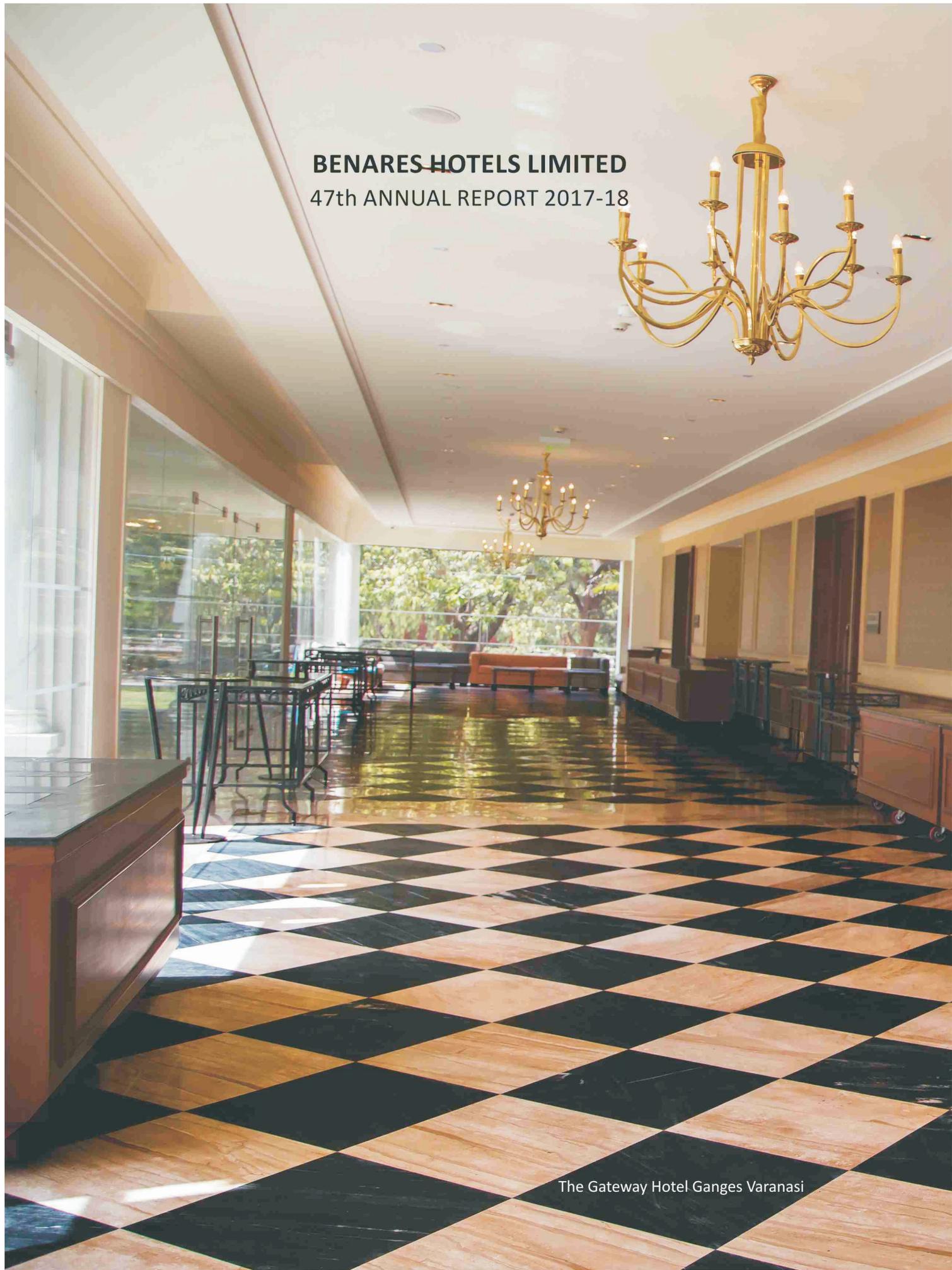


**BENARES HOTELS LIMITED**  
47th ANNUAL REPORT 2017-18



The Gateway Hotel Ganges Varanasi



The Gateway Hotel Ganges Varanasi

## **Corporate Information**

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### **Board of Directors**

DR. ANANT NARAIN SINGH  
(Chairman)

PUNEET CHHATWAL

SHRIRAMAN  
(Resigned w.e.f. June 19, 2018)

RUKMANI DEVI

MOIZ MIYAJIWALA

ROHIT KHOSLA

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### **Company Secretary**

Vanika Mahajan

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### **Auditors**

PKF Sridhar & Santhanam, LLP  
Chartered Accountants

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### **Registered Office**

Nadesar Palace Compound,  
Varanasi - 221 002  
Phone: 0542-6660001  
CIN-L55101UP1971 PLC 003480  
Website: [www.benareshotelslimited.com](http://www.benareshotelslimited.com)

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### **Registrar and Share Transfer Agent**

