit | 979.80          | —              |
| Compensation arising out of premature termination of operating agreement                                                                                                | (500.99)        | —              |
| Loss on sale of land which was shown as Asset held for sale                                                                                                             | (891.16)        | —              |
| Provision for impairment of land                                                                                                                                        | (117.42)        | —              |
| MTM Gain/(Losses) on derivative contracts                                                                                                                               | —               | 0.98           |
| <b>Total</b>                                                                                                                                                            | <b>9,616.30</b> | <b>0.98</b>    |

**e) Gross Debt and Net Debt**

₹ lakhs

| Particulars                     | March 31, 2019   | March 31, 2018   | Change (%)     |
|---------------------------------|------------------|------------------|----------------|
| Gross Debt                      | 24,716.81        | 31,767.38        | (22.19)        |
| Less: Cash and cash equivalents | 2,096.27         | 527.68           | 297.26         |
| Less: Current Investments       | 3,186.91         | –                | 100.00         |
| <b>Net debt</b>                 | <b>19,433.63</b> | <b>31,239.70</b> | <b>(37.79)</b> |

There was decrease in the gross debt during the year on account of repayment of Rupee Term Loan of ₹8100 lakhs from the sale proceeds of Visakhapatnam property. The Cash and Current Investments increased during the year on account of proceeds from Sale of Visakhapatnam property and Mysore Land thereby resulting in decrease in the net debt.

**Cash Flow Data**

₹ lakhs

| Particulars                                                 | Year Ended      |                 |
|-------------------------------------------------------------|-----------------|-----------------|
|                                                             | March 31, 2019  | March 31, 2018  |
| Net Cash from operating activities                          | 3,525.70        | 5,088.86        |
| Net Cash from/(used in) investing activities                | 7,809.11        | (1,720.70)      |
| Net Cash from/(used in) financing activities                | (9,766.22)      | (4,003.40)      |
| <b>Net Increase/(Decrease) in cash and cash equivalents</b> | <b>1,568.59</b> | <b>(635.24)</b> |

**Operating Activities**

During the year, net cash generated from operating activities amounted to ₹3,525.70 lakhs compared to ₹5,088.86 lakhs in the previous year. The decrease in cash flow from operating activities is on account of sale of Visakhapatnam property.

**Investing Activities**

During the year, the net cash inflow from investing activities amounted to ₹7,809.11 lakhs, compared to outflow of ₹1,720.70 lakhs in the previous year.

The Company incurred ₹5,404.21 lakhs towards capital expenditure, towards renovation at certain hotels. Also, the company generated net cash of ₹11,971.73 lakhs proceeds from sale of business undertaking; ₹1,916.82 lakhs from sale of land at Mysore and proceeds from refund of long term deposit placed for hotel ₹4,750 lakhs. The surplus cash was invested in Mutual Fund and Deposits with Bank of ₹3,050.99 lakhs & ₹3,000 lakhs respectively.

**Financing Activities**

During the year, the net cash utilised for financing activities was ₹9,766.22 lakhs as against a cash outflow of ₹4,003.40 lakhs in the previous year.

The rupee Term Loan of ₹8,100 lakhs were repaid out of cash generated from investing activities and part of cash generated from operations was utilised to serve interest cost.

**Key Financial Ratios for Standalone Financials**

| Particulars                                                                                                                                                           | Year Ended     |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                                                       | March 31, 2019 | March 31, 2018 |
| Net Debt* to Total Capital (Gross Debt less cash, cash equivalents and current investments/Average Net debt and Net worth)                                            | 0.29           | 0.53           |
| Net Debt* to Equity (Gross Debt less cash, cash equivalents and current investments/Average Equity and Other Equity)                                                  | 0.50           | 1.14           |
| Interest Service Coverage Ratio (EBIT + Net Finance Costs + Depreciation + Provision for diminution in the value of long-term Investments/Net Finance Costs)          | 5.81           | 2.17           |
| Net profit margin (Profit after tax / Turnover)                                                                                                                       | 0.25           | 0.02           |
| Return on Net Worth (Profit after tax / Average Equity and Other Equity)                                                                                              | 0.31           | 0.02           |
| Return on Capital employed (EBIT / Average Capital Employed (Equity + Other Equity + Borrowings + Current Maturities of Non-Current Borrowings + Current Borrowings)) | 0.24           | 0.07           |

\* Net debt excludes amortized cost of redemption premium.

# ORIENTAL HOTELS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

### Explanation for change in key financial ratios

The changes in the ratios are due to the reduction in debt and an increase in profitability mainly arising out of sale of hotel unit located at Visakhapatnam.

### Consolidated Financials

The Consolidated Financial Statements comprise the Company, its subsidiary, associate and joint venture prepared in accordance with IND AS as applicable to the Company.

### Consolidated Financial Results

The following table sets forth the Consolidated Financial results for the year ended March 31, 2019.

₹ lakhs

| Particulars                                                                                                  | Year Ended       |                  |
|--------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                              | March 31, 2019   | March 31, 2018   |
| <b>Income</b>                                                                                                |                  |                  |
| Revenue from Operations                                                                                      | 34,678.58        | 35,797.38        |
| Other Income                                                                                                 | 797.22           | 429.95           |
| <b>Total Income</b>                                                                                          | <b>35475.80</b>  | <b>36,227.33</b> |
| <b>Expenditure</b>                                                                                           |                  |                  |
| Food and Beverages Consumed                                                                                  | 3,706.74         | 4,044.05         |
| Employee Benefits Expenses                                                                                   | 9,759.25         | 9,868.95         |
| Depreciation and Amortisation Expense                                                                        | 2,837.77         | 2,765.94         |
| Other Expenditure                                                                                            | 16,068.25        | 16,273.95        |
| <b>Total Expenditure</b>                                                                                     | <b>32,372.01</b> | <b>32,952.89</b> |
| <b>Profit Before Finance Cost and Tax</b>                                                                    |                  |                  |
| Finance Costs                                                                                                | 2,718.05         | 3,088.59         |
| <b>Profit before Tax, Exceptional Items and share of profit of equity accounted investees</b>                | <b>385.74</b>    | <b>185.85</b>    |
| Exceptional Items                                                                                            | 9,616.30         | 0.98             |
| <b>Profit before Tax, before Non-Controlling interests and share of profit of equity accounted investees</b> | <b>10,002.04</b> | <b>186.83</b>    |
| Provision for Taxes                                                                                          | 1,298.15         | 253.13           |
| <b>Profit after Tax, before Non-Controlling interests and share of profit of equity accounted investees</b>  | <b>8,703.89</b>  | <b>(66.30)</b>   |
| Add: Share of Profit of Associates and Joint Ventures (net of tax)                                           | 454.63           | 678.73           |
| Less: Non-Controlling interest in Subsidiaries                                                               |                  |                  |
| <b>Profit after Tax attributable to Owners of the Company</b>                                                | <b>9,158.52</b>  | <b>612.43</b>    |

### Income

Revenue from operations decreased by 3.13% from ₹35,797.38 lakhs to ₹34,678.58 lakhs, mainly on account of sale of Visakhapatnam property.

### Operating Expenses

The operating expenses decreased by 2.16% from ₹30,186.95 lakhs to ₹29,534.24 lakhs on account of sale of hotel unit at Visakhapatnam.

### Finance Costs

Finance Costs for the year ended March 31, 2019, at ₹2,718.05 lakhs were lower than the previous year by ₹370.54 lakhs mainly due to retirement of debt out of the proceeds from sale of business undertaking.

**Exceptional Items**

Exceptional items includes the following:

₹ lakhs

| Particulars                                                                                                                                                              | March 31, 2019  | March 31, 2018 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|
| Gain on sale of a hotel undertaking at Visakhapatnam.                                                                                                                    | 10,146.07       | —              |
| Notional adjustment on account of deposit carried at amortized cost under IND AS is reversed due to premature termination of lease agreement pertaining to a hotel unit. | 979.80          | —              |
| Compensation arising out of premature termination of operating agreement.                                                                                                | (500.99)        | —              |
| Loss on sale of land which was shown as Asset held for sale.                                                                                                             | (891.16)        | —              |
| Provision for impairment of land.                                                                                                                                        | (117.42)        | —              |
| MTM Gain/(Losses) on derivative contracts                                                                                                                                | —               | 0.98           |
| <b>Total</b>                                                                                                                                                             | <b>9,616.30</b> | <b>0.98</b>    |

**Profit after Tax attributable to Owners of the Company**

Profit/(Loss) after tax, Non-Controlling interest and share of profit of equity accounted investees for the year was higher at ₹9,158.52 lakhs as compared to ₹612.43 lakhs for the previous year on account of sale of business undertaking at Visakhapatnam

**Cash Flow Data**

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

₹ lakhs

| Particulars                                          | Year Ended     |                |
|------------------------------------------------------|----------------|----------------|
|                                                      | March 31, 2019 | March 31, 2018 |
| Net Cash from operating activities                   | 3,801.52       | 5,205.15       |
| Net Cash from/(used) in investing activities         | 8,217.28       | (1,861.37)     |
| Net Cash from/(used) in financing activities         | (9,766.22)     | (4,003.40)     |
| Net Increase/(Decrease) in cash and cash equivalents | 2,252.58       | (659.62)       |

**Operating Activities**

Net Cash from operating activities was at ₹5,205.15 lakhs in the previous year to ₹3,801.52 lakhs in the current year.

**Investing Activities**

During the year, the net cash inflow from investing activities amounted to ₹8,217.28 lakhs, compared to ₹1,861.37 lakhs of outflow in the previous year.

**Financing Activities**

The Company prepaid its bank long-term borrowings and service existing debt from cash generated from investing and operating activities.

**Financial Ratios for Consolidated Financials:**

₹ lakhs

| Particulars                                                                                                                                                          | Year Ended     |                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                                                      | March 31, 2019 | March 31, 2018 |
| Net Debt* to Total Capital (Gross Debt less cash, cash equivalents and current investments/Average Net debt and Net worth)                                           | 0.20           | 0.39           |
| Net Debt* to Equity (Gross Debt less cash, cash equivalents and current investments/Average Equity and Other Equity)                                                 | 0.29           | 0.64           |
| Interest Service Coverage Ratio (EBIT + Net Finance Costs + Depreciation + Provision for diminution in the value of long-term Investments)/Net Finance Costs)        | 5.72           | 1.96           |
| Net profit margin (Profit after tax/Turnover)                                                                                                                        | 0.25           | —              |
| Return on Net Worth (Profit after tax/Average Equity and Other Equity)                                                                                               | 0.18           | —              |
| Return on Capital employed (EBIT / Average Capital Employed (Equity + Other Equity + Borrowings + Current Maturities of Non-Current Borrowings + Current Borrowings) | 0.24           | 0.06           |

\*Net debt excludes amortized cost of redemption premium.

**Explanation for change in key financial ratios**

The changes in the ratios are due to the reduction in debt and an increase in profitability mainly arising out of sale of hotel unit located at Visakhapatnam.

## 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.

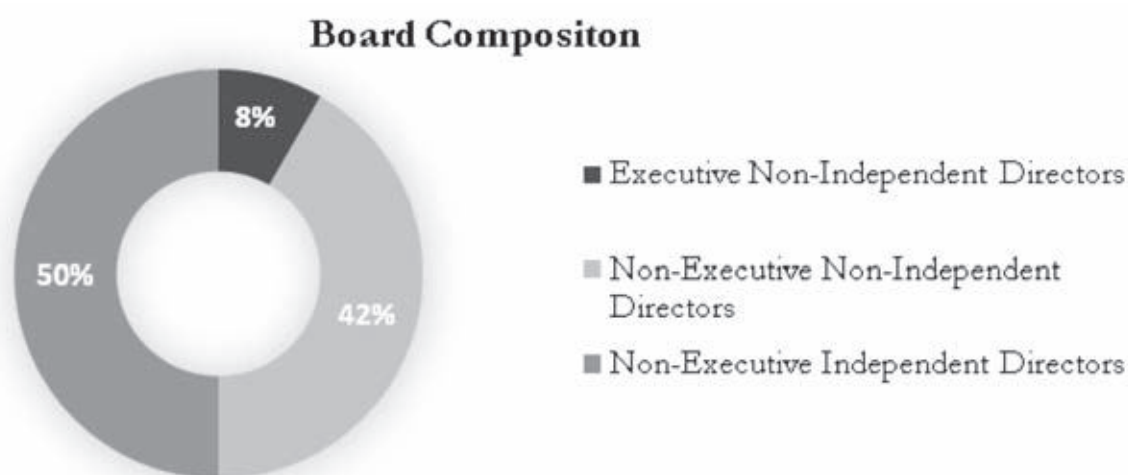
We follow the highest level of ethical standards in all our business transactions guided by our value system. The Board of Directors periodically revise various codes and policies of the Company to align with changing cultural and regulatory norms. These codes and policies are available on the Company's website. Our corporate governance framework ensures that we make timely disclosures and share relevant information regarding our financials and performance, as well as disclosure related to the leadership and governance of the Company.

The Code of Conduct adopted by the Company, which articulates the values, ethics and business principles, serves as a guide to the Company and Employees including the Directors.

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, 2019:

### Board of Directors:

1. The Company's Board represents an appropriate mix of Executive and Non-Executive Directors, including Independent Directors, which is in compliance with the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015.



2. The Board of Directors as on March 31, 2019 comprises of twelve directors consisting of one Executive Director and eleven Non-executive Directors. One half of the Board represent the promoters which includes a Non-executive Chairman, Managing Director and the other half constitute six Independent Directors out of which one is a Women Director. All Directors, other than Independent Directors are liable to retire by rotation. The details of Directors seeking re-appointment are furnished in the Notice of the Annual General Meeting.
3. The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board has an appropriate mix of people who possess the requisite skills/expertise/competencies and experience in the relevant fields to provide leadership and guidance to the Management.
4. As per Governance Guidelines for Board Effectiveness adopted by the Company, the retirement age for Independent Directors is 75 years and Non-Executive Directors nominated by IHCL is 70 years.
5. "Independent Directors" of the Company have been appointed as per the provision of the Companies Act, 2013 (the Act), Listing Regulations and the Governance Guidelines for Board Effectiveness as adopted by the Company.

6. Based on the disclosure received from the Board and also in the opinion of the Board, the independent directors, fulfill the criteria of independence, specified in Listing Regulations, the Act and are independent of the management. 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.
7. The Directors made necessary disclosures with regard to their directorships and committee positions across all the Companies in which he/she is a Director as per the Regulation 26(1) of the Listing Regulations.
8. None of the Directors hold directorships in more than 20 Indian Companies with not more than 10 public limited companies and none of the Directors hold directorships in more than eight listed entities. None of the Independent Directors serve as Independent Director in more than seven listed entities and none of the Whole-time Directors of any listed company serve as Independent Directors in more than three listed companies. None of the Directors of the Board serve as members of more than 10 committees or Chairman of more than 5 Committees across all other listed companies, 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.
9. The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s)/ Chairmanship(s), details of directorships of other listed entities and number of directorship as on March 31, 2019 are provided herein:

| Memberships in other Boards        |                                                   |                                        |          |                                                     |        |                                                          |
|------------------------------------|---------------------------------------------------|----------------------------------------|----------|-----------------------------------------------------|--------|----------------------------------------------------------|
| Name of the Director               | Details of directorships in other Listed Entities |                                        |          | No. of Committee positions in other Listed Entities |        | Total number of outside directorships in Indian Entities |
|                                    | No. of directorships                              | Name of the Company                    | Category | Chairman                                            | Member | Indian                                                   |
| Mr. Puneet Chhatwal                | 3                                                 | The Indian Hotels Company Limited      | MD       | -                                                   | 1      | 7                                                        |
|                                    |                                                   | Taj GVK Hotels and Resorts Limited     | NP       |                                                     |        |                                                          |
|                                    |                                                   | Benares Hotels Limited                 | NP       |                                                     |        |                                                          |
| Mr. Pramod Ranjan                  | -                                                 | -                                      | -        | -                                                   | -      | 9                                                        |
| Mr. D. Varada Reddy                | -                                                 | -                                      | -        | -                                                   | -      | -                                                        |
| Mr. D Vijayagopal Reddy            | -                                                 | -                                      | -        | -                                                   | -      | 5                                                        |
| Mr. Giridhar Sanjeevi              | 1                                                 | Taj GVK Hotels and Resorts Limited     | NP       | -                                                   | 1      | 5                                                        |
| Mr. Ramesh D Hariani               | -                                                 | -                                      | -        | -                                                   | -      | 5                                                        |
| Dr. G. Sundaram <sup>(1)</sup>     | -                                                 | -                                      | -        | -                                                   | -      | -                                                        |
| Mr. S. Y. Syed Meeran              | -                                                 | -                                      | -        | -                                                   | -      | 4                                                        |
| Ms. Gita Nayyar                    | -                                                 | -                                      | -        | -                                                   | -      | 1                                                        |
| Mr. Vijay Sankar                   | 2                                                 | The K C P Limited                      | NI       | 1                                                   | 3      | 11                                                       |
|                                    |                                                   | Transport Corporation of India Limited | NI       |                                                     |        |                                                          |
| Mr. Phillie D Karkaria             | -                                                 | -                                      | -        | -                                                   | -      | 4                                                        |
| Mr. Harish Lakshman <sup>(2)</sup> | 4                                                 | Rane Holdings Limited                  | NP       | 2                                                   | 3      | 10                                                       |
|                                    |                                                   | Rane Brake Lining Limited              | NP       |                                                     |        |                                                          |
|                                    |                                                   | Rane (Madras) Limited                  | NP       |                                                     |        |                                                          |
|                                    |                                                   | Rane Engine Valve Limited              | NP       |                                                     |        |                                                          |

NI → Non Executive – Independent:

NN → Non Executive – Non Independent:

NP → Non Executive – Promoter :

MD → Managing Director:

(1) Dr. G. Sundaram resigned with effect from April 01, 2019

(2) Mr. Harish Lakshman was appointed with effect from May 09, 2018

# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

10. Dr. G. Sundaram an Independent Director on the Board of the Company resigned with effect from April 01, 2019, before the expiry of his tenure to adhere with the age limit prescribed under Governance Guidelines for Board effectiveness read with the age ceiling prescribed under Listing Regulations. The reasons for his resignation, received from the Director, along with the confirmation that there are no other material reasons other than those provided, was intimated to the stock exchanges. No other Independent Directors have resigned before the expiry of their respective tenures during the year 2018-19.
11. The Board of Directors has satisfied itself that succession plans are in place for orderly succession for appointment to the Board of Directors and Senior Management.
12. During the year under review, the Board of Directors of the Company met seven times and the period between any two meetings did not exceed four months. The necessary quorum was present for all the meetings. Video conferencing facilities and other audio visual means permitted under law are used as and when required to facilitate Directors at other locations to participate in the meetings. The dates of the Board Meetings held during each quarter are as follows:

| Sl. No. | During the Quarter  | Date of Meeting    | Gap between two consecutive meetings(in number of days) |
|---------|---------------------|--------------------|---------------------------------------------------------|
| 1.      | April to June       | May 09, 2018       | 105                                                     |
| 2.      | July to September   | July 25, 2018      | 76                                                      |
|         |                     | September 26, 2018 | 62                                                      |
| 3.      | October to December | October 22, 2018   | 25                                                      |
|         |                     | November 02, 2018  | 10                                                      |
| 4.      | January to March    | January 23, 2019   | 81                                                      |
|         |                     | March 29, 2019     | 64                                                      |

13. Independent Directors of the Company met once during the financial year on March 15, 2019 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.
14. Independent Directors at their meeting transacted the following:-
  - a) Reviewed the performance evaluation 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.
15. Mr. P. D. Karkaria, Chaired the meeting of Independent Directors.
16. The Independent Directors are familiar with the nature of the Industry, and business model of the Company.
17. New Directors were provided with a familiarization session to enable them to understand more about the nature of the Industry the Company operates, its business model, structure of the Company and other associated entities.
18. 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.
19. The details of remuneration including sitting fees paid to the directors have been furnished in this report.
20. 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, 2019. The said code of Conduct is also displayed on the Company's website. <http://orientalhotels.co.in/wp-content/uploads/2017/02/code-of-conduct-for-non-executive-directors.pdf>
21. 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.
22. 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 a Policy for Related Party transactions, which is reviewed annually to make it comprehensive and abreast with the current applicable laws. The policy is available on the website of the Company and can be accessed via link <http://orientalhotels.co.in/wp-content/uploads/2018/07/RELATED-PARTY-TRANSACTIONS-POLICY.pdf>.

23. The membership of Directors on the Board & Committees and their attendance at the meetings held during the financial year 2018-19 are given below:-

| Name of the Director               | DIN No.  | Category | No. of meetings attended |                                   |                                     |                                       |                          |                                       |
|------------------------------------|----------|----------|--------------------------|-----------------------------------|-------------------------------------|---------------------------------------|--------------------------|---------------------------------------|
|                                    |          |          | Board Meeting            | Audit & Risk Management Committee | Stakeholders Relationship Committee | Nomination and Remuneration Committee | Share Transfer Committee | Whether attended AGM on July 25, 2018 |
| Mr. Puneet Chhatwal                | 07624616 | NN       | 7                        | -                                 | -                                   | 2                                     | -                        | Y                                     |
| Mr. Pramod Ranjan                  | 00887569 | MD       | 6                        | -                                 | 1                                   | -                                     | -                        | Y                                     |
| Mr. D. Varada Reddy                | 00052200 | NP       | 6                        | -                                 | 1                                   | -                                     | 1                        | Y                                     |
| Mr. D. Vijayagopal Reddy           | 00051554 | NP       | 7                        | -                                 | 1                                   | 2                                     | 1                        | Y                                     |
| Mr. Giridhar Sanjeevi              | 06648008 | NN       | 6                        | 4                                 | -                                   | -                                     | -                        | Y                                     |
| Mr. Ramesh D. Hariani              | 00131240 | NP       | 5                        | -                                 | -                                   | -                                     | -                        | Y                                     |
| Dr. G. Sundaram                    | 00051093 | NI       | 7                        | 4                                 | 1                                   | 2                                     | -                        | Y                                     |
| Mr. S. Y. Syed Meeran              | 00547775 | NI       | 7                        | -                                 | -                                   | -                                     | 1                        | Y                                     |
| Ms. Gita Nayyar                    | 07128438 | NI       | 6                        | 4                                 | -                                   | -                                     | -                        | Y                                     |
| Mr. Vijay Sankar                   | 00007875 | NI       | 5                        | 4                                 | -                                   | -                                     | -                        | Y                                     |
| Mr. Phillie D. Karkaria            | 00059397 | NI       | 6                        | -                                 | -                                   | 2                                     | -                        | Y                                     |
| Mr. Harish Lakshman <sup>(1)</sup> | 00012602 | NI       | 5                        | -                                 | -                                   | -                                     | -                        | Y                                     |

**NI** → Non Executive – Independent:

**NN** → Non Executive – Non Independent:

**NP** → Non Executive – Promoter:

**MD** → Managing Director:

<sup>(1)</sup> Mr. Harish Lakshman was appointed as Independent Director w.e.f. May 09, 2018

#### Composition of Committee Membership as on March 31, 2019:

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

C – Chairman: M – Member

# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

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The details of mandatory committees of the Board constituted by the Board are detailed below :

### **1. Audit & Risk Management Committee:**

As on March 31, 2019, the Audit & Risk Management Committee comprises of 3 Independent Directors viz., Mr. Vijay Sankar who is a Chartered Accountant, acts as Chairman of the 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. During the year, the scope of the Audit Committee was enlarged to include in its ambit the risk management and renamed it as Audit & Risk Management Committee. Dr. G. Sundaram ceased to be member of the Committee consequent to his resignation from the Directorship of the Company with effect from April 01, 2019.

Terms of reference of Audit & Risk Management 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, 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. Set forth the policies relating to and oversee the implementation of the Code of Conduct of the Company.
21. Consider matters relating to the Insider trading Code.
22. Take on record the status reports prepared by the Compliance Officer detailing the dealings in securities by the specified persons.
23. Decide penal action in respect of violation of the Regulations/Code by any person.
24. 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 & Risk Management Committee meetings were attended by the Internal Auditors and the Statutory Auditors as invitees as and when required. The Committee meetings were held on May 09, 2018, July 25, 2018, October 22, 2018, and January 23, 2019. Necessary quorum was present for all the meetings. The Company Secretary acts as the Secretary to the Audit & Risk Management Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting.

## **2. Stakeholders' Relationship Committee:**

As on March 31, 2019, 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. Vijaygopal Reddy. Dr. G. Sundaram ceased to be member of the Stakeholders' Relationship Committee consequent to his resignation from the Directorship of the Company with effect from April 01, 2019. The scope of the Stakeholders' Relationship Committee includes the following:

- a. To consider and resolve grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/uplicate certificates, general meetings;
- b. Review of measures taken for effective exercise of voting rights by shareholders;
- c. Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d. Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- e. The chairperson of the committee by himself or any person authorized by him shall attend the general meetings of the company;
- f. 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 26, 2019 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 not received any complaint through SEBI Complaints Redress System (SCORES) during the year. All valid share transfers lodged up to March 31, 2019, have been approved

## ORIENTAL HOTELS LIMITED

### CORPORATE GOVERNANCE

by the Committee. The status of the complaints received from members from 01.04.2018 to 31.03.2019 is as under:

| Status of Request / Complaints during the period April 01, 2018 to March 31, 2019 |                                                                   |            |                    |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------|------------|--------------------|
| Sl. No.                                                                           | Subject                                                           | Received   | Replied / Resolved |
| <b>A. Requests</b>                                                                |                                                                   |            |                    |
| 1                                                                                 | Change/Correction of Address                                      | 78         | 78                 |
| 2                                                                                 | Change/Correction of Bank Mandate                                 | 55         | 55                 |
| 3                                                                                 | Dividend Warrant - Change/Correction of Bank Mandate / Reissuance | 21         | 21                 |
| 4                                                                                 | Receipt of IB and Affidavit for issue of Duplicate Securities     | 4          | 4                  |
| 5                                                                                 | Request for Transfer/Transmission of Securities                   | 41         | 41                 |
| 6                                                                                 | Request for Demat/Remat                                           | 4          | 4                  |
| 7                                                                                 | Request for Exchange of Securities                                | 37         | 37                 |
| 8                                                                                 | Others (Clarification/Acknowledgement/NSDL Operation )            | 16         | 16                 |
|                                                                                   | <b>Total (A)</b>                                                  | <b>256</b> | <b>256</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 and 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 2010-11 during November 2018 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 2011-12, a notice will be 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 August 16, 2019 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 by 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 Mr. Tom Antony as 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 and unclaimed amounts lying with the Company as on March 31, 2019 (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 along with the unclaimed dividend amount pertaining to the respective years as on March 31, 2019: -

| Financial Year | Date of declaration of Dividend | Due date for transfer to IEPF | Amount Outstanding (₹) |
|----------------|---------------------------------|-------------------------------|------------------------|
| 2011 – 2012    | July 17, 2012                   | August 22, 2019               | 9,37,473.55            |
| 2012 – 2013    | August 6, 2013                  | September 11, 2020            | 14,61,285.10           |
| 2013 – 2014    | July 31, 2014                   | September 5, 2021             | 11,16,881.70           |
| 2014 – 2015    | July 30, 2015                   | September 4, 2022             | 8,67,630.00            |
| 2015 – 2016    | July 25, 2016                   | August 30, 2023               | 5,01,715.80            |

The Company transferred the following amounts to the IEPF of the Central Government pertaining to unclaimed dividend during and up to the financial year 2018–19.

| Particulars                                                                                           | Amount (₹)   |
|-------------------------------------------------------------------------------------------------------|--------------|
| Amounts transferred up to March 31, 2018                                                              | 56,51,160.05 |
| Amounts transferred during financial year 2018 – 19:<br>– Unpaid /unclaimed dividend with the Company | 9,90,328.00  |
| Amount transferred up to March 31, 2019                                                               | 66,41,488.05 |

#### Shares Transferred to IEPF

During the year Company transferred 34,131 shares held by 9 shareholders, on November 30, 2018 to IEPF by way of corporate action. The shares transferred were pertaining to the members who have not claimed their dividends 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 break up of the said demat account as on March 31, 2019 is given below:

| Particulars                                | No. of shareholders | No. of shares |
|--------------------------------------------|---------------------|---------------|
| Opening Balance as on March 31, 2018       | 799                 | 14,62,590     |
| Less: Number of claims during the year     | 19                  | 44,730        |
| Balance                                    | 780                 | 14,17,860     |
| Less : Transferred to IEPF during the year | 4                   | 10,170        |
| Balance as on March 31, 2019               | 776                 | 14,07,690     |

### 3. Nomination and Remuneration Committee (NRC)

As on March 31, 2019, Nomination and Remuneration Committee (NRC) 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. Dr. G. Sundaram ceased to be member of the Committee consequent to his resignation from the Directorship of the Company with effect from April 01, 2019. Ms. Gita Nayyar was appointed as a member in the place of Dr. G. Sundaram with effect from April 1, 2019.

The terms of reference of the Committee include inter-alia the following:

- 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;
- Formulation of criteria for evaluation of Directors and the Board;
- Devising a policy on Board diversity;
- 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;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;

# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

During the year under review, the Committee held two meetings on April 14, 2018 and October 22, 2018 for the annual revision of remuneration applicable to the Managing Director and to recommend re-appointment of Managing Director respectively.

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

The initial term of appointment of Mr. Pramod Ranjan as Managing Director and Chief Executive Officer of the Company ended on November 10, 2018. Based on the recommendation of Nomination and Remuneration Committee, the Board approved the re-appointment of Mr. Pramod Ranjan as Managing Director & CEO for a further period of 3 years with effect from November 11, 2018 to November 10, 2021 subject to approval of members at the ensuing AGM. The terms of appointment provide that the appointment may be terminated by either party by giving to the other party six months' notice of such termination or paying six months gross salary in lieu thereof.

The remuneration paid during the financial year 2018-2019 to the Managing Director is furnished hereunder:

Amount (₹ in lakhs)

| Particulars                                 | Mr. Pramod Ranjan |
|---------------------------------------------|-------------------|
| Salary, Incentive and perquisites           | 95.58             |
| Contribution to Provident and Gratuity Fund | 10.91             |
| Performance Incentive Payable               | 16.50             |
| <b>Total</b>                                | <b>122.99</b>     |

During the year under review the Non-Executive Directors were not paid any remuneration other than the sitting fees. 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 2018-19 and the details of share held by them as on March 31, 2019 are as under:

| Name of Director         | Amount (₹)       | No. of Shares held |
|--------------------------|------------------|--------------------|
| Dr. G. Sundaram          | 3,60,000         | -                  |
| Mr. D. Varada Reddy      | 2,20,000         | 66,14,763          |
| Mr. D. Vijayagopal Reddy | 3,20,000         | 25,97,060          |
| Mr. S. Y. Syed Meeran    | 2,50,000         | 10,500             |
| Mr. Ramesh. D. Hariani   | 1,50,000         | 38,13,788          |
| Ms. Gita Nayyar          | 4,70,000         | -                  |
| Mr. Vijay Sankar         | 4,10,000         | -                  |
| Mr. Phillie D. Karkaria  | 2,50,000         | -                  |
| Mr. Harish Lakshman      | 1,80,000         | -                  |
| <b>Total</b>             | <b>26,10,000</b> | <b>1,30,36,111</b> |

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

The Company has constituted CSR Committee as envisaged under Section 135 of Companies Act, 2013. As on March 31, 2019, the CSR Committee comprises of three (3) members viz., Mr. Vijay Sankar, Independent Director as Chairman, Mr. Pramod Ranjan, Managing Director and Mr. Vijayagopal Reddy, Non-Executive Director as members.

The broad terms of reference of CSR committee are as follows:

- 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;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time;

For the year ended March 31, 2019, there was no mandatory requirement for the Company to spend any amount towards CSR. However the Company continues to spend voluntarily to support the underprivileged residing in the fisherman's hamlet near to one of its hotel units in Chennai.

**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,<br>Chennai 600018 | July 25, 2016<br>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,<br>Chennai 600018 | July 25, 2017<br>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>                                          |
| Narada Gana Sabha,<br>Chennai 600018 | July 25, 2018<br>at 9.00 a.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>– Commission to Non-Executive Directors</li> <li>– Fees for delivery of documents</li> </ul> |

The resolutions of 48<sup>th</sup> Annual General Meeting held on July 25, 2018 were passed by means of E-Voting and the votes cast by the Members of the Company who were present at the meeting. All the resolutions were passed with requisite majority.

**E-Voting/Postal Ballot:**

The results of the resolutions proposed of at the 48<sup>th</sup> AGM were declared on July 27, 2018 based on the report of the scrutinizers M/S.KSM Associates, Practicing Company Secretaries, Chennai. During the year under review, no Special Resolution has been passed through the exercise of postal ballot.

**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, 2019.

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

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 and non-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 non-listed Indian subsidiary as defined in Regulation 24(1) of the Listing Regulations. The Company has a foreign wholly owned subsidiary viz., OHL International (HK) Limited. The financial statements including the investments made by 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/>

The Company has adopted a Policy on Material Subsidiary in line with the requirements of the Listing Regulations which lays down the criteria for identification and dealing with Material Subsidiaries and to formulate a governance framework for Subsidiaries of the Company. During the year, the policy was revised pursuant to the amendments brought in by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The policy can be accessed from the web link: <http://orientalhotels.co.in/wp-content/uploads/2017/01/POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARIES.pdf>

**Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices**

The Company has adopted a revised Code of Conduct for prevention of insider trading and Code for fair disclosure in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 to be followed by Designated Persons and their Immediate Relatives and other Connected Persons. The Code, inter-alia, prohibits purchase/sale of shares of the Company by Designated Persons and their Immediate Relatives and other Connected Persons, while in possession of unpublished price sensitive information in relation to the Company. Pursuant to the revised policy the Company maintains a digital database of Designated Persons with whom UPI is shared with adequate internal controls and checks to ensure non-tampering of the database. The policy can be accessed via web link: <http://orientalhotels.co.in/investors/policies/>

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.

**Establishment of Vigil Mechanism - Whistle Blower Policy**

The Company has adopted a revised Whistle Blower policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and the Insider Trading Code. The policy provides for direct access to the Chairman of the Audit Committee 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 besides adequate safeguards against victimization of employees who avail of vigil mechanism. It is affirmed that no employee or any personnel of the Company 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 forms/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<br>37, Mahatma Gandhi Road<br>Chennai – 600034<br>Telephone. No. - 044 66002827<br>Facsimile No. - 044 66002089                                                                                                                                                |
| Name, Contact details of Company Secretary & Compliance officer's | Mr. Tom Antony<br>Paramount Plaza, III Floor<br>47, Mahatma Gandhi Road<br>Chennai – 600034<br>Telephone. No.- 044 66172828<br>Facsimile No.- (044)28252502<br>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<br>North Usman Road, T. Nagar,<br>Chennai 600017<br>Facsimile No.- 044 28140801 - 803<br>E-mail: <a href="mailto:corpserv@integratedindia.com">corpserv@integratedindia.com</a> |
| Date, Time and venue of AGM                                       | July 23, 2019 at 11:00 am<br>Sathguru Sri Gnanananda Hall,<br>Narada Gana Sabha, Alwarpet,<br>Chennai 600018                                                                                                                                                                  |
| <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                                                                                                                                                                                                                                                           |
| Cut Off date for e-Voting                                         | July 16, 2019                                                                                                                                                                                                                                                                 |
| E-Voting window dates                                             | July 18, 2019 9:00 am to July 22, 2019 5:00 pm                                                                                                                                                                                                                                |
| Date of book closure                                              | July 17, 2019 to July 23, 2019 (both the days inclusive)                                                                                                                                                                                                                      |
| Dividend payment date                                             | On or after July 29, 2019                                                                                                                                                                                                                                                     |
| <b>Equity Shares</b>                                              |                                                                                                                                                                                                                                                                               |
| <b>Stock Exchanges</b>                                            | <b>Stock Code</b>                                                                                                                                                                                                                                                             |
| The National Stock Exchange of India Ltd.<br>BSE Ltd.             | ORIENTHOT EQ<br>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 2019 – 2020.

**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. 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.

During the year under review, the Committee met 6 times. All recommendations of the aforesaid committees were approved by the Board.

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

Your Company has adopted 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 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.

During the year under review, your Company has received four (4) complaints on sexual harassment and except one (1) the remaining complaints were resolved as on March 31, 2019 and appropriate action was taken, where so necessary.

## Disclosure of accounting treatment in preparation of financial statements

The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of the Act and other relevant provision of the Act and has uniformly applied the Accounting Policies during the year under review.

## Certifications

In terms of Regulation 17(8) of the Listing Regulations, the CEO and CFO have issued a certificate to the Board with regard to the propriety of the Financial Statements and other matters stated in the said regulation, for the Financial Year 2018-19.

A certificate from the Company Secretary in Practice has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as **Annexure A**.

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance electronically through the online portal of the BSE & NSE. A certificate from the Statutory Auditors on Corporate Governance is attached as an **Annexure** to this Report.

## Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

## Remuneration to Statutory Auditors

PKF Sridhar & Santhanam, Chartered Accountants (ICAI Firm Registration No. 003990S W/W – S200018), the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

As required under Regulation 34 read with Part C of the Schedule V of the Listing Regulations, the total fees paid by the Company and its Subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/entity of which the statutory auditor is a part are as under:

**Statement of amount paid to Statutory Auditors for 2018/19:**

| Companies                      | ₹ in Lakhs   |
|--------------------------------|--------------|
| <b>Holding Company</b>         |              |
| Oriental Hotels Limited        | 55.43        |
| <b>Subsidiary Company</b>      |              |
| OHL International (HK) Limited | -            |
| <b>Total</b>                   | <b>55.43</b> |

**Credit Rating**

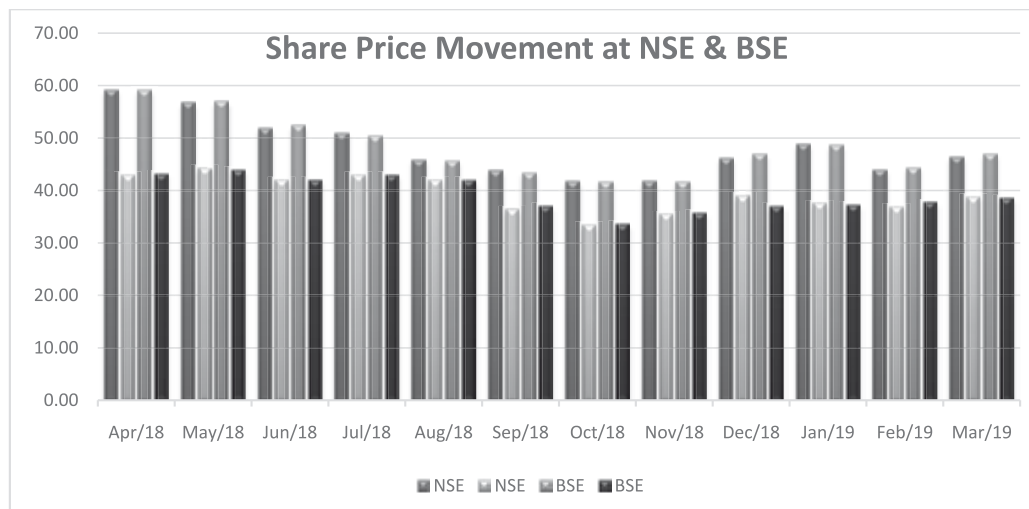
Your Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. The table below depicts the credit rating profile:

| 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 2018-19, in comparison to broad based indices like Nifty & Sensex are given below:**

| Month  | National Stock Exchange Ltd. (NSE) - Share price |       | Bombay Stock Exchange Ltd. (BSE) - Share price |       | Nifty    |          | Sensex   |          |
|--------|--------------------------------------------------|-------|------------------------------------------------|-------|----------|----------|----------|----------|
|        | High                                             | Low   | High                                           | Low   | High     | Low      | High     | Low      |
| Apr-18 | 59.30                                            | 43.00 | 59.25                                          | 43.30 | 10759.00 | 10111.30 | 35213.30 | 32972.56 |
| May-18 | 56.80                                            | 44.30 | 57.00                                          | 44.00 | 10929.20 | 10417.80 | 35993.53 | 34302.89 |
| Jun-18 | 52.00                                            | 42.00 | 52.40                                          | 42.00 | 10893.25 | 10550.90 | 35877.41 | 34784.68 |
| Jul-18 | 51.00                                            | 43.00 | 50.50                                          | 43.00 | 11366.00 | 10604.65 | 37644.59 | 35106.57 |
| Aug-18 | 45.95                                            | 42.00 | 45.75                                          | 42.05 | 11760.20 | 11234.95 | 38989.65 | 37128.99 |
| Sep-18 | 43.85                                            | 36.45 | 43.50                                          | 37.10 | 11751.80 | 10850.30 | 38934.35 | 35985.63 |
| Oct-18 | 41.85                                            | 33.50 | 41.80                                          | 33.65 | 11035.65 | 10004.55 | 36616.64 | 33291.58 |
| Nov-18 | 41.90                                            | 35.50 | 41.80                                          | 35.80 | 10922.45 | 10341.90 | 36389.22 | 34303.38 |
| Dec-18 | 46.25                                            | 39.10 | 47.00                                          | 37.05 | 10985.15 | 10333.85 | 36554.99 | 34426.29 |
| Jan-19 | 48.85                                            | 37.55 | 48.80                                          | 37.40 | 10987.45 | 10583.65 | 36701.03 | 35382.08 |
| Feb-19 | 43.95                                            | 37.00 | 44.40                                          | 37.80 | 11118.10 | 10585.65 | 37172.18 | 35287.16 |
| Mar-19 | 46.50                                            | 38.80 | 47.00                                          | 38.60 | 11630.35 | 10817.00 | 38748.54 | 35926.94 |

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

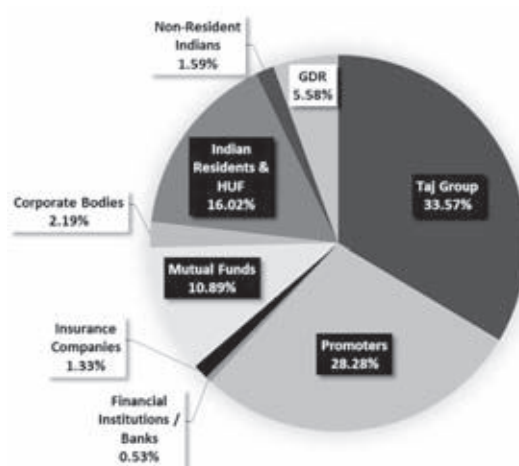


# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

### Shareholding Pattern as on 31<sup>st</sup> March 2019

| Sl. No.                                 | Particulars                   | No. of shares      | % of Shares   |
|-----------------------------------------|-------------------------------|--------------------|---------------|
| <b>A. Promoters</b>                     |                               |                    |               |
| 1                                       | Taj Group                     | 59,961,430         | 33.57         |
| 2                                       | Promoters                     | 50,512,301         | 28.28         |
| <b>B. Public</b>                        |                               |                    |               |
| 3                                       | Corporate Entities            | 39,17,235          | 2.19          |
| 4                                       | Financial Institutions/ Banks | 9,42,393           | 0.53          |
| 5                                       | Insurance Companies           | 2,368,630          | 1.33          |
| 6                                       | Mutual Funds                  | 19,457,026         | 10.89         |
| 7                                       | Non- Resident Indian          | 28,47,918          | 1.60          |
| 8                                       | Indian Residents / HUF        | 28,619,817         | 16.02         |
| <b>C. GDRs Underlying Equity Shares</b> |                               |                    |               |
| 9                                       | Promoters and Promoters Group | 9,872,360          | 5.53          |
| 10                                      | 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, 2019

| 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                                          | 50,972,910    | 28.54              |
| 2                                     | Pramod Ranjan                                                              | 14,196,140    | 7.95               |
| 3                                     | D. Varada reddy                                                            | 6,614,763     | 3.70               |
| 4                                     | Ramesh Doulatram Hariani                                                   | 3,813,788     | 2.14               |
| 5                                     | PIEM Hotels Limited                                                        | 3,657,170     | 2.05               |
| 6                                     | Girija Gollamudi Reddy                                                     | 2,687,630     | 1.50               |
| 7                                     | D. Vijayagopal Reddy                                                       | 2,597,060     | 1.45               |
| 8                                     | Tata Chemicals Limited                                                     | 2,523,000     | 1.41               |
| 9                                     | Rohit Reddy D.                                                             | 2,212,500     | 1.24               |
| 10                                    | Amit Reddy D.                                                              | 2,152,900     | 1.21               |
| 11                                    | Dodla Premaleela Reddy                                                     | 2,019,980     | 1.13               |
| <b>B. Public</b>                      |                                                                            |               |                    |
| 12                                    | Reliance Capital Trustee Co. Ltd. (Reliance Growth Fund)                   | 12,465,421    | 6.98               |
| 13                                    | Sundaram Mutual Fund                                                       | 3,936,342     | 2.20               |
| 14                                    | Birla Sun Life Trustee Company Pvt. Ltd. A/c Birla Sun Life Dividend Yield | 3,055,263     | 1.71               |
| 15                                    | The Oriental Insurance Company Ltd.                                        | 2,368,630     | 1.33               |

**Distribution Schedule of Share Holding as on March 31, 2019**

| Sl. No. | Category of shares | No. of holders | % to Total No. of shareholders | No. of shares      | % to Capital  |
|---------|--------------------|----------------|--------------------------------|--------------------|---------------|
| 1       | Up to 500          | 19357          | 77.67                          | 1,956,179          | 1.10          |
| 2       | 501 - 1000         | 1919           | 7.70                           | 1,591,218          | 0.89          |
| 3       | 1001 - 2000        | 1213           | 4.86                           | 1,892,639          | 1.06          |
| 4       | 2001 - 3000        | 618            | 2.48                           | 1,575,127          | 0.88          |
| 5       | 3001 - 4000        | 323            | 1.30                           | 1,154,216          | 0.65          |
| 6       | 4001 - 5000        | 458            | 1.84                           | 2,100,896          | 1.18          |
| 7       | 5001 - 10000       | 531            | 2.13                           | 3,897,310          | 2.18          |
| 8       | 10001 & Above      | 504            | 2.02                           | 164,431,595        | 92.06         |
|         | <b>TOTAL</b>       | <b>24923</b>   | <b>100.00</b>                  | <b>178,599,180</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.

**Dematerialisation of Shares & Liquidity**

As of the end of March 31, 2019, shares comprising approximately 98.03% of the Company's Equity Share Capital have been dematerialized.

**Status on Dematerialised shares (Equity ISIN No. INE750A01020)**

| Shares held in |                     | % of holding  |
|----------------|---------------------|---------------|
| NSDL           | 16,35,52,984        | 91.58         |
| CDSL           | 1,15,22,050         | 6.45          |
| Physical       | 35,24,146           | 1.97          |
| <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. The transfer requests are approved by way of circular resolutions passed by the Share Transfer Committee, which are noted at the subsequent Committee Meeting.

**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 600034. 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.

# ORIENTAL HOTELS LIMITED

## CORPORATE GOVERNANCE

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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. Taj Fisherman's Cove Resort & Spa, Chennai
3. Taj Malabar Resort & Spa, Cochin
4. Vivanta, Coimbatore
5. The Gateway Hotel, Pasumalai, Madurai
6. Gateway, Coonoor
7. The Gateway Hotel, Old Port Road, Mangalore
8. \*The Gateway Hotel, Visakhapatnam
9. VBT Trivandrum

*\*Hotel unit located at Visakhapatnam was sold during the year*

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### 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 : April 25, 2019

**Pramod Ranjan**  
Managing Director

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### 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 : April 25, 2019

**Pramod Ranjan**  
Managing Director

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**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, 2019, 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 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, 2019.
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 Registration No.003990S/S200018  
Rajeshwari S  
Partner  
Membership No. 024105  
Place of Signature: Chennai  
Date: April 25, 2019

**Certificate from Company Secretary in Practice**  
**CERTIFICATE**  
(Pursuant to clause 10 of Part C of Schedule V of LODR)

**Annexure A**

To the Members of **ORIENTAL HOTELS LIMITED**

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) in respect of Oriental Hotels Limited (CIN:L55101TN1970PLC005897)

I hereby certify that:

On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on March 31, 2019, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

FCS: 5853 / C.P.No. : 5987

Chennai  
April 24, 2019

S. Sandeep  
S. Sandeep & Associates  
Company Secretaries

# ORIENTAL HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### INDEPENDENT AUDITORS' REPORT

To the Members of Oriental Hotels Limited

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the standalone financial statements of **ORIENTAL HOTELS LIMITED** ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the *standalone* financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

| Key Audit Matter                                                                                                                                                                 | Description                                                                                                                                                                                                                                                                        | Our Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>Project Capitalisation</u></b><br>Appropriateness of the capitalization of costs for hotel properties that are under renovation. (Refer Note 2(g) of Financial Statements) | The Company had major renovations in two of its large properties, during the year.<br>Costs capitalised during the year ended March 2019 included directly attributable costs such as consulting costs, costs towards civil work, furniture and fittings and other indirect costs. | We have performed our audit procedures across all project capitalisations across the Company. To address this focus area, we have: <ul style="list-style-type: none"><li>• Tested key controls of the project cycle such as controls over cost, budgeting and comparison of cost incurred with budgets.</li><li>• Ensured costs associated with assets (rooms to be let out) which came into production in the year cease to be capitalised and depreciation charges commenced on being ready to use.</li><li>• Validated costs capitalised during the year, on a sample basis, to underlying supporting documents including construction contracts, supplier/consultant invoices to ensure the existence and accuracy of the expenditure and their eligibility for capitalisation.</li></ul> |

## INDEPENDENT AUDITOR'S REPORT

| Key Audit Matter                                                                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Our Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                           | Accounting for project capitalisation and assessment of viability of long pending projects has been identified as an audit focus area due to significant management judgement involved in determining if these costs are eligible for capitalisation and in assessing when an asset is available for use as intended by Management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Considered the stage of completion of renovation projects specifically in relation to ascertaining when the assets will be available for use as intended by the Management.</li> <li>Assessed the viability and recoverability of long outstanding projects.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Impairment assessment of Property, Plant and Equipment (PPE) of one hotel unit. (Refer Note 2(c) of Financial Statements) | <p>In view of the continuing operating losses made by one hotel unit and due to significant management and auditor judgement involved in impairment testing, we identified this matter as a KAM.</p> <p>At the end of each year, management reviews the carrying amount of the assets to determine if there is any indication of impairment loss. If any such indication exists, management assesses the recoverable amount of those assets.</p> <p>Management also carries out a valuation of the hotel building once in three years. The estimation of the recoverable amount of the assets at the unit involves management judgements and is dependent on certain assumptions and significant inputs including market capitalisation rates and estimated revenue per available room, which are affected by expected future market or economic conditions of the hospitality industry.</p> | <p>Our audit procedures in relation to impairment testing of the unit were:</p> <ul style="list-style-type: none"> <li>Understanding the management's and those charged with governance (TCWG)'s process for estimating the recoverable amount of the assets</li> <li>Evaluating the reasonableness of the assumptions, judgements, projected cash flows and key inputs considered by the management by comparing those estimates with market data and company specific information available.</li> <li>Evaluating the historical accuracy of the management's assessment by comparing the past estimates to the current year actual performance of the company.</li> <li>Reading the valuation report and validating key assumptions used in the valuation and rationale for those assumptions.</li> </ul> |

**Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report / the management report, chairman's statement and business responsibility report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of "the Act" with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial

# ORIENTAL HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

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performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified 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.

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

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

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditors' 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 on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (h) As required by Section 197(16) of the Act, we report that to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

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

RAJESHWARI S  
Partner  
Membership No. 024105

Place : Chennai  
Date : April 25, 2019

# ORIENTAL HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Oriental Hotels Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2019.

- (i) In respect of the Company's 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 regular programme of physical verification of its fixed assets by which all fixed assets are verified in a three-year period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, and based on the records examined by us, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company or amalgamated Companies as at Balance Sheet date.
- (ii) As explained to us, the inventories have been physically verified by the management during the year at reasonable intervals and the discrepancies noticed on such verification were not material and have been dealt with in the books of accounts.
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.
- (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 & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence Clause 3(v) of the Order is not applicable.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax (GST), VAT, cess and any other statutory dues as applicable with the appropriate authorities.
- According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), VAT, cess and any other statutory dues were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales tax, Service tax, Goods and Services Tax(GST), luxury tax, Duty of customs, Excise duty and Value added tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

| Nature of dues   | Amount (in Lakhs) | Period to which amount relates | Forum where dispute is pending |
|------------------|-------------------|--------------------------------|--------------------------------|
| Entry tax        | 6.22              | 2007-08 & 2012-13              | Hon'ble Madras High Court      |
| <b>Sub-total</b> | <b>6.22</b>       |                                |                                |

| Nature of dues     | Amount (in Lakhs) | Period to which amount relates | Forum where dispute is pending                                                    |
|--------------------|-------------------|--------------------------------|-----------------------------------------------------------------------------------|
| Luxury tax         | 4.93              | 2013-14 to 2016-17             | Commissioner Appeals, Trivandrum                                                  |
|                    | 30.17             | 2010-11 to 2012-13             | Appellate Tribunal, Ernakulam                                                     |
|                    | 9.20              | 2012-13                        | Assistant Commissioner (CT) Madurai Rural (south) Assessment Circle Madurai       |
| <b>Sub-total</b>   | <b>44.30</b>      |                                |                                                                                   |
| Sales tax          | 16.61             | 1993-94 to 1996-97             | Hon'ble Madras High Court                                                         |
|                    | 30.76             | 2004-05 & 2005-06              | The Assistant commissioner, Valluvarkottam Assessment circle                      |
|                    | 91.36             | 2008-09 to 2010-11, 2014-16    | The Assistant Commissioner (Commercial Taxes), Chennai                            |
|                    | 12.61             | 2011-12 & 2013-14              | Appellate Tribunal, Ernakulam                                                     |
|                    | 5.74              | 2010-12                        | Hon'ble High Court, Andhra Pradesh                                                |
|                    | 10.30             | 2009-10 & 2013-14              | Commissioner Appeals, Trivandrum                                                  |
| <b>Sub-total</b>   | <b>167.38</b>     |                                |                                                                                   |
| Service tax        | 3.45              | 2009-10 to 2011-12             | Commissioner of Customs, Central Excise and Service Tax (Appeals), Vishakhapatnam |
|                    | 8.15              | 2011-2015                      | Commissioner of Central Excise (Appeals), Vishakhapatnam                          |
|                    | 88.74             | 2005-2010                      | Office of the Commissioner of Central Excise (appeals), Mangalore                 |
|                    | 6.96              | 2006-11                        | Central Excise & Service Tax Appellate Tribunal Chennai                           |
|                    | 49.66             | 2010-11 and 2011-12            | CESTAT, Chennai                                                                   |
|                    | 17.35             | 2010-11                        | CESTAT, Kochi                                                                     |
|                    | 1.98              | 2012-13 to 2015-16             | The Commissioner of CGST & Central Excise, review Section, Madurai                |
| <b>Sub-total</b>   | <b>176.29</b>     |                                |                                                                                   |
| <b>Grand total</b> | <b>394.19</b>     |                                |                                                                                   |

- (viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, 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, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.
- (xi) In our opinion and to the best of or information and according to the explanations given to us, the company has paid/provided managerial remuneration in accordance with the provisions of Section 197 read with schedule V of the Act.

# ORIENTAL HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

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- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of Clause (xii) of the Order are not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian 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 or private placement of shares or fully or partly paid convertible debentures of shares during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.
- (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 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

RAJESHWARI S  
Partner  
Membership No. 024105

Place : Chennai  
Date : April 25, 2019

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### ANNEXURE B

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

#### **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 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **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

INDEPENDENT AUDITOR'S REPORT

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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 ICAI. 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 financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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, and to the best of our information and according to the explanations given to us, 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 31 March 2019, 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

RAJESHWARI S  
Partner  
Membership No. 024105

Place : Chennai  
Date : April 25, 2019

# ORIENTAL HOTELS LIMITED

## BALANCE SHEET

Standalone Balance Sheet as at March 31, 2019

₹ in Lakhs

| Particulars                                                                  | Note      | March 31, 2019 | March 31, 2018 |
|------------------------------------------------------------------------------|-----------|----------------|----------------|
| <b>Assets</b>                                                                |           |                |                |
| <b>Non-current Assets</b>                                                    |           |                |                |
| Property, Plant and Equipment                                                | 3         | 39,320.39      | 37,357.33      |
| Capital work-in-progress                                                     |           | 158.20         | 1,686.88       |
| Other Intangible Assets                                                      | 4         | 136.05         | 231.51         |
|                                                                              |           | 39,614.64      | 39,275.72      |
| <b>Financial Assets</b>                                                      |           |                |                |
| Investments                                                                  | 5(a)      | 6,810.04       | 6,603.30       |
| Other financial assets                                                       | 7(a)      | 1,430.65       | 2,039.16       |
| Deferred Tax Assets (Net)                                                    | 8         | 1,248.79       | 411.36         |
| Income Tax Asset (Net)                                                       | 37(iv)    | 2,283.35       | 2,504.98       |
| Other non current assets                                                     | 9(a)      | 1,149.97       | 4,879.65       |
|                                                                              |           | 52,537.44      | 55,714.17      |
| <b>Current Assets</b>                                                        |           |                |                |
| Inventories                                                                  | 11        | 717.55         | 838.63         |
| <b>Financial Assets</b>                                                      |           |                |                |
| Investments                                                                  | 5(b)      | 3,186.91       | -              |
| Trade Receivables                                                            | 12        | 1,346.98       | 1,463.19       |
| Cash and Cash Equivalents                                                    | 13(a)     | 2,096.27       | 527.68         |
| Bank Balances other than Cash and Cash Equivalents                           | 13(b)     | 3,103.37       | 114.59         |
| Loans                                                                        | 6(b)      | 560.00         | 560.00         |
| Other financial assets                                                       | 7(b)      | 513.77         | 556.77         |
| Other current assets                                                         | 9(b)      | 927.62         | 630.82         |
| Assets classified as held for sale (Refer Note 39)                           |           | 605.52         | 2,798.21       |
|                                                                              |           | 13,057.99      | 7,489.89       |
| <b>Total</b>                                                                 |           | 65,595.43      | 63,204.06      |
| <b>Equity and Liabilities</b>                                                |           |                |                |
| <b>Equity</b>                                                                |           |                |                |
| Equity Share capital                                                         | 14        | 1,785.99       | 1,785.99       |
| Other Equity                                                                 | 15        | 32,004.30      | 22,855.41      |
| <b>Total Equity</b>                                                          |           | 33,790.29      | 24,641.40      |
| <b>Non-current Liabilities</b>                                               |           |                |                |
| <b>Financial Liabilities</b>                                                 |           |                |                |
| Borrowings                                                                   | 16(a)     | -              | 29,428.59      |
| Other financial Liabilities                                                  | 17(a)     | 192.92         | 207.66         |
| Trade Payables                                                               |           |                |                |
| - Total outstanding dues of Micro and Small Enterprises                      | 18(a)(i)  | -              | -              |
| - Total outstanding dues of Creditors other than Micro and Small Enterprises | 18(a)(ii) | 164.37         | -              |
| Provisions                                                                   | 19(a)     | 545.34         | 470.59         |
| Other non-current Liabilities                                                | 20(a)     | 13.12          | 20.73          |
|                                                                              |           | 915.75         | 30,127.57      |
| <b>Current Liabilities</b>                                                   |           |                |                |
| <b>Financial Liabilities</b>                                                 |           |                |                |
| Borrowings                                                                   | 16(b)     | -              | 97.40          |
| Trade Payables                                                               |           |                |                |
| - Total outstanding dues of Micro and Small Enterprises                      | 18(b)(i)  | 32.80          | 12.81          |
| - Total outstanding dues of Creditors other than Micro and Small Enterprises | 18(b)(ii) | 3,784.20       | 3,599.15       |
| Other financial Liabilities                                                  | 17(b)     | 26,418.72      | 3,964.03       |
| Provisions                                                                   | 19(b)     | 132.90         | 102.65         |
| Other current liabilities                                                    | 20(b)     | 520.77         | 659.05         |
|                                                                              |           | 30,889.39      | 8,435.09       |
| <b>Total</b>                                                                 |           | 65,595.43      | 63,204.06      |

Significant Accounting Policies

2

The accompanying notes 1 to 42 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 : April 25, 2019

Sreyas Arumbakkam

Chief Financial Officer

Tom Antony

AVP-Legal & Company Secretary

## PROFIT AND LOSS STATEMENT

## Standalone Statement of Profit and Loss for the year ended March 31, 2019

₹ in Lakhs

| Particulars                                                                       | Note  | March, 2019      | March, 2018      |
|-----------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>Revenue</b>                                                                    |       |                  |                  |
| Revenue from Operations                                                           | 21    | 34,542.43        | 35,686.23        |
| Other Income                                                                      | 22    | 1,129.58         | 1,201.36         |
| <b>Total</b>                                                                      |       | <b>35,672.01</b> | <b>36,887.59</b> |
| <b>Expenses</b>                                                                   |       |                  |                  |
| Food and Beverages Consumed                                                       | 23    | 3,706.74         | 4,044.05         |
| Employee Benefits Expense and Payment to Contractors                              | 24    | 9,759.25         | 9,868.95         |
| Finance Costs                                                                     | 25    | 2,718.05         | 3,088.59         |
| Depreciation and Amortisation                                                     | 3 & 4 | 2,837.77         | 2,765.94         |
| Other Operating and General Expenses                                              | 26    | 16,024.15        | 16,268.17        |
| <b>Total</b>                                                                      |       | <b>35,045.96</b> | <b>36,035.70</b> |
| <b>Profit/(Loss) before exceptional items and tax</b>                             |       | <b>626.05</b>    | <b>851.89</b>    |
| <b>Exceptional Items</b>                                                          | 27    | <b>9,616.30</b>  | <b>0.98</b>      |
| <b>Profit/(Loss) Before Tax</b>                                                   |       | <b>10,242.35</b> | <b>852.87</b>    |
| <b>Tax Expense</b>                                                                |       |                  |                  |
| Current Tax (Refer Note 37)                                                       |       | 2,157.09         | 188.58           |
| Deferred Tax (Refer Note 37)                                                      |       | (858.94)         | 64.55            |
| <b>Total</b>                                                                      |       | <b>1,298.15</b>  | <b>253.13</b>    |
| <b>Profit/(Loss) for the year</b>                                                 |       | <b>8,944.20</b>  | <b>599.74</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                                           |       | 19.86            | (102.58)         |
| Change in fair value of equity instruments designated irrevocably as FVTOCI       |       | 206.34           | 188.54           |
| Less : Income tax                                                                 |       | 21.51            | (35.59)          |
|                                                                                   |       | <b>204.69</b>    | <b>121.55</b>    |
| <b>Total Comprehensive Income for the year</b>                                    |       | <b>9,148.89</b>  | <b>721.29</b>    |
| <b>Earnings per equity share :</b>                                                |       |                  |                  |
| <b>Basic &amp; Diluted ( Face value ₹1/- per share) (Refer Note: (32))</b>        |       | <b>5.01</b>      | <b>0.34</b>      |
| Significant Accounting Policies 2                                                 |       |                  |                  |
| The accompanying notes 1 to 42 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 : April 25, 2019

Sreyas Arumbakkam  
Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

# ORIENTAL HOTELS LIMITED

## STATEMENT OF CHANGES IN EQUITY

### Standalone 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   | 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 Reclassified to P&L)                                       | -                               | -                    | -                | -               | (66.99)           | -                              | (66.99)          |
| <b>Total Comprehensive Income for the year</b>                                         | -                               | -                    | -                | -               | <b>532.75</b>     | <b>188.54</b>                  | <b>721.29</b>    |
| Transfer to retained earnings                                                          | -                               | -                    | -                | -               | 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> |

### Standalone Statement of Changes in Equity as at March 31, 2019

₹ Lakhs

| Particulars                                                                             | Equity Share Capital Subscribed | Reserves and Surplus |                  |                 |                   | Equity Instruments through OCI | TOTAL            |
|-----------------------------------------------------------------------------------------|---------------------------------|----------------------|------------------|-----------------|-------------------|--------------------------------|------------------|
|                                                                                         |                                 | Securities Premium   | General Reserve  | Other reserves* | Retained Earnings |                                |                  |
| Balance as on 01st April, 2018                                                          | 1,785.99                        | 10,735.69            | 10,061.46        | 2,698.59        | (685.22)          | 44.89                          | 24,641.40        |
| Profit for the year                                                                     | -                               | -                    | -                | -               | 8,944.20          | -                              | 8,944.20         |
| Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses | -                               | -                    | -                | -               | -                 | 191.77                         | 191.77           |
| Actuarial Gains/Losses (Not Reclassified to P&L)                                        | -                               | -                    | -                | -               | 12.92             | -                              | 12.92            |
| <b>Total Comprehensive Income for the year</b>                                          | -                               | -                    | -                | -               | <b>8,957.12</b>   | <b>191.77</b>                  | <b>9,148.89</b>  |
| Transfer to Debenture Redemption Reserve                                                | -                               | -                    | -                | 2,810.59        | (2,810.59)        | -                              | -                |
| <b>Balance as on 31st March, 2019</b>                                                   | <b>1,785.99</b>                 | <b>10,735.69</b>     | <b>10,061.46</b> | <b>5,509.18</b> | <b>5,461.31</b>   | <b>236.66</b>                  | <b>33,790.29</b> |

\* Includes Debenture Redemption Reserve: 2019 ₹ 5,463.00 lakhs; 2018 ₹ 2,652.41 lakhs & 2017 ₹ 2006.25 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 : April 25, 2019

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

Sreyas Arumbakkam  
Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

## CASH FLOW STATEMENT

## Standalone Cash flow Statement for the year ended March 31, 2019

₹ in Lakhs

| Particulars                                                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Cashflow from Operating Activities</b>                  |                         |                         |
| Profit/(Loss) before tax                                      | 10,242.35               | 852.87                  |
| Depreciation and amortization                                 | 2837.77                 | 2765.94                 |
| Gain on Sale of undertaking                                   | (10146.07)              | -                       |
| Loss on Sale of Fixed Assets                                  | 895.94                  | 7.80                    |
| Gain on investments carried at fair value through P&L account | (135.92)                | -                       |
| Assets written-off                                            | 5.44                    | 12.21                   |
| Allowance for doubtful debts                                  | 30.38                   | (6.08)                  |
| Allowance for doubtful advances and assets                    | 117.42                  | 2.07                    |
| Provisions and balances written back                          | (209.61)                | (186.16)                |
| Finance Cost                                                  | 2,718.05                | 3,088.59                |
| Interest Income                                               | (258.44)                | (163.66)                |
| Dividend received                                             | (359.52)                | (786.65)                |
| Income on refund of financial Liability                       | (979.80)                | -                       |
| Changes in Fair valuation of financial Liabilities            | -                       | (0.98)                  |
| Other non cash items                                          | 55.72                   | (19.14)                 |
|                                                               | (5,428.64)              | 4,713.94                |
| <b>Changes in Operating Assets and Liabilities</b>            | <b>4,813.71</b>         | <b>5,566.89</b>         |
| Adjustments for                                               |                         |                         |
| Financial Assets                                              | 133.76                  | 63.97                   |
| Inventories                                                   | 87.35                   | (82.03)                 |
| Trade receivables                                             | (51.28)                 | (185.73)                |
| Other Assets                                                  | 57.70                   | 24.78                   |
| Trade Payables                                                | 579.00                  | 570.02                  |
| Changes in Other Current Liabilities                          | (40.88)                 | (343.57)                |
| Other Financial Liabilities                                   | (82.34)                 | (315.36)                |
|                                                               | 683.31                  | (267.92)                |
| Cash generated from operations                                | 5,497.02                | 5,298.89                |
| Direct Taxes Paid                                             | (1,971.32)              | (210.03)                |
| <b>Net Cash from operating activities (A)</b>                 | <b>3,525.70</b>         | <b>5,088.86</b>         |

# ORIENTAL HOTELS LIMITED

## CASH FLOW STATEMENT

Standalone Cash flow Statement for the year ended March 31, 2019

₹ in Lakhs

| Particulars                                                                       | As at<br>March 31, 2019     | As at<br>March 31, 2018     |
|-----------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>B. Cash flow from investing activities</b>                                     |                             |                             |
| Payments for Purchase of Property, Plant and Equipment                            | (5,404.21)                  | (2,613.07)                  |
| Proceeds from sale of Property, Plant and Equipment                               | 1,916.82                    | 42.44                       |
| Proceeds from Sale of business undertaking                                        | 11,971.73                   | -                           |
| Payments for Purchase of Investments                                              | (0.40)                      | (114.72)                    |
| Proceeds from Sale of Investments                                                 | -                           | 51.19                       |
| Payments for Current investments                                                  | (3,050.99)                  | -                           |
| Deposits with Bank                                                                | (3,000.00)                  | -                           |
| Proceeds from refund of Long term deposit placed for hotel properties             | 4,750.00                    | -                           |
| Dividend received                                                                 | 359.52                      | 786.65                      |
| Interest                                                                          | 266.64                      | 126.81                      |
| <b>Net cashflow from investing activities (B)</b>                                 | <b>7,809.11</b>             | <b>(1,720.70)</b>           |
| <b>C. Cashflow from financing activities</b>                                      |                             |                             |
| Repayment of Long term Borrowings                                                 | (8,100.00)                  | (2,046.00)                  |
| Repayment of Short term Borrowings                                                | (97.40)                     | 97.40                       |
| Finance Cost                                                                      | (1,571.22)                  | (2,054.80)                  |
| Others                                                                            | 2.40                        | -                           |
| <b>Net cash flow from financing activities (C)</b>                                | <b>(9,766.22)</b>           | <b>(4,003.40)</b>           |
| <b>Net Increase / (Decrease) in cash and cash equivalents(A+B+C)</b>              | <b>1,568.59</b>             | <b>(635.24)</b>             |
| Cash as per books                                                                 |                             |                             |
| Cash as on Opening 01st April                                                     | 527.68                      | 1,162.92                    |
| Cash as on Closing 31st March                                                     | 2,096.27                    | 527.68                      |
| <b>Net Increase / (Decrease) in cash and cash equivalents</b>                     | <b>1,568.59</b>             | <b>(635.24)</b>             |
| <b>NOTES TO THE CASH FLOW STATEMENT :</b>                                         |                             |                             |
| i) Bank Balances other than Cash and Cash Equivalents                             | <b>As at March 31, 2019</b> | <b>As at March 31, 2018</b> |
|                                                                                   | <b>₹ in Lakhs</b>           | <b>₹ in Lakhs</b>           |
| Margin Money Deposits                                                             | 54.52                       | 53.17                       |
| Earmarked balances for un paid dividends                                          | 48.85                       | 61.42                       |
| Fixed Deposits placed with bank                                                   | 3,000.00                    | -                           |
| Bank balance other than Cash and Cash Equivalents                                 | <b>3,103.37</b>             | <b>114.59</b>               |
| Refer Foot Note (v) of Note 16: Borrowings for Net Debt Reconciliation            |                             |                             |
| The accompanying notes 1 to 42 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 : April 25, 2019

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

Sreyas Arumbakkam  
Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

**Notes to Standalone Financial Statements for the year ended March 31, 2019**

**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:**

The financial statements of the Company comply in all material aspects Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013 notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with and other relevant provision of the Act. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

**Recent Accounting Pronouncements:**

**(i) New standards notified and adopted by the Company**

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five-step application principle to be followed for revenue recognition:

- i. Identification of the contracts with the customer
- ii. Identification of the performance obligations in the contract
- iii. Determination of the transaction price
- iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards had been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), 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), permitting election of fair value or equity method of accounting for investments in associates and jointly controlled entity by venture capital, mutual fund and other similar organisations (Amendment to Ind AS 28) 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 have any material effect on the Company's financial statements.