The Indian Hotels Company Limited  
Mandlik House, Mandlik Road  
Mumbai - 400 001  
Phone: 022-66651369  
Fax: 022-22027442  
Email: [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com)

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**BENARES HOTELS LIMITED**  
Forty Seventh Annual Report 2017-18

<b>HIGHLIGHTS</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>₹ Lakh</b>	<b>₹ Lakh</b>
Gross Revenue	4827.52	5113.62
Profit Before Tax	784.85	1073.34
Profit After Tax	648.29	681.69
Total Comprehensive Income	649.36	665.08
Retained Earnings	6400.92	5986.25
Total Assets	8894.91	7875.49
Net Worth	6530.92	6116.25
Borrowings	500.00	—
Debt : Equity Ratio	0.08:1	0:1
Net Worth Per Equity Share (₹ 10/- each)	₹ 502.38	₹ 470.48
Earnings Per Equity Share (₹ 10/- each)	₹ 49.87	₹ 52.44
Profit before Tax Ratio to Turnover	16.26%	20.99%

## Notice to the Members

Notice is hereby given that the Forty Seventh Annual General Meeting of the Members of BENARES HOTELS LIMITED will be held at the Registered Office of the Company at Nadesar Palace Compound, Varanasi 221002, on Friday, August 24, 2018 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Dr. Anant Narain Singh (DIN 00114728), who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, PKF Sridhar & Santhanam LLP, Chartered Accountants (Registration No. 003990S/S200018) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of five years from the conclusion of the 47th Annual General Meeting ("AGM") of the Company until the conclusion of the 52nd AGM of the Company to be held in the Year 2023 to examine and audit the accounts of the Company, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

### SPECIAL BUSINESS

#### 5. Appointment of Mr. Puneet Chhatwal as a Director

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

**“RESOLVED THAT** Mr. Puneet Chhatwal (DIN - 07624616), who was appointed as an Additional Director of the Company with effect from May 10, 2018 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

### NOTES

- (a) The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business under Item No. 5 mentioned in the accompanying Notice is annexed hereto.
- (b) **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. The instrument appointing the proxy should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

# BENARES HOTELS LIMITED

## Forty Seventh Annual Report 2017-18

Proxies submitted on behalf of limited companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.

- (c) Members/Proxies and Authorised representatives are requested to bring to the Meeting, the attendance slip, enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the Board Resolution authorising the representative to attend and vote on their behalf at the Meeting.
- (d) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, August 17, 2018 to Tuesday, August 28, 2018 (both days inclusive), for payment of dividend, if declared/approved at the Meeting.
- (e) Pursuant to Regulations 26(4) and 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") and the Secretarial Standard-2 on "General Meetings" issued by The Institute of Company Secretaries of India, the particulars of Directors seeking appointment/re-appointment at the Meeting are annexed to the Notice.
- (f) The Dividend on Equity Shares, as recommended by the Board of Directors, if declared at the AGM, will be paid on or after Wednesday, September 5, 2018, to the Members whose names appear on the Company's Register of Members on Thursday, August 16, 2018, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before Thursday, August 16, 2018. 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 Thursday, August 16, 2018.

### (g) **Transfer of Unclaimed/ Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Members are requested to note that, dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the IEPF. The shares in respect of such unclaimed dividend are also liable to be transferred to the Demat Account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The Company has sent notice to all the Members whose Dividend are lying unclaimed against their name for seven consecutive years or more. Members are requested to immediately claim the unclaimed dividend amount due. In case the dividend are not claimed by the Members, necessary action will be initiated by the Company to transfer such shares to IEPF in the prescribed manner.

The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). Members can file only one consolidated claim in a financial year as per the IEPF Rules. For details, please refer to Corporate Governance Report which is a part of this Annual Report.

- (h) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/deletion in such bank details. Further, instructions, if any, already given by

- them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their DPs.
- (i) Securities and 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 are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their dematerialized accounts. Members holding shares in physical form can submit their PAN details to the Company along with the proof thereof.
  - (j) The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company to record additional details of Members, including their PAN details, email address, bank details for payment of dividend etc. Members holding shares in physical form are required to submit the details to the Company and Members holding shares in electronic form are required to submit the details to their respective Depository Participants.
  - (k) Members holding shares in physical form are requested to advise any change of address and are also requested to submit their specimen signatures duly attested by their Bank immediately to the Company. Members holding shares electronically in dematerialized form must advise any change of address to their respective Depository Participant.
  - (l) Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Further, as per SEBI (Fourth Amendment) Regulations, 2018, apart from cases of transmission/ transposition, all requests for effecting transfer of securities shall only be processed if securities are held in dematerialized form w.e.f. 5th December, 2018.
  - (m) Members are requested to intimate to the Company, changes, if any, in their registered address along with Pin Code Number. Members whose shareholdings are in demat form are requested to send the intimation for change of address to their respective Depository Participant(s).
  - (n) Members are requested to register their email id and the changes therein from time to time with the Company to enable the Company to send notices/documents through email as permitted in law.
  - (o) Members who are holding shares in identical order of names in more than one folio are requested to write to the Company for consolidating their holding in one folio.
  - (p) In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote.
  - (q) Members are requested to kindly bring their copies of the Annual Report to the Meeting. As per the requirement of the Secretarial Standard 2 on “General Meetings” the route map showing directions to reach the venue of the Meeting is annexed to the Notice.
  - (r) Members/proxies should bring the Attendance slip sent herewith duly filled in for attending the meeting.
  - (s) The Notice of the AGM along with the Annual Report for 2017-18 is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depository Participants, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, a physical copy is being sent by permitted mode. To support the 'Green Initiative' Members who have not registered their email addresses are required to register the same with the Company/ Depository. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website viz. [www.benareshotellimited.com](http://www.benareshotellimited.com).