**(ii) New standards notified but not early adopted by the company**

**Ind AS 116 Leases**

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1<sup>st</sup> April 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly,

## NOTES TO STANDALONE FINANCIAL STATEMENTS

a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company's operating leases mainly relate to real estate assets such as Land, Land & Building and fully fitted hotel properties which are on long term lease varying from 20 to 99 years.

The Company has completed its preliminary evaluation of the possible impact of Ind AS 116 and will adopt the standard using the 'Modified Retrospective Method' based on the principles in Ind AS 116. Accordingly, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings i.e. 1<sup>st</sup> April 2019, consequently, comparatives for the year ended 31<sup>st</sup> March 2018 will not be retrospectively adjusted.

The Company is currently evaluating the impact this standard will have on the financial statement.

**Other Amendments to the existing standards but not effective**

A number of other accounting standards have been modified on miscellaneous issues with effect from 1<sup>st</sup> April 2019. Such changes include clarification/guidance on:

- a) business combination accounting in case of obtaining control of a joint operation;
- b) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;
- c) income tax consequences in case of dividends;
- d) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;
- e) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;
- f) accounting for prepayment features with negative compensation in case of debt instruments;
- g) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;
- h) accounting for long-term interests in associates and jointly controlled entities to which the equity method is not applied but that in substance form part of the net investment in the associate or jointly controlled entity (long-term interests).

The above amendments will come into force from 1<sup>st</sup> April 2019. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

**(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:

## NOTES TO STANDALONE FINANCIAL STATEMENTS

- **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 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.

- **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) INDAS 27: Separate Financial Statements

These financial statements represents the separate financial statements of the Company. The Company has complied with INDAS 27; Separate Financial Statements whereby investments in subsidiaries, jointly controlled entity and associates are to be valued either

At cost; or

In accordance with INDAS 109.

The Company has elected to measure its investments in subsidiaries and associates at cost determined in accordance with INDAS 27 at original cost of investment in subsidiaries and associates.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

**(e) Revenue recognition :****• Revenue from Services**

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

**Income from operations**

**Rooms, Food and Beverage & Banquets:** Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

**Space and shop rentals:** Rentals basically consist of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

**Other Allied services:** In relation to the laundry income, communication income, health club income, transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

**Management and Operating fees:** Management fees earned from hotels managed by the Group are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

**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):****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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

**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, 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, 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                             |

## NOTES TO STANDALONE FINANCIAL STATEMENTS

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 equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

**(h) 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.

**(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.

**(j) 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.

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.

**(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:**

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.

**(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

## NOTES TO STANDALONE FINANCIAL STATEMENTS

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.

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.

**(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 disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

**(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 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.

**(s) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of

## NOTES TO STANDALONE FINANCIAL STATEMENTS

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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.

**(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.

**(v) 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.

**(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) Exceptional items:**

The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Company and provides consistency with the Company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/investments, impairment charges, exchange gain/(loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

**(y) 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.

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

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### 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.

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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS

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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.

**(z) 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.

## NOTES TO STANDALONE 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 ₹1078.21 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> |

ORIENTAL HOTELS LIMITED

NOTES TO STANDALONE 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, 2018                           | 5,697.32        | 17,145.60                    | 15,200.43           | 5,833.63               | 634.81           | 122.82        | 44,634.61        |
| Additions                                  | -               | 2,913.37                     | 2,237.39            | 2,035.48               | 61.26            | 11.60         | 7,259.10         |
| Adjustment (Refer Footnote (iii))          | -               | 91.46                        | 541.27              | 270.94                 | 45.27            | 0.14          | 949.08           |
| Disposals                                  | 24.67           | 972.56                       | 1,259.77            | 378.14                 | 74.80            | 4.66          | 2,714.60         |
| <b>At March 31, 2019</b>                   | <b>5,672.65</b> | <b>18,994.95</b>             | <b>15,636.78</b>    | <b>7,220.03</b>        | <b>576.00</b>    | <b>129.62</b> | <b>48,230.03</b> |
| <b>Depreciation</b>                        |                 |                              |                     |                        |                  |               |                  |
| At April 1, 2018                           | -               | 1,465.59                     | 3,719.62            | 1,666.17               | 362.94           | 62.96         | 7,277.28         |
| Charge for the year                        | -               | 620.67                       | 1,356.76            | 698.21                 | 70.77            | 12.29         | 2,758.70         |
| Adjustment (Refer Footnote (iii))          | -               | 7.67                         | 136.66              | 105.60                 | 110.00           | 0.13          | 360.06           |
| Impairment Provision (Refer Footnote (iv)) | 117.42          | -                            | -                   | -                      | -                | -             | 117.42           |
| Disposals                                  | -               | 234.35                       | 431.31              | 165.04                 | 49.75            | 3.25          | 883.70           |
| <b>At March 31, 2019</b>                   | <b>117.42</b>   | <b>1,844.24</b>              | <b>4,508.41</b>     | <b>2,093.74</b>        | <b>273.96</b>    | <b>71.87</b>  | <b>8,909.64</b>  |
| <b>Net Block</b>                           |                 |                              |                     |                        |                  |               |                  |
| <b>At March 31, 2019</b>                   | <b>5,555.23</b> | <b>17,150.71</b>             | <b>11,128.37</b>    | <b>5,126.29</b>        | <b>302.04</b>    | <b>57.75</b>  | <b>39,320.39</b> |

**Footnote :**

- (i) Buildings include WDV on improvements to building constructed on leasehold land ₹973.45 Lakhs; (Previous year ₹1,025.32 Lakhs).
- (ii) Assets pledged as security (Refer Note 16: Borrowings)
- (iii) Adjustments pertain to assets of a hotel undertaking (Gross Block of ₹949.08 lakhs and accumulated depreciation of ₹360.06 lakhs as on 31st March, 2019) transferred to assets held for sale (Refer Note 39)
- (iv) Provision for impairment made for land (Refer Note 27 d.)

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

₹ Lakhs

| Particulars                     | Software      | Total         |
|---------------------------------|---------------|---------------|
| <b>Gross Block at Cost</b>      |               |               |
| At April 1, 2018                | 452.50        | 452.50        |
| Additions                       | 9.70          | 9.70          |
| Adjustment (Refer Footnote (i)) | 51.71         | 51.71         |
| Disposals                       | 19.98         | 19.98         |
| <b>At March 31, 2019</b>        | <b>390.51</b> | <b>390.51</b> |
| <b>Amortisation</b>             |               |               |
| At April 1, 2018                | 220.99        | 220.99        |
| Charge for the year             | 79.07         | 79.07         |
| Adjustment (Refer Footnote (i)) | 35.21         | 35.21         |
| Disposals                       | 10.39         | 10.39         |
| <b>At March 31, 2019</b>        | <b>254.46</b> | <b>254.46</b> |
| <b>Net Block</b>                |               |               |
| <b>At March 31, 2019</b>        | <b>136.05</b> | <b>136.05</b> |

**Footnote :**

- (i) Adjustments pertain to assets of a hotel undertaking (Gross Block of ₹51.71 lakhs and accumulated amortisation of ₹35.21 lakhs as on 31st March, 2019) transferred to assets held for sale (Refer Note 39)

## NOTES TO STANDALONE FINANCIAL STATEMENTS

| Note 5 : Investments                                                   | Face Value | March 31, 2019 |          | March 31, 2018 |          |
|------------------------------------------------------------------------|------------|----------------|----------|----------------|----------|
|                                                                        |            | Holdings As at | ₹ Lakhs  | Holdings As at | ₹ Lakhs  |
| (a) Non-Current Investments                                            |            |                |          |                |          |
| Fully Paid Unquoted Equity Instruments                                 |            |                |          |                |          |
| Investment in Subsidiary Company (At Cost)                             |            |                |          |                |          |
| OHL International (HK) Limited<br>- (Refer Footnote (iii))             | USD 10     | 1500000        | 4,683.00 | 1500000        | 4,683.00 |
|                                                                        |            |                | 4,683.00 |                | 4,683.00 |
| Investment in Jointly Controlled Entity (At Cost)                      |            |                |          |                |          |
| TAL Hotels & Resorts Limited                                           | USD 1      | 919104         | 437.68   | 919104         | 437.68   |
|                                                                        |            |                | 437.68   |                | 437.68   |
| Investment in Associate Company (At Cost)                              |            |                |          |                |          |
| Taj Madurai Limited                                                    | ₹10        | 912000         | 118.60   | 912000         | 118.60   |
|                                                                        |            |                | 118.60   |                | 118.60   |
| Investments in Other Companies' Equity Shares (Fair Value Through OCI) |            |                |          |                |          |
| Taj Kerala Hotels and Resorts Limited                                  | ₹10        | 1515000        | 160.14   | 1515000        | 160.29   |
| Taj Karnataka Hotels and Resorts Limited                               | ₹10        | 300000         | -        | 300000         | -        |
| Taj Air Limited (Refer Footnote (iv))                                  | ₹10        | 6250000        | 155.00   | 6250000        | 154.38   |
| Taj Trade & Transport Company Limited                                  | ₹10        | 100500         | 42.05    | 100500         | 42.72    |
| Green Infra Wind Farms Limited                                         | ₹10        | 60000          | 6.00     | 60000          | 6.00     |
| Green Infra Wind Generation Limited                                    | ₹10        | 42000          | 4.20     | 42000          | 4.20     |
| Citron Ecopower Private Limited (Refer Footnote (v))                   | ₹10        | 226750         | 21.85    | 222750         | 21.45    |
|                                                                        |            |                | 389.24   |                | 389.04   |
| Fully Paid Quoted Equity Investments :                                 |            |                |          |                |          |
| Investment in Other Companies (Fair value through OCI)                 |            |                |          |                |          |
| The Indian Hotels Company Limited                                      | ₹1         | 752398         | 1,161.33 | 752398         | 958.18   |
| Tulip Star Hotels Limited                                              | ₹10        | 29600          | 19.23    | 29600          | 15.98    |
| Velan Hotels Limited                                                   | ₹10        | 4000           | 0.18     | 4000           | 0.24     |
| Benares Hotels Limited                                                 | ₹10        | 50             | 0.78     | 50             | 0.58     |
|                                                                        |            |                | 1,181.52 |                | 974.98   |

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                                                               | Face Value | March 31, 2019 |          | March 31, 2018 |          |
|-------------------------------------------------------------------------------|------------|----------------|----------|----------------|----------|
|                                                                               |            | Holdings As at | ₹ Lakhs  | Holdings As at | ₹ Lakhs  |
| Others – Non-Trade Unquoted Equity Shares                                     |            |                |          |                |          |
| Chennai Willingdon Corporate Foundation                                       | ₹10        | 5              | -        | 5              | -        |
| Indian Dairy Entrepreneurs Agricultural Company Limited (Refer footnote (vi)) | ₹1         | 86302          | -        | 86302          | -        |
|                                                                               |            |                | -        |                | -        |
| Total                                                                         |            |                | 6,810.04 |                | 6,603.30 |

**Footnotes:**

|                                                                                                                                                                                  |                |                 |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|----------|
| (i) Aggregate of Quoted Investments - Gross                                                                                                                                      | : Cost         | <b>465.03</b>   | 465.03   |
|                                                                                                                                                                                  | : Market Value | <b>1,181.52</b> | 974.98   |
| (ii) Aggregate of Unquoted Investments - Gross                                                                                                                                   | : Cost         | <b>6,094.98</b> | 6,094.58 |
| (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) Purchased during the year 25,000 shares at a cost of ₹2.50 lakhs and sold 21,000 shares during the year at a cost of ₹2.10 lakhs.                                            |                |                 |          |
| (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. |                |                 |          |

**(b) Current Investments**

|                                                |                |                 |                |          |
|------------------------------------------------|----------------|-----------------|----------------|----------|
| Carried at fair value through profit and loss: | March 31, 2019 |                 | March 31, 2018 |          |
| Investments in Mutual Fund Units (unquoted)    | Units As at    | ₹ Lakhs         | Units As at    | ₹ Lakhs  |
| Tata Liquid Fund Direct Plan - Growth          | 108,234.81     | 3,186.91        | -              | -        |
| <b>Total</b>                                   |                | <b>3,186.91</b> |                | <b>-</b> |
| <b>Footnote:</b>                               |                |                 |                |          |
| (i) Aggregate amount of Unquoted Investments:  |                | <b>3,186.91</b> |                | <b>-</b> |

₹ Lakhs

|                                                                                   |                       |                       |
|-----------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Note 6 : Loans</b>                                                             | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
| <b>Current</b>                                                                    |                       |                       |
| (a) Loans Receivables Considered good - (Unsecured, related party (Refer Note 41) | <b>560.00</b>         | 560.00                |
| (b) Loans Receivables which have significant increase in Credit Risk              | -                     | -                     |
| (c) Loans Receivables - Credit Impaired                                           | -                     | -                     |
|                                                                                   | <b>560.00</b>         | <b>560.00</b>         |

## NOTES TO STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

| <b>Note 7 : Other Financial Assets</b>                                            | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
|-----------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Unsecured Considered Good Unless Otherwise Stated</b>                          |                       |                       |
| <b>a) Non-Current</b>                                                             |                       |                       |
| <b>Long-term security deposits placed for Hotel Properties at amortised costs</b> |                       |                       |
| External parties                                                                  | 29.07                 | 498.45                |
| <b>Deposits with Public Bodies and Others at amortised costs</b>                  |                       |                       |
| Public Bodies and Others - Considered good                                        | 426.03                | 531.19                |
| - Considered doubtful                                                             | 2.45                  | 2.45                  |
|                                                                                   | <b>428.48</b>         | <b>533.64</b>         |
| Less : Provision for Doubtful Deposits                                            | 2.45                  | 2.45                  |
|                                                                                   | <b>426.03</b>         | <b>531.19</b>         |
| <br>Amounts Recoverable (Net of provisions)<br>(Refer Footnote (i) (ii) & (iii))  | <br><b>883.89</b>     | <br><b>883.89</b>     |
| <br>Interest Receivable                                                           |                       |                       |
| Others                                                                            | 45.51                 | 45.51                 |
|                                                                                   | <b>45.51</b>          | <b>45.51</b>          |
| <br>Other Advances                                                                | <br>46.15             | <br>80.12             |
|                                                                                   | <b>1,430.65</b>       | <b>2,039.16</b>       |

**Footnote:**

- (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 has 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).

**b) Current**

|                                                          |               |               |
|----------------------------------------------------------|---------------|---------------|
| <b>Deposit with public bodies and others</b>             | <b>75.79</b>  | <b>88.34</b>  |
| <b>Other advances</b>                                    |               |               |
| Considered good                                          | 126.61        | 119.91        |
| Considered doubtful                                      | 4.26          | 6.53          |
|                                                          | <b>130.87</b> | <b>126.44</b> |
| Less: Allowance for Advances doubtful of recovery        | 4.26          | 6.53          |
|                                                          | <b>126.61</b> | <b>119.91</b> |
| <b>Interest receivable</b>                               |               |               |
| Related Parties (Refer Note 41)                          | 6.34          | 46.34         |
| Bank Deposits                                            | 2.81          | —             |
| Others                                                   | 15.64         | 19.13         |
|                                                          | <b>24.79</b>  | <b>65.47</b>  |
| Current Account dues (Refer Note 41 for related parties) | <b>286.58</b> | <b>283.05</b> |
|                                                          | <b>513.77</b> | <b>556.77</b> |

ORIENTAL HOTELS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                                                                           |                       | ₹ Lakhs               |
|-------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Note 8 : Deferred Tax Assets (Net)</b>                                                 | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
| <b>Deferred Tax Assets:</b>                                                               |                       |                       |
| Provision for employee benefits                                                           | 180.64                | 174.81                |
| Operating loss carried forward (Refer Footnote)                                           | 5,718.13              | 5,762.62              |
| MAT credit entitlement                                                                    | 524.12                | -                     |
| Receivables, financial assets at amortised cost                                           | 55.75                 | 57.44                 |
| Others                                                                                    | 123.21                | 105.34                |
| <b>Total (A)</b>                                                                          | <b>6,601.85</b>       | <b>6,100.21</b>       |
| <b>Deferred Tax Liabilities:</b>                                                          |                       |                       |
| Property, plant and equipment & intangible assets                                         | 5,343.17              | 5,688.85              |
| Unrealized gain on equity shares carried at fair value through other comprehensive income | 9.89                  | -                     |
| <b>Total (B)</b>                                                                          | <b>5,353.06</b>       | <b>5,688.85</b>       |
| <b>Net Deferred Tax Assets (A-B)</b>                                                      | <b>1,248.79</b>       | <b>411.36</b>         |

**Footnote:** Losses u/s 35AD of the Income Tax Act, 1961 have an indefinite carry forward period.

|                                      |                       | ₹ Lakhs               |
|--------------------------------------|-----------------------|-----------------------|
| <b>Note 9 : Other assets</b>         | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
| <b>a) Non-current</b>                |                       |                       |
| Capital Advances                     | 88.27                 | 137.42                |
| Prepaid Expenses                     | 198.35                | 3,610.68              |
| Deposits with Government Authorities | 247.15                | 125.06                |
| Export Incentive Receivable          | 309.99                | 700.28                |
| Others (Refer Footnote (i))          | 306.21                | 306.21                |
|                                      | <b>1,149.97</b>       | <b>4,879.65</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 towards compensation based on old guideline value during the year 2016-17. 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            | 514.07        | 538.43        |
| Advance to suppliers        | 101.79        | 65.14         |
| Advance to Employees        | 9.07          | 27.25         |
| Export Incentive Receivable | 302.69        | -             |
|                             | <b>927.62</b> | <b>630.82</b> |

## NOTES TO STANDALONE FINANCIAL STATEMENTS

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

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

₹ Lakhs

| Particulars                                            | Financial assets/<br>liabilities at fair value<br>through profit or loss | Financial assets/<br>liabilities at fair<br>value through OCI | Cost/<br>Amortised<br>cost | Total            |
|--------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------|------------------|
| <b>Financial assets:</b>                               |                                                                          |                                                               |                            |                  |
| Investments                                            |                                                                          |                                                               |                            |                  |
| Equity Investment                                      | -                                                                        | -                                                             | -                          | -                |
| Subsidiaries, Jointly Controlled Entity and Associates | -                                                                        | -                                                             | 5,239.28                   | 5,239.28         |
| External Companies                                     | -                                                                        | 1,570.76                                                      | -                          | 1,570.76         |
| Debentures                                             | -                                                                        | -                                                             | -                          | -                |
| Mutual Fund                                            | 3,186.91                                                                 | -                                                             | -                          | 3,186.91         |
| Trade Receivables                                      | -                                                                        | -                                                             | 1,346.98                   | 1,346.98         |
| Cash and Cash Equivalents and bank balances            | -                                                                        | -                                                             | 5,199.64                   | 5,199.64         |
| Long Term Loans & Advances                             | -                                                                        | -                                                             | -                          | -                |
| Short Term Loans & Advances                            | -                                                                        | -                                                             | 560.00                     | 560.00           |
| Derivative Financial Assets                            | -                                                                        | -                                                             | -                          | -                |
| Security Deposits                                      | -                                                                        | -                                                             | -                          | -                |
| Other Financial Assets                                 | -                                                                        | -                                                             | 1,944.42                   | 1,944.42         |
| <b>Total - Financial Assets</b>                        | <b>3,186.91</b>                                                          | <b>1,570.76</b>                                               | <b>14,290.32</b>           | <b>19,047.99</b> |
| <b>Financial liabilities:</b>                          |                                                                          |                                                               |                            |                  |
| Borrowings                                             | -                                                                        | -                                                             | -                          | -                |
| Derivative Financial Liabilities                       | -                                                                        | -                                                             | -                          | -                |
| Trade Payables including Capital Creditors             | -                                                                        | -                                                             | 4,411.85                   | 4,411.85         |
| Deposits                                               | -                                                                        | -                                                             | -                          | -                |
| Other Financial Liabilities*                           | -                                                                        | -                                                             | 26,181.17                  | 26,181.17        |
| <b>Total - Financial Liabilities</b>                   | <b>-</b>                                                                 | <b>-</b>                                                      | <b>30,593.02</b>           | <b>30,593.02</b> |

\* Includes current maturities of Secured Debentures ₹24,280.51 lakhs.

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

| Particulars                                            | Financial assets/<br>liabilities at fair value<br>through profit or loss | Financial assets/<br>liabilities at fair<br>value through OCI | Cost/Amor-<br>tised cost | Total            |
|--------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------|------------------|
| <b>Financial assets:</b>                               |                                                                          |                                                               |                          |                  |
| Investments                                            |                                                                          |                                                               |                          |                  |
| Equity Investment                                      | -                                                                        | -                                                             | -                        | -                |
| Subsidiaries, Jointly Controlled Entity 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>-</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                            | -                                                                        | -                                                             | 2,222.92                 | 2,222.92         |
| <b>Total - Financial Liabilities</b>                   | <b>-</b>                                                                 | <b>-</b>                                                      | <b>37,309.64</b>         | <b>37,309.64</b> |

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

**Table 2: Fair value hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- (a) Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This includes listed equity instrument, traded debentures and mutual funds that have quoted price/declared NAV. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period.
- (b) Level 2 - Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- (c) Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019: ₹ Lakhs

| Particulars                       | As of March 31,<br>2019 | Fair value measurement at end of<br>the reporting period/year using |          |               |  |
|-----------------------------------|-------------------------|---------------------------------------------------------------------|----------|---------------|--|
| Financial assets:                 | Total                   | Level 1                                                             | Level 2  | Level 3       |  |
| Cash & Cash Equivalents           | -                       | -                                                                   | -        | -             |  |
| Equity shares                     | 1,570.76                | 1,181.52                                                            | -        | 389.24        |  |
| Liquid Mutual Funds               | 3,186.91                | 3,186.91                                                            | -        | -             |  |
| Long Term Loans & Advances        | -                       | -                                                                   | -        | -             |  |
| Short Term Loans & Advances       | -                       | -                                                                   | -        | -             |  |
| <b>Total</b>                      | <b>4,757.67</b>         | <b>4,368.43</b>                                                     | <b>-</b> | <b>389.24</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, 2018:

| Particulars                       | As of March 31,<br>2018 | Fair value measurement at end of<br>the reporting period/year using |          |               |  |
|-----------------------------------|-------------------------|---------------------------------------------------------------------|----------|---------------|--|
| Financial assets:                 | Total                   | Level 1                                                             | Level 2  | Level 3       |  |
| 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>      |  |

### Note 11 : Inventories

|                               | March 31, 2019 | March 31, 2018 |
|-------------------------------|----------------|----------------|
| Food and Beverages            | 372.03         | 448.66         |
| Stores and Operating Supplies | 345.52         | 389.97         |
|                               | <b>717.55</b>  | <b>838.63</b>  |

### Note 12: Trade receivables

|                                                                        |                 |                 |
|------------------------------------------------------------------------|-----------------|-----------------|
| Trade receivable considered good-Unsecured                             | 1,346.98        | 1,463.19        |
| Trade receivable which have significant increase in credit risk        | -               | -               |
| Trade receivable - Credit impaired                                     | 152.83          | 155.38          |
|                                                                        | <b>1,499.81</b> | <b>1,618.57</b> |
| Less : Provision for trade receivable -credit impaired (Refer Note 38) | 152.83          | 155.38          |
|                                                                        | <b>1,346.98</b> | <b>1,463.19</b> |

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

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

|                                                                                                       | March 31, 2019  | March 31, 2018 |
|-------------------------------------------------------------------------------------------------------|-----------------|----------------|
| <b>Cash and cash equivalents</b>                                                                      |                 |                |
| Cash on hand                                                                                          | 48.24           | 78.94          |
| Cheques, Drafts on hand                                                                               | 8.91            | 21.10          |
| Balances with banks in current account                                                                | 2,039.12        | 77.64          |
| Balances with banks in call and short-term deposit accounts<br>(original maturity less than 3 months) | -               | 350.00         |
|                                                                                                       | <b>2,096.27</b> | <b>527.68</b>  |

# FORTY NINTH ANNUAL REPORT 2018-19

## NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                                                       |                       | ₹ Lakhs               |
|-----------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Note 13(b): Bank Balances other than Cash and Cash Equivalents</b> | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
| <b>Other Balances with banks</b>                                      |                       |                       |
| Short-term deposit accounts                                           | 3,000                 | –                     |
| Margin money deposits                                                 | 54.52                 | 53.17                 |
| Earmarked balances (Refer Footnote)                                   | 48.85                 | 61.42                 |
|                                                                       | <b>3,103.37</b>       | <b>114.59</b>         |

**Footnote :**

Includes amounts in unpaid dividend accounts ₹48.85 lakhs (Previous year ₹59.01 lakhs)

| <b>Note 14 : Share Capital</b>                                                                                                                    | <b>March 31, 2019</b> | <b>March 31, 2018</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 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

| <b>Particulars</b>                               | <b>March 31, 2019</b> |                   | <b>March 31, 2018</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  | 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)

| <b>Particulars</b>                                               | <b>March 31, 2019</b> |                  | <b>March 31, 2018</b> |                  |
|------------------------------------------------------------------|-----------------------|------------------|-----------------------|------------------|
|                                                                  | <b>No. of shares</b>  | <b>% Holding</b> | <b>No. of shares</b>  | <b>% Holding</b> |
| The Indian Hotels Company Limited                                | 5,09,72,910           | 28.55%           | 3,37,64,550           | 18.91%           |
| TIFCO Holdings Limited (Refer Footnote)                          | –                     | –                | 1,72,08,360           | 9.63%            |
| Reliance Capital Trustee Co Ltd. – Reliance Mid & Small Cap Fund | 12,465,421            | 6.98%            | 1,19,50,000           | 6.69%            |
| 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. Hence the shares are added to The Indian Hotels Company Limited

(d) Aggregate number of shares issued as GDR

| <b>March 31, 2019</b> |                  | <b>March 31, 2018</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>     | <b>9,972,430</b>      | <b>5.58%</b>     |

ORIENTAL HOTELS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                                                                                                  | ₹ Lakhs        |                |
|------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Note15: Other Equity                                                                                             | March 31, 2019 | March 31, 2018 |
| <b>Securities Premium</b>                                                                                        |                |                |
| Opening and Closing Balance                                                                                      | 10,735.69      | 10,735.69      |
| <b>Debenture redemption reserve</b>                                                                              |                |                |
| Opening Balance                                                                                                  | 2,652.41       | 2,006.25       |
| Add : Transfer during the year                                                                                   | 2,810.59       | 646.16         |
| Closing Balance                                                                                                  | 5,463.00       | 2,652.41       |
| <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                                                                     | (685.22)       | (618.22)       |
| Add: Current Year profits                                                                                        | 8,944.20       | 599.74         |
| Less: Final Dividend                                                                                             | -              | -              |
| Less: Tax on Final Dividend                                                                                      | -              | -              |
| Less: Transfer to Debenture Redemption Reserve                                                                   | (2,810.59)     | (646.16)       |
| Add: Ind AS- Transfer of OCI Equity Inst. Realised to retained earning<br>(Refer Statement of Changes in Equity) | -              | 46.41          |
| Less: Ind AS- OCI Movements - Net Defined Benefit Plans                                                          | 19.86          | (102.58)       |
| Add: Ind AS- OCI Movements - Tax on Net Defined Benefit Plans                                                    | (6.94) 12.92   | 35.59          |
| Closing retained earnings                                                                                        | 5,461.31       | (685.22)       |
| <b>Total Reserves and Surplus</b>                                                                                | 31,767.64      | 22,810.52      |
| Other Comprehensive Income                                                                                       |                |                |
| OCI - Equity Instruments (Not Reclass to P&L)<br>(Refer Statement of Changes in Equity)                          | 236.66         | 44.89          |
| <b>Total</b>                                                                                                     | 32,004.30      | 22,855.41      |

## NOTES TO STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

| Note 16 : Borrowings                                                                               |                      |            | March 31, 2019 |                | March 31, 2018 |                |
|----------------------------------------------------------------------------------------------------|----------------------|------------|----------------|----------------|----------------|----------------|
|                                                                                                    | 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      | 14,280.51      | 1,000,000      | 13,133.55      |
|                                                                                                    |                      |            |                | 24,280.51      |                | 23,133.55      |
| Term Loan from Banks                                                                               |                      |            |                |                |                |                |
| Secured (ReferFootnote (iii))                                                                      |                      |            |                | -              |                | 8,100.00       |
| Unsecured                                                                                          |                      |            |                | -              |                | -              |
| Less: Unamortised Borrowing Cost                                                                   |                      |            |                | -              |                | (4.96)         |
|                                                                                                    |                      |            |                | -              |                | 8,095.04       |
| Total Long term borrowings                                                                         |                      |            |                | 24,280.51      |                | 31,228.59      |
|                                                                                                    |                      |            |                |                |                |                |
| Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities) |                      |            |                | 24,280.51      |                | 1,800.00       |
| Total Long term borrowings                                                                         |                      |            |                | -              |                | 29,428.59      |
| 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          |

## Footnotes to Borrowings:

₹ Lakhs

## (i) Details of Borrowings as at:

| Particulars           | March 31, 2019 |           | March 31, 2018 |          |
|-----------------------|----------------|-----------|----------------|----------|
|                       | Non-Current    | Current   | Non-Current    | Current  |
| Debentures            | -              | 24,280.51 | 23,133.55      | -        |
| Term Loans from Banks | -              | -         | 6,300.00       | 1,800.00 |
|                       | -              | 24,280.51 | 29,433.55      | 1,800.00 |

## (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 | Redeemable 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 | Redeemable (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 | - | - | Secured by Equitable Mortgage of Moveable and Immoveable Fixed Assets at The Gateway Hotel, Visakhapatnam. for the loan outstanding in 2017-18 | 20 quarterly equal instalments of ₹450 lakhs commenced from October 2017 carrying interest rate of 8.35% fully repaid in 2018-19 |
|--------------------------------------|---|---|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|

(iv) Secured loans from banks represents short term loan secured by way of mortgage by deposit of title deeds in respect of immovable properties of Fisherman's Cove & additionally secured by way of exclusive first charge of credit card receivables of the Company carrying interest rate at 8.25%

₹ lakhs

| (v) Net Debt Reconciliation  |                      |                      |
|------------------------------|----------------------|----------------------|
| Particulars                  | As at March 31, 2019 | As at March 31, 2018 |
| Cash and Cash Equivalents    | 2,096.27             | 527.68               |
| Current Investments          | 3,186.91             | -                    |
| Current Borrowings           | -                    | (97.40)              |
| Non-Current Borrowings       | (24,280.51)          | (31,228.59)          |
| Interest accrued and not due | (436.30)             | (441.39)             |
| <b>Net Debt</b>              | <b>(19,433.63)</b>   | <b>(31,239.70)</b>   |

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

| Particulars                             | Cash and Cash Equivalents | Current Investments | Current Borrowings | Non-Current Borrowings | Interest accrued and not due | Total              |
|-----------------------------------------|---------------------------|---------------------|--------------------|------------------------|------------------------------|--------------------|
| <b>Net Debt as at 1st April 2017</b>    | <b>1,162.92</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                       | -                         | -                   | -                  | 0.00                   | (2,053.29)                   | (2,053.29)         |
| Interest Paid                           | -                         | -                   | -                  | 0.00                   | 2,062.14                     | 2,062.14           |
| Unamortized cost of borrowings          | -                         | -                   | -                  | (2.40)                 | -                            | (2.40)             |
| Amortized Cost of low coupon debentures | -                         | -                   | -                  | (1,040.26)             | -                            | (1,040.26)         |
| <b>Net Debt as at 1st April 2018</b>    | <b>527.68</b>             | -                   | <b>(97.40)</b>     | <b>(31,228.59)</b>     | <b>(441.39)</b>              | <b>(31,239.70)</b> |
| Cash Flows                              | 1,568.59                  | -                   | -                  | -                      | -                            | 1,568.59           |
| Current Investments                     | -                         | 3,050.99            | -                  | -                      | -                            | 3,050.99           |
| Fair value adjustment                   | -                         | 135.92              | -                  | -                      | -                            | 135.92             |
| Repayments                              | -                         | -                   | 97.40              | 8,100.00               | -                            | 8,197.40           |
| Interest Expenses                       | -                         | -                   | -                  | -                      | (1,566.13)                   | (1,566.13)         |
| Interest Paid                           | -                         | -                   | -                  | -                      | 1,571.22                     | 1,571.22           |
| Unamortized cost of borrowings          | -                         | -                   | -                  | (4.96)                 | -                            | (4.96)             |
| Amortized Cost of low coupon debentures | -                         | -                   | -                  | (1,146.96)             | -                            | (1,146.96)         |
| <b>Net Debt as at 31st March 2019</b>   | <b>2,096.27</b>           | <b>3,186.91</b>     | -                  | <b>(24,280.51)</b>     | <b>(436.30)</b>              | <b>(19,433.63)</b> |

₹ Lakhs

| <b>Note 17 : Other Financial liabilities</b>                                 | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
|------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>A) Non-Current financial liabilities</b>                                  |                       |                       |
| <b>Deposits from related parties</b>                                         |                       |                       |
| Unsecured                                                                    | 152.39                | 137.91                |
|                                                                              | <u>152.39</u>         | <u>137.91</u>         |
| <b>Deposits from others</b>                                                  |                       |                       |
| Unsecured                                                                    | 40.53                 | 69.75                 |
|                                                                              | <u>40.53</u>          | <u>69.75</u>          |
|                                                                              | <u>192.92</u>         | <u>207.66</u>         |
| <b>B) Current financial liabilities</b>                                      |                       |                       |
| <b>Current maturities of long term borrowings</b>                            |                       |                       |
| Debentures                                                                   | 24,280.51             | -                     |
| Term loans from Banks                                                        | -                     | 1,800.00              |
| <b>Payables on Current Account dues :</b>                                    |                       |                       |
| Current Account dues (Refer Note 41 for related parties)                     | 280.78                | 422.43                |
|                                                                              | <u>280.78</u>         | <u>422.43</u>         |
| <b>Deposits from others</b>                                                  |                       |                       |
| Unsecured                                                                    | 29.83                 | 21.53                 |
|                                                                              | <u>29.83</u>          | <u>21.53</u>          |
| Interest accrued but not due on borrowings at amortised costs                | 436.30                | 441.39                |
| Creditors for capital expenditure                                            | 430.47                | 148.77                |
| Unclaimed dividend (Refer Footnote (i))                                      | 48.85                 | 59.01                 |
| Unclaimed Matured Deposits and interest accrued thereon                      | -                     | 0.71                  |
| Employee related liabilities                                                 | 762.65                | 855.77                |
| Other Payables                                                               |                       |                       |
| External Party                                                               | 9.43                  | 28.40                 |
| Related Party (Includes payable to Oriental Hotels Employees Gratuity Trust) | 139.90                | 186.02                |
| (Refer Note 41 for related parties)                                          | <u>26,418.72</u>      | <u>3,964.03</u>       |

**Footnote :**

(i) The amount reflects the position as on 31st March 2019, 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.

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## NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                                        | ₹ Lakhs               |                       |
|--------------------------------------------------------|-----------------------|-----------------------|
| <b>Note 18: Trade Payables</b>                         | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
| <b>Trade Payables</b>                                  |                       |                       |
| <b>(a) Non-current</b>                                 |                       |                       |
| (i) Micro and Small Enterprises (Refer Footnote i)     | -                     | -                     |
| (ii) Vendor Payables (Refer note 41)                   | 164.37                | -                     |
| <b>Total</b>                                           | <b>164.37</b>         | <b>-</b>              |
| <b>(b) Current</b>                                     |                       |                       |
| (i) Micro and Small Enterprises (Refer Footnote i)     | 32.80                 | 12.81                 |
| <b>Total</b>                                           | <b>32.80</b>          | <b>12.81</b>          |
| (ii) Vendor Payables (Refer note 41 for related party) | 2,207.54              | 2,291.71              |
| (iii) Accrued expenses and others                      | 1,576.66              | 1,307.44              |
| <b>Total</b>                                           | <b>3,784.20</b>       | <b>3,599.15</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, 2019</b> | <b>March 31, 2018</b> |
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year                                                         | 32.80                 | 12.81                 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year                                                    | -                     | -                     |
| (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                                                                                           | -                     | -                     |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year                                                          | -                     | -                     |
| (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 | -                     | -                     |

|                                                             | ₹ Lakhs               |                       |
|-------------------------------------------------------------|-----------------------|-----------------------|
| <b>Note 19 : Provisions</b>                                 | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
| <b>a) Employees Benefit Obligation-Non Current</b>          |                       |                       |
| Compensated absences                                        | 340.97                | 364.97                |
| Other employees benefit obligations                         | 173.79                | 65.80                 |
| Pension liability for retired directors and their relatives | 30.58                 | 39.82                 |
| <b>Total (Refer Note 30)</b>                                | <b>545.34</b>         | <b>470.59</b>         |
| <b>b) Employee Benefit Obligation-Current</b>               |                       |                       |
| Compensated absences                                        | 87.43                 | 81.48                 |
| Other employee benefit obligations                          | 36.60                 | 12.30                 |
| Pension liability for retired directors and their relatives | 8.87                  | 8.87                  |
| <b>Total (Refer Note 30)</b>                                | <b>132.90</b>         | <b>102.65</b>         |

|                                                            | ₹ Lakhs               |                       |
|------------------------------------------------------------|-----------------------|-----------------------|
| <b>Note 20 : Other non-financial Liabilities</b>           | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
| <b>A) Non-current</b>                                      |                       |                       |
| Income received in advance – Related Party (Refer Note 41) | 13.12                 | 20.73                 |
|                                                            | <b>13.12</b>          | <b>20.73</b>          |
| <b>B) Current</b>                                          |                       |                       |
| Income received in advance – Related Party (Refer Note 41) | 7.61                  | 7.61                  |
| Advances collected from customers                          | 240.76                | 335.12                |
| Statutory dues                                             | 272.40                | 316.32                |
|                                                            | <b>520.77</b>         | <b>659.05</b>         |

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                                           | ₹ Lakhs          |                  |
|-----------------------------------------------------------|------------------|------------------|
|                                                           | March, 2019      | March, 2018      |
| <b>Note 21 : Revenue from Operations</b>                  |                  |                  |
| Room Income                                               | 16,048.21        | 16,744.26        |
| Food, Restaurants and Banquet Income (Refer Footnote (i)) | 15,568.24        | 15,983.29        |
| Shop rentals                                              | 122.31           | 138.16           |
| Membership fees                                           | 133.53           | 75.76            |
| Management and operating fees                             | 358.62           | 362.85           |
| Others (Refer Footnote (ii))                              | 2,311.52         | 2,381.91         |
| <b>Total</b>                                              | <b>34,542.43</b> | <b>35,686.23</b> |

**Footnote:**

- (i) Includes excise duty of ₹Nil lakhs (Previous Year ₹2.41 lakhs).  
(ii) Others include Car hire income of ₹539.68 lakhs (Previous Year ₹622.17 lakhs) and Service Exports from India Scheme (SEIS) income of ₹295.74 lakhs (Previous year ₹300.30 lakhs).

|                                                                                                         | ₹ Lakhs         |                 |
|---------------------------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                                         | March, 2019     | March, 2018     |
| <b>Note 22 : Other Income</b>                                                                           |                 |                 |
| Interest Income at amortised cost                                                                       |                 |                 |
| Inter-corporate deposits                                                                                | 56.00           | 56.72           |
| Deposits with banks                                                                                     | 77.63           | 16.43           |
| Others                                                                                                  | 62.76           | 76.89           |
| Interest on Income Tax Refunds                                                                          | 62.05           | 13.62           |
| Dividend Income from Investments                                                                        |                 |                 |
| - from investments in Subsidiaries, Jointly Controlled Entity and Associates which are measured at cost | 332.59          | 780.00          |
| - from investments that are fair valued through Other Comprehensive Income                              | 5.90            | 6.65            |
| - from investments that are fair valued through profit and loss                                         | 20.05           | -               |
| - Gain on investments carried at fair value through profit and loss                                     | 136.91          | -               |
| Exchange Gain (Net)                                                                                     | 2.86            | 5.59            |
| Others                                                                                                  | 372.83          | 245.46          |
| <b>Total</b>                                                                                            | <b>1,129.58</b> | <b>1,201.36</b> |

|                                                                 | ₹ Lakhs     |             |
|-----------------------------------------------------------------|-------------|-------------|
|                                                                 | March, 2019 | March, 2018 |
| <b>Note 23 : Food and Beverages Consumed (Including smokes)</b> |             |             |
| Opening Stock                                                   | 448.66      | 428.73      |
| Add : Purchases                                                 | 3,630.11    | 4,063.98    |
|                                                                 | 4,078.77    | 4,492.71    |
| Less : Closing Stock                                            | 372.03      | 448.66      |
| Food and Beverages Consumed                                     | 3,706.74    | 4,044.05    |

|                                                                      | ₹ Lakhs         |                 |
|----------------------------------------------------------------------|-----------------|-----------------|
|                                                                      | March, 2019     | March, 2018     |
| <b>Note 24 : Employee Benefit Expense and Payment to Contractors</b> |                 |                 |
| Salaries, Wages, Bonus etc.                                          | 5,399.22        | 5,269.96        |
| Company's Contribution to Provident and Other Funds                  | 510.54          | 448.99          |
| Reimbursement of Expenses on Personnel Deputed to the Company        | 1,851.29        | 1,918.86        |
| Payment to Contractors                                               | 831.07          | 1,075.85        |
| Staff Welfare Expenses                                               | 1,167.13        | 1,155.29        |
| <b>Total</b>                                                         | <b>9,759.25</b> | <b>9,868.95</b> |

|                                                                      | ₹ Lakhs         |                 |
|----------------------------------------------------------------------|-----------------|-----------------|
|                                                                      | March, 2019     | March, 2018     |
| <b>Note 25 : Finance costs</b>                                       |                 |                 |
| Interest Expense at effective interest rate on financial liabilities | 2,718.05        | 3,088.59        |
| <b>Total</b>                                                         | <b>2,718.05</b> | <b>3,088.59</b> |

## NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                                                             | ₹ Lakhs          |                  |
|-----------------------------------------------------------------------------|------------------|------------------|
|                                                                             | March, 2019      | March, 2018      |
| <b>Note 26 : Other Operating and General Expenses</b>                       |                  |                  |
| (i) <b>Operating expenses consist of the following:</b>                     |                  |                  |
| Linen and Room Supplies                                                     | 561.67           | 672.66           |
| Catering Supplies                                                           | 257.94           | 264.66           |
| Other Supplies                                                              | 73.94            | 73.39            |
| Fuel, Power and Light                                                       | 3,334.69         | 3,481.21         |
| Repairs to Buildings                                                        | 512.58           | 478.34           |
| Repairs to Machinery                                                        | 898.20           | 1,005.82         |
| Repairs to Others                                                           | 137.92           | 185.59           |
| Linen and Uniform Washing and Laundry Expenses                              | 355.39           | 365.00           |
| Payment to Orchestra Staff, Artists and Others (including security charges) | 366.31           | 79.21            |
| Communication Charges                                                       | 283.78           | 311.50           |
| Guest Transportation                                                        | 488.84           | 525.17           |
| Travel Agents' Commission                                                   | 465.48           | 467.92           |
| Discount to Collecting Agents                                               | 292.57           | 318.56           |
| Fees to Consultants                                                         | 1,454.23         | 1,485.11         |
| Other Operating Expenses                                                    | 609.58           | 605.22           |
| <b>Total</b>                                                                | <b>10,093.12</b> | <b>10,319.36</b> |
| (ii) <b>General expenses consist of the following:</b>                      |                  |                  |
| Rent                                                                        | 262.52           | 277.27           |
| Licence Fees                                                                | 992.98           | 1,095.96         |
| Rates and Taxes                                                             | 668.58           | 631.33           |
| Insurance                                                                   | 86.55            | 90.90            |
| Advertising and Publicity                                                   | 1,701.39         | 1,728.61         |
| Printing and Stationery                                                     | 131.67           | 149.33           |
| Passage and Travelling                                                      | 58.58            | 47.71            |
| Allowances for Doubtful Debts                                               | 30.38            | 0.18             |
| Expenditure on Corporate Social Responsibility                              | 50.14            | 45.05            |
| Professional Fees                                                           | 562.44           | 436.19           |
| Loss on Sale of Fixed Assets (Net)                                          | 4.78             | 7.80             |
| Payment made to Statutory Auditors (Refer Footnote)                         | 55.43            | 43.17            |
| Directors' Fees and Commission                                              | 26.10            | 6.13             |
| Reservation & Other Services                                                | 743.11           | 763.28           |
| Other Expenses                                                              | 556.38           | 625.90           |
| <b>Total</b>                                                                | <b>5,931.03</b>  | <b>5,948.81</b>  |
|                                                                             | <b>16,024.15</b> | <b>16,268.17</b> |
| <b>Footnote:</b>                                                            |                  |                  |
| Payment made to Statutory Auditors                                          |                  |                  |
| i) For Audit and limited review                                             | 38.00            | 26.00            |
| ii) Tax Audit                                                               | 7.00             | 5.00             |
| iii) For other services (Certifications)                                    | 6.75             | 10.49            |
| iv) For reimbursement of expenses & GST                                     | 3.68             | 1.68             |
| <b>Total payment made to Statutory Auditors</b>                             | <b>55.43</b>     | <b>43.17</b>     |

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                                                                               |                    | ₹ Lakhs            |
|-----------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Note 27 : Exceptional Items</b>                                                            | <b>March, 2019</b> | <b>March, 2018</b> |
| Gain on sale of a hotel property (Refer footnote a.)                                          | <b>10,146.07</b>   | -                  |
| Adjustments arising out of premature termination of lease in a hotel unit (Refer footnote b.) | <b>478.81</b>      | -                  |
| Loss on sale of land shown as Asset held for sale (Refer footnote c.)                         | <b>(891.16)</b>    | -                  |
| Provision for impairment of land (Refer footnote d.)                                          | <b>(117.42)</b>    | -                  |
| MTM Gain/(losses) on derivative contracts                                                     | -                  | 0.98               |
| <b>Total</b>                                                                                  | <b>9,616.30</b>    | <b>0.98</b>        |

### Footnotes:

Exceptional Items for the year represent the following:

- a. The Company sold a hotel undertaking at Visakhapatnam under a Business Transfer Agreement on 29th September 2018 for a consideration of ₹12,010 lakhs, resulting in a net gain of ₹10,146.07 lakhs.

Key financial indicators impacting the results due to sale of the above hotel are as under

|                              |                     | ₹ Lakhs            |
|------------------------------|---------------------|--------------------|
|                              | <b>Year ended</b>   |                    |
| <b>Particulars</b>           | <b>March, 2019*</b> | <b>March, 2018</b> |
| Total Income from Operations | <b>1,048.44</b>     | 2,123.01           |
| Total Expenditure            | <b>944.75</b>       | 1,950.41           |
| Profit/(Loss) before tax     | <b>103.69</b>       | 172.58             |

\*Figures are only up to the date of sale i.e., 29th September 2018

- b. (i) The Board, on 29th November, 2018, considering future prospects and opportunities, terminated the Memorandum of Understanding of its leased property at Trivandrum by mutual consent with effect from 01st April, 2019.
- (ii) Security deposit of ₹4750 lakhs was refunded, consequent to the execution of termination agreement. Notional adjustment on account of the deposit carried at amortized cost under Ind AS is reversed and ₹979.80 lakhs is credited to the Statement of Profit and Loss.
- (iii) Consequent to this, the company's Hotel Operating Agreement (HOA) with Indian Hotels Company Limited (IHCL) that had been entered into for 20 years, stands terminated effective 01st April, 2019. A compensation of ₹654.90 lakhs is payable to IHCL for a three year period ending 2021. This amount is discounted to its present value of ₹500.99 lakhs and accounted as per Indian Accounting Standards. This transaction is subject to Members' approval.
- c. Freehold land in Mysore that had been shown under 'Assets held for sale' as at 31st March 2018 was sold in the current year. A loss of ₹891.16 lakhs has been incurred and accounted.
- d. Provision for impairment made for land ₹117.42 lakhs.

NOTES TO STANDALONE 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, 2019 | March 31, 2018 |
| a) In respect of income tax matters for which appeals are pending                                                                                                                                                                                                                                                                  | 589.34         | 837.23         |
| b) On account of other disputes:                                                                                                                                                                                                                                                                                                   |                |                |
| – Luxury Tax                                                                                                                                                                                                                                                                                                                       | 52.60          | 115.36         |
| – Sales Tax                                                                                                                                                                                                                                                                                                                        | 221.62         | 184.92         |
| – Entry Tax                                                                                                                                                                                                                                                                                                                        | 7.52           | 7.52           |
| – Provident Fund                                                                                                                                                                                                                                                                                                                   | 41.35          | 41.35          |
| – Electricity Tax and Adjustment Charges                                                                                                                                                                                                                                                                                           | 531.65         | 531.65         |
| – Service Tax                                                                                                                                                                                                                                                                                                                      | 184.71         | 267.43         |
| 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                                                                                                                                                                                                                                                                                     | 194.75         | 166.23         |
| d) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)                                                                                                                                                                                                                 | 465.45         | 451.50         |
| e) Indemnity given to purchaser of land                                                                                                                                                                                                                                                                                            | 50.00          | -              |

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

|                                                                                                                                                                              | ₹ Lakhs        |                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                                                              | March 31, 2019 | March 31, 2018 |
| <b>30. Disclosure Under INDAS19 Employee Benefits</b>                                                                                                                        |                |                |
| Staff Costs include the following                                                                                                                                            |                |                |
| i) <b>Defined Contribution Schemes</b>                                                                                                                                       |                |                |
| The Company has recognized the following expenses as defined contribution plan under the head "Company's contribution to Provident Fund and Other Funds" (net of recoveries) |                |                |
| Company's contribution to Provident Fund & Other Funds                                                                                                                       | 357.73         | 379.82         |
| ii) <b>Defined Benefit Schemes (Gratuity - Funded Scheme)</b>                                                                                                                |                |                |
| Liability Recognised in the Balance Sheet                                                                                                                                    |                |                |
| <b>Present value of Obligation</b>                                                                                                                                           |                |                |
| <b>At the beginning of the year</b>                                                                                                                                          | 2,261.45       | 2,037.44       |
| Interest on defined benefit obligation                                                                                                                                       | 162.21         | 144.44         |
| Current service cost                                                                                                                                                         | 136.52         | 122.71         |
| Remeasurement of the net defined benefit (assets) /liability                                                                                                                 | (7.25)         | 87.61          |
| Benefits Paid                                                                                                                                                                | (181.13)       | (130.75)       |
| <b>At the end of the year</b>                                                                                                                                                | 2,371.80       | 2,261.45       |
| Less:                                                                                                                                                                        |                |                |
| Fair Value of Assets                                                                                                                                                         |                |                |
| <b>At the beginning of the year</b>                                                                                                                                          | 2,072.69       | 1,789.75       |
| Interest on plan assets                                                                                                                                                      | 156.27         | 134.18         |
| Remeasurements due to actual return on plan assets less interest on plan assets                                                                                              | 8.38           | (12.77)        |
| Employer contributions                                                                                                                                                       | 230.45         | 292.28         |
| Benefits Paid                                                                                                                                                                | (181.13)       | (130.75)       |
| <b>At the end of the year</b>                                                                                                                                                | 2,286.66       | 2,072.69       |

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

₹ in Lakhs

|                                                                               | March 31, 2019                     | March 31, 2018                     |
|-------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| iii) <b>Expense during the year</b>                                           |                                    |                                    |
| Current service cost                                                          | 136.52                             | 122.71                             |
| Interest on defined benefit obligation                                        | 162.21                             | 144.44                             |
| Interest on plan assets                                                       | (156.27)                           | (134.18)                           |
| Actuarial (Gain)/Loss                                                         | (15.63)                            | 100.38                             |
| <b>Expense recognized in the Statement of Profit and Loss/OCI *</b>           | <b>126.83</b>                      | <b>233.35</b>                      |
| iv) <b>Principal Actuarial Assumptions</b>                                    |                                    |                                    |
| <b>Discount Rate</b>                                                          | 7.55%                              | 7.55%                              |
| <b>Rate of increase in Salaries</b>                                           | <b>4% Executive /<br/>5% Staff</b> | <b>4% Executive /<br/>5% Staff</b> |
| v) <b>Amount to be recognised in the Balance Sheet</b>                        |                                    |                                    |
| Present Value of Funded Obligations                                           | 2,371.80                           | 2,261.45                           |
| Fair Value of Plan Assets                                                     | 2,286.66                           | 2,072.69                           |
| Net Liability /(Asset)                                                        | 85.14                              | 188.76                             |
| <b>The expected contribution payable to the plan next year is ₹220 Lakhs.</b> |                                    |                                    |
| vi) <b>Defined Benefit Schemes (Pension Non Funded Scheme)</b>                |                                    |                                    |
| Liability Recognised in the Balance Sheet                                     |                                    |                                    |
| Present value of obligation                                                   |                                    |                                    |
| <b>At the beginning of the year</b>                                           | <b>48.22</b>                       | <b>51.64</b>                       |
| Interest cost                                                                 | 3.30                               | 3.52                               |
| Service Cost                                                                  | -                                  | -                                  |
| Benefits Paid                                                                 | (7.84)                             | (9.16)                             |
| Actuarial (gain)/loss on obligations                                          | (4.23)                             | 2.22                               |
| <b>At the end of the year</b>                                                 | <b>39.45</b>                       | <b>48.22</b>                       |
| vii) <b>Expense during the year</b>                                           |                                    |                                    |
| Interest Cost                                                                 | 3.30                               | 3.52                               |
| Service Cost                                                                  | -                                  | -                                  |
| Expected Return on Plan assets                                                | -                                  | -                                  |
| Actuarial (Gain) /Loss                                                        | (4.23)                             | 2.22                               |
| <b>Expense recognised in the Statement of profit and loss /OCI *</b>          | <b>(0.93)</b>                      | <b>5.74</b>                        |
| viii) <b>Principal Actuarial Assumptions</b>                                  |                                    |                                    |
| <b>Discount Rate</b>                                                          | 7.55%                              | 7.55%                              |
| <b>Pension Increase Rate</b>                                                  | 5%                                 | 5%                                 |
| ix) <b>Amount to be recognised in the Balance Sheet</b>                       |                                    |                                    |
| Present Value of Funded Obligations                                           | 39.45                              | 48.22                              |
| Fair Value of Plan Assets                                                     | -                                  | -                                  |
| Amount in Balance Sheet                                                       |                                    |                                    |
| <b>Net Liability</b>                                                          | <b>39.45</b>                       | <b>48.22</b>                       |

\*Disclosure relating to only "post employment defined benefits plan".

## NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                                                            | ₹ Lakhs         |                 |
|----------------------------------------------------------------------------|-----------------|-----------------|
|                                                                            | March 31, 2019  | March 31, 2018  |
| x) <b>Expenses recognised in Other Comprehensive Income (OCI)</b>          |                 |                 |
| <b>Opening amount recognised in OCI outside profit and loss account</b>    | <b>78.82</b>    | <b>(23.76)</b>  |
| Remeasurements due to actuarial loss/(gain) arising from:                  |                 |                 |
| Changes in financial assumptions                                           | -               | (67.06)         |
| Changes in demographic assumptions                                         | 44.75           | -               |
| Experience adjustments                                                     | (55.40)         | 156.87          |
| Actual return on plan assets less interest on plan assets                  | (9.21)          | 12.77           |
| <b>Closing amount recognised in OCI outside profit and loss account</b>    | <b>58.96</b>    | <b>78.82</b>    |
| xi) <b>Disaggregation of Plan Assets (Managed by an Insurance Company)</b> |                 |                 |
| <b>Insurer Managed Fund</b>                                                |                 |                 |
| <b>In Bonds</b>                                                            |                 |                 |
| Government Securities                                                      | 575.08          | 706.68          |
| Corporate Bonds                                                            | 928.27          | 632.97          |
| Unit Funds                                                                 | -               | -               |
| Certificate of Deposit/Commercial Paper                                    | -               | -               |
| Money Market Instruments & others                                          | 206.17          | 212.13          |
| <b>In Equity</b>                                                           |                 |                 |
| Equity                                                                     | 54.89           | 47.27           |
| Unit Funds                                                                 | -               | -               |
| Money Market Instruments & others                                          | 36.91           | 3.46            |
| Bank Balance-Trust Books                                                   | 7.67            | 6.44            |
| Special Deposit Scheme                                                     | 7.49            | 7.49            |
| Funds with LIC                                                             | 470.18          | 456.27          |
| <b>Total</b>                                                               | <b>2,286.66</b> | <b>2,072.71</b> |

## xii) Sensitivity Analysis defined benefit plan - Gratuity Funded

| Particulars                         |                        | Year Ended     |                |
|-------------------------------------|------------------------|----------------|----------------|
|                                     |                        | March 31, 2019 | March 31, 2018 |
| <b>Managed by LIC</b>               |                        |                |                |
| Impact of increase in 50 bps on DBO | Discount Rate          | -3.18%         | -4.16%         |
|                                     | Salary Escalation Rate | 3.45%          | 4.57%          |
| Impact of decrease in 50 bps on DBO | Discount Rate          | 3.37%          | 4.46%          |
|                                     | Salary Escalation Rate | -3.28%         | -4.29%         |

| Particulars                         |                        | Year Ended     |                |
|-------------------------------------|------------------------|----------------|----------------|
|                                     |                        | March 31, 2019 | March 31, 2018 |
| <b>Managed by TATA AIA</b>          |                        |                |                |
| Impact of increase in 50 bps on DBO | Discount Rate          | -2.91%         | -3.55%         |
|                                     | Salary Escalation Rate | 3.14%          | 3.86%          |
| Impact of decrease in 50 bps on DBO | Discount Rate          | 3.07%          | 3.78%          |
|                                     | Salary Escalation Rate | -3.00%         | -3.66%         |

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### xiii) Sensitivity Analysis defined benefit plan – Non-Funded

| Particulars                          | Year Ended     |                  | Year Ended     |                  |
|--------------------------------------|----------------|------------------|----------------|------------------|
|                                      | March 31, 2019 |                  | March 31, 2018 |                  |
|                                      | Pension        | Medical Benefits | Pension        | Medical Benefits |
| <b>Discount Rate</b>                 |                |                  |                |                  |
| Impact of increase in 50 bps on DBO  | -1.19%         | -1.23%           | -1.47%         | -1.52%           |
| Impact of decrease in 50 bps on DBO  | 1.23%          | 1.26%            | 1.52%          | 1.57%            |
| <b>Pension Increase rate</b>         |                |                  |                |                  |
| Impact of increase in 100 bps on DBO | 2.52%          | 2.57%            | 3.12%          | 3.19%            |
| Impact of decrease in 100 bps on DBO | -2.43%         | -2.47%           | -2.99%         | -3.05%           |
| <b>Life Expectancy</b>               |                |                  |                |                  |
| Impact of increase by 1 year on DBO  | 5.71%          | 5.92%            | 4.70%          | 4.88%            |
| Impact of decrease by 1 year on DBO  | -5.60%         | -5.79%           | -4.70%         | -4.88%           |

Information has been disclosed as provided by the actuary.

### 31. DISCLOSURE REQUIREMENT UNDER INDAS 17 LEASE/LICENCE TRANSACTION

The Company has taken certain 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, 2019 | March 31, 2018 |
| 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                                                                                                | 143.87         | 303.82         |
| ii. later than one year and not later than five years                                                                     | 484.53         | 1,182.46       |
| iii. later than five years                                                                                                | 1417.48        | 5,781.33       |
| b) Licence payments recognized in the statement of profit and loss                                                        | 562.66         | 585.79         |

### 32. Earnings Per Share :

|                                                         | ₹ Lakhs        |                |
|---------------------------------------------------------|----------------|----------------|
|                                                         | March 31, 2019 | March 31, 2018 |
| Earnings per share is computed based on the following : |                |                |
| Profit after Tax ( ₹ in Lakhs)                          | 8,944.20       | 599.74         |
| Nominal Value of share (₹)                              | 1.00           | 1.00           |
| Weighted Average Number of Equity Shares                | 17,85,99,180   | 17,85,99,180   |
| Earnings Per Share ₹ (Basic and Diluted)                | 5.01           | 0.34           |

33. The company has presented Consolidated Financial Statements separately, including that of its subsidiary, associates and jointly controlled entity in this annual report.

### 34. Financial Risk Management

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

Market risk  
Credit risk  
Liquidity risk  
Currency risk  
Interest rate risk

**Risk Management Framework**

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 and interest 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 credit worthiness 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 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 ₹10,807.30 lakhs and ₹3,222.23 lakhs as of March 31, 2019 and March 31, 2018, 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, 2019 and March 31, 2018.

**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 ₹5,199.64 lakhs at March 31, 2019 (March 31, 2018: ₹642.27 lakhs).

**iii. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation 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.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                            | ₹ in Lakhs         |                    |                           |                       |
|--------------------------------------------|--------------------|--------------------|---------------------------|-----------------------|
| March 31, 2019                             | Due in<br>1st year | Due in<br>2nd year | Due in<br>3rd to 5th year | Due after<br>5th year |
| Non-derivative financial liabilities:      |                    |                    |                           |                       |
| Trade Payables including Capital Creditors | 4,247.48           | 164.37             | -                         |                       |
| Borrowings                                 | -                  | -                  | -                         |                       |
| Other financial liabilities*               | 26,773.84          | -                  | -                         | 192.92                |
| <b>Total</b>                               | <b>31,021.32</b>   | <b>164.37</b>      | <b>-</b>                  | <b>192.92</b>         |

\* Includes current maturity of Debentures which is disclosed inclusive of redemption premium payable ₹5066 lakhs at the time of maturity of 2% Coupon Debentures.

The Company's Cash and bank balance and Trade receivable as at March 31, 2019 aggregating ₹6,546.62 lakhs. The balance exposure will be met by asset held for sale, internal accruals, overdraft facilities available with the banks and new borrowings under negotiation. Accordingly, Company does not perceive any non manageable liquidity risk.

|                                            | ₹ in Lakhs         |                    |                           |                       |
|--------------------------------------------|--------------------|--------------------|---------------------------|-----------------------|
| March 31, 2018                             | Due in<br>1st year | Due in<br>2nd year | Due in<br>3rd to 5th year | Due after<br>5th year |
| Non-derivative financial liabilities:      | -                  | -                  | -                         | -                     |
| Trade Payables including Capital Creditors | 3,760.73           | -                  | -                         | -                     |
| Borrowings*                                | 1,897.40           | 26,866.00          | 4,500.00                  | -                     |
| Other financial liabilities                | 2,015.26           | -                  | -                         | 207.66                |
| <b>Total</b>                               | <b>7,673.39</b>    | <b>26,866.00</b>   | <b>4,500.00</b>           | <b>207.66</b>         |

\* The maturity amount for borrowings is inclusive of redemption premium payable ₹5066 lakhs at the time of maturity of 2% Coupon Debentures.

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 manageable liquidity risk.

#### iv. Currency Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The risks primarily relate to fluctuations in Hong Kong Dollar against the functional currency of the company. The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

#### v. 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.

#### 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 is as follows:

| Particulars                                      | Interest Rate  |                |
|--------------------------------------------------|----------------|----------------|
|                                                  | March 31, 2019 | March 31, 2018 |
| <b>Debentures</b>                                |                |                |
| 1000 Series A Debentures                         | 10.25%         | 10.25%         |
| 1000 Series B Debentures with YTM rate of 10.25% | 2.00%          | 2.00%          |
| <b>Rupee Term Loan</b>                           |                |                |
| Kotak Mahindra Bank Limited                      | -              | 8.35%          |
| WCDL Loan from HDFC Bank                         | -              | 8.25%          |

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## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 35. Unhedged foreign currency exposure

₹ in Lakhs

|                                                                                                                                  | March 31, 2019 | March 31, 2018 |
|----------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| i) Unhedged Foreign Currency Exposure/the Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise |                |                |
| Receivables/(Payables) Outstanding - in USD                                                                                      | 1.56           | 1.12           |
| – in ₹                                                                                                                           | 106.55         | 72.13          |

### 36. 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 cash equivalents.

Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

The Company's adjusted gearing ratio is as follows.

₹ in Lakhs

| Particulars                             | March 31, 2019   | March 31, 2018   |
|-----------------------------------------|------------------|------------------|
| Loans and Borrowings                    | 24,280.51        | 31,325.99        |
| Less: Cash and cash equivalents         | 2,096.27         | 527.68           |
| Less: Current investments               | 3,186.91         | -                |
| <b>Net Debt</b>                         | <b>18,997.33</b> | <b>30,798.31</b> |
| Equity                                  | 33,790.29        | 24,641.40        |
| <b>Gearing Ratio (Net Debt: Equity)</b> | <b>0.56</b>      | <b>1.25</b>      |

### 37. Income Taxes

(i) Income tax expense in the statement of profit and loss comprises:

₹ in Lakhs

| Particulars    | Year ended March 31, |               |
|----------------|----------------------|---------------|
|                | 2019                 | 2018          |
| Current taxes  | 2,157.09             | 188.58        |
| Deferred taxes |                      |               |
| MAT Credit     | (524.12)             | -             |
| Other items    | (334.82)             | 64.55         |
| <b>Total</b>   | <b>1,298.15</b>      | <b>253.13</b> |

(ii) Income tax recognised in other comprehensive income

₹ in Lakhs

| Particulars        | Year ended March 31, |          |
|--------------------|----------------------|----------|
|                    | 2019                 | 2018     |
| <b>Current tax</b> | <b>-</b>             | <b>-</b> |

#### Deferred tax

(a) Arising on income and expenses recognised in other comprehensive income:

Net fair value gain on investments in equity shares at fair value through Other Comprehensive Income

14.57 -

Remeasurement of defined benefit obligation

6.94 (35.59)

**Total**

**21.51 (35.59)**

(b) Bifurcation of the income tax recognised in other comprehensive income into:

Items that will not be reclassified to profit or loss

6.94 (35.59)

**Total**

**6.94 (35.59)**

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

(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                                                                                                                        | ₹ in Lakhs           |          |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------|
|                                                                                                                                    | Year ended March 31, |          |
|                                                                                                                                    | 2019                 | 2018     |
| Profit before tax (a)                                                                                                              | 10242.35             | 852.87   |
| Income tax rate as applicable(b)                                                                                                   | 34.94%               | 33.06%   |
| Calculated tax without any adjustments for deductions(a)*(b)                                                                       | 3579.09              | 281.98   |
| Disallowance u/s 14A of Income Tax Act, 1961                                                                                       | 2.25                 | 2.02     |
| Effect of Expenses that are not deductible in determining taxable profits                                                          | 71.08                | 77.65    |
| Expenses considered to be capital nature-Loss on sale of Fixed Assets                                                              | 311.41               | -        |
| Dividend exempted                                                                                                                  | (13.21)              | (6.72)   |
| Income considered to be capital nature-Profit on sale of Fixed Assets                                                              | (3545.44)            | -        |
| Foreign Dividend taxed at concessional rate                                                                                        | (30.63)              | (104.52) |
| Amortized income on reversal of financial Liability                                                                                | (336.04)             | -        |
| Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets | (174.97)             | 2.72     |
| Impact of tax on Capital gains(net) at special rates                                                                               | 1434.61              | -        |
| Income tax expenses recognised in Statement of Profit and loss                                                                     | 1298.15              | 253.13   |

iv. Income tax Asset consists of

| Particulars                   | ₹ in Lakhs      |                 |
|-------------------------------|-----------------|-----------------|
|                               | As at March 31, |                 |
|                               | 2019            | 2018            |
| Advance tax                   | 21,454.04       | 19,518.58       |
| Provision for tax             | (19,170.69)     | (17,013.60)     |
| <b>Income Tax Asset (Net)</b> | <b>2,283.35</b> | <b>2,504.98</b> |

### 38. Reconciliation of provision for trade receivables credit impaired

| Particulars                                      | ₹ in Lakhs      |               |
|--------------------------------------------------|-----------------|---------------|
|                                                  | As at March 31, |               |
|                                                  | 2019            | 2018          |
| <b>Opening Balance</b>                           | <b>155.38</b>   | <b>161.83</b> |
| Less: Provision Adjusted                         | (15.36)         | -             |
| Add: Provision made during the year              | 30.38           | (6.08)        |
| Add: Provision adjusted directly against debtors | (17.57)         | (0.37)        |
| <b>Closing Balance</b>                           | <b>152.83</b>   | <b>155.38</b> |

39. Asset held for sale represents money recoverable, towards proposed disposal of assets of a hotel in the ensuing year, at net realizable value. In the previous year, this represented free hold lands which the company disposed off in the current year (refer note 27d).

### 40. IND AS 115 'Revenue from Contracts with Customers'

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31st March, 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1st April 2018 ('transition date') in equity and the impact on such transition date is not material.

Also, the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months (also refer Credit Risk).

Prior to adoption of IND AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations. The recognition of these revenue streams is largely unchanged by Ind AS 115.