# BENARES HOTELS LIMITED

## Forty Seventh Annual Report 2017-18

**(t) Voting through electronics means**

In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of Listing Regulations, the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM, through e-voting services provided by National Securities Depository Limited (“NSDL”) on all resolutions set forth in this Notice.

The facility of voting through ballot paper shall be made available at the AGM. Members holding shares as on cut-off date i.e. Friday, August 17, 2018 and attending the Meeting, who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on Tuesday, August 21, 2018 (9:00 a.m. IST) and ends on Thursday, August 23, 2018 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, August 17, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

The process and manner for remote e-voting consists of “Two Steps” as mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.Nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<p><b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b></p> <p>a) For Members who hold shares in demat account with NSDL.</p>	<p><b>Your User ID is:</b> 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</p>
<p>b) For Members who hold shares in demat account with CDSL.</p>	<p>16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****</p>
<p>c) For Members holding shares in Physical Form.</p>	<p>EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies’ “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Benares Hotels Limited for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

# BENARES HOTELS LIMITED

## Forty Seventh Annual Report 2017-18

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail to [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. 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 download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. The voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, August 17, 2018. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM.
5. Any person, who acquires shares of the Company and becomes a Member of the Company after despatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and may cast their vote by remote e-voting or at the Meeting.
6. Mr. Shreepad Korde, Practicing Company Secretary (Membership No. ACS 563) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
7. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote evoting facility.
8. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting and 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 shall make, not later than two days from the 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 authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
9. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.benareshotelslimited.com](http://www.benareshotelslimited.com) and on the website of NSDL immediately after the results are declared by the Chairman. The Company shall simultaneously forward the results to BSE Limited where the shares of the Company are listed. The Results shall also be displayed on the Notice Board at the Registered Office of the Company for at least three days.
10. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. August 24, 2018.
11. All documents referred to in the accompanying Notice and Explanatory Statement, if any, shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, except Sundays and public holidays, up to and including the date of the Annual General Meeting of the Company.

**(u) National Electronic Clearing Service (NECS):**

To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS) facility to the Members for remittance of dividend. NECS facility is available at locations identified by Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details along with their Folio Number, to the Company. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

By order of the Board of Directors  
of **BENARES HOTELS LTD.**

**Vanika Mahajan**  
**Company Secretary**

Place: New Delhi  
Date: 25th May, 2018

## Explanatory Statement

### **As required by Section 102 of the Companies Act, 2013 (the Act)**

The following Statement sets out all material facts relating to the business under Item No. 5 mentioned in the accompanying Notice dated May 25, 2018.

#### **Item No. 5**

Mr. Puneet Chhatwal (DIN - 07624616) was appointed as an Additional Director of the Company w.e.f. 10th May, 2018 by the Board of Directors under Section 161 of the Act and Article 122 of the Articles of Association of the Company and holds office up to the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mr. Chhatwal's appointment as a Director. The appointment of Mr. Chhatwal is proposed to be made in terms of Section 178 of the Companies Act, 2013 on the recommendation of Nomination and Remuneration Committee of the Board. Mr. Chhatwal is the Managing Director and Chief Executive Officer (CEO) of The Indian Hotels Company Limited (IHCL), having a rich experience with the Hospitality Industry.

Mr. Chhatwal is a hospitality industry veteran, with an experience of over three decades. He was previously the Chief Executive Officer of Deutsche Hospitality / Steigenberger Hotels AG. He holds MBA in international hospitality from Institut De Management Hotelier International (IMHI) (Cornell-Essec) France. With his experience and expertise in the international hospitality sector, the Company would greatly benefit from his appointment.