There are certain new disclosure requirements which have been disclosed below:

| Particulars                                                                                                                            | ₹ in Lakhs           |                  |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------|
|                                                                                                                                        | Year ended March 31, |                  |
|                                                                                                                                        | 2019                 | 2018             |
| <b>1. Contract With Customers</b>                                                                                                      |                      |                  |
| Details of revenue from contracts with customers recognized by the Company, net of indirect taxes in its statement of Profit and loss. |                      |                  |
| <b>Revenue from operations</b>                                                                                                         |                      |                  |
| Revenue from contract with customers                                                                                                   |                      |                  |
| a) Room Income, Food & Beverages and Banquets                                                                                          | 31,616.45            | 32,727.55        |
| b) Membership fees                                                                                                                     | 133.53               | 75.76            |
| <b>Total revenue from contract with customers</b>                                                                                      | <b>31,749.98</b>     | <b>32,803.31</b> |
| <b>Other operating revenue</b>                                                                                                         |                      |                  |
| a) Export Incentive                                                                                                                    | 295.74               | 300.30           |
| b) Car Hire Income                                                                                                                     | 539.68               | 622.17           |
| c) Others                                                                                                                              | 1,957.03             | 1,960.45         |
| <b>Total Other operating revenue</b>                                                                                                   | <b>2,792.45</b>      | <b>2,882.92</b>  |
| <b>Total Income from operations</b>                                                                                                    | <b>34,542.43</b>     | <b>35,686.23</b> |

| Particulars                                                                        | ₹ in Lakhs           |           |
|------------------------------------------------------------------------------------|----------------------|-----------|
|                                                                                    | Year ended March 31, |           |
|                                                                                    | 2019                 | 2018      |
| <b>2. Disaggregate Revenue</b>                                                     |                      |           |
| The following table presents Group revenue disaggregated by type of revenue stream |                      |           |
| Revenue based on product and services                                              |                      |           |
| <b>Revenue from contract with customers</b>                                        |                      |           |
| a) Room Income                                                                     | 16,048.21            | 16,744.26 |
| b) Food & Beverages and Banquets                                                   | 15,568.24            | 15,983.29 |
| c) Membership fees                                                                 | 133.53               | 75.76     |
| <b>Other operating revenue</b>                                                     |                      |           |
| a) Export Incentive                                                                | 295.74               | 300.30    |
| b) Car Hire Income                                                                 | 539.68               | 622.17    |
| c) Others                                                                          | 1,957.03             | 1,960.45  |

**3. The Company derives its revenue from the transfer of services over time in its major service lines.**

**4. Contract balances**

Advance Collections is recognized when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/Banquets. Revenue is recognized once the performance obligation is met i.e. on room stay/sale of food and beverage/provision of banquet services.

|          |        |        |
|----------|--------|--------|
| At April | 335.12 | 363.54 |
| At March | 240.76 | 335.12 |

# ORIENTAL HOTELS LIMITED

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 41. Related Parties Disclosure

List of related parties as tabled below:

|    |                                                                                  |                                          |
|----|----------------------------------------------------------------------------------|------------------------------------------|
| A. | Subsidiary Company                                                               | OHL International (HK) Limited           |
| B. | Trust                                                                            | Oriental Hotels Employees Gratuity Trust |
| C. | Associate Companies                                                              | Taj Madurai Limited                      |
|    |                                                                                  | Lanka Island Resorts Ltd.                |
| D. | Jointly Controlled Entity                                                        | TAL Hotels & Resorts Ltd.                |
| E. | Significant Influence                                                            | The Indian Hotels Company Ltd. (IHCL)    |
|    | <b>Subsidiary of The Indian Hotels Company Ltd. Domestic</b>                     | <b>Country of Incorporation</b>          |
|    | Roots Corporation Limited                                                        | India                                    |
|    | TIFCO Holdings Limited                                                           | 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 Limited                                                    | India                                    |
|    | Taj Enterprises Limited                                                          | India                                    |
|    | Northern India Hotels Limited                                                    | 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. Limited                            | India                                    |
|    | Benares Hotels Limited                                                           | India                                    |
|    | <b>Subsidiary of The Indian Hotels Company Ltd. International</b>                |                                          |
|    | Taj International (HK) Limited.                                                  | Hong Kong                                |
|    | Apex Hotel Management Services (Pte.) Limited                                    | Singapore                                |
|    | Chieftain Corporation NV                                                         | Netherlands Antilles                     |
|    | Samsara Properties Limited                                                       | British Virgin Islands                   |
|    | IHOCO BV                                                                         | Netherlands                              |
|    | St. James Court Hotel Limited                                                    | United Kingdom                           |
|    | Taj International Hotels Limited                                                 | United Kingdom                           |
|    | PIEM International (H.K.) Limited                                                | Hong Kong                                |
|    | United Overseas Holding Inc.                                                     | United States of America                 |
|    | Apex Hotel Management Services (Australia) Pty. Limited                          | Australia                                |
|    | <b>Jointly Controlled Entities of The Indian Hotels Company Limited 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                             |

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NOTES TO STANDALONE FINANCIAL STATEMENTS

|    |                                                                 |                                                                                                                                                                                                                                                                                       |
|----|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| F. | Key Management Personnel                                        | Mr. Pramod Ranjan - Managing Director<br>Mr. Tom Antony- Associate Vice President-Legal & Company Secretary & Mr. Rajneesh Jain- Associate Vice President-Finance & Chief Financial Officer up to Feb 04, 2019; From Feb. 05, 2019<br>Mr. Sreyas Arumbakkam - Chief Financial Officer |
| G. | Enterprises influenced by Relatives of Key Management Personnel | Kaveri Retreats and Resorts Limited                                                                                                                                                                                                                                                   |

₹ in Lakhs

|  | Particulars                               | Associate Companies/Jointly Controlled Entity/Subsidiary/Trust | Significant Influence | Enterprises influenced by Relatives of Key Management Personnel | Total              |
|--|-------------------------------------------|----------------------------------------------------------------|-----------------------|-----------------------------------------------------------------|--------------------|
|  | <b>Sales of Goods / Services</b>          |                                                                |                       |                                                                 |                    |
|  | The Indian Hotels Company Limited         |                                                                | 155.09<br>(163.93)    |                                                                 | 155.09<br>(163.93) |
|  | PIEM Hotels Limited                       |                                                                | 11.26<br>-            |                                                                 | 11.26<br>-         |
|  | Taj Trade & Transport Company Limited     |                                                                | 12.02<br>(12.82)      |                                                                 | 12.02<br>(12.82)   |
|  | United Hotels Limited                     |                                                                | 0.25<br>(0.07)        |                                                                 | 0.25<br>(0.07)     |
|  | Benaras Hotels Limited                    |                                                                | -<br>(6.96)           |                                                                 | -<br>(6.96)        |
|  | Kaveri Retreats and Resorts Limited       |                                                                |                       | 2.26                                                            | 2.26               |
|  | Taj Madras Flight Kitchen Private Limited |                                                                | 0.42<br>-             | -                                                               | 0.42<br>-          |
|  | Taj Karnataka Hotels & Resorts Limited    |                                                                | 0.05<br>-             |                                                                 | 0.05<br>-          |
|  | Taj Kerala Hotels & Resorts Limited       |                                                                | 8.95<br>(4.87)        |                                                                 | 8.95<br>(4.87)     |
|  | Taj GVK Hotels & Resorts Limited          |                                                                | 144.86<br>(106.03)    |                                                                 | 144.86<br>(106.03) |
|  | <b>Staff Reimbursements</b>               |                                                                |                       |                                                                 |                    |
|  | The Indian Hotels Company Limited         |                                                                | 375.22<br>(302.63)    |                                                                 | 375.22<br>(302.63) |
|  | PIEM Hotels Limited                       |                                                                | 67.57<br>(41.72)      |                                                                 | 67.57<br>(41.72)   |
|  | United Hotels Limited                     |                                                                | 5.20<br>(5.71)        |                                                                 | 5.20<br>(5.71)     |
|  | Benaras Hotels Limited                    |                                                                | 4.15<br>(6.96)        |                                                                 | 4.15<br>(6.96)     |
|  | Kaveri Retreats and Resorts Limited       |                                                                |                       | 37.24<br>(35.38)                                                | 37.24<br>(35.38)   |
|  | Taj Madras Flight Kitchen Private Limited |                                                                | 2.88<br>-             |                                                                 | 2.88<br>-          |
|  | Taj Karnataka Hotels & Resorts Limited    |                                                                | 13.50<br>(11.03)      |                                                                 | 13.50<br>(11.03)   |
|  | Taj Kerala Hotels & Resorts Limited       |                                                                | 46.80<br>(30.26)      |                                                                 | 46.80<br>(30.26)   |
|  | Taj GVK Hotels & Resorts Limited          |                                                                | 34.11<br>(21.64)      |                                                                 | 34.11<br>(21.64)   |
|  | TAL Hotels & Resorts Ltd                  | 1.22<br>-                                                      |                       |                                                                 | 1.22<br>-          |
|  | <b>Purchase of Investments</b>            |                                                                |                       |                                                                 |                    |
|  | The Indian Hotels Company Limited         |                                                                | -<br>(94.05)          |                                                                 | -<br>(94.05)       |
|  | <b>Purchase of Goods / Services</b>       |                                                                |                       |                                                                 |                    |
|  | The Indian Hotels Company Limited         |                                                                | 907.06<br>(897.69)    |                                                                 | 907.06<br>(897.69) |
|  | PIEM Hotels Limited                       |                                                                | 5.71<br>(7.43)        |                                                                 | 5.71<br>(7.43)     |
|  | Taj Karnataka Hotels & Resorts Limited    |                                                                | -<br>(0.83)           |                                                                 | -<br>(0.83)        |
|  | Taj Kerala Hotels & Resorts Limited       |                                                                | 3.96<br>(4.02)        |                                                                 | 3.96<br>(4.02)     |
|  | Taj GVK Hotels & Resorts Limited          |                                                                | -<br>(0.38)           |                                                                 | -<br>(0.38)        |
|  | Benaras Hotels Limited                    |                                                                | 3.39<br>(0.93)        |                                                                 | 3.39<br>(0.93)     |
|  | Kaveri Retreats & Resorts Limited         |                                                                |                       | 3.29<br>(9.44)                                                  | 3.29<br>(9.44)     |

ORIENTAL HOTELS LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS

₹ in Lakhs

|  | Particulars                                                                                     | Associate Companies/Jointly Controlled Entity/Subsidiary/Trust | Significant Influence | Enterprises influenced by Relatives of Key Management Personnel | Total                |
|--|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------|-----------------------------------------------------------------|----------------------|
|  | <b>Reimbursement of deputed staff salaries paid</b>                                             |                                                                |                       |                                                                 |                      |
|  | The Indian Hotels Company Limited                                                               |                                                                | 1585.56<br>(1672.04)  |                                                                 | 1585.56<br>(1672.04) |
|  | PIEM Hotels Limited                                                                             |                                                                | 66.61<br>(49.57)      |                                                                 | 66.61<br>(49.57)     |
|  | Benaras Hotels Limited                                                                          |                                                                | 4.44<br>(5.29)        |                                                                 | 4.44<br>(5.29)       |
|  | Taj Kerala Hotels & Resorts Limited                                                             |                                                                | 72.05<br>(88.38)      |                                                                 | 72.05<br>(88.38)     |
|  | Taj Karnataka Hotels & Resorts Limited                                                          |                                                                | 10.39<br>-            |                                                                 | 10.39<br>-           |
|  | Taj GVK Hotels & Resorts Limited                                                                |                                                                | 61.86<br>(61.41)      |                                                                 | 61.86<br>(61.41)     |
|  | Kaveri Retreats & Resorts Limited                                                               |                                                                |                       | 8.29<br>(2.46)                                                  | 8.29<br>(2.46)       |
|  | <b>Interest Received</b>                                                                        |                                                                |                       |                                                                 |                      |
|  | Taj Karnataka Hotels & Resorts Limited                                                          |                                                                | 56.00<br>(56.00)      |                                                                 | 56.00<br>(56.00)     |
|  | <b>Dividend Received</b>                                                                        |                                                                |                       |                                                                 |                      |
|  | The Indian Hotels Company Limited                                                               |                                                                | 3.01<br>(2.19)        |                                                                 | 3.01<br>(2.19)       |
|  | Taj Madurai Limited                                                                             | 11.86<br>(13.68)                                               |                       |                                                                 | 11.86<br>(13.68)     |
|  | Taj Trade & Transport Company Limited                                                           |                                                                | -<br>(1.01)           |                                                                 | -<br>(1.01)          |
|  | Benaras Hotels Limited                                                                          |                                                                | 0.01<br>(0.01)        |                                                                 | 0.01<br>(0.01)       |
|  | Taj Kerala Hotels & Resorts Limited                                                             |                                                                | 2.88<br>(3.03)        |                                                                 | 2.88<br>(3.03)       |
|  | OHL International (HK) Limited                                                                  | 175.33<br>(632.25)                                             |                       |                                                                 | 175.33<br>(632.25)   |
|  | TAL Hotels & resorts Limited                                                                    | 145.41<br>(134.07)                                             |                       |                                                                 | 145.41<br>(134.07)   |
|  | <b>Operating/License Fees Paid/Compensation paid/Provided</b>                                   |                                                                |                       |                                                                 |                      |
|  | The Indian Hotels Company Limited*                                                              |                                                                | 2109.13<br>(1485.11)  |                                                                 | 2109.13<br>(1485.11) |
|  | * Includes compensation of ₹654.90 lakhs gross (₹500.99 lakhs net) subject to members' approval |                                                                |                       |                                                                 |                      |
|  | <b>Lease Rentals for Hotel Premises</b>                                                         |                                                                |                       |                                                                 |                      |
|  | Taj Madurai Limited                                                                             | 187.19<br>(196.25)                                             |                       |                                                                 | 187.19<br>(196.25)   |
|  | Taj Madras Flight Kitchen Private Limited                                                       |                                                                | 15.75<br>(15.75)      |                                                                 | 15.75<br>(15.75)     |
|  | <b>Sale &amp; Marketing, Reservation &amp; Other Service Costs</b>                              |                                                                |                       |                                                                 |                      |
|  | The Indian Hotels Company Limited                                                               |                                                                | 1394.89<br>(1443.85)  |                                                                 | 1394.89<br>(1443.85) |
|  | <b>Operating/Management/License Fees Received/Accrued</b>                                       |                                                                |                       |                                                                 |                      |
|  | TAL Hotels & Resorts Ltd.                                                                       | 358.62<br>(362.85)                                             |                       |                                                                 | 358.62<br>(362.85)   |
|  | <b>Receivables</b>                                                                              |                                                                |                       |                                                                 |                      |
|  | The Indian Hotels Company Limited                                                               |                                                                | 149.26<br>(176.68)    |                                                                 | 149.26<br>(176.68)   |
|  | TAL Hotels & Resorts Ltd.                                                                       | 106.55<br>(72.13)                                              |                       |                                                                 | 106.55<br>(72.13)    |
|  | PIEM Hotels Limited                                                                             |                                                                | 7.69<br>(6.73)        |                                                                 | 7.69<br>(6.73)       |
|  | United Hotels Limited                                                                           |                                                                | 0.17<br>(1.05)        |                                                                 | 0.17<br>(1.05)       |

NOTES TO STANDALONE FINANCIAL STATEMENTS

₹ in Lakhs

|  | Particulars                               | Associate Companies /Jointly Controlled Entity/ Subsidiary/Trust | Significant Influence | Enterprises influenced by Relatives of Key Management Personnel | Total                |
|--|-------------------------------------------|------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------|----------------------|
|  | Benaras Hotels Limited                    |                                                                  | 0.50<br>(1.19)        |                                                                 | 0.50<br>(1.19)       |
|  | Kaveri Retreats and Resorts Limited       |                                                                  |                       | 7.75<br>(4.08)                                                  | 7.75<br>(4.08)       |
|  | Taj GVK Hotels & Resorts Limited          |                                                                  | 32.52<br>(21.82)      |                                                                 | 32.52<br>(21.82)     |
|  | Taj Madras Flight Kitchen Pvt. Ltd.       |                                                                  | 0.22<br>-             |                                                                 | 0.22<br>-            |
|  | Taj Karnataka Hotels & resorts limited    |                                                                  | 2.49<br>(2.39)        |                                                                 | 2.49<br>(2.39)       |
|  | Taj Kerala Hotels & Resorts Limited       |                                                                  | 20.65<br>(6.89)       |                                                                 | 20.65<br>(6.89)      |
|  | Taj Trade and Transport Company Limited   |                                                                  | 0.32<br>-             |                                                                 | 0.32<br>-            |
|  | <b>Payables</b>                           |                                                                  |                       |                                                                 |                      |
|  | Taj Madurai Limited                       | 31.92<br>(49.30)                                                 |                       |                                                                 | 31.92<br>(49.30)     |
|  | The Indian Hotels Company Limited         |                                                                  | 1547.08<br>(1136.19)  |                                                                 | 1547.08<br>(1136.19) |
|  | Kaveri Retreats and Resorts Limited       |                                                                  |                       | 2.22<br>(1.12)                                                  | 2.22<br>(1.12)       |
|  | PIEM Hotels Limited                       |                                                                  | 7.75<br>(13.37)       |                                                                 | 7.75<br>(13.37)      |
|  | United Hotels Limited                     |                                                                  | 0.08<br>(0.61)        |                                                                 | 0.08<br>(0.61)       |
|  | Oriental Hotels Employees Gratuity Trust  | 81.12<br>(186.02)                                                |                       |                                                                 | 81.12<br>(186.02)    |
|  | Benaras Hotels Limited                    |                                                                  | 1.92<br>(0.35)        |                                                                 | 1.92<br>(0.35)       |
|  | Taj Karnataka Hotels & resorts limited    |                                                                  | 0.68<br>-             |                                                                 | 0.68<br>-            |
|  | Taj Kerala Hotels & Resorts Limited       |                                                                  | 6.98<br>(13.67)       |                                                                 | 6.98<br>(13.67)      |
|  | Taj GVK Hotels & Resorts Limited          |                                                                  | 5.20<br>(18.27)       |                                                                 | 5.20<br>(18.27)      |
|  | Taj Madras Flight Kitchen Private Limited |                                                                  | 1.24<br>(6.35)        |                                                                 | 1.24<br>(6.35)       |
|  | <b>Interest Receivable</b>                |                                                                  |                       |                                                                 |                      |
|  | Taj Karnataka Hotels & Resorts Limited    |                                                                  | 6.34<br>(46.34)       |                                                                 | 6.34<br>(46.34)      |
|  | <b>Trade Deposit</b>                      |                                                                  |                       |                                                                 |                      |
|  | Taj Madras Flight Kitchen Private Limited |                                                                  | 200.00<br>(200.00)    |                                                                 | 200.00<br>(200.00)   |
|  | <b>Short Term Deposit</b>                 |                                                                  |                       |                                                                 |                      |
|  | Taj Karnataka Hotels & Resorts Limited    |                                                                  | 560.00<br>(560.00)    |                                                                 | 560.00<br>(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 director is ₹112.08 lakhs (Previous Year ₹88.94 lakhs).

Mr. Tom Antony salary ₹64.91 lakhs (Previous Year ₹60.68 lakhs) and Mr. Rajneesh Jain Salary ₹56.55 lakhs up to 04th February 2019 (Previous year ₹63.50 lakhs) and from 05th February 2019 ₹7.48 lakhs to Mr. Sreyas Arumbakkam .

**NOTE:** Figures in brackets are on respect of Previous Year.

**42. Dividends**

On April 25, 2019, the Board of Directors of the Company have proposed a final dividend of ₹0.50 per equity share in respect of the year ended 31 March, 2019, subject to the approval of Shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹892.99 lakhs and cash flow of dividend distribution tax of ₹183.56 lakhs.

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 : April 25, 2019

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

Sreyas Anumbakkam  
Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

# ORIENTAL HOTELS LIMITED

## STANDALONE 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           | -                        | -         | -                                    |
| 2018-19 (IND AS) | 1785.99  | 32004.30           | 24280.51   | 48620.54    | 39456.44  | 9996.95     | 35672.01         | 32208.19                         | 2837.77      | 10242.35          | 1298.15 | 8944.20          | -                        | 1076.55   | 50                                   |

\* 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  
2018 - 2019

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT

To the Members of Oriental Hotels Limited

## Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the accompanying consolidated financial statements of Oriental Hotels Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), its associates and jointly controlled entity, which comprise the consolidated Balance Sheet as at 31 March 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on consolidated financial statements and on the other financial information of the subsidiaries, its associates and jointly controlled entities, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at 31 March 2019, and their consolidated profit, their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

| Key Audit Matter                                                                                                                                                                 | Description                                                                                                                                                                                                                                                                     | Our Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>Project Capitalisation</u></b><br>Appropriateness of the capitalization of costs for hotel properties that are under renovation. (Refer Note 2(g) of Financial Statements) | The Company had major renovations in two of its large properties, during the year. Costs capitalised during the year ended March 2019 included directly attributable costs such as consulting costs, costs towards civil work, furniture and fittings and other indirect costs. | We have performed our audit procedures across all project capitalisations across the Company. To address this focus area, we have: <ul style="list-style-type: none"> <li>• Tested key controls of the project cycle such as controls over cost, budgeting and comparison of cost incurred with budgets.</li> <li>• Ensured costs associated with assets (rooms to be let out) which came into production in the year cease to be capitalised and depreciation charges commenced on being ready to use.</li> </ul> |

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

| Key Audit Matter                                                                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Our Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                           | Accounting for project capitalisation and assessment of viability of long pending projects has been identified as an audit focus area due to significant management judgement involved in determining if these costs are eligible for capitalisation and in assessing when an asset is available for use as intended by Management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>Validated costs capitalised during the year, on a sample basis, to underlying supporting documents including construction contracts, supplier/consultant invoices to ensure the existence and accuracy of the expenditure and their eligibility for capitalisation.</li> <li>Considered the stage of completion of renovation projects specifically in relation to ascertaining when the assets will be available for use as intended by the Management.</li> <li>Assessed the viability and recoverability of long outstanding projects.</li> </ul>                                                                                                                                                                                                                  |
| Impairment assessment of Property, Plant and Equipment (PPE) of one hotel unit. (Refer Note 2(c) of Financial Statements) | <p>In view of the continuing operating losses made by one hotel unit and due to significant management and auditor judgement involved in impairment testing, we identified this matter as a KAM.</p> <p>At the end of each year, management reviews the carrying amount of the assets to determine if there is any indication of impairment loss. If any such indication exists, management assesses the recoverable amount of those assets.</p> <p>Management also carries out a valuation of the hotel building once in three years.</p> <p>The estimation of the recoverable amount of the assets at the unit involves management judgements and is dependent on certain assumptions and significant inputs including market capitalisation rates and estimated revenue per available room, which are affected by expected future market or economic conditions of the hospitality industry.</p> | <p>Our audit procedures in relation to impairment testing of the unit were:</p> <ul style="list-style-type: none"> <li>Understanding the management's and those charged with governance (TCWG)'s process for estimating the recoverable amount of the assets.</li> <li>Evaluating the reasonableness of the assumptions, judgements, projected cash flows and key inputs considered by the management by comparing those estimates with market data and company specific information available.</li> <li>Evaluating the historical accuracy of the management's assessment by comparing the past estimates to the current year actual performance of the company.</li> <li>Reading the valuation report and validating key assumptions used in the valuation and rationale for those assumptions.</li> </ul> |

**Information Other than the Consolidated Financial Statements and Auditors' Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, chairman's statement and business responsibility report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

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**Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Associates and Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity 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; 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 financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for assessing the ability of the Group and of its associates and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entity.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company and one of its associate companies, which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate,

## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them.

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

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

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

### Other Matters

- (a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹17,106.16 lakhs and net assets of ₹17,101.50 lakhs as at 31 March 2019, total revenues of ₹596.40 lakhs and net cash flows amounting to ₹684.02 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 after tax of ₹454.63 lakhs for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of two associates and a jointly controlled entity, 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 the subsidiary, jointly controlled entity and associates, (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, jointly controlled entity and associates is based solely on the reports of the other auditors.
- (b) The Holding Company's subsidiary, one of its associates and jointly controlled entity is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of the subsidiary, associate and jointly controlled entity located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India, and this has been audited by another auditor. Our opinion in so far as it relates to the balances and affairs of such subsidiary, associate and jointly controlled entity located outside India is based on the report of this other auditor and the conversion adjustments prepared by the management of the Holding Company.

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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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**AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

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**Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of subsidiary, associates and jointly controlled entity as noted in the 'Other matters' paragraph, 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, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of one of its associate companies incorporated in India, none of the directors of the Holding Company and its associate company incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its associate company incorporated in 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 Auditors' 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 and based on the consideration of the report of the other auditors on consolidated financial statements as also the other financial information of the subsidiaries, associates and jointly controlled entities, as noted in the 'Other Matters' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity – Refer Note 28 to the consolidated financial statements.
  - ii. The Group, its associates and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and associate company incorporated in India.
- (h) As required by Section 197(16) of the Act, we report that the remuneration paid by the Holding Company, and its associate company incorporated in India to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

For **PKF SRIDHAR & SANTHANAM LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

RAJESHWARI S

Partner

Membership No. 024105

Place : Chennai

Date : April 25, 2019

**ANNEXURE A**

**Referred to in paragraph 2(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 Oriental Hotels Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of the Holding Company and another auditor has audited 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 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. 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 ICAI. 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

ORIENTAL HOTELS LIMITED  
ANNEXURE TO AUDITOR'S REPORT

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**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 and to the best of our information and according to the explanations given to us and based on consideration of reporting of the other auditors as mentioned in the Other Matter paragraph below, the Holding Company and its associate company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India.

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

RAJESHWARI S  
Partner  
Membership No. 024105

Place : Chennai  
Date : April 25, 2019

## CONSOLIDATED BALANCE SHEET

## Consolidated Balance Sheet as at March 31, 2019

₹ Lakhs

| Assets                                                                       | Note      | March 31, 2019 | March 31, 2018 |
|------------------------------------------------------------------------------|-----------|----------------|----------------|
| <b>Non-current Assets</b>                                                    |           |                |                |
| Property, Plant and Equipment                                                | 3         | 39,320.39      | 37,357.33      |
| Capital work-in-progress                                                     |           | 158.20         | 1,686.88       |
| Other Intangible Assets                                                      | 4         | 136.05         | 231.51         |
|                                                                              |           | 39,614.64      | 39,275.72      |
| <b>Financial Assets</b>                                                      |           |                |                |
| Investments in jointly controlled entity and associates                      | 5(a)(i)   | 11,843.54      | 11,654.19      |
| Investments                                                                  | 5(a)(ii)  | 13,830.68      | 14,246.73      |
| Other financial assets                                                       | 7(a)      | 1,430.65       | 2,039.16       |
| Deferred Tax Assets (Net)                                                    | 8         | 1,248.79       | 411.36         |
| Income Tax Asset (Net)                                                       | 36(iv)    | 2,283.35       | 2,504.98       |
| Other non-current assets                                                     | 9 (a)     | 1,149.97       | 4,879.65       |
|                                                                              |           | 71,401.62      | 75,011.79      |
| <b>Current Assets</b>                                                        |           |                |                |
| Inventories                                                                  | 11        | 717.55         | 838.63         |
| Financial Assets                                                             |           |                |                |
| Investments                                                                  | 5 (b)     | 3,186.91       | -              |
| Trade Receivables                                                            | 12        | 1,372.02       | 1,580.75       |
| Cash and Cash Equivalents                                                    | 13(a)     | 2,802.19       | 553.66         |
| Bank Balances other than Cash and Cash Equivalents                           | 13(b)     | 3,103.37       | 114.59         |
| Loans                                                                        | 6(b)      | 560.00         | 560.00         |
| Other financial assets                                                       | 7(b)      | 513.77         | 634.55         |
| Other current assets                                                         | 9(b)      | 927.62         | 630.82         |
| Assets classified as held for sale (Refer Note 38)                           |           | 605.52         | 2,798.21       |
|                                                                              |           | 13,788.95      | 7,711.21       |
| <b>Total</b>                                                                 |           | 85,190.57      | 82,723.00      |
| <b>Equity and Liabilities</b>                                                |           |                |                |
| <b>Equity</b>                                                                |           |                |                |
| Equity Share capital                                                         | 14        | 1,785.99       | 1,785.99       |
| Other Equity                                                                 | 15        | 51,594.74      | 42,369.74      |
| <b>Total Equity</b>                                                          |           | 53,380.73      | 44,155.73      |
| <b>Non-current Liabilities</b>                                               |           |                |                |
| Financial Liabilities                                                        |           |                |                |
| Borrowings                                                                   | 16(a)     | -              | 29,428.59      |
| Other financial Liabilities                                                  | 17(a)     | 192.92         | 207.66         |
| Trade Payables                                                               |           |                |                |
| - Total outstanding dues of Micro and Small Enterprises *                    | 18(a)(i)  | -              | -              |
| - Total outstanding dues of Creditors other than Micro and Small Enterprises | 18(a)(ii) | 164.37         | -              |
| Provisions                                                                   | 19(a)     | 545.34         | 470.59         |
| Other non-current Liabilities                                                | 20(a)     | 13.12          | 20.73          |
|                                                                              |           | 915.75         | 30,127.57      |
| <b>Current Liabilities</b>                                                   |           |                |                |
| Financial Liabilities                                                        |           |                |                |
| Borrowings                                                                   | 16(b)     | -              | 97.40          |
| Trade Payables                                                               |           |                |                |
| - Total outstanding dues of Micro and Small Enterprises*                     | 18(b)(i)  | 32.80          | 12.81          |
| - Total outstanding dues of Creditors other than Micro and Small Enterprises | 18(b)(ii) | 3,784.20       | 3,599.15       |
| Other financial Liabilities                                                  | 17(b)     | 26,423.42      | 3,968.64       |
| Provisions                                                                   | 19(b)     | 132.90         | 102.65         |
| Other current liabilities                                                    | 20(b)     | 520.77         | 659.05         |
|                                                                              |           | 30,894.09      | 8,439.70       |
| <b>Total</b>                                                                 |           | 85,190.57      | 82,723.00      |

\*Pertains to Domestic Companies

## Significant Accounting Policies

2

The accompanying notes 1 to 42 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

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 : April 25, 2019

Sreyas Arumbakkam  
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, 2019

₹ Lakhs

| Particulars                                                                              | Note  | March, 2019       | March, 2018      |
|------------------------------------------------------------------------------------------|-------|-------------------|------------------|
| <b>Revenue</b>                                                                           |       |                   |                  |
| Revenue from Operations                                                                  | 21    | 34,678.58         | 35,797.38        |
| Other Income                                                                             | 22    | 797.22            | 429.95           |
| <b>Total</b>                                                                             |       | <b>35,475.80</b>  | <b>36,227.33</b> |
| <b>Expenses</b>                                                                          |       |                   |                  |
| Food and Beverages Consumed                                                              | 23    | 3,706.74          | 4,044.05         |
| Employee Benefits Expense and Payment to Contractors                                     | 24    | 9,759.25          | 9,868.95         |
| Finance Costs                                                                            | 25    | 2,718.05          | 3,088.59         |
| Depreciation and Amortisation                                                            | 3 & 4 | 2,837.77          | 2,765.94         |
| Other Operating and General Expenses                                                     | 26    | 16,068.25         | 16,273.95        |
| <b>Total</b>                                                                             |       | <b>35,090.06</b>  | <b>36,041.48</b> |
| <b>Profit / (Loss) before exceptional items and tax</b>                                  |       | <b>385.74</b>     | <b>185.85</b>    |
| <b>Exceptional Items</b>                                                                 | 27    | <b>9,616.30</b>   | <b>0.98</b>      |
| <b>Profit/ (Loss) Before Tax</b>                                                         |       | <b>10,002.04</b>  | <b>186.83</b>    |
| <b>Tax Expense</b>                                                                       |       |                   |                  |
| Current Tax (Refer Note 36)                                                              |       | 2,157.09          | 188.58           |
| Deferred Tax (Refer Note 36)                                                             |       | (858.94)          | 64.55            |
| <b>Total</b>                                                                             |       | <b>1,298.15</b>   | <b>253.13</b>    |
| <b>Profit/ (Loss) for the year</b>                                                       |       | <b>8,703.89</b>   | <b>(66.30)</b>   |
| Add : Share of Profit / (Loss) of Associates                                             |       | 274.69            | 196.43           |
| Add : Share of Profit / (Loss) of Jointly Controlled Entity                              |       | 179.94            | 482.30           |
| <b>Profit/ (Loss) After Tax and share of associates and Jointly Controlled Entity</b>    |       | <b>9,158.52</b>   | <b>612.43</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                                                  |       | 19.86             | (102.58)         |
| Change in fair value of equity instruments designated irrevocably as FVTOCI              |       | (1,231.63)        | 2,007.67         |
| Share of other comprehensive income of associates                                        |       | 96.60             | 12.19            |
| Less :-Income tax                                                                        |       | 21.51             | (35.59)          |
|                                                                                          |       | <b>(1,136.68)</b> | <b>1,952.87</b>  |
| <b>Items that will be reclassified subsequently to profit and loss</b>                   |       |                   |                  |
| Currency translation difference (net)                                                    |       | 839.41            | (30.78)          |
| Share of other comprehensive income of associates and jointly controlled entity          |       | 366.18            | 398.46           |
|                                                                                          |       | <b>1,205.59</b>   | <b>367.68</b>    |
| <b>Other Comprehensive income for the year, net of tax</b>                               |       | <b>68.91</b>      | <b>2,320.55</b>  |
| <b>Total Comprehensive Income for the year</b>                                           |       | <b>9,227.43</b>   | <b>2,932.98</b>  |
| <b>Earnings per equity share :</b>                                                       |       |                   |                  |
| <b>Basic &amp; Diluted (Face value ₹1/- per share) (Refer Note: (32))</b>                |       | <b>5.13</b>       | <b>0.34</b>      |
| <b>Significant Accounting Policies</b>                                                   | 2     |                   |                  |
| <b>The accompanying notes 1 to 42 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 : April 25, 2019

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

Sreyas Arumbakkam  
Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash flow Statement for the year ended March 31, 2019

₹ in Lakhs

| Particulars |                                                                       | March 31, 2019  | March 31, 2018    |
|-------------|-----------------------------------------------------------------------|-----------------|-------------------|
| <b>A.</b>   | <b>Cashflow from Operating Activities</b>                             |                 |                   |
|             | Profit/(Loss) before tax                                              | 10,002.04       | 186.83            |
|             | Adjustments for                                                       |                 |                   |
|             | Depreciation and Amortization                                         | 2,837.77        | 2,765.94          |
|             | Gain on Sale of undertaking                                           | (10,146.07)     | -                 |
|             | Loss on Sale of Fixed Assets                                          | 895.94          | 7.80              |
|             | Gain on investments carried at fair value through P&L account         | (135.92)        | -                 |
|             | Assets written off                                                    | 5.44            | 12.21             |
|             | Allowances for doubtful debts                                         | 30.38           | (6.08)            |
|             | Allowance for doubtful advances and assets                            | 117.42          | 2.07              |
|             | Provision and balances written back                                   | (209.61)        | (186.16)          |
|             | Finance Cost                                                          | 2,718.05        | 3,088.59          |
|             | Interest Income                                                       | (258.68)        | (163.66)          |
|             | Dividend received                                                     | (25.94)         | (6.65)            |
|             | Income on refund of financial Assets                                  | (979.80)        | -                 |
|             | Changes in Fair valuation of financial Liabilities                    | -               | (0.98)            |
|             | Other non cash items                                                  | 55.71           | (19.14)           |
|             | Exchange Loss/(Gain)                                                  | -               | (5.11)            |
|             |                                                                       | (5,095.29)      | 5,488.83          |
|             | <b>Changes in Operating Assets and Liabilities</b>                    | <b>4,906.75</b> | <b>5,675.66</b>   |
|             | Adjustments for                                                       |                 |                   |
|             | Financial Assets                                                      | 133.76          | 63.97             |
|             | Inventories                                                           | 87.35           | (82.03)           |
|             | Trade receivables                                                     | 49.42           | (178.48)          |
|             | Other assets                                                          | 139.99          | 24.78             |
|             | Trade Payables                                                        | 578.79          | 570.02            |
|             | Other Liabilities                                                     | (40.88)         | (343.57)          |
|             | Other Financial Liabilities                                           | (82.34)         | (315.17)          |
|             |                                                                       | 866.09          | (260.48)          |
|             | Cash generated from operations                                        | 5,772.84        | 5,415.18          |
|             | Direct Taxes Paid                                                     | (1,971.32)      | (210.03)          |
|             | <b>Net Cash flow from operating activities</b>                        | <b>3,801.52</b> | <b>5,205.15</b>   |
| <b>B.</b>   | <b>Cash flow from investing activities</b>                            |                 |                   |
|             | Payments for Purchase of Property, Plant and Equipment                | (5,404.21)      | (2,613.07)        |
|             | Proceeds from sale of Property, Plant and Equipment                   | 1,916.82        | 42.44             |
|             | Proceeds from sale of business undertaking                            | 11,971.73       | -                 |
|             | Payments for Purchase of Investments                                  | (0.40)          | (114.72)          |
|             | Payments for Current investments                                      | (3,050.99)      | -                 |
|             | Deposits with Bank                                                    | (3,000.00)      | -                 |
|             | Proceeds from refund of Long term deposit placed for hotel properties | 4,750.00        | -                 |
|             | Proceeds from Sale of Investments                                     | -               | 51.19             |
|             | Dividend received                                                     | 767.44          | 645.98            |
|             | Interest                                                              | 266.87          | 126.81            |
|             | <b>Net cashflow from investing activities (B)</b>                     | <b>8,217.28</b> | <b>(1,861.37)</b> |

# ORIENTAL HOTELS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash flow Statement for the year ended March 31, 2019

₹ in Lakhs

| Particulars                                                                              |                                                                                             | March 31, 2019 |                       | March 31, 2018        |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------|-----------------------|-----------------------|
| <b>C.</b>                                                                                | <b>Cash flow from financing activities</b>                                                  |                |                       |                       |
|                                                                                          | Repayment of Long term Borrowings                                                           | (8,100.00)     |                       | (2,046.00)            |
|                                                                                          | (Repayment)/Proceeds from Short term Borrowings                                             | (97.40)        |                       | 97.40                 |
|                                                                                          | Finance Cost                                                                                | (1,571.22)     |                       | (2,054.80)            |
|                                                                                          | Others                                                                                      | 2.40           |                       | –                     |
|                                                                                          | <b>Net cash flow from financing activities (C)</b>                                          |                | (9,766.22)            | (4,003.40)            |
|                                                                                          | <b>Net Increase / (Decrease) in cash and cash equivalents(A+B+C)</b>                        |                | 2,252.58              | (659.62)              |
|                                                                                          | Cash as per books                                                                           |                |                       |                       |
|                                                                                          | Cash as on Opening 1st April                                                                |                | 553.66                | 1,213.36              |
|                                                                                          | Effect of exchange differences on translation of foreign currency cash and cash equivalents |                | 4.05                  | 0.08                  |
|                                                                                          | Cash as on Closing 31st March                                                               |                | 2,802.19              | 553.66                |
|                                                                                          | <b>Net Increase / (Decrease) in cash and cash equivalents</b>                               |                | 2,252.58              | (659.62)              |
|                                                                                          |                                                                                             |                | ₹ in Lakhs            |                       |
|                                                                                          | <b>NOTES TO THE CASH FLOW STATEMENT :</b>                                                   |                | <b>As at</b>          | <b>As at</b>          |
| i)                                                                                       | <b>Bank Balances other than Cash and Cash Equivalents</b>                                   |                | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
|                                                                                          | Margin Money Deposits                                                                       |                | 54.52                 | 53.17                 |
|                                                                                          | Earmarked balances for un paid dividends                                                    |                | 48.85                 | 61.42                 |
|                                                                                          | Fixed Deposits placed with bank                                                             |                | 3,000.00              | –                     |
|                                                                                          | <b>Bank Balances other than Cash and Cash Equivalents</b>                                   |                | <b>3,103.37</b>       | <b>114.59</b>         |
| ii).                                                                                     | Refer Note No. 16 for net debt reconciliation                                               |                |                       |                       |
| <b>The accompanying notes 1 to 42 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 : April 25, 2019

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

Sreyas Arumbakkam  
Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

# FORTY NINTH ANNUAL REPORT 2018-19

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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   | 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 Reclassified to P&L)                                        | -                               | -                    | -                | -               | (82.31)           | -                            | -                              | -                                    | (82.31)          |
| <b>Total Comprehensive Income for the year</b>                                          | -                               | -                    | -                | -               | <b>530.17</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                                                           | -                               | -                    | -                | -               | 46.41             | -                            | (46.41)                        | -                                    | -                |
| Transfer to Debenture Redemption Reserve                                                | -                               | -                    | -                | 646.16          | (646.16)          | -                            | -                              | -                                    | 0.00             |
| <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> |

Consolidated Statement of Changes in Equity as at March 31, 2019

₹ Lakhs

| Particulars                                                                             | Equity Share Capital Subscribed | Reserves and Surplus |                  |                 |                   | Debt instruments through OCI | Equity Instruments through OCI | Foreign Currency Translation Reserve | TOTAL            |
|-----------------------------------------------------------------------------------------|---------------------------------|----------------------|------------------|-----------------|-------------------|------------------------------|--------------------------------|--------------------------------------|------------------|
|                                                                                         |                                 | Securities Premium   | General Reserve  | Other reserves* | Retained Earnings |                              |                                |                                      |                  |
| Balance as on 01st April, 2018                                                          | 1,785.99                        | 10,735.69            | 10,543.41        | 2,698.59        | 10,971.78         | -                            | 6,530.17                       | 890.10                               | 44,155.73        |
| Profit for the year                                                                     | -                               | -                    | -                | -               | 9,158.52          | -                            | -                              | -                                    | 9,158.52         |
| Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses | -                               | -                    | -                | -               | -                 | -                            | (1,144.13)                     | 1,205.59                             | 61.46            |
| Actuarial Gains/Losses (Not Reclassified to P&L)                                        | -                               | -                    | -                | -               | 7.46              | -                            | -                              | -                                    | 7.46             |
| <b>Total Comprehensive Income for the year</b>                                          | <b>-</b>                        | <b>-</b>             | <b>-</b>         | <b>-</b>        | <b>9,165.98</b>   | <b>-</b>                     | <b>(1,144.13)</b>              | <b>1,205.59</b>                      | <b>9,227.44</b>  |
| Tax on Dividend                                                                         | -                               | -                    | -                | -               | (2.44)            | -                            | -                              | -                                    | (2.44)           |
| Transfer to Debenture Redemption Reserve                                                | -                               | -                    | -                | 2,810.59        | (2,810.59)        | -                            | -                              | -                                    | -                |
| <b>Balance as on 31st March, 2019</b>                                                   | <b>1,785.99</b>                 | <b>10,735.69</b>     | <b>10,543.41</b> | <b>5,509.18</b> | <b>17,324.73</b>  | <b>-</b>                     | <b>5,386.04</b>                | <b>2,095.69</b>                      | <b>53,380.73</b> |

\* Includes Debenture Redemption Reserve: 2019 ₹5,463.00 lakhs; 2018 ₹2,652.41 lakhs & 2017 ₹2006.25 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 : April 25, 2019

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

Sreyas Arumbakkam  
Chief Financial Officer

Tom Antony  
AVP-Legal & Company Secretary

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Notes to Consolidated Financial Statements for the year ended March 31, 2019

**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 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 Jointly Controlled Entity.

Particulars of the Subsidiary Companies, Associates and Jointly Controlled Entity 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.    | Jointly Controlled Entity                | Hong Kong                | 21.74            |

\*The consolidated financial results of OHL International (HK) Ltd. includes the results of Lanka Island Resorts Ltd., an Associate.

**Note 2. Significant Accounting Policies****(a) Statement of Compliance:**

The financial statements of the Company comply in all material aspects of Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013 notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with and other relevant provision of the Act. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

**Recent Accounting Pronouncements:****(i) New standards notified and adopted by the Company**

MCA on 29 March 2018 notified the new standard for revenue recognition (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five-step application principle to be followed for revenue recognition:

- i. Identification of the contracts with the customer
- ii. Identification of the performance obligations in the contract
- iii. Determination of the transaction price
- iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- v. Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards had been modified on miscellaneous issues with effect from 1<sup>st</sup> April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), 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), permitting election of fair value or equity method of accounting for investments in associates and

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Jointly Controlled Entity by venture capital, mutual fund and other similar organisations (Amendment to Ind AS 28) 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 have any material effect on the Company's financial statements.

(ii) New standards notified but not early adopted by the company

### **Ind AS 116 Leases**

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1<sup>st</sup> April 2019.

It eliminates the classification of leases as either finance leases or operating leases for a lessee as required by Ind AS 17. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company's operating leases mainly relate to real estate assets such as Land, Land & Building and fully fitted hotel properties which are on long term lease ranging from 20 to 99 years.

The Company has completed its preliminary evaluation of the possible impact of Ind AS 116 and will adopt the standard using the 'Modified Retrospective Method' based on the principles in Ind AS 116. Accordingly, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings i.e. 1<sup>st</sup> April 2019, consequently, comparatives for the year ended 31<sup>st</sup> March 2018 will not be retrospectively adjusted.

The Company is currently evaluating the impact this standard will have on the financial statement.

### **Other Amendments to the existing standards but not effective**

A number of other accounting standards have been modified on miscellaneous issues with effect from 1<sup>st</sup> April 2019. Such changes include clarification/guidance on:

- a) business combination accounting in case of obtaining control of a joint operation;
- b) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;
- c) income tax consequences in case of dividends;
- d) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;
- e) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;
- f) accounting for prepayment features with negative compensation in case of debt instruments;
- g) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;
- h) accounting for long-term interests in associates and Jointly Controlled Entity to which the equity method is not applied but that in substance form part of the net investment in the associate or Jointly Controlled Entity (long-term interests).

The above amendments will come into force from 1<sup>st</sup> April 2019. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

### **(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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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) 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 financials statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transaction 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. Jointly Controlled Entity**

Interest in Jointly Controlled Entity 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 Jointly Controlled Entity are recognized as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity including any other unsecured long-term receivables, the group does not 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 jointly controlled entity are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

**v. Change in Ownership Interest**

The group treats transactions with non-controlling interest that do not result in a loss of control as

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 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, Jointly Controlled Entity 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 Jointly Controlled Entity 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 are 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

- **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 from Services**

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

**Income from operations**

**Rooms, Food and Beverage & Banquets:** Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

**Space and Shop Rentals:** Rentals basically consist of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short-term in nature. Revenue is recognized in the period in which services are being rendered.

**Other Allied Services:** In relation to the laundry income, communication income, health club income, transfers income and other allied services, the revenue has been recognized by reference to the time of service rendered.

**Management and Operating Fees:** Management fees earned from hotels managed by the Group are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**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):**

**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.

**(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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 reassessed 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, 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.

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

#### **(h) 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 amortization periods are reviewed and impairment is done only if indicators of impairment exist.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| <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.

**(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 denominated in foreign currency are reported using exchange rate prevailing at the balance sheet date. Exchange differences on such restatement are recognised in the Statement of Profit and Loss. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of transaction.

**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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 allows 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:**

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 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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 Jointly Controlled Entity 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.

**(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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

**(v) Earnings Per Share:**

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) 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 (including the post-tax effect of extraordinary items, if any) 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 chief operating decision maker.

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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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) Exceptional Items:**

The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Company and provides consistency with the Company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/investments, impairment charges, exchange gain/(loss) on long term borrowings/assets and changes in fair value of derivative contracts.

**(y) 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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

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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.

**(z) 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.

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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, 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>5697.32</b> | <b>17145.6</b>               | <b>15200.43</b>     | <b>5833.63</b>         | <b>634.81</b>    | <b>122.82</b> | <b>44634.61</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>1465.59</b>               | <b>3719.62</b>      | <b>1666.17</b>         | <b>362.94</b>    | <b>62.96</b>  | <b>7277.28</b>  |
| <b>Net Block At March 31, 2018</b> | <b>5697.32</b> | <b>15680.01</b>              | <b>11480.81</b>     | <b>4167.46</b>         | <b>271.87</b>    | <b>59.86</b>  | <b>37357.33</b> |

**Footnotes :**

(i) Buildings include WDV on improvements to building constructed on leasehold land ₹1025.32 Lakhs; (Previous year ₹1078.21 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 At March 31, 2018</b> | <b>231.51</b> | <b>231.51</b> |

## 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, 2018                           | 5,697.32        | 17,145.60                    | 15,200.43           | 5,833.63               | 634.81           | 122.82        | 44,634.61        |
| Additions                                  | -               | 2,913.37                     | 2,237.39            | 2,035.48               | 61.26            | 11.60         | 7,259.10         |
| Adjustment (Refer Footnote (iii))          | -               | 91.46                        | 541.27              | 270.94                 | 45.27            | 0.14          | 949.08           |
| Disposals                                  | 24.67           | 972.56                       | 1,259.77            | 378.14                 | 74.80            | 4.66          | 2,714.60         |
| <b>At March 31, 2019</b>                   | <b>5,672.65</b> | <b>18,994.95</b>             | <b>15,636.78</b>    | <b>7,220.03</b>        | <b>576.00</b>    | <b>129.62</b> | <b>48,230.03</b> |
| <b>Depreciation</b>                        |                 |                              |                     |                        |                  |               |                  |
| At April 1, 2018                           | -               | 1,465.59                     | 3,719.62            | 1,666.17               | 362.94           | 62.96         | 7,277.28         |
| Charge for the year                        | -               | 620.67                       | 1,356.76            | 698.21                 | 70.77            | 12.29         | 2,758.70         |
| Adjustment (Refer Footnote (iii))          | -               | 7.67                         | 136.66              | 105.60                 | 110.00           | 0.13          | 360.06           |
| Impairment Provision (Refer Footnote (iv)) | 117.42          | -                            | -                   | -                      | -                | -             | 117.42           |
| Disposals                                  | -               | 234.35                       | 431.31              | 165.04                 | 49.75            | 3.25          | 883.70           |
| <b>At March 31, 2019</b>                   | <b>117.42</b>   | <b>1,844.24</b>              | <b>4,508.41</b>     | <b>2,093.74</b>        | <b>273.96</b>    | <b>71.87</b>  | <b>8,909.64</b>  |
| <b>Net Block</b>                           |                 |                              |                     |                        |                  |               |                  |
| <b>At March 31, 2019</b>                   | <b>5,555.23</b> | <b>17,150.71</b>             | <b>11,128.37</b>    | <b>5,126.29</b>        | <b>302.04</b>    | <b>57.75</b>  | <b>39,320.39</b> |

## Footnote :

- (i) Buildings include WDV on improvements to building constructed on leasehold land ₹973.45 Lakhs; (Previous year ₹1,025.32 Lakhs).
- (ii) Assets pledged as security (Refer Note 16: Borrowings)
- (iii) Adjustments pertain to assets of a hotel undertaking (Gross Block of ₹949.08 lakhs and accumulated depreciation of ₹360.06 lakhs as on 31st March, 2019) transferred to assets held for sale (Refer Note 38)
- (iv) Provision for impairment made for land (Refer Note 27 d.)

## Note 4 : Intangible Assets (Acquired)

₹ Lakhs

| Particulars                     | Software      | Total         |
|---------------------------------|---------------|---------------|
| <b>Gross Block at Cost</b>      |               |               |
| At April 1, 2018                | 452.50        | 452.50        |
| Additions                       | 9.70          | 9.70          |
| Adjustment (Refer Footnote (i)) | 51.71         | 51.71         |
| Disposals                       | 19.98         | 19.98         |
| <b>At March 31, 2019</b>        | <b>390.51</b> | <b>390.51</b> |
| <b>Amortisation</b>             |               |               |
| At April 1, 2018                | 220.99        | 220.99        |
| Charge for the year             | 79.07         | 79.07         |
| Adjustment (Refer Footnote (i)) | 35.21         | 35.21         |
| Disposals                       | 10.39         | 10.39         |
| <b>At March 31, 2019</b>        | <b>254.46</b> | <b>254.46</b> |
| <b>Net Block</b>                |               |               |
| <b>At March 31, 2019</b>        | <b>136.05</b> | <b>136.05</b> |

## Footnote :

- (i) Adjustments pertain to assets of a hotel undertaking (Gross Block of ₹51.71 lakhs and accumulated amortisation of ₹35.21 lakhs as on 31st March, 2019) transferred to assets held for sale (Refer Note 38)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Note 5: Investments

|                                                                                                                                                                                                                                                                       | Face Value | March 31, 2019 |           | March 31, 2018 |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|-----------|----------------|-----------|
|                                                                                                                                                                                                                                                                       |            | Holdings       |           | Holdings       |           |
|                                                                                                                                                                                                                                                                       |            | As at          | ₹ Lakhs   | As at          | ₹ Lakhs   |
| <b>a) Non-Current Investments</b>                                                                                                                                                                                                                                     |            |                |           |                |           |
| <b>(i) Investments in Jointly controlled entity and Associates</b>                                                                                                                                                                                                    |            |                |           |                |           |
| <b>Fully Paid Unquoted Equity Instruments</b>                                                                                                                                                                                                                         |            |                |           |                |           |
| <b>Investment in Jointly controlled entity</b>                                                                                                                                                                                                                        |            |                |           |                |           |
| TAL Hotels & Resorts Limited                                                                                                                                                                                                                                          | US\$1      | 3,803,718      | 8,667.71  | 3,803,718      | 8,699.99  |
| <b>Investment in Associate Companies</b>                                                                                                                                                                                                                              |            |                |           |                |           |
| Taj Madurai Limited                                                                                                                                                                                                                                                   | ₹10        | 912,000        | 628.63    | 912,000        | 535.02    |
| Lanka Island Resorts Limited (refer foot note)                                                                                                                                                                                                                        | LKR 10     | 18,690,000     | 2,547.20  | 18,690,000     | 2,419.18  |
| <b>Total</b>                                                                                                                                                                                                                                                          |            |                | 3,175.83  |                | 2,954.20  |
| <b>Grand Total</b>                                                                                                                                                                                                                                                    |            |                | 11,843.54 |                | 11,654.19 |
| <b>Footnote:</b> 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. |            |                |           |                |           |
| <b>(ii) Other Non Current Investments</b>                                                                                                                                                                                                                             |            |                |           |                |           |
| <b>Investments in Other Companies Equity Shares (Fair Value Through OCI)</b>                                                                                                                                                                                          |            |                |           |                |           |
| Taj Kerala Hotels and Resorts Limited                                                                                                                                                                                                                                 | ₹10        | 1,515,000      | 160.14    | 1,515,000      | 160.29    |
| Taj Karnataka Hotels and Resorts Limited                                                                                                                                                                                                                              | ₹10        | 300,000        | -         | 300,000        | -         |
| Taj Air Limited (Refer Footnote iii )                                                                                                                                                                                                                                 | ₹10        | 6,250,000      | 155.00    | 6,250,000      | 154.38    |
| Taj Trade & Transport Company Limited.                                                                                                                                                                                                                                | ₹10        | 100,500        | 42.05     | 100,500        | 42.72     |
| St. James Court Limited                                                                                                                                                                                                                                               | GBP1       | 6,000,000      | 12,259.92 | 6,000,000      | 12,882.71 |
| Green Infra Wind Farms Limited                                                                                                                                                                                                                                        | ₹10        | 60,000         | 6.00      | 60,000         | 6.00      |
| Green Infra Wind Generation Limited                                                                                                                                                                                                                                   | ₹10        | 42,000         | 4.20      | 42,000         | 4.20      |
| Citron Ecopower Private Limited (Refer Footnote iv)                                                                                                                                                                                                                   | ₹10        | 226,750        | 21.85     | 222,750        | 21.45     |
| <b>Total</b>                                                                                                                                                                                                                                                          |            |                | 12,649.16 |                | 13,271.75 |
| <b>Fully Paid Quoted Equity Investments :</b>                                                                                                                                                                                                                         |            |                |           |                |           |
| <b>Investment in Other Companies (Fair value through OCI)</b>                                                                                                                                                                                                         |            |                |           |                |           |
| The Indian Hotels Company Limited                                                                                                                                                                                                                                     | ₹1         | 752,398        | 1,161.33  | 752,398        | 958.18    |
| Tulip Star Hotels Limited                                                                                                                                                                                                                                             | ₹10        | 29,600         | 19.23     | 29,600         | 15.98     |
| Velan Hotels Limited                                                                                                                                                                                                                                                  | ₹10        | 4,000          | 0.18      | 4,000          | 0.24      |
| Benares Hotels Limited                                                                                                                                                                                                                                                | ₹10        | 50             | 0.78      | 50             | 0.58      |
| <b>Total</b>                                                                                                                                                                                                                                                          |            |                | 1,181.52  |                | 974.98    |

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 5: Investments contd...

|                                                                               | Face Value | March 31, 2019 |                  | March 31, 2018 |                  |
|-------------------------------------------------------------------------------|------------|----------------|------------------|----------------|------------------|
|                                                                               |            | 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 (v)) | ₹1         | 86,302         | -                | 86,302         | -                |
| <b>Grand Total</b>                                                            |            |                | <b>13,830.68</b> |                | <b>14,246.73</b> |

#### Footnotes :

- (i) Aggregate of Quoted Investments - Gross : Cost 465.03 465.03  
: Market Value 1,181.52 974.98
- (ii) Aggregate of Unquoted Investments - Gross 24,492.70 24,925.94
- (iii) In terms of an undertaking, transfer of this shareholding is restricted to Taj / TATA group Companies.
- (iv) Purchased during the year 25,000 shares at a cost of ₹2.50 lakhs and sold 21,000 shares during the year at a cost of ₹2.10 lakhs.
- (v) 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.
- (vi) 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.

#### (b) Current Investments

| Carried at fair value through profit and loss:<br>Investments in Mutual Fund Units (unquoted) | March 31, 2019 |                 | March 31, 2018 |          |
|-----------------------------------------------------------------------------------------------|----------------|-----------------|----------------|----------|
|                                                                                               | Units          |                 | Units          |          |
|                                                                                               | As at          | ₹ Lakhs         | As at          | ₹ Lakhs  |
| Tata Liquid Fund Direct Plan - Growth                                                         | 108,234.81     | 3,186.91        | -              | -        |
| <b>Total</b>                                                                                  |                | <b>3,186.91</b> |                | <b>-</b> |

#### Foot Note:

- (i) Aggregate amount of Unquoted Investments 3,186.91 -

### Note 6 : Loans

|                                                                                   | ₹ Lakhs        |                |
|-----------------------------------------------------------------------------------|----------------|----------------|
|                                                                                   | March 31, 2019 | March 31, 2018 |
| <b>A) Non-Current</b>                                                             | -              | -              |
| <b>B) Current</b>                                                                 |                |                |
| (a) Loans Receivables Considered good - Unsecured, related party (Refer Note 41 ) | 560.00         | 560.00         |
| (b) Loans Receivables which have significant increase in Credit Risk              | -              | -              |
| (c) Loans Receivables - Credit Impaired                                           | -              | -              |
|                                                                                   | <b>560.00</b>  | <b>560.00</b>  |

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 7 : Other Financial Assets

₹ Lakhs

|                                                                                  | March 31, 2019  | March 31, 2018  |
|----------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Unsecured Considered Good (Unless Otherwise Stated)</b>                       |                 |                 |
| <b>a) Non-Current</b>                                                            |                 |                 |
| <b>Long-term security deposits placed for Hotel Properties at amortised cost</b> |                 |                 |
| External parties                                                                 | 29.07           | 498.45          |
| <b>Deposits with Public Bodies and Others at amortised costs</b>                 |                 |                 |
| Public Bodies and Others - Considered good                                       | 426.03          | 531.19          |
| - Considered doubtful                                                            | 2.45            | 2.45            |
|                                                                                  | <b>428.48</b>   | <b>533.64</b>   |
| Less : Provision for Doubtful advances                                           | 2.45            | 2.45            |
|                                                                                  | <b>426.03</b>   | <b>531.19</b>   |
| Amounts Recoverable (Net of provisions)<br>(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                                                                   | 46.15           | 80.12           |
|                                                                                  | <b>1,430.65</b> | <b>2,039.16</b> |

#### Footnote:

- 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.
- 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 has been transferred to amounts recoverable. The company has taken adequate steps for recovery of amounts.
- 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).

#### b) Current

|                                                        |               |               |
|--------------------------------------------------------|---------------|---------------|
| <b>Deposit with public bodies and others</b>           | <b>75.79</b>  | <b>88.34</b>  |
| <b>Other advances</b>                                  |               |               |
| Considered good                                        | 126.61        | 119.91        |
| Considered doubtful                                    | 4.26          | 6.53          |
|                                                        | <b>130.87</b> | <b>126.44</b> |
| Less: Allowance for Advances doubtful of recovery      | 4.26          | 6.53          |
|                                                        | <b>126.61</b> | <b>119.91</b> |
| <b>Interest receivable</b>                             |               |               |
| Related Parties (Refer Note: 41)                       | 6.34          | 46.34         |
| Bank Deposits                                          | 2.81          | -             |
| Others                                                 | 15.64         | 19.13         |
|                                                        | <b>24.79</b>  | <b>65.47</b>  |
| Current Account Dues-Refer Note 41 for related parties | <b>286.58</b> | <b>360.83</b> |
|                                                        | <b>513.77</b> | <b>634.55</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| <b>Note 8 : Deferred Tax Assets (Net)</b>                                                 |                       | ₹ Lakhs               |
|-------------------------------------------------------------------------------------------|-----------------------|-----------------------|
|                                                                                           | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
| <b>Deferred Tax Assets:</b>                                                               |                       |                       |
| Provision for Employee Benefits                                                           | <b>180.64</b>         | 174.81                |
| Operating loss carried forward (Refer Footnote)                                           | <b>5,718.13</b>       | 5,762.62              |
| MAT Credit Entitlement                                                                    | <b>524.12</b>         | -                     |
| Receivables, Financial Assets at amortised cost                                           | <b>55.75</b>          | 57.44                 |
| Others                                                                                    | <b>123.21</b>         | 105.34                |
| <b>Total (A)</b>                                                                          | <b>6,601.85</b>       | 6,100.21              |
| <b>Deferred Tax Liabilities:</b>                                                          |                       |                       |
| Property, Plant and equipment & Intangible Assets                                         | <b>5,343.17</b>       | 5,688.85              |
| Unrealized gain on equity shares carried at fair value through other comprehensive income | <b>9.89</b>           | -                     |
| <b>Total (B)</b>                                                                          | <b>5,353.06</b>       | 5,688.85              |
| <b>Net Deferred Tax Assets (A-B)</b>                                                      | <b>1,248.79</b>       | 411.36                |

**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, 2019</b> | <b>March 31, 2018</b> |
|--------------------------------------|-----------------------|-----------------------|
| <b>a) Non-current</b>                |                       |                       |
| Capital Advances                     | <b>88.27</b>          | 137.42                |
| Prepaid Expenses                     | <b>198.35</b>         | 3,610.68              |
| Deposits with Government Authorities | <b>247.15</b>         | 125.06                |
| Export Incentive Receivable          | <b>309.99</b>         | 700.28                |
| Others Refer Footnote (i)            | <b>306.21</b>         | 306.21                |
|                                      | <b>1,149.97</b>       | 4,879.65              |

**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 towards compensation based on old guideline value during the year 2016-17. 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            | <b>514.07</b> | 538.43 |
| Advance to Suppliers        | <b>101.79</b> | 65.14  |
| Advance to Employees        | <b>9.07</b>   | 27.25  |
| Export Incentive Receivable | <b>302.69</b> | -      |
|                             | <b>927.62</b> | 630.82 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Note 10: Financial Instruments**

**Table 1: Financial instruments by category**

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows: ₹ Lakhs

| Particulars                                 | Financial assets/<br>liabilities at fair<br>value through profit<br>or loss | Financial assets/<br>liabilities at fair<br>value through OCI | Cost/<br>Amortised<br>cost | Total            |
|---------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------|------------------|
| <b>Financial assets:</b>                    |                                                                             |                                                               |                            |                  |
| Investments                                 |                                                                             |                                                               |                            |                  |
| Equity Investment                           | -                                                                           | -                                                             | -                          | -                |
| Jointly Controlled Entity and Associates    | -                                                                           | -                                                             | 11,843.54                  | 11,843.54        |
| External Companies                          | -                                                                           | 13,830.68                                                     | -                          | 13,830.68        |
| Debentures                                  | -                                                                           | -                                                             | -                          | -                |
| Mutual Fund                                 | 3,186.91                                                                    | -                                                             | -                          | 3,186.91         |
| Trade Receivables                           | -                                                                           | -                                                             | 1,372.02                   | 1,372.02         |
| Cash and Cash Equivalents and Bank balances | -                                                                           | -                                                             | 5,905.56                   | 5,905.56         |
| Long Term Loans & Advances                  | -                                                                           | -                                                             | -                          | -                |
| Short Term Loans & Advances                 | -                                                                           | -                                                             | 560.00                     | 560.00           |
| Derivative Financial Assets                 | -                                                                           | -                                                             | -                          | -                |
| Security Deposits                           | -                                                                           | -                                                             | -                          | -                |
| Other Financial Assets                      | -                                                                           | -                                                             | 1,944.42                   | 1,944.42         |
| <b>Total - Financial Assets</b>             | <b>3,186.91</b>                                                             | <b>13,830.68</b>                                              | <b>21,625.54</b>           | <b>38,643.13</b> |
| <b>Financial liabilities:</b>               |                                                                             |                                                               |                            |                  |
| Borrowings                                  | -                                                                           | -                                                             | -                          | -                |
| Derivative Financial Liabilities            | -                                                                           | -                                                             | -                          | -                |
| Trade Payables including Capital Creditors  | -                                                                           | -                                                             | 4,411.84                   | 4,411.84         |
| Deposits                                    | -                                                                           | -                                                             | -                          | -                |
| Other Financial Liabilities*                | -                                                                           | -                                                             | 26,185.87                  | 26,185.87        |
| <b>Total - Financial Liabilities</b>        | <b>-</b>                                                                    | <b>-</b>                                                      | <b>30,597.71</b>           | <b>30,597.71</b> |

\* Includes current maturities of Secured Debentures ₹24,280.51 lakhs.

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

| Particulars                                 | Financial assets/<br>liabilities at fair<br>value through<br>profit or loss | Financial assets/<br>liabilities at fair<br>value through OCI | Cost/<br>Amortised<br>cost | Total            |
|---------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------|------------------|
| <b>Financial assets:</b>                    |                                                                             |                                                               |                            |                  |
| Investments                                 |                                                                             |                                                               |                            |                  |
| Equity Investment                           | -                                                                           | -                                                             | -                          | -                |
| Jointly Controlled Entity 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>-</b>                                                                    | <b>14,246.73</b>                                              | <b>17,136.90</b>           | <b>31,383.63</b> |
| <b>Financial liabilities:</b>               |                                                                             |                                                               |                            |                  |
| Borrowings                                  | -                                                                           | -                                                             | 31,228.59                  | 31,228.59        |
| 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>-</b>                                                                    | <b>-</b>                                                      | <b>37,216.85</b>           | <b>37,216.85</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Table 2: Fair value hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

(a) Level 1 – Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This includes listed equity instrument, traded debentures and mutual funds that have quoted price/declared NAV. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

(b) Level 2 – Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019

| Particulars                       | As of March 31, 2019<br>Total | Fair value measurement at end of the reporting period/year using |          |                  |
|-----------------------------------|-------------------------------|------------------------------------------------------------------|----------|------------------|
|                                   |                               | Level 1                                                          | Level 2  | Level 3          |
| <b>Financial assets:</b>          |                               |                                                                  |          |                  |
| Cash & Cash Equivalents           | -                             | -                                                                | -        | -                |
| Equity shares                     | 13,830.68                     | 1,181.52                                                         | -        | 12,649.16        |
| Liquid Mutual Funds               | 3,186.91                      | 3,186.91                                                         | -        | -                |
| Long Term Loans & Advances        | -                             | -                                                                | -        | -                |
| Short Term Loans & Advances       | -                             | -                                                                | -        | -                |
| <b>Total</b>                      | <b>17,017.59</b>              | <b>4,368.43</b>                                                  | <b>-</b> | <b>12,649.16</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, 2018

| Particulars                       | As of March 31, 2018<br>Total | Fair value measurement at end of the reporting period/year using |          |                  |
|-----------------------------------|-------------------------------|------------------------------------------------------------------|----------|------------------|
|                                   |                               | 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>         |

**Note 11 : Inventories**

|                               | ₹ Lakhs        |                |
|-------------------------------|----------------|----------------|
|                               | March 31, 2019 | March 31, 2018 |
| Food and Beverages            | 372.03         | 448.66         |
| Stores and Operating Supplies | 345.52         | 389.97         |
|                               | <b>717.55</b>  | <b>838.63</b>  |

**Note 12: Trade receivables**

|                                                                         | ₹ Lakhs         |                 |
|-------------------------------------------------------------------------|-----------------|-----------------|
|                                                                         | March 31, 2019  | March 31, 2018  |
| Trade receivables considered good - Unsecured                           | 1,372.02        | 1,580.75        |
| Trade receivables which have significant increase in credit risk        | -               | -               |
| Trade receivables - Credit impaired                                     | 152.83          | 155.38          |
|                                                                         | <b>1,524.85</b> | <b>1,736.13</b> |
| Less: Provision for trade receivables - credit impaired (Refer Note:37) | 152.83          | 155.38          |
|                                                                         | <b>1,372.02</b> | <b>1,580.75</b> |

**Foot Note:** Refer Note 41 for receivables from related parties.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| Note 13(a). Cash and Cash Equivalents                                                             | ₹ Lakhs         |                |
|---------------------------------------------------------------------------------------------------|-----------------|----------------|
|                                                                                                   | March 31, 2019  | March 31, 2018 |
| <b>Cash and cash equivalents</b>                                                                  |                 |                |
| Cash on hand                                                                                      | 48.24           | 78.94          |
| Cheques, Drafts on hands                                                                          | 8.91            | 21.10          |
| Balances with bank in current account                                                             | 2,745.04        | 103.62         |
| Balances with bank in call and short-term deposit accounts (original maturity less than 3 months) | -               | 350.00         |
|                                                                                                   | <b>2,802.19</b> | <b>553.66</b>  |

### Note 13(b). Bank Balances other than Cash and Cash Equivalents

|                                     |                 |               |
|-------------------------------------|-----------------|---------------|
| <b>Other Balances with banks</b>    |                 |               |
| Short-term deposit accounts         | 3,000.00        | -             |
| Margin money deposits               | 54.52           | 53.17         |
| Earmarked balances (Refer Footnote) | 48.85           | 61.42         |
|                                     | <b>3,103.37</b> | <b>114.59</b> |

#### Footnote :

Includes amounts in unpaid dividend accounts ₹48.85 lakhs (Previous year ₹59.01 lakhs).

| Note 14 : Share Capital                                                                                                                           | March 31, 2019  | March 31, 2018  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <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) | 1,785.99        | 1,785.99        |
| <b>Total</b>                                                                                               | <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/- 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, 2019      |                 | March 31, 2018      |                 |
|--------------------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                                  | No. of shares       | ₹ Lakhs         | No. of shares       | ₹ Lakhs         |
| Shares outstanding at the beginning of the year  | 17,85,99,180        | 1,785.99        | 17,85,99,180        | 1,785.99        |
| Add : Shares Issued during the year              | -                   | -               | -                   | -               |
| <b>Shares outstanding at the end of the year</b> | <b>17,85,99,180</b> | <b>1,785.99</b> | <b>17,85,99,180</b> | <b>1,785.99</b> |

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

| Particulars                                                    | March 31, 2019 |           | March 31, 2018 |           |
|----------------------------------------------------------------|----------------|-----------|----------------|-----------|
|                                                                | No. of shares  | % Holding | No. of shares  | % Holding |
| The Indian Hotels Company Limited                              | 5,09,72,910    | 28.55%    | 3,37,64,550    | 18.91%    |
| TIFCO Holdings Limited (Refer footnote)                        | -              | -         | 1,72,08,360    | 9.63%     |
| Reliance Capital Trustee Co Ltd- Reliance Mid & Small Cap Fund | 1,24,65,421    | 6.98%     | 1,19,50,000    | 6.69%     |
| Pramod Ranjan                                                  | 1,41,96,140    | 7.95%     | 1,41,96,140    | 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. Hence the shares are added to The Indian Hotels Company Limited.

| Aggregate number of shares issued as GDR | March 31, 2019 |           | March 31, 2018 |           |
|------------------------------------------|----------------|-----------|----------------|-----------|
|                                          | No. of shares  | % Holding | No. of shares  | % Holding |
|                                          | 99,72,430      | 5.58%     | 99,72,430      | 5.58%     |