The Board commends to the Shareholders the appointment of Mr. Chhatwal as Director on the Board of the Company. Except Mr. Chhatwal, no other Director, Key Managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

By order of the Board of Directors  
of **BENARES HOTELS LTD.**

**Vanika Mahajan**  
Company Secretary

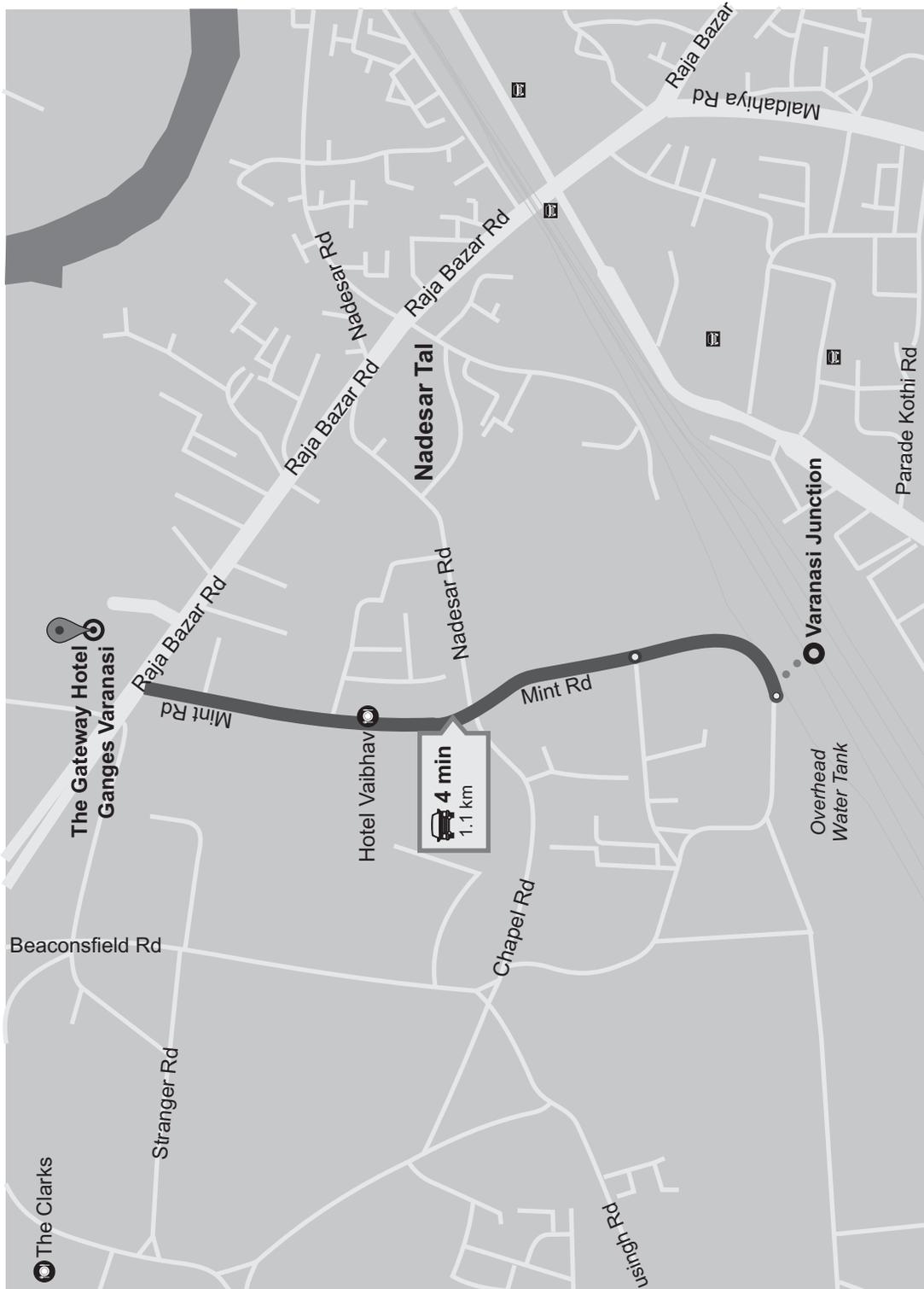
Place: New Delhi  
Date: 25th May, 2018

**Profile of Directors seeking Appointment/Re-Appointment at the  
forthcoming Annual General Meeting of the Company  
(Pursuant to the SEBI Regulations)**

<b>Name of Director</b>	<b>Dr. Anant Narain Singh</b>	<b>Mr. Puneet Chhatwal</b>
<b>Date of Birth</b>	August 26, 1960	April 16, 1964
<b>Date of Appointment</b>	January 31, 2001	May 10, 2018
<b>Expertise in specific functional area</b>	Agriculture	Hoteliering
<b>Qualifications</b>	B.Com (Hons.) in Company Law	- MBA in International Hospitality from IMHI, (Cornell-Essec), France - Advanced Management Programme from INSEAD - BA from University of Delhi
<b>Details of shares held in the Company</b>	24,000	Nil
<b>List of Companies in which outside Directorships held as on 31.03.2018 (excluding private &amp; foreign companies)</b>	- Vibhuti Glass Works Ltd.	- Piem Hotels Limited - Oriental Hotels Limited - Taj GVK Hotels And Resorts Limited - Roots Corporation Limited - TAJ SATS Air Catering Limited - Ellel Hotels And Investments Limited - The Indian Hotels Company Limited - IHM Aurangabad
<b>Chairman/Member of the Committees of other Companies on which he is a Director as on 31.03.2018</b>	<b>Audit Committee</b> None <b>Stakeholders Relationship Committee</b> None	<b>Audit Committee</b> - Taj GVK Hotels And Resorts Limited <b>Stakeholders Relationship Committee</b> - The Indian Hotels Company Limited

# BENARES HOTELS LIMITED

Forty Seventh Annual Report 2017-18



## BOARD'S REPORT TO THE MEMBERS

The Directors hereby present the Forty Seventh Annual Report of the Company together with the Financial Statement (Audited Statements of Account) for the year ended 31st March, 2018.