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| Note 15: Other Equity                                                                                                  | ₹ Lakhs        |                |
|------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                        | March 31, 2019 | March 31, 2018 |
| <b>Securities Premium</b>                                                                                              |                |                |
| Opening and Closing Balance                                                                                            | 10,735.69      | 10,735.69      |
| <b>Debenture redemption reserve</b>                                                                                    |                |                |
| Opening Balance                                                                                                        | 2,652.41       | 2,006.25       |
| Add : Transfer during the year                                                                                         | 2,810.59       | 646.16         |
| Closing Balance                                                                                                        | 5,463.00       | 2,652.41       |
| <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                                                                                                        | 890.10         | 522.42         |
| Add/(Less) Currency Translation difference arising transferred during the year                                         | 1,205.59       | 367.68         |
| Closing Balance                                                                                                        | 2,095.69       | 890.10         |
| <b>General Reserve</b>                                                                                                 |                |                |
| Opening and Closing Balance                                                                                            | 10,543.41      | 10,543.41      |
| <b>Retained Earnings</b>                                                                                               |                |                |
| Surplus/(Deficit) in the Profit And Loss b/f                                                                           | 10,971.78      | 11,047.91      |
| Add: Current Year profits                                                                                              | 9,158.52       | 612.43         |
| Less: Final Dividend                                                                                                   | -              | -              |
| Less: Tax on Final dividend                                                                                            | -              | -              |
| Interim Dividend                                                                                                       | -              | -              |
| Tax on Interim Dividend                                                                                                | -              | -              |
| Proposed Dividend                                                                                                      | -              | -              |
| Less: Tax on Dividend                                                                                                  | 2.44           | 6.50           |
| Less: Transfer to Debenture Redemption Reserve                                                                         | (2,810.59)     | (646.16)       |
| Transfer to General Reserve/Securities Premium                                                                         | -              | -              |
| Transfer to Reserve Fund                                                                                               | -              | -              |
| Transfer to/(from) Revaluation Reserve                                                                                 | -              | -              |
| Add: Ind AS- Transfer of OCI Equity Instrument Realised to retained earnings<br>(Refer Statement of Changes in Equity) | -              | 46.41          |
| Less: Ind AS- OCI Movements - Net Defined Benefit Plans                                                                | 14.40          | (117.90)       |
| Add: Ind AS- OCI Movements - Tax on Net Defined Benefit Plans                                                          | (6.94) 7.46    | 35.59          |
| Closing retained earnings                                                                                              | 17,324.73      | 10,971.78      |
| <b>Total Reserves and Surplus</b>                                                                                      | 46,208.70      | 35,839.57      |
| <b>Other Comprehensive Income</b>                                                                                      |                |                |
| OCI - Equity Instruments (Not Reclassified to P&L) (Refer Statement of<br>Changes in Equity)                           | 5,201.26       | 6,447.46       |
| OCI - Share of Investment in Associate                                                                                 | 184.78         | 82.71          |
|                                                                                                                        | 5,386.04       | 6,530.17       |
| <b>Total</b>                                                                                                           | 51,594.74      | 42,369.74      |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Note 16 : Borrowings**

₹ Lakhs

|                                                                                                    |                      |            |            | March 31, 2019   |            | March 31, 2018   |
|----------------------------------------------------------------------------------------------------|----------------------|------------|------------|------------------|------------|------------------|
|                                                                                                    | Rate of Interest (%) | Maturity   | Face Value | Amortised cost   | Face Value | Amortised cost   |
| <b>A) Long-term borrowings</b>                                                                     |                      |            |            |                  |            |                  |
| Non-Convertible Debentures (NCDs) (Refer Footnote (ii))                                            |                      |            |            |                  |            |                  |
| 1000 Series A Debentures                                                                           | 10.25                | 21/11/2019 | 1000000    | 10,000.00        | 1000000    | 10,000.00        |
| 1000 Series B Debentures with YTM rate of 10.25%                                                   | 2                    | 21/11/2019 | 1000000    | 14,280.51        | 1000000    | 13,133.55        |
|                                                                                                    |                      |            |            | <b>24,280.51</b> |            | <b>23,133.55</b> |
| <b>Term Loan from Banks</b>                                                                        |                      |            |            |                  |            |                  |
| Secured ((Refer Footnote (iii)))                                                                   |                      |            |            | -                |            | 8,100.00         |
| Unsecured                                                                                          |                      |            |            | -                |            | -                |
| Less: Unamortised Borrowing Cost                                                                   |                      |            |            | -                |            | (4.96)           |
|                                                                                                    |                      |            |            | -                |            | 8,095.04         |
| <b>Total Long term borrowings</b>                                                                  |                      |            |            | <b>24,280.51</b> |            | <b>31,228.59</b> |
| Less: Current maturities of Long term borrowings (shown under Other Current Financial Liabilities) |                      |            |            | <b>24,280.51</b> |            | 1,800.00         |
| <b>Total Long term borrowings</b>                                                                  |                      |            |            | -                |            | <b>29,428.59</b> |
| <b>B) Short term borrowings</b>                                                                    |                      |            |            |                  |            |                  |
| Loans repayable on demand from Bank                                                                |                      |            |            |                  |            |                  |
| Secured (Refer Footnote iv)                                                                        |                      |            |            | -                |            | 97.40            |
| Unsecured                                                                                          |                      |            |            | -                |            | -                |
|                                                                                                    |                      |            |            | -                |            | 97.40            |
| <b>Total Short term borrowings</b>                                                                 |                      |            |            | -                |            | <b>97.40</b>     |

**Footnotes to Borrowings:**

**(i) Details of Borrowings as at:**

₹ Lakhs

| Particulars           | March 31, 2019 |           | March 31, 2018 |          |
|-----------------------|----------------|-----------|----------------|----------|
|                       | Non - Current  | Current   | Non - Current  | Current  |
| Debentures            | -              | 24,280.51 | 23,133.55      | -        |
| Term Loans from Banks | -              | -         | 6,300.00       | 1,800.00 |
|                       | -              | 24,280.51 | 29,433.55      | 1,800.00 |

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

| Particulars                                           | Loan Outstanding ₹ lakhs | No of Instalments | Security                                                                            | Repayment Terms                                                                                                                                        |
|-------------------------------------------------------|--------------------------|-------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1000, 10.25% Series A Debentures of ₹ 10 lakhs each . | 10,000.00                |                   | Secured by Mortgage of Buildings and other fixed assets of Taj Coromandel, Chennai. | Redeemable 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 .     | 10,000.00                |                   | Secured by Mortgage of Buildings and other fixed assets of Taj Coromandel, Chennai. | Redeemable (at par) at the end of the 5th year from the date (November 21, 2014) of allotment along with redemption premium of ₹ 506610 per debenture. |

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

|                                      |   |  |                                                                                                                                               |                                                                                                                                   |
|--------------------------------------|---|--|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Kotak Mahindra Bank Limited: Secured | - |  | Secured by Equitable Mortgage of Movable and Immovable Fixed Assets at The Gateway Hotel, Visakhapatnam, for the loan outstanding in 2017-18. | 20 quarterly equal instalments of ₹ 450 lakhs commenced from October 2017 carrying interest rate of 8.35% Fully repaid in 2018-19 |
|--------------------------------------|---|--|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|

(iv) Secured loans from banks represents short term loan secured by way of mortgage by deposit of title deeds in respect of immovable properties of Fisherman's Cove & additionally secured by way of exclusive first charge of credit card receivables of the Company carrying interest rate at 8.25%

**(v) Net Debt Reconciliation**

₹ Lakhs

| Particulars                  | As at March 31, 2019 | As at March 31, 2018 |
|------------------------------|----------------------|----------------------|
| Cash and Cash Equivalents    | 2,802.19             | 553.66               |
| Current Investments          | 3,186.91             | -                    |
| Current Borrowings           | -                    | (97.40)              |
| Non- Current Borrowings      | (24,280.51)          | (31,228.59)          |
| Interest accrued and not due | (436.30)             | (441.39)             |
| <b>Net Debt</b>              | <b>(18,727.71)</b>   | <b>(31,213.72)</b>   |

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| ₹ Lakhs                                 |                           |                     |                    |                        |                              |                    |
|-----------------------------------------|---------------------------|---------------------|--------------------|------------------------|------------------------------|--------------------|
| Particulars                             | Cash and Cash Equivalents | Current Investments | Current Borrowings | Non-Current Borrowings | Interest accrued and not due | Total              |
| <b>Net Debt as at 1st April 2017</b>    | <b>1,213.36</b>           | -                   | -                  | <b>(32,231.93)</b>     | <b>(450.24)</b>              | <b>(31,468.81)</b> |
| Cash Flows                              | (659.70)                  | -                   | -                  | -                      | -                            | (659.70)           |
| 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           |
| Un amortized cost of borrowings         | -                         | -                   | -                  | (2.40)                 | -                            | (2.40)             |
| Amortized Cost of low coupon debentures | -                         | -                   | -                  | (1,040.26)             | -                            | (1,040.26)         |
| <b>Net Debt as at 1st April 2018</b>    | <b>553.66</b>             | -                   | <b>(97.40)</b>     | <b>(31,228.59)</b>     | <b>(441.39)</b>              | <b>(31,213.72)</b> |
| Cash Flows                              | 2,252.58                  | -                   | -                  | -                      | -                            | 2,252.58           |
| Current Investments                     | -                         | 3,050.99            | -                  | -                      | -                            | 3,050.99           |
| Fair value adjustments                  | -                         | 135.92              | -                  | -                      | -                            | 135.92             |
| Repayments                              | -                         | -                   | 97.40              | 8,100.00               | -                            | 8,197.40           |
| Interest Expenses                       | -                         | -                   | -                  | -                      | (1,566.13)                   | (1,566.13)         |
| Interest Paid                           | -                         | -                   | -                  | -                      | 1,571.22                     | 1,571.22           |
| Foreign exchange adjustments            | (4.05)                    | -                   | -                  | -                      | -                            | (4.05)             |
| Un amortized cost of borrowings         | -                         | -                   | -                  | (4.96)                 | -                            | (4.96)             |
| Amortized Cost of low coupon debentures | -                         | -                   | -                  | (1,146.96)             | -                            | (1,146.96)         |
| <b>Net Debt as at 31st March 2019</b>   | <b>2,802.19</b>           | <b>3,186.91</b>     | -                  | <b>(24,280.51)</b>     | <b>(436.30)</b>              | <b>(18,727.71)</b> |

| ₹ Lakhs                                                                      |                       |                       |
|------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Note 17 : Other financial liabilities</b>                                 | <b>March 31, 2019</b> | <b>March 31, 2018</b> |
| <b>a) Non Current financial liabilities</b>                                  |                       |                       |
| <b>Deposits from related parties</b>                                         |                       |                       |
| Unsecured                                                                    | 152.39                | 137.91                |
|                                                                              | <u>152.39</u>         | <u>137.91</u>         |
| <b>Deposits from others</b>                                                  |                       |                       |
| Unsecured                                                                    | 40.53                 | 69.75                 |
|                                                                              | <u>40.53</u>          | <u>69.75</u>          |
|                                                                              | <u>192.92</u>         | <u>207.66</u>         |
| <b>b) Current financial liabilities</b>                                      |                       |                       |
| <b>Current maturities of long term borrowings</b>                            |                       |                       |
| Debentures                                                                   | 24,280.51             | -                     |
| Term loans from Banks                                                        | -                     | 1,800.00              |
| <b>Payables on Current Account dues :</b>                                    |                       |                       |
| Current Account dues (Refer Note 41 for related parties)                     | 285.45                | 427.00                |
| <b>Deposits from others</b>                                                  |                       |                       |
| Unsecured                                                                    | 29.83                 | 21.53                 |
| Interest accrued but not due on borrowings at amortised costs                | 436.30                | 441.39                |
| Creditors for capital expenditure                                            | 430.47                | 148.77                |
| Unclaimed dividend (Refer Footnote (i))                                      | 48.85                 | 59.01                 |
| Unclaimed Matured Deposits and interest accrued thereon                      | -                     | 0.71                  |
| Employee related liabilities                                                 | 762.64                | 855.76                |
| Other Payables                                                               |                       |                       |
| External Parties                                                             | 9.47                  | 28.45                 |
| Related Party (includes payable to Oriental Hotels Employees Gratuity Trust) | 139.90                | 186.02                |
| (Refer Note 41 for related parties)                                          | <u>26,423.42</u>      | <u>3,968.64</u>       |

**Footnote :**

- (i) The amount reflects the position as on 31st March 2019, 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

**Note 18: Trade Payables**

₹ Lakhs

|                                                        | March 31, 2019  | March 31, 2018  |
|--------------------------------------------------------|-----------------|-----------------|
| <b>Trade Payables</b>                                  |                 |                 |
| <b>(a) Non Current</b>                                 |                 |                 |
| (i) Micro and Small Enterprises (Refer Footnote i)     | -               | -               |
| (ii) Vendor Payables (Refer Note 41 for related party) | 164.37          | -               |
| <b>Total</b>                                           | <b>164.37</b>   | <b>-</b>        |
| <b>(b) Current</b>                                     |                 |                 |
| (i) Micro and Small Enterprises (Refer Footnote i)     | 32.80           | 12.81           |
| <b>Total</b>                                           | <b>32.80</b>    | <b>12.81</b>    |
| (ii) Vendor Payables (Refer Note 41 for related party) | 2,207.54        | 2,291.71        |
| (iii) Accrued expenses and others                      | 1,576.66        | 1,307.44        |
| <b>Total</b>                                           | <b>3,784.20</b> | <b>3,599.15</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.

| Particulars                                                                                                                                        | March 31, 2019 | March 31, 2018 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year                                                         | 32.80          | 12.81          |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year                                                    | -              | -              |
| (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                                                                                           | -              | -              |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year                                                          | -              | -              |
| (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 | -              | -              |

**Note 19 : Provisions**

₹ Lakhs

|                                                             | March 31, 2019 | March 31, 2018 |
|-------------------------------------------------------------|----------------|----------------|
| <b>a) Employee Benefit Obligation - Non Current</b>         |                |                |
| Compensated absences                                        | 340.97         | 364.97         |
| Other employee benefit obligations                          | 173.79         | 65.80          |
| Pension liability for retired directors and their relatives | 30.58          | 39.82          |
| <b>Total (Refer Note 30)</b>                                | <b>545.34</b>  | <b>470.59</b>  |
| <b>b) Employee Benefit Obligation - Current</b>             |                |                |
| Compensated absences                                        | 87.43          | 81.48          |
| Other employee benefit obligations                          | 36.60          | 12.30          |
| Pension liability for retired directors and their relatives | 8.87           | 8.87           |
| <b>Total (Refer Note 30)</b>                                | <b>132.90</b>  | <b>102.65</b>  |

**Note 20 : Other non-financial Liabilities**

|                                                           | March 31, 2019 | March 31, 2018 |
|-----------------------------------------------------------|----------------|----------------|
| <b>a) Non-current</b>                                     |                |                |
| Income received in advance- Related Party (Refer Note 41) | 13.12          | 20.73          |
| <b>Total</b>                                              | <b>13.12</b>   | <b>20.73</b>   |
| <b>b) Current</b>                                         |                |                |
| Income received in advance- Related Party (Refer Note 41) | 7.61           | 7.61           |
| Advances collected from customers                         | 240.76         | 335.12         |
| Statutory dues                                            | 272.40         | 316.32         |
| <b>Total</b>                                              | <b>520.77</b>  | <b>659.05</b>  |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

| <b>Note 21 : Revenue from Operations</b>                  | <b>March, 2019</b> | <b>March, 2018</b> |
|-----------------------------------------------------------|--------------------|--------------------|
| Room Income                                               | 16,048.21          | 16,744.26          |
| Food, Restaurants and Banquet Income (Refer Footnote (i)) | 15,568.24          | 15,983.29          |
| Shop rentals                                              | 122.31             | 138.16             |
| Membership fees                                           | 133.53             | 75.76              |
| Management and operating fees                             | 494.77             | 474.00             |
| Others (Refer note (ii))                                  | 2,311.52           | 2,381.91           |
| <b>Total</b>                                              | <b>34,678.58</b>   | <b>35,797.38</b>   |

**Footnote:**

- (i) Includes excise duty of ₹Nil (Previous Year ₹2.41 lakhs)
- (ii) Others include Car hire income of ₹539.68 lakhs (Previous Year ₹622.17 lakhs) and Service Exports from India Scheme(SEIS) income of ₹295.74 lakhs (Previous year ₹300.30 lakhs).

| <b>Note 22 : Other Income</b>     | <b>March, 2019</b> | <b>March, 2018</b> |
|-----------------------------------|--------------------|--------------------|
| Interest Income at amortised cost |                    |                    |
| Inter-corporate deposits          | 56.00              | 56.72              |
| Deposits with banks               | 77.63              | 16.43              |
| Others                            | 62.99              | 76.89              |
| Interest on Income Tax Refunds    | 62.05              | 13.62              |

**Dividend Income from Investments**

|                                                                            |               |               |
|----------------------------------------------------------------------------|---------------|---------------|
| - from investments that are fair valued through Other Comprehensive Income | 5.90          | 6.65          |
| - from investments that are fair valued through profit and loss            | 20.05         | -             |
| -Gain on investments carried at fair value through profit and loss         | 136.91        | -             |
| Exchange Gain (Net)                                                        | 2.86          | 14.18         |
| Others                                                                     | 372.83        | 245.46        |
| <b>Total</b>                                                               | <b>797.22</b> | <b>429.95</b> |

| <b>Note 23 : Food and Beverages Consumed (Including smokes)</b> | <b>March, 2019</b> | <b>March, 2018</b> |
|-----------------------------------------------------------------|--------------------|--------------------|
| Opening Stock                                                   | 448.66             | 428.73             |
| Add : Purchases                                                 | 3,630.11           | 4,063.99           |
|                                                                 | 4,078.77           | 4,492.71           |
| Less : Closing Stock                                            | 372.03             | 448.66             |
| Food and Beverages Consumed                                     | 3,706.74           | 4,044.05           |

| <b>Note 24 : Employee Benefit Expense and Payment to Contractors</b> | <b>March, 2019</b> | <b>March, 2018</b> |
|----------------------------------------------------------------------|--------------------|--------------------|
| Salaries, Wages, Bonus etc.                                          | 5,399.22           | 5,269.96           |
| Company's Contribution to Provident and Other Funds                  | 510.54             | 448.99             |
| Reimbursement of Expenses on Personnel Deputed to the Company        | 1,851.29           | 1,918.86           |
| Payment to Contractors                                               | 831.07             | 1,075.85           |
| Staff Welfare Expenses                                               | 1,167.13           | 1,155.29           |
| <b>Total</b>                                                         | <b>9,759.25</b>    | <b>9,868.95</b>    |

| <b>Note 25 : Finance costs</b>                                       | <b>March, 2019</b> | <b>March, 2018</b> |
|----------------------------------------------------------------------|--------------------|--------------------|
| Interest Expense at effective interest rate on financial liabilities | 2,718.05           | 3,088.59           |
| <b>Total</b>                                                         | <b>2,718.05</b>    | <b>3,088.59</b>    |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

|                                                                              | ₹ Lakhs          |                  |
|------------------------------------------------------------------------------|------------------|------------------|
|                                                                              | March, 2019      | March, 2018      |
| <b>Note 26 : Other Operating and General Expenses</b>                        |                  |                  |
| (i) <b>Operating expenses consist of the following :</b>                     |                  |                  |
| Linen and Room Supplies                                                      | 561.67           | 672.66           |
| Catering Supplies                                                            | 257.94           | 264.66           |
| Other Supplies                                                               | 73.94            | 73.39            |
| Fuel, Power and Light                                                        | 3,334.69         | 3,481.21         |
| Repairs to Buildings                                                         | 512.58           | 478.34           |
| Repairs to Machinery                                                         | 898.20           | 1,005.82         |
| Repairs to Others                                                            | 137.92           | 185.59           |
| Linen and Uniform Washing and Laundry Expenses                               | 355.39           | 365.00           |
| Payment to Orchestra Staff, Artistes and Others (including Security Charges) | 366.31           | 79.21            |
| Communication Charges                                                        | 283.78           | 311.50           |
| Guest Transportation                                                         | 488.84           | 525.17           |
| Travel Agents' Commission                                                    | 465.48           | 467.92           |
| Discount to Collecting Agents                                                | 292.57           | 318.56           |
| Fees to Consultants                                                          | 1,454.23         | 1,485.11         |
| Other Operating Expenses                                                     | 609.58           | 605.22           |
| <b>Total</b>                                                                 | <b>10,093.12</b> | <b>10,319.36</b> |
| (ii) <b>General expenses consist of the following :</b>                      |                  |                  |
| Rent                                                                         | 262.52           | 277.27           |
| Licence Fees                                                                 | 992.98           | 1,095.96         |
| Rates and Taxes                                                              | 668.58           | 631.33           |
| Insurance                                                                    | 86.55            | 90.90            |
| Advertising and Publicity                                                    | 1,701.39         | 1,728.61         |
| Printing and Stationery                                                      | 131.67           | 149.43           |
| Passage and Travelling                                                       | 58.58            | 47.71            |
| Allowances for Doubtful Debts                                                | 30.38            | 0.18             |
| Expenditure on Corporate Social Responsibility                               | 50.14            | 45.05            |
| Professional Fees                                                            | 563.30           | 437.73           |
| Exchange Loss (Net)                                                          | 13.24            | -                |
| Loss on Sale of Fixed Assets (Net)                                           | 4.78             | 7.80             |
| Payment made to Statutory Auditors                                           | 60.14            | 47.02            |
| Directors' Fees and Commission                                               | 26.10            | 6.13             |
| Reservation & Other Services                                                 | 743.11           | 763.28           |
| Other Expenses                                                               | 581.67           | 626.19           |
| <b>Total</b>                                                                 | <b>5,975.13</b>  | <b>5,954.59</b>  |
|                                                                              | <b>16,068.25</b> | <b>16,273.95</b> |

|                                                                                               | March, 2019     | March, 2018 |
|-----------------------------------------------------------------------------------------------|-----------------|-------------|
| <b>Note 27 : Exceptional Items</b>                                                            |                 |             |
| Gain on sale of a hotel property (Refer footnote a.)                                          | 10,146.07       | -           |
| Adjustments arising out of premature termination of lease in a hotel unit (Refer footnote b.) | 478.81          | -           |
| Loss on sale of land shown as Asset held for sale (Refer footnote c.)                         | (891.16)        | -           |
| Provision for impairment of land (Refer footnote d.)                                          | (117.42)        | -           |
| MTM Gain/(losses) on derivative contracts                                                     | -               | 0.98        |
| <b>Total</b>                                                                                  | <b>9,616.30</b> | <b>0.98</b> |

**Footnotes:**

Exceptional Items for the year represent the following:

- a. The Company sold a hotel undertaking at Visakhapatnam under a Business Transfer Agreement on 29th September 2018 for a consideration of ₹12,010 lakhs, resulting in a net gain of ₹10,146.07 lakhs.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Key financial indicators impacting the results due to sale of the above hotel are as under:

₹ Lakhs

| Particulars                  | Year ended   |             |
|------------------------------|--------------|-------------|
|                              | March, 2019* | March, 2018 |
| Total Income from Operations | 1,048.44     | 2,123.01    |
| Total Expenditure            | 944.75       | 1,950.41    |
| Profit/(Loss) before tax     | 103.69       | 172.58      |

\*Figures are only up to the date of sale i.e., 29th September 2018.

- b. (i) The Board, on 29th November, 2018, considering future prospects and opportunities, terminated the Memorandum of Understanding of its leased property at Trivandrum by mutual consent with effect from 01st April, 2019.
- (ii) Security deposit of ₹4750 lakhs was refunded, consequent to the execution of termination agreement. Notional adjustment on account of the deposit carried at amortized cost under Ind AS is reversed and ₹979.80 lakhs is credited to the Statement of Profit and Loss.
- (iii) Consequent to this, the company's Hotel Operating Agreement (HOA) with Indian Hotels Company Limited (IHCL) that had been entered into for 20 years, stands terminated effective 01st April, 2019. A compensation of ₹654.90 lakhs is payable to IHCL for a three year period ending 2021. This amount is discounted to its present value of ₹500.99 lakhs and accounted as per Indian Accounting Standards. This transaction is subject to Members' approval.
- c. Freehold land in Mysore that had been shown under 'Assets held for sale' as at 31st March 2018 was sold in the current year. A loss of ₹891.16 lakhs has been incurred and accounted.
- d. Provision for impairment made for land - ₹ 117.42 lakhs

## 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.

|                                                                   | ₹ Lakhs        |                |
|-------------------------------------------------------------------|----------------|----------------|
|                                                                   | March 31, 2019 | March 31, 2018 |
| a) In respect of income tax matters for which appeals are pending | 589.34         | 837.23         |
| b) On account of other disputes:                                  |                |                |
| - Luxury Tax                                                      | 52.60          | 115.36         |
| - Sales Tax                                                       | 221.62         | 184.92         |
| - Entry Tax                                                       | 7.52           | 7.52           |
| - Provident Fund                                                  | 41.35          | 41.35          |
| - Electricity Tax and Adjustment Charges                          | 531.65         | 531.65         |
| - Service Tax                                                     | 184.71         | 267.43         |

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                                                                                                 | 194.75 | 166.23 |
| d) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)                             | 465.45 | 451.50 |
| e) Indemnity given to purchaser of land                                                                                                        | 50.00  | -      |
| f) Contingent Liability pertaining to wholly owned subsidiary OHL International HK Ltd.-refer foot Note no. vi under Note No. 5 – Investments. |        |        |
| g) Contingent Liability pertaining to Jointly controlled entity and Associates                                                                 |        |        |
| Associated Company– Taj Madurai Limited- Service Tax                                                                                           | 12.59  | 12.59  |
| Associated Company– Lanka Islands and Resorts Limited                                                                                          |        |        |
| Pending Litigations                                                                                                                            | 2.02   | 2.95   |
| Commitments                                                                                                                                    | 18.61  | 30.67  |
| <b>Jointly Controlled Entity– Tal Hotels and Resorts Limited</b>                                                                               |        |        |
| Guarantee outstanding                                                                                                                          | 5.16   | 5.46   |
| Capital Commitments                                                                                                                            | 103.62 | 222.63 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

29. As the Group is engaged in a single operating segment, segment information that has been tabulated below is Group-wide:

| Country      | Revenue from Hotel Services by location of operations |                  | Non-Current Assets |                  |
|--------------|-------------------------------------------------------|------------------|--------------------|------------------|
|              | March 31, 2019                                        | March 31, 2018   | March 31, 2019     | March 31, 2018   |
|              | ₹ Lakhs                                               | ₹ Lakhs          | ₹ Lakhs            | ₹ Lakhs          |
| India        | 34,542.43                                             | 35,686.24        | 43,047.96          | 46,660.35        |
| Hong kong    | 136.15                                                | 111.14           | -                  | -                |
| <b>Total</b> | <b>34,678.58</b>                                      | <b>35,797.38</b> | <b>43,047.96</b>   | <b>46,660.35</b> |

**Foot Note:** Non current Assets excludes financial assets, deferred tax assets

No Single customer contributes more than 10% or more of the Group's total revenue for the yers ended March 31,2019 and March 31, 2018

|      |                                                                                                                                                                              | ₹ Lakhs                    |                            |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| 30.  | Disclosure Under INDAS19 Employee Benefits                                                                                                                                   | March 31, 2019             | March 31, 2018             |
|      | Staff Costs include the following                                                                                                                                            |                            |                            |
| i)   | <b>Defined Contribution Schemes</b>                                                                                                                                          |                            |                            |
|      | The Company has recognized the following expenses as defined contribution plan under the head "Company's contribution to Provident Fund and Other Funds" (net of recoveries) |                            |                            |
|      | Company's contribution to Provident Fund & Other Funds                                                                                                                       | 357.73                     | 379.82                     |
| ii)  | <b>Defined Benefit Schemes (Gratuity - Funded Scheme)</b>                                                                                                                    |                            |                            |
|      | Liability Recognized in the Balance Sheet                                                                                                                                    |                            |                            |
|      | <b>Present value of Obligation</b>                                                                                                                                           |                            |                            |
|      | <b>At the beginning of the year</b>                                                                                                                                          | 2,261.45                   | 2,037.44                   |
|      | Interest on defined benefit obligation                                                                                                                                       | 162.21                     | 144.44                     |
|      | Current service cost                                                                                                                                                         | 136.52                     | 122.71                     |
|      | Remeasurement of the net defined benefit (assets)/liability                                                                                                                  | (7.25)                     | 87.61                      |
|      | Benefits Paid                                                                                                                                                                | (181.13)                   | (130.75)                   |
|      | <b>At the end of the year</b>                                                                                                                                                | <b>2,371.80</b>            | <b>2,261.45</b>            |
|      | Fair Value of Assets                                                                                                                                                         |                            |                            |
|      | <b>At the beginning of the year</b>                                                                                                                                          | 2,072.69                   | 1,789.75                   |
|      | Interest on plan assets                                                                                                                                                      | 156.27                     | 134.18                     |
|      | Remeasurements due to actual return on plan assets less interest on plan assets                                                                                              | 8.38                       | (12.77)                    |
|      | Employer contributions                                                                                                                                                       | 230.45                     | 292.28                     |
|      | Benefits Paid                                                                                                                                                                | (181.13)                   | (130.75)                   |
|      | <b>At the end of the year</b>                                                                                                                                                | <b>2,286.66</b>            | <b>2,072.69</b>            |
| iii) | <b>Expense during the year</b>                                                                                                                                               |                            |                            |
|      | Current service cost                                                                                                                                                         | 136.52                     | 122.71                     |
|      | Interest on defined benefit obligation                                                                                                                                       | 162.21                     | 144.44                     |
|      | Interest on plan assets                                                                                                                                                      | (156.27)                   | (134.18)                   |
|      | Actuarial (Gain)/Loss                                                                                                                                                        | (15.63)                    | 100.38                     |
|      | <b>Expense recognized in the Statement of Profit and Loss/OCI *</b>                                                                                                          | <b>126.83</b>              | <b>233.35</b>              |
| iv)  | <b>Principal Actuarial Assumptions</b>                                                                                                                                       |                            |                            |
|      | Discount Rate                                                                                                                                                                | 7.55%                      | 7.55%                      |
|      | Rate of increase in Salaries                                                                                                                                                 | 4% Executive /<br>5% Staff | 4% Executive /<br>5% Staff |
| v)   | <b>Amount to be recognized in the Balance Sheet</b>                                                                                                                          |                            |                            |
|      | Present Value of Funded Obligations                                                                                                                                          | 2,371.80                   | 2,261.45                   |
|      | Fair Value of Plan Assets                                                                                                                                                    | 2,286.66                   | 2,072.69                   |
|      | Net Liability/(Asset)                                                                                                                                                        | 85.14                      | 188.76                     |
|      | The expected contribution payable to the plan next year is ₹220 Lakhs                                                                                                        |                            |                            |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

|                                                                            | March 31, 2019  | March 31, 2018  |
|----------------------------------------------------------------------------|-----------------|-----------------|
| <b>vi) Defined Benefit Schemes (Pension Non Funded Scheme)</b>             |                 |                 |
| Liability Recognised in the Balance Sheet                                  |                 |                 |
| Present value of obligation                                                |                 |                 |
| <b>At the beginning of the year</b>                                        | <b>48.22</b>    | <b>51.64</b>    |
| Interest Cost                                                              | <b>3.30</b>     | <b>3.52</b>     |
| Service Cost                                                               | -               | -               |
| Benefits Paid                                                              | <b>(7.84)</b>   | <b>(9.16)</b>   |
| Actuarial (gain)/loss on obligations                                       | <b>(4.23)</b>   | <b>2.22</b>     |
| <b>At the end of the year</b>                                              | <b>39.45</b>    | <b>48.22</b>    |
| <b>vii) Expense during the year</b>                                        |                 |                 |
| Interest Cost                                                              | <b>3.30</b>     | <b>3.52</b>     |
| Service Cost                                                               | -               | -               |
| Expected Return on Plan assets                                             | -               | -               |
| Actuarial (Gain)/Loss                                                      | <b>(4.23)</b>   | <b>2.22</b>     |
| <b>Expense recognized in the Statement of profit and loss/OCI *</b>        | <b>(0.93)</b>   | <b>5.74</b>     |
| <b>viii) Principal Actuarial Assumptions</b>                               |                 |                 |
| Discount Rate                                                              | <b>7.55%</b>    | <b>7.55%</b>    |
| Pension Increase Rate                                                      | <b>5.00%</b>    | <b>5.00%</b>    |
| <b>ix) Amount to be recognized in the Balance Sheet</b>                    |                 |                 |
| Present Value of Funded Obligations                                        | <b>39.45</b>    | <b>48.22</b>    |
| Fair Value of Plan Assets                                                  | -               | -               |
| Amount in Balance Sheet                                                    | -               | -               |
| Net Liability                                                              | <b>39.45</b>    | <b>48.22</b>    |
| *Disclosure relating to only "post employment defined benefits plan".      |                 |                 |
| <b>x) Expenses recognised in Other Comprehensive Income (OCI)</b>          |                 |                 |
| <b>Opening amount recognised in OCI outside profit and loss account</b>    | <b>78.82</b>    | <b>(23.76)</b>  |
| Remeasurements due to actuarial loss/(gain) arising from:                  |                 |                 |
| Changes in financial assumptions                                           | -               | <b>(67.06)</b>  |
| Changes in demographic assumptions                                         | <b>44.75</b>    | -               |
| Experience adjustments                                                     | <b>(55.40)</b>  | <b>156.87</b>   |
| Actual return on plan assets less interest on plan assets                  | <b>(9.21)</b>   | <b>12.77</b>    |
| <b>Closing amount recognised in OCI outside profit and loss account</b>    | <b>58.96</b>    | <b>78.82</b>    |
| <b>xi) Disaggregation of Plan Assets (Managed by an Insurance Company)</b> |                 |                 |
| <b>Insurer Managed Fund</b>                                                |                 |                 |
| <b>In Bonds</b>                                                            |                 |                 |
| Government Securities                                                      | <b>575.08</b>   | <b>706.68</b>   |
| Corporate Bonds                                                            | <b>928.27</b>   | <b>632.97</b>   |
| Unit Funds                                                                 | -               | -               |
| Certificate of Deposit/Commercial Paper                                    | -               | -               |
| Money Market Instruments & others                                          | <b>206.17</b>   | <b>212.13</b>   |
| <b>In Equity</b>                                                           |                 |                 |
| Equity                                                                     | <b>54.89</b>    | <b>47.27</b>    |
| Unit Funds                                                                 | -               | -               |
| Money Market Instruments & others                                          | <b>36.91</b>    | <b>3.46</b>     |
| Bank Balance-Trust Books                                                   | <b>7.67</b>     | <b>6.44</b>     |
| Special Deposit Scheme                                                     | <b>7.49</b>     | <b>7.49</b>     |
| Funds With LIC                                                             | <b>470.18</b>   | <b>456.27</b>   |
| <b>Total</b>                                                               | <b>2,286.66</b> | <b>2,072.71</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## xii) Sensitivity Analysis defined benefit plan– Gratuity Funded

| Particulars                         |                        | Year Ended     |                |
|-------------------------------------|------------------------|----------------|----------------|
|                                     |                        | March 31, 2019 | March 31, 2018 |
| <b>Managed by LIC</b>               |                        |                |                |
| Impact of increase in 50 bps on DBO | Discount Rate          | -3.18%         | -4.16%         |
|                                     | Salary Escalation Rate | 3.45%          | 4.57%          |
| Impact of decrease in 50 bps on DBO | Discount Rate          | 3.37%          | 4.46%          |
|                                     | Salary Escalation Rate | -3.28%         | -4.29%         |
| <b>Managed by TATA AIA</b>          |                        |                |                |
| Impact of increase in 50 bps on DBO | Discount Rate          | -2.91%         | -3.55%         |
|                                     | Salary Escalation Rate | 3.14%          | 3.86%          |
| Impact of decrease in 50 bps on DBO | Discount Rate          | 3.07%          | 3.78%          |
|                                     | Salary Escalation Rate | -3.00%         | -3.66%         |

## xiii) Sensitivity Analysis defined benefit plan- Non-Funded

| Particulars                                                | Year Ended<br>March 31, 2019 |                  | Year Ended<br>March 31, 2018 |                  |
|------------------------------------------------------------|------------------------------|------------------|------------------------------|------------------|
|                                                            | Pension                      | Medical Benefits | Pension                      | Medical Benefits |
| <b>Discount Rate</b>                                       |                              |                  |                              |                  |
| Impact of increase in 50 bps on DBO                        | -1.19%                       | -1.23%           | -1.47%                       | -1.52%           |
| Impact of decrease in 50 bps on DBO                        | 1.23%                        | 1.26%            | 1.52%                        | 1.57%            |
| <b>Pension Increase rate</b>                               |                              |                  |                              |                  |
| Impact of increase in 100 bps on DBO                       | 2.52%                        | 2.57%            | 3.12%                        | 3.19%            |
| Impact of decrease in 100 bps on DBO                       | -2.43%                       | -2.47%           | -2.99%                       | -3.05%           |
| <b>Life expectancy</b>                                     |                              |                  |                              |                  |
| Impact of increase by 1 year on DBO                        | 5.71%                        | 5.92%            | 4.70%                        | 4.88%            |
| Impact of decrease by 1 year on DBO                        | -5.60%                       | -5.79%           | -4.70%                       | -4.88%           |
| Information has been disclosed as provided by the actuary. |                              |                  |                              |                  |

## 31. DISCLOSURE REQUIREMENT UNDER INDAS 17- LEASE/LICENCE TRANSACTION

The Company has taken certain 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                                                                                                               | ₹ Lakhs        |                |
|---------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                           | March 31, 2019 | March 31, 2018 |
| 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                                                                                                | 143.87         | 303.82         |
| ii. later than one year and not later than five years                                                                     | 484.53         | 1,182.46       |
| iii. later than five years                                                                                                | 1,417.48       | 5,781.33       |
| b) Licence payments recognized in the statement of profit and loss                                                        | 562.66         | 585.79         |

## 32. Earnings Per Share

|                                                         | March 31, 2019 | March 31, 2018 |
|---------------------------------------------------------|----------------|----------------|
| Earnings per share is computed based on the following : |                |                |
| Profit after Tax ( ₹ in Lakhs)                          | 9,158.52       | 612.43         |
| Nominal Value of share ( ₹)                             | 1              | 1              |
| Weighted Average Number of Equity Shares                | 17,85,99,180   | 17,85,99,180   |
| Earnings Per Share ₹ (Basic and Diluted)                | 5.13           | 0.34           |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**33. Financial risk management**

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

Market risk

Credit risk

Liquidity risk

Currency risk

Interest rate risk

**Risk management framework**

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 and interest 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 credit worthiness 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 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 ₹11,538.26 lakhs and ₹3,443.55 lakhs as of March 31, 2019 and March 31, 2018, 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, 2019 and March 31, 2018.