### OPERATING AND FINANCIAL RESULTS

	(₹ Lakhs)	(₹ Lakhs)
	<u>2017-18</u>	<u>2016-17</u>
Income .....	4827.52	5113.62
Gross Profit for the year .....	1214.49	1538.19
Less: Depreciation .....	417.31	464.85
Less: Interest.....	12.32	-
Profit before tax .....	784.85	1073.34
Less: Provision for Tax:		
- Current Tax .....	301.30	491.77
- Deferred Tax .....	(157.00)	(100.12)
- Provision of tax of earlier years ( Net ) .....	(7.74)	-
Profits after Taxes .....	648.29	681.69
Add: Other Comprehensive Income (Net of Taxes).....	1.07	(16.61)
Total Comprehensive Income .....	649.36	665.08
Add: Balance brought forward from previous year .....	3818.17	3466.03
Balance available for appropriations .....	4467.54	4131.11
Less: Dividend Paid .....	195.00	260.00
Less: Tax on Dividend .....	39.70	52.93
Less: Amount transferred to General Reserve .....	-	-
<b>Balance Carried forward</b> .....	<b>4232.84</b>	<b>3818.17</b>

### OPERATIONS

During the year, the Revenue from Operations dropped by 4.3% as compared to previous year as 55 rooms at The Gateway Hotel, Varanasi were not available due to renovation for part of the year. F&B revenues were almost at par with previous year, though the room revenues decreased by 6% as compared with previous year.

While Nadesar Palace has improved its performance, owing to decrease in Room revenue at The Gateway Hotel, Varanasi and the margins coming under pressure in The Gateway Hotel, Gondia coupled with the drop in Interest income on account of utilization of funds for the renovation projects of Rooms and construction of new banquet hall, the Gross Operating Profit (EBIDTA) for the year was at Rs. 1214.49 Lakhs as against Rs. 1538.19 Lakhs in the previous year.

Accelerated depreciation amounting to Rs. 118.90 Lakhs (PY Rs. 187.04 Lakhs) in accordance with provisions of schedule II of the Companies Act, 2013 have been charged during the year. Consequently, the profit before tax was at Rs. 784.85 Lakhs, i.e. 26.88% lower than previous year.

A new banquet hall at The Gateway Hotel, Varanasi has been commissioned and renovation of 55 rooms has also been completed which would help the Company to improve its performance in the coming years.

### DIVIDEND

Keeping in view of the performance of the Company, your Directors recommend the payment of dividend @ 150% (previous year dividend @ 150%) per equity share involving distribution of Rs. 195 Lakhs.

# BENARES HOTELS LIMITED

## Forty Seventh Annual Report 2017-18

### PARTICULARS OF EMPLOYEES

The Company had no employees during the year who were in receipt of remuneration aggregating to:

- (a) Not less than Rs. 102.00 Lakhs for the year, if employed throughout the financial year, or
- (b) Not less than Rs. 8.50 Lakhs per month, if employed for part of the financial year.

### DIRECTORS

During the year under report, the office of Mr. B.L. Passi, Director fell vacant w.e.f. July 21, 2017, pursuant to Section 167 of the Companies Act, 2013 and Mr. Rakesh Sarna, Director resigned from the Directorship of the Company w.e.f. September 30, 2017. The Directors place on record their appreciation of the services rendered by Mr. Passi and Mr. Sarna during their tenure as Director of the Company.

In accordance with Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 (SEBI Listing Regulation), Mr. Giridhar Sanjeevi (DIN-06648008) and Mr. Puneet Chhatwal (DIN-07624616) were appointed as Additional Directors of the Company with effect from January 25, 2018 and May 10, 2018 respectively on the recommendation of the Nomination & Remuneration Committee. Mr. Sanjeevi has since resigned as a Director w.e.f. May 16, 2018 from the Directorship of the Company.

In terms of Section 161 of the Companies Act, 2013 and Article 122 of the Articles of Association of the Company, Mr. Puneet Chhatwal holds office up to the date of the Annual General Meeting of the Company. It is proposed to appoint Mr. Chhatwal as a Director of the Company at the ensuing Annual General Meeting. The Board of Directors commends the appointment of Mr. Chhatwal as a Director of the Company.

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Anant Narain Singh (DIN 00114728) Director of the Company is liable to retire by rotation and being eligible seeks reappointment.

### KEY MANAGERIAL PERSONNEL

During the year under report, Mr. Ravi Sharma, Chief Financial Officer (CFO) resigned w.e.f. July 16, 2017. He was replaced by Mr. Sopan Kedia as CFO of the

Company w.e.f. July 24, 2017. Mr. Ashwani Anand, Chief Executive Officer (CEO) resigned w.e.f. May 3, 2018. He was replaced by Mr. Vijay Partap Shrikent as CEO of the Company w.e.f. May 10, 2018.

In terms of Section 203 of Companies Act, 2013, your Company has Mr. Vijay Partap Shrikent as the Chief Executive Officer (CEO), Mr. Sopan Kedia as the Chief Financial Officer (CFO) and Ms. Vanika Mahajan as the Company Secretary of the Company, as the Key Managerial Personnel of the Company.

### INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information pursuant to Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure I.

### SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

### HOLDING COMPANY

The Indian Hotels Company Limited (IHCL) is the Ultimate Holding Company of the Company.

### NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR

The Company held 4 (four) Board Meetings during the financial year under report.

### AUDIT COMMITTEE AND VIGIL MECHANISM

In terms of Section 177 of the Companies Act, 2013, your Company has an Audit Committee with Mr. Shriraman, Mr. Moiz Miyajiwala, Mrs. Rukmani Devi and Mr. Rohit Khosla as its members. During the year under report, Mr. B.L. Passi and Mr. Giridhar Sanjeevi ceased to be the members of the Audit Committee consequent to the vacation of office and resignation from the Directorship of the Company respectively.

Your Company has a policy on Vigil Mechanism/ Whistle blower Policy to provide a formal mechanism for the Directors and employees to report genuine concerns about any unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct or ethics policy. The policy provides for

adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee. The provisions of the policy are in line with the provisions of Section 177(9) of the Act and Regulation 22 of the SEBI listing Regulations. The Whistle Blower Policy can be accessed on your Company's website: [https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/policies/Whistle\\_Blower.pdf](https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/policies/Whistle_Blower.pdf)

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

In terms of Section 135 of the Companies Act, 2013 (the Act), your Company has the Corporate Social Responsibility Committee (CSR) Committee of the Board with Dr. Anant Narain Singh, Mrs. Rukmani Devi and Mr. Rohit Khosla as the members of the Committee. The brief outline of the CSR Policy of your Company and the initiatives undertaken by your Company on CSR activities during the year are set out in "Annexure 2" of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of your Company: <https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/policies/CSR%20POLICY.pdf>.

### **NOMINATION AND REMUNERATION COMMITTEE**

In terms of Section 178(1) of the Companies Act, 2013 (the Act), the Company has a Nomination and Remuneration Committee (NRC) of the Board with Dr. Anant Narain Singh, Mrs. Rukmani Devi and Mr. Shriraman as the members of the Committee. Mr. Giridhar Sanjeevi ceased to be a member of the Nomination & Remuneration Committee consequent to the resignation from the Directorship of the Company. The Committee met four times during the year on 8th May, 2017, 24th July, 2017, 25th January, 2018 and 28th March, 2018.

In terms of the requirement of section 178(3) and SEBI Listing Regulations, the Company has a policy relating to the remuneration for the directors, KMPs and other employees. The key features of the said policy are:

- Overall remuneration (sitting fees and Commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company;
- Overall remuneration practices should be consistent with recognized best practices
- Within the parameters prescribed under the law, the payment of sitting fees and commission will be recommended by NRC and approved by the Board.
- The aggregate commission payable to the Directors will be recommended by 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 quantum of commission for each director shall be recommended by NRC to the Board based upon the outcome of the evaluation process drive by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by the Directors other than in meetings.

### **INTERNAL COMPLAINTS COMMITTEE**

The Company has an 'Internal Complaints Committee' under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the prevention and redressal of complaints of sexual harassment and for the matters concerned, connected or incidental thereto. No case was reported during the year under review.

### **DECLARATION BY INDEPENDENT DIRECTORS**

In terms of Section 149(7) of the Companies Act, 2013 (the Act), the Independent Directors have given a declaration that they meet the criteria of independence as per Section 149(6) of the Act.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

In addition to the Corporate Governance Guidelines discussed and adopted by the Board which, inter alia, included the role, rights and responsibilities of independent directors, the Company has an appropriate ongoing familiarization programme, with respect to the roles, rights, responsibilities in the Company, nature of the industry in which the

# **BENARES HOTELS LIMITED**

## **Forty Seventh Annual Report 2017-18**

Company operates, business model of the Company etc. The details of the familiarization programme are disclosed on the Company's website: <https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/policies/Familiarization%20Programme%20-%20BHL.pdf>

### **LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186**

The Company has not given any loans or guarantees nor has made any investments under Section 186 of the Act during the year under review.

### **BORROWING**

During the year under report, the Company has borrowed a sum of Rs. 500.00 Lakhs as a short term Inter Corporate Deposit from a body corporate.