**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 ₹5905.56 Lakhs at March 31, 2019 (March 31, 2018: ₹668.25 lakhs).

**iii. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligation 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.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

|                                            | ₹ Lakhs          |                 |                        |                    |
|--------------------------------------------|------------------|-----------------|------------------------|--------------------|
| March 31, 2019                             | Due in 1st year  | Due in 2nd year | Due in 3rd to 5th year | Due after 5th year |
| Non-derivative financial liabilities:      |                  |                 |                        |                    |
| Trade Payables including Capital Creditors | 4,247.47         | 164.37          | -                      | -                  |
| Borrowings                                 | -                | -               | -                      | -                  |
| Other financial liabilities*               | 26,778.54        | -               | -                      | 192.92             |
| <b>Total</b>                               | <b>31,026.02</b> | <b>164.37</b>   | <b>-</b>               | <b>192.92</b>      |

\* Includes current maturity of Debentures which is disclosed inclusive of redemption premium payable ₹5066 lakhs at the time of maturity of 2% Coupon Debentures.

The Company's Cash and bank balance and Trade receivable as at March 31, 2019 aggregating ₹7,277.58 lakhs. The balance exposure will be met by asset held for sale, internal accruals, overdraft facilities available with the banks and new borrowings under negotiations. Accordingly, Company does not perceive any non manageable liquidity risk.

| 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 Payables including Capital Creditors | 3,760.73        | -                | -                      | -                  |
| Borrowings*                                | 1,897.40        | 26,866.00        | 4,500.00               | -                  |
| Other financial liabilities                | 2,015.26        | -                | -                      | 207.66             |
| <b>Total</b>                               | <b>7,673.39</b> | <b>26,866.00</b> | <b>4,500.00</b>        | <b>207.66</b>      |

\* Includes current maturity of Debentures which is disclosed inclusive of redemption premium payable ₹5066 lakhs at the time of maturity of 2% Coupon Debentures.

The Company's Cash and bank balance 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 manageable liquidity risk.

#### iv. Currency Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

The risks primarily relate to fluctuations in Hong Kong Dollar against the functional currency of the company. The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

#### v. 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.

##### 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 is as follows:

| Particulars                                      | Interest Rate  |                |
|--------------------------------------------------|----------------|----------------|
|                                                  | March 31, 2019 | March 31, 2018 |
| Debentures                                       |                |                |
| 1000 Series A Debentures                         | 10.25%         | 10.25%         |
| 1000 Series B Debentures with YTM rate of 10.25% | 2.00%          | 2.00%          |
| Rupee Term Loan                                  |                |                |
| Kotak Mahindra Bank Limited                      | -              | 8.35%          |
| WCDL Loan from HDFC                              | -              | 8.25%          |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 34. Unhedged foreign currency exposure

₹ Lakhs

|                                                                                                                                  | March 31, 2019 | March 31, 2018 |
|----------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| i) Unhedged Foreign Currency Exposure/the Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise |                |                |
| Receivables/(Payables) Outstanding - in USD                                                                                      | 1.56           | 1.12           |
| - in ₹                                                                                                                           | 106.55         | 72.13          |

## 35. 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 cash equivalents.

Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

The Company's adjusted gearing ratio is as follows.

|                                         | ₹ Lakhs          |                  |
|-----------------------------------------|------------------|------------------|
| Particulars                             | March 31, 2019   | March 31, 2018   |
| Loans and Borrowings                    | 24,280.51        | 31,325.99        |
| Less: Cash and cash equivalents         | 2,802.19         | 553.66           |
| Less: Current investments               | 3,186.91         | -                |
| <b>Net Debt</b>                         | <b>18,291.41</b> | <b>30,772.33</b> |
| Equity                                  | 53,380.73        | 44,155.73        |
| <b>Gearing Ratio (Net Debt: Equity)</b> | <b>0.34</b>      | <b>0.70</b>      |

## 36. Income Taxes

i. Income tax expense in the statement of profit and loss comprises:

|                | ₹ Lakhs              |               |
|----------------|----------------------|---------------|
| Particulars    | Year ended March 31, |               |
|                | 2019                 | 2018          |
| Current taxes  | 2,157.09             | 188.58        |
| Deferred taxes |                      |               |
| MAT Credit     | (524.12)             | -             |
| Other items    | (334.82)             | 64.55         |
| <b>Total</b>   | <b>1,298.15</b>      | <b>253.13</b> |

ii. Income tax recognized in other Comprehensive income

|                                                                                                      | ₹ Lakhs              |                |
|------------------------------------------------------------------------------------------------------|----------------------|----------------|
| Deferred tax                                                                                         | Year ended March 31, |                |
|                                                                                                      | 2019                 | 2018           |
| (a) Arising on income and expenses recognised in other comprehensive income:                         |                      |                |
| Net Fair value gain on investments in equity shares at fair value through Other comprehensive income | 14.57                | -              |
| Remeasurement of defined benefit obligation                                                          | 6.94                 | (35.59)        |
| <b>Total</b>                                                                                         | <b>21.51</b>         | <b>(35.59)</b> |
| (b) Bifurcation of the income tax recognised in other comprehensive income into:                     |                      |                |
| Items that will not be reclassified to profit or loss                                                | 6.94                 | (35.59)        |
| Items that may be reclassified to profit or loss                                                     | -                    | -              |
| <b>Total</b>                                                                                         | <b>6.94</b>          | <b>(35.59)</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- 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, |          |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------|
|                                                                                                                                    | 2019                 | 2018     |
| Profit before tax (a)                                                                                                              | 10,002.04            | 186.83   |
| Income tax rate as applicable(b)                                                                                                   | 34.94%               | 33.06%   |
| Calculated tax without any adjustments for deductions(a)*(b)                                                                       | 3,495.11             | 61.77    |
| Disallowance u/s 14A of Income Tax Act, 1961                                                                                       | 2.25                 | 2.02     |
| Effect of Expenses that are not deductible in determining taxable profits                                                          | 71.08                | 77.65    |
| Expenses considered to be capital nature-Loss on sale of Fixed Assets                                                              | 311.41               | -        |
| Effect of Income that is exempt from Taxation                                                                                      | (13.21)              | (6.72)   |
| Income considered to be capital nature-Profit on sale of Fixed Assets                                                              | (3,545.44)           | -        |
| Foreign Dividend taxed at concessional rate                                                                                        | (30.63)              | (104.52) |
| Amortized income on reversal of financial Liability                                                                                | (336.04)             | -        |
| Consolidation adjustment having no Tax impact                                                                                      | 83.98                | 220.21   |
| Effect of previously unrecognized and unused tax losses and deductible temporary differences now recognised as deferred tax assets | (174.97)             | 2.72     |
| Impact of tax on Capital gains(net) at special rates                                                                               | 1,434.61             | -        |
| Income tax expenses recognized in the Statement of Profit and loss                                                                 | 1,298.15             | 253.13   |

## iv. Income tax Asset consists of

| Particulars           | Year ended March 31, |             |
|-----------------------|----------------------|-------------|
|                       | 2019                 | 2018        |
| Advance Tax           | 21,454.04            | 19,518.58   |
| Provision for Tax     | (19,170.69)          | (17,013.60) |
| Income tax Asset(Net) | 2,283.35             | 2,504.98    |

## 37. Reconciliation of provision for trade receivables credit impaired

| Particulars                                       | Year ended March 31, |        |
|---------------------------------------------------|----------------------|--------|
|                                                   | 2019                 | 2018   |
| Opening Balance                                   | 155.38               | 161.83 |
| Less: Provision Adjusted                          | (15.36)              | -      |
| Add: Provision made during the year               | 30.38                | (6.08) |
| Less: Provision adjusted directly against debtors | (17.57)              | (0.37) |
| Closing Balance                                   | 152.83               | 155.38 |

38. Asset held for sale represents money recoverable, towards proposed disposal of assets of a hotel in the ensuing year, at net realizable value. In the previous year, this represented freehold lands which the company disposed off in the current year (refer Note 27d).

## 39. IND AS 115 'Revenue from Contracts with Customers'

With effect from 1 April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company has opted for the modified retrospective application permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended 31st March 2019 only (i.e. the initial application period). Modified retrospective application also requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1st April 2018 ('transition date') in equity and the impact on such transition date is not material.

Also, the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months (also refer Credit Risk).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Prior to adoption of IND AS 115, the Company's revenue was primarily comprised of Revenue from Hotel operations. The recognition of these revenue streams is largely unchanged by Ind AS 115.

1. There are certain new disclosures requirements which have been disclosed below:

| Particulars                                                                                                                            | ₹ Lakhs              |                   |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------|
|                                                                                                                                        | Year ended March 31, |                   |
|                                                                                                                                        | 2019                 | 2018              |
| Contract With Customers                                                                                                                |                      |                   |
| Details of revenue from contracts with customers recognized by the Company, net of indirect taxes in its statement of Profit and loss. |                      |                   |
| Revenue from operations                                                                                                                |                      |                   |
| Revenue from contract with customers                                                                                                   |                      |                   |
| a) Room Income, Food & Beverages and Banquets                                                                                          | 31,616 .45           | 32,727.55         |
| b) Membership fees                                                                                                                     | 133.53               | 75.76             |
| Total revenue from contract with customers                                                                                             | 31,749.98            | 32,803 .31        |
| Other operating revenue                                                                                                                |                      |                   |
| a) Export Incentive                                                                                                                    | 295.74               | 300 .30           |
| b) Car Hire Income                                                                                                                     | 539.68               | 622 .17           |
| c) Others                                                                                                                              | 2,093 .18            | 2,071.60          |
| Total Other operating revenue                                                                                                          | 2,928.60             | 2,994 .07         |
| <b>Total Income from operations</b>                                                                                                    | <b>34,678.58</b>     | <b>35,797 .38</b> |

|                                                                                    |                      |            |
|------------------------------------------------------------------------------------|----------------------|------------|
| 2. Disaggregate Revenue                                                            | ₹ Lakhs              |            |
| The following table presents Group revenue disaggregated by type of revenue stream | Year ended March 31, |            |
| Revenue based on product and services                                              | 2019                 | 2018       |
| Revenue from contract with customers                                               |                      |            |
| a) Room Income                                                                     | 16,048 .21           | 16,744.26  |
| b) Food & Beverages and Banquets                                                   | 15,568 .24           | 15,983 .29 |
| c) Membership fees                                                                 | 133.53               | 75.76      |
| Other operating revenue                                                            |                      |            |
| a) Export Incentive                                                                | 295.74               | 300 .30    |
| b) Car Hire Income                                                                 | 539.68               | 622 .17    |
| c) Others                                                                          | 2,093 .18            | 2,0721.60  |

3. The Company derives its revenue from the transfer of services over time in its major service lines

4. Contract balances

Advance Collections is recognized when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/Banquets. Revenue is recognized once the performance obligation is met i.e. on room stay/sale of food and beverage/provision of banquet services.

|          |        |        |
|----------|--------|--------|
| At April | 335.12 | 363.54 |
| At March | 240.76 | 335.12 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 40. Additional information as required by Schedule III

₹ lakhs

| 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 % 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, 2019                    | 53.49                                             | 28,551.01      | 89.01                                 | 8,151.58       | 1,515.24                                          | 1,044.09       | 99.66                                             | 9,195.67       |
| March 31, 2018                    | 43.94                                             | 19,402.09      | (98.77)                               | (604.87)       | 3.91                                              | 90.78          | (17.53)                                           | (514.09)       |
| Subsidiary-Foreign                |                                                   |                |                                       |                |                                                   |                |                                                   |                |
| OHL International (HK) Limited    |                                                   |                |                                       |                |                                                   |                |                                                   |                |
| March 31, 2019                    | 24.33                                             | 12,986.18      | 6.03                                  | 552.30         | (2,086.86)                                        | (1,437.96)     | (9.60)                                            | (885.66)       |
| March 31, 2018                    | 29.67                                             | 13,099.45      | 87.94                                 | 538.57         | 78.39                                             | 1,819.13       | 80.39                                             | 2,357.69       |
| Associate-Indian                  |                                                   |                |                                       |                |                                                   |                |                                                   |                |
| Taj Madurai Limited               |                                                   |                |                                       |                |                                                   |                |                                                   |                |
| March 31, 2019                    | 1.18                                              | 628.63         | 0.37                                  | 33.76          | 107.61                                            | 74.15          | 1.17                                              | 107.91         |
| March 31, 2018                    | 1.21                                              | 535.02         | 5.91                                  | 36.17          | 1.19                                              | 27.52          | 2.17                                              | 63.69          |
| Associate-Foreign                 |                                                   |                |                                       |                |                                                   |                |                                                   |                |
| Lanka Island Resorts Limited      |                                                   |                |                                       |                |                                                   |                |                                                   |                |
| March 31, 2019                    | 4.77                                              | 2,547.20       | 2.63                                  | 240.94         | (6.65)                                            | (4.58)         | 2.56                                              | 236.36         |
| March 31, 2018                    | 5.48                                              | 2,419.18       | 26.17                                 | 160.26         | (0.08)                                            | (1.95)         | 5.40                                              | 158.31         |
| Jointly Controlled Entity-Foreign |                                                   |                |                                       |                |                                                   |                |                                                   |                |
| Tal Hotels and Resorts Limited    |                                                   |                |                                       |                |                                                   |                |                                                   |                |
| March 31, 2019                    | 16.23                                             | 8,667.71       | 1.96                                  | 179.94         | 570.66                                            | 393.21         | 6.21                                              | 573.15         |
| March 31, 2018                    | 19.70                                             | 8,699.98       | 78.75                                 | 482.30         | 16.59                                             | 385.09         | 29.57                                             | 867.38         |
| Total                             |                                                   |                |                                       |                |                                                   |                |                                                   |                |
| March 31, 2019                    | 100.00                                            | 53,380.73      | 100.00                                | 9,158.52       | 100.00                                            | 68.91          | 100.00                                            | 9,227.43       |
| March 31, 2018                    | 100.00                                            | 44,155.73      | 100.00                                | 612.43         | 100.00                                            | 2,320.55       | 100.00                                            | 2,932.98       |

# ORIENTAL HOTELS LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 41 Related Parties Disclosure

List of related parties as tabled below:

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                 |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Trust                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Oriental Hotels Employees Gratuity Trust                                                                                                                                                                                                                                                        |
| B | Associate Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Taj Madurai Limited                                                                                                                                                                                                                                                                             |
| C | Joint Controlled Entity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Lanka Island Resorts Limited<br>TAL Hotels & Resorts Limited                                                                                                                                                                                                                                    |
| D | Significant Influence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | The Indian Hotels Company Limited (IHCL)                                                                                                                                                                                                                                                        |
|   | <b>Subsidiary of The Indian Hotels Company Ltd. Domestic</b><br>Roots Corporation Ltd.<br>TIFCO Holdings Ltd.<br>PIEM Hotels Limited<br>Taj Trade and Transport Company Limited<br>United Hotels Limited<br>Indi Travels Limited<br>KTC Hotels<br>Taj SATS Air Catering Ltd.<br>Taj Enterprises Ltd.<br>Northern India Hotels Ltd.<br>Lands End Properties Private Limited<br>Skydeck Properties and Developers Private Limited<br>Sheena Investments Private Limited<br>ELEL Hotels & Investments Limited<br>Luthria & Lalchandani Hotel & Properties Pvt. Ltd.<br>Benares Hotels Limited | <b>Country of Incorporation</b><br>India<br>India<br>India<br>India<br>India<br>India<br>India<br>India<br>India<br>India<br>India<br>India<br>India<br>India<br>India<br>India                                                                                                                 |
|   | <b>Subsidiary of The Indian Hotels Company Ltd. International</b><br>Taj International (HK) Ltd.<br>Apex Hotel Management Services (Pte.) Ltd.<br>Chieftain Corporation NV<br>Samsara Properties Ltd.<br>IHOCO BV<br>St. James Court Hotel Ltd.<br>Taj International Hotels Ltd.<br>PIEM International (H.K.) Ltd.<br>United Overseas Holding Inc.<br>Apex Hotel Management Services (Australia) Pty. Ltd.                                                                                                                                                                                 | Hong Kong<br>Singapore<br>Netherlands Antilles<br>British Virgin Islands<br>Netherlands<br>United Kingdom<br>United Kingdom<br>Hong Kong<br>United States of America<br>Australia                                                                                                               |
|   | <b>Jointly Controlled Entities of The Indian Hotels Company Limited Domestic</b><br>Taj Madras Flight Kitchen Pvt. Ltd.<br>Taj Karnataka Hotels & Resorts Ltd.<br>Taj Kerala Hotels & Resorts Ltd.<br>Taj GVK Hotels & Resorts Ltd.<br>Taj Safaris Ltd.<br>Kaveri Retreats and Resorts Ltd.                                                                                                                                                                                                                                                                                                | India<br>India<br>India<br>India<br>India<br>India                                                                                                                                                                                                                                              |
|   | <b>International</b><br>TAL Hotels & Resorts Ltd.<br>TAL Maldives Resorts Private Ltd.<br>IHMS Hotels (SA) (Proprietary) Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Hong Kong<br>Maldives<br>South Africa                                                                                                                                                                                                                                                           |
| E | <b>Key Management Personnel</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Mr. Pramod Ranjan – Managing Director<br><br>Mr. Tom Antony – Associate Vice President-Legal and Company Secretary and Mr. Rajneesh Jain – Associate Vice President – Finance and Chief Financial Officer up to Feb 04, 2019; From Feb 05, 2019 Mr. Sreyas Arumbakkam – Chief Financial Officer |
| F | <b>Enterprises influenced by Relatives of Key Management Personnel</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Kaveri Retreats and Resorts Limited.                                                                                                                                                                                                                                                            |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| Particulars                               | Associate Company/<br>Jointly Controlled Entity/Trust | Significant Influence | Enterprises influenced by<br>Relatives of Key Management Personnel | Total<br>₹ in Lakhs |
|-------------------------------------------|-------------------------------------------------------|-----------------------|--------------------------------------------------------------------|---------------------|
| <b>Sales of Goods / Services</b>          |                                                       |                       |                                                                    |                     |
| The Indian Hotels Company Limited         |                                                       | 155.09<br>(163.93)    |                                                                    | 155.09<br>(163.93)  |
| PIEM Hotels Limited                       |                                                       | 11.26<br>-            |                                                                    | 11.26<br>-          |
| Taj Trade and Transport Company Limited   |                                                       | 12.02<br>(12.82)      |                                                                    | 12.02<br>(12.82)    |
| United Hotels Limited                     |                                                       | 0.25<br>(0.07)        |                                                                    | 0.25<br>(0.07)      |
| Benaras Hotels Limited                    |                                                       | -<br>(6.96)           |                                                                    | -<br>(6.96)         |
| Kaveri Retreats and Resorts Limited       |                                                       |                       | 2.26<br>-                                                          | 2.26<br>-           |
| Taj Madras Flight Kitchen Private Limited |                                                       | 0.42<br>-             |                                                                    | 0.42<br>-           |
| Taj Karnataka Hotels and Resorts Limited  |                                                       | 0.05<br>-             |                                                                    | 0.05<br>-           |
| Taj Kerala Hotels and Resorts Limited     |                                                       | 8.95<br>(4.87)        |                                                                    | 8.95<br>(4.87)      |
| Taj GVK Hotels and Resorts Limited        |                                                       | 144.86<br>(106.03)    |                                                                    | 144.86<br>(106.03)  |
| <b>Staff Reimbursements</b>               |                                                       |                       |                                                                    |                     |
| The Indian Hotels Company Limited         |                                                       | 375.22<br>(302.63)    |                                                                    | 375.22<br>(302.63)  |
| PIEM Hotels Limited                       |                                                       | 67.57<br>(41.72)      |                                                                    | 67.57<br>(41.72)    |
| United Hotels Limited                     |                                                       | 5.20<br>(5.71)        |                                                                    | 5.20<br>(5.71)      |
| Benaras Hotels Limited                    |                                                       | 4.15<br>(6.96)        |                                                                    | 4.15<br>(6.96)      |
| Kaveri Retreats and Resorts Limited       |                                                       |                       | 37.24<br>(35.38)                                                   | 37.24<br>(35.38)    |
| Taj Madras Flight Kitchen Private Limited |                                                       | 2.88<br>-             |                                                                    | 2.88<br>-           |
| Taj Karnataka Hotels and Resorts Limited  |                                                       | 13.50<br>(11.03)      |                                                                    | 13.50<br>(11.03)    |
| Taj Kerala Hotels and Resorts Limited     |                                                       | 46.80<br>(30.26)      |                                                                    | 46.80<br>(30.26)    |
| Taj GVK Hotels and Resorts Limited        |                                                       | 34.11<br>(21.64)      |                                                                    | 34.11<br>(21.64)    |
| TAL Hotels and Resorts Ltd.               | 1.22<br>-                                             |                       |                                                                    | 1.22<br>-           |
| <b>Purchase of Investments</b>            |                                                       |                       |                                                                    |                     |
| The Indian Hotels Company Limited         |                                                       | -<br>(94.05)          |                                                                    | -<br>(94.05)        |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| Particulars                                                                                     | Associate Company/<br>Jointly Controlled Entity/Trust | Significant Influence  | Enterprises influenced by Relatives of Key Management Personnel | Total ₹ in Lakhs       |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|-----------------------------------------------------------------|------------------------|
| <b>Purchase of Goods / Services</b>                                                             |                                                       |                        |                                                                 |                        |
| The Indian Hotels Company Limited                                                               |                                                       | 907.06<br>(897.69)     |                                                                 | 907.06<br>(897.69)     |
| PIEM Hotels Limited                                                                             |                                                       | 5.71<br>(7.43)         |                                                                 | 5.71<br>(7.43)         |
| Taj Karnataka Hotels and Resorts Limited                                                        |                                                       | -<br>(0.83)            |                                                                 | -<br>(0.83)            |
| Taj Kerala Hotels and Resorts Limited                                                           |                                                       | 3.96<br>(4.02)         |                                                                 | 3.96<br>(4.02)         |
| Taj GVK Hotels and Resorts Limited                                                              |                                                       | -<br>(0.38)            |                                                                 | -<br>(0.38)            |
| Benaras Hotels Limited                                                                          |                                                       | 3.39<br>(0.93)         |                                                                 | 3.39<br>(0.93)         |
| Kaveri Retreats and Resorts Limited                                                             |                                                       |                        | 3.29<br>(9.44)                                                  | 3.29<br>(9.44)         |
| <b>Reimbursement of deputed staff salaries paid</b>                                             |                                                       |                        |                                                                 |                        |
| The Indian Hotels Company Limited                                                               |                                                       | 1,585.56<br>(1,672.04) |                                                                 | 1,585.56<br>(1,672.04) |
| PIEM Hotels Limited                                                                             |                                                       | 66.61<br>(49.57)       |                                                                 | 66.61<br>(49.57)       |
| Benaras Hotels Limited                                                                          |                                                       | 4.44<br>(5.29)         |                                                                 | 4.44<br>(5.29)         |
| Taj Kerala Hotels and Resorts Limited                                                           |                                                       | 72.05<br>(88.38)       |                                                                 | 72.05<br>(88.38)       |
| Taj Karnataka Hotels and Resorts Limited                                                        |                                                       | 10.39<br>-             |                                                                 | 10.39<br>-             |
| Taj GVK Hotels and Resorts Limited                                                              |                                                       | 61.86<br>(61.41)       |                                                                 | 61.86<br>(61.41)       |
| Kaveri Retreats and Resorts Limited                                                             |                                                       |                        | 8.29<br>(2.46)                                                  | 8.29<br>(2.46)         |
| <b>Interest Received</b>                                                                        |                                                       |                        |                                                                 |                        |
| Taj Karnataka Hotels and Resorts Limited                                                        |                                                       | 56.00<br>(56.00)       |                                                                 | 56.00<br>(56.00)       |
| <b>Dividend Received</b>                                                                        |                                                       |                        |                                                                 |                        |
| The Indian Hotels Company Limited                                                               |                                                       | 3.01<br>(2.19)         |                                                                 | 3.01<br>(2.19)         |
| Taj Trade and Transport Company Limited                                                         |                                                       | -<br>(1.01)            |                                                                 | -<br>(1.01)            |
| Benaras Hotels Limited                                                                          |                                                       | 0.01<br>(0.01)         |                                                                 | 0.01<br>(0.01)         |
| Taj Kerala Hotels and Resorts Limited                                                           |                                                       | 2.88<br>(3.03)         |                                                                 | 2.88<br>(3.03)         |
| <b>Operating/License Fees Paid/Compensation paid / Provided</b>                                 |                                                       |                        |                                                                 |                        |
| The Indian Hotels Company Limited*                                                              |                                                       | 2,109.13<br>(1,485.11) |                                                                 | 2,109.13<br>(1,485.11) |
| * Includes compensation of ₹654.90 lakhs gross (₹500.99 lakhs net) subject to members' approval |                                                       |                        |                                                                 |                        |
| <b>Lease Rentals for Hotel Premises</b>                                                         |                                                       |                        |                                                                 |                        |
| Taj Madurai Limited                                                                             | 187.19<br>(196.25)                                    |                        |                                                                 | 187.19<br>(196.25)     |
| Taj Madras Flight Kitchen Private Limited                                                       |                                                       | 15.75<br>(15.75)       |                                                                 | 15.75<br>(15.75)       |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| Particulars                                                    | Associate Company/<br>Jointly Controlled Entity/Trust | Significant Influence  | Enterprises influenced by Relatives of Key Management Personnel | Total ₹ in Lakhs       |
|----------------------------------------------------------------|-------------------------------------------------------|------------------------|-----------------------------------------------------------------|------------------------|
| <b>Sale and Marketing, Reservation and Other Service Costs</b> |                                                       |                        |                                                                 |                        |
| The Indian Hotels Company Limited                              |                                                       | 1,394.89<br>(1,443.85) |                                                                 | 1,394.89<br>(1,443.85) |
| <b>Operating/Management/License Fees Received/Accrued</b>      |                                                       |                        |                                                                 |                        |
| TAL Hotels and Resorts Ltd.                                    | 358.62<br>(362.85)                                    |                        |                                                                 | 358.62<br>(362.85)     |
| Taj International (HK) Limited - Agreement novated to IHCL     |                                                       | 136.14<br>(111.14)     |                                                                 | 136.14<br>(111.14)     |
| <b>Receivables</b>                                             |                                                       |                        |                                                                 |                        |
| The Indian Hotels Company Limited                              |                                                       | 149.26<br>(176.68)     |                                                                 | 149.26<br>(176.68)     |
| Taj International (HK) Limited - Agreement novated to IHCL     |                                                       | 25.04<br>(117.57)      |                                                                 | 25.04<br>(117.57)      |
| TAL Hotels and Resorts Ltd.                                    | 106.55<br>(72.13)                                     |                        |                                                                 | 106.55<br>(72.13)      |
| PIEM Hotels Limited                                            |                                                       | 7.69<br>(6.73)         |                                                                 | 7.69<br>(6.73)         |
| United Hotels Limited                                          |                                                       | 0.17<br>(1.05)         |                                                                 | 0.17<br>(1.05)         |
| Benaras Hotels Limited                                         |                                                       | 0.50<br>(1.19)         |                                                                 | 0.50<br>(1.19)         |
| Kaveri Retreats and Resorts Limited                            |                                                       |                        | 7.75<br>(4.08)                                                  | 7.75<br>(4.08)         |
| Taj GVK Hotels and Resorts Limited                             |                                                       | 32.52<br>(21.82)       |                                                                 | 32.52<br>(21.82)       |
| Taj Madras Flight Kitchen Private Limited                      |                                                       | 0.22<br>-              |                                                                 | 0.22<br>-              |
| Taj Karnataka Hotels and Resorts Limited                       |                                                       | 2.49<br>(2.39)         |                                                                 | 2.49<br>(2.39)         |
| Taj Kerala Hotels and Resorts Limited                          |                                                       | 20.65<br>(6.89)        |                                                                 | 20.65<br>(6.89)        |
| Lanka Island Resorts Limited                                   | -<br>(77.78)                                          |                        |                                                                 | -<br>(77.78)           |
| Taj Trade and Transport Company Limited                        |                                                       | 0.32<br>-              |                                                                 | 0.32<br>-              |
| <b>Payables</b>                                                |                                                       |                        |                                                                 |                        |
| Taj Madurai Limited                                            | 31.92<br>(49.30)                                      |                        |                                                                 | 31.92<br>(49.30)       |
| The Indian Hotels Co. Limited                                  |                                                       | 1,547.08<br>(1,136.19) |                                                                 | 1,547.08<br>(1,136.19) |
| Kaveri Retreats and Resorts Limited                            |                                                       |                        | 2.22<br>(1.12)                                                  | 2.22<br>(1.12)         |
| PIEM Hotels Limited                                            |                                                       | 7.75<br>(13.37)        |                                                                 | 7.75<br>(13.37)        |
| United Hotels Limited                                          |                                                       | 0.08<br>(0.61)         |                                                                 | 0.08<br>(0.61)         |
| Oriental Hotels Employees Gratuity Trust                       | 81.12<br>(186.02)                                     |                        |                                                                 | 81.12<br>(186.02)      |
| Benaras Hotels Limited                                         |                                                       | 1.92<br>(0.35)         |                                                                 | 1.92<br>(0.35)         |
| Taj Karnataka Hotels and Resorts limited                       |                                                       | 0.68<br>-              |                                                                 | 0.68<br>-              |
| Taj Kerala Hotels and Resorts Limited                          |                                                       | 6.98<br>(13.67)        |                                                                 | 6.98<br>(13.67)        |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| Particulars                               | Associate Company/<br>Jointly Controlled Entity/Trust | Significant Influence | Enterprises influenced by Relatives of Key Management Personnel | Total ₹ in Lakhs   |
|-------------------------------------------|-------------------------------------------------------|-----------------------|-----------------------------------------------------------------|--------------------|
| Taj GVK Hotels and Resorts Limited        |                                                       | 5.20<br>(18.27)       |                                                                 | 5.20<br>(18.27)    |
| Taj Madras Flight Kitchen Private Limited |                                                       | 1.24<br>(6.35)        |                                                                 | 1.24<br>(6.35)     |
| <b>Interest Receivable</b>                |                                                       |                       |                                                                 |                    |
| Taj Karnataka Hotels and Resorts Limited  |                                                       | 6.34<br>(46.34)       |                                                                 | 6.34<br>(46.34)    |
| <b>Trade Deposit</b>                      |                                                       |                       |                                                                 |                    |
| Taj Madras Flight Kitchen                 |                                                       | 200.00<br>(200.00)    |                                                                 | 200.00<br>(200.00) |
| <b>Short Term Deposit</b>                 |                                                       |                       |                                                                 |                    |
| Taj Karnataka Hotels and Resorts Limited  |                                                       | 560.00<br>(560.00)    |                                                                 | 560.00<br>(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 ₹112.08 lakhs (Previous Year ₹88.94 lakhs).

Mr. Tom Antony salary ₹64.91 lakhs (Previous Year ₹60.68 lakhs) and Mr. Rajneesh Jain Salary ₹56.55 lakhs up to 04th February 2019 (Previous year ₹63.50 lakhs) and from 05th February 2019 ₹7.48 lakhs to Mr. Sreyas Arumbakkam.

**NOTE:** Figures in brackets are in respect of Previous Year.

**42 Dividends**

On April 25, 2019, the Board of Directors of the Company have proposed a final dividend of ₹0.50 per equity share in respect of the year ended 31 March, 2019, subject to the approval of Shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹892.99 lakhs and cash flow of dividend distribution tax of ₹183.56 lakhs.

**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 : April 25, 2019

**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

Sreyas Arumbakkam  
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) 66002828 Fax No. : (044) 28252502

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                                                                                                                                                | Type | 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, 2019.                                                                               | OR   |                          |                            |                               |
| 2.                       | Adoption of Audited consolidated financial statements for the year ended March 31, 2019.                                                                  | OR   |                          |                            |                               |
| 3.                       | To declare dividend on Equity Shares for the Financial Year ended March 31, 2019                                                                          | OR   |                          |                            |                               |
| 4.                       | Appointment of Director in place of Mr. D. Vijayagopal Reddy (DIN: 00051554) who retires by rotation and is eligible for reappointment.                   | OR   |                          |                            |                               |
| <b>Special Business</b>  |                                                                                                                                                           |      |                          |                            |                               |
| 5.                       | Not to fill the vacancy caused due to the retirement of Mr. D Varada Reddy (DIN:00052200), who retires by rotation                                        | OR   |                          |                            |                               |
| 6.                       | Approval for Related Party Transactions                                                                                                                   | OR   |                          |                            |                               |
| 7.                       | Re-appointment and approval for terms of remuneration of Mr. Pramod Ranjan (DIN:00887569) as Managing Director and Chief Executive Officer of the Company | SR   |                          |                            |                               |

OR – Ordinary Resolution SR – Special Resolution

Place :

Date :

Signature of the Shareholder:

## Route Map to AGM Venue



Taj Coromandel, Chennai





SELECTIONS

VIVANTA