### **SECRETARIAL AUDIT REPORT**

In terms of Section 204(1) of the Companies Act, 2013, M/s A K Bhayana & Associates, Company Secretaries, were appointed by the Company as the Secretarial Auditor. The secretarial audit report as obtained from them is attached to this Report as Annexure 3. The report does not contain any qualifications, reservation or adverse remarks.

### **ANNUAL RETURN**

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules 2014 is furnished in Annexure 4 to this Report.

### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year under report were at arm's length basis and in the ordinary course of business.

The Company has developed a Related Party Transactions Framework under the Policy on Related Party Transactions, which policy is also available at Company's website: <https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/policies/RPT.pdf>, for the purpose of identification and monitoring of such transactions. Prior omnibus approval of the Board is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving

details of all the related party transactions is placed before the Audit Committee for its approval on a quarterly basis.

Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the company and its promoters, Directors, Management and/or relatives save and except that the transaction with The Indian Hotels Co. Ltd., the ultimate holding company during the year exceeded 10% of the annual gross turnover of the Company for the previous year, the approval for which was taken from the shareholders by way of a special resolution at the AGM held on August 21, 2015.

### **CORPORATE GOVERNANCE**

As required by SEBI Listing Regulations, the report for the year 2017-18 on Management Discussion and Analysis, Corporate Governance as well as the Auditors' Certificate regarding compliance of conditions of Corporate Governance, forms part of the Annual Report.

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

### **RISK MANAGEMENT POLICY**

Your Company has a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, to identify and evaluate business risks and opportunities for mitigation of the same on a continual basis. This framework seeks to create transparency, minimize adverse impact on business objective and enhance your Company's competitive advantage. The risk management framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded 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.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

The Key business risks identified by the Company and its mitigation plans are as under:

**Strategy Risks:** Risk of erosion of market dominance by losing market share, which originates from the choices we make on markets, resources and delivery models that can potentially impact our competitive advantage in the medium and long term. Loss of F&B attractiveness on account of pricing/ design/ competition.

**Industry and Economic Risks:** High dependence on US, Europe and East Asian markets for foreign tourists arrival. The economic situation in these parts of the world has a potential impact on the entire tourism industry. Risks arising from the development in the regulatory environment that could impact the Hotel/Tourism Industry. Risks due to geographic concentration of business, primarily in the city of Varanasi.

**Operational Risks:** High dependence on several technology platforms & systems to operate business both Internal & External. Cost overruns/delays in completion of projects. Loss of critical/sensitive data due to leakage/loss/hacking. Increase in fixed cost elements beyond entity control. Highly litigious nature of the industry/adverse consequences of litigation against the Company. non-renewal of key licenses and NOCs.

**Safety and Security Risks:** Risks arising from factors such as Fire, Accidents, Electricity mishaps, etc. Business interruption on account of natural calamities/ act of God/riots & strikes/political instability and terrorism.

**Resources:** Risks arising from sub-optimal succession planning and retention of talent pool. Inappropriate utilization of financial capital, talent and infrastructure.

## KEY RISK MANAGEMENT PRACTICES

**Risk Identification and Impact Assessment:** Risk assessment enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures and included in the risk register. Apart from risk register, internal audit findings also provide input for risk identification and assessment, which is carried out on an annual basis across all functions.

Operational risks are assessed primarily on three dimensions, namely strength of underlying controls, compliance to policies and business procedure effectiveness.

**Risk reporting and Disclosure:** Risks to the achievement of key business objectives, trend line of risk level, impact and mitigation actions are reported risk level, impact and mitigation action are reported and discussed. The escalation of risk information is timely, accurate and gives complete coverage of the key risks to support management decision making at all levels.

**Risk Mitigation and Monitoring:** Each Manager creates a risk mitigation plan by employing an effective system of internal controls & checks and balances to mitigate the risks in the most effective manner, including designating responsibilities and providing for upward and onward communication of any significant issues that may merit attention or escalation. All employees actively engage in risk management within their own areas of responsibility.

**Integration with Strategy and Business Planning:** Identified risks to the business objectives in the near term, medium term and long term are used as one of the key inputs for the development of strategy and annual business plan. Key strategic initiatives are identified to mitigate specific risk.

## STAUTORY AUDITORS

PKF Sridhar & Santhanam LLP, Chartered Accountants (Registration No. 003990S/ S200018) the Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. The report of the Statutory Auditors along with the

# BENARES HOTELS LIMITED

## Forty Seventh Annual Report 2017-18

Notes to Schedules is enclosed to this Report and does not contain any qualifications, reservations or adverse remark or disclaimer.

The Board has recommended the appointment of PKF Sridhar & Santhanam LLP, Chartered Accountants (Registration No. 003990S/S200018), as the Statutory Auditors of the Company, for a term of five consecutive years, from the conclusion of this AGM till the conclusion of the 52nd AGM of the Company to be held in the year 2023, for approval of the Members.

### CONSERVATION OF ENERGY

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. The Company has implemented following energy conservation initiatives at the hotel:

- Replacement of old chiller plants with energy saving advance chiller plants including pumps & cooling towers.
- Replacement of cold rooms in kitchen, which are energy efficient.
- Installation of FCU and LED lights in renovated rooms with higher efficiency.
- Installation of LED lights in back office area in place of CFL.

### TECHNOLOGY ABSORPTION

The activities of the Company do not involve the absorption of technology as envisaged to be furnished pursuant to The Companies (Accounts) Rules, 2014.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of the provisions of Section 134(3)(f)(m) of the Companies Act, 2013, read with Rule 8(3)(C) of The Companies (Accounts) Rules, 2014, the foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows is furnished below:-

#### a) Value of Imports

	31st March 2018	31st March 2017
	Rs. Lakhs	Rs. Lakhs
Stores, Supplies and Spare Parts for Machinery	8.04	6.39

Value of Imports (CIF) Capital Imports	240.07	35.92
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#### b) Expenditure in Foreign Currency

Professional and Consultancy Fees	11.73	16.24
Other Expenditure in Foreign Currency	22.48	48.98

#### c) Earnings in Foreign Currency

Earnings in Foreign Exchange	726.57	999.27
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### DIRECTORS' EVALUATION

The Board of Directors has made the annual evaluation of its own performance and that of its committees and individual directors based on the review conducted by the Nomination & Remuneration Committee by assessing the questionnaires furnished by the directors/members of various committees in respect of their self-assessment as well as the assessment of the Board/Committees followed by the discussions with the directors/ members of the Committees.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your 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 in 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.

### DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial control 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 auditor and the reviews performed by

the 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 2017-18.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability, confirms that:

- a). In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b). The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for that period;
- c). The Directors have taken proper and sufficient care for the 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;

- d). The Directors have prepared the annual accounts on a going concern basis;
- e). The Directors have laid down internal financial controls to be followed by Company and that such internal financial controls are adequate and were operating effectively; and
- f). 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.

#### **ACKNOWLEDGEMENTS**

The Board desires to place on record its appreciation of the services rendered by the employees of the Company during the year under review.

On behalf of the Board of Directors

**Dr. Anant Narain Singh**  
**Chairman**

Place : New Delhi  
Date : 25th May, 2018

**BENARES HOTELS LIMITED**  
Forty Seventh Annual Report 2017-18

**Annexure 1**

**Information under Section 197 of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Particulars of Disclosures																																														
The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2017-18.	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%;">1.</td><td style="width: 85%;">Dr. A. N. Singh</td><td style="width: 10%;">5.2 : 1</td></tr> <tr><td>2.</td><td>Mr. Rakesh Sarna</td><td>N.A.</td></tr> <tr><td>3.</td><td>Mr. Shriraman</td><td>3.6 : 1</td></tr> <tr><td>4.</td><td>Mrs. Rukmani Devi</td><td>3.9 : 1</td></tr> <tr><td>5.</td><td>Mr. B. L. Passi</td><td>0.6 : 1</td></tr> <tr><td>6.</td><td>Mr. Rohit Khosla</td><td>N.A.</td></tr> <tr><td>7.</td><td>Mr. Moiz Miyajiwala</td><td>0.8: 1</td></tr> <tr><td>8.</td><td>Mr. Giridhar Sanjeevi</td><td>N.A</td></tr> <tr><td>9.</td><td>Mr. D. R. Kaarthikeyan.</td><td>0.8:1</td></tr> <tr><td>10.</td><td>Mr. Puneet Chhatwal</td><td>N.A.</td></tr> </table>	1.	Dr. A. N. Singh	5.2 : 1	2.	Mr. Rakesh Sarna	N.A.	3.	Mr. Shriraman	3.6 : 1	4.	Mrs. Rukmani Devi	3.9 : 1	5.	Mr. B. L. Passi	0.6 : 1	6.	Mr. Rohit Khosla	N.A.	7.	Mr. Moiz Miyajiwala	0.8: 1	8.	Mr. Giridhar Sanjeevi	N.A	9.	Mr. D. R. Kaarthikeyan.	0.8:1	10.	Mr. Puneet Chhatwal	N.A.															
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<p>The percentage increase /(decrease) in remuneration of each Director*, Chief Financial Officer etc. in the financial year</p> <p>*Directors are entitled to get Commission on the net profit of the Company and the sitting fee for attending the Board/Committee Meetings.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%;">1.</td><td style="width: 85%;">Dr. A. N. Singh</td><td style="width: 10%;">(22)%</td></tr> <tr><td>2.</td><td>Mr. Rakesh Sarna</td><td>N.A.</td></tr> <tr><td>3.</td><td>Mr. Shriraman</td><td>(3)%</td></tr> <tr><td>4.</td><td>Mrs. Rukmani Devi</td><td>(3)%</td></tr> <tr><td>5.</td><td>Mr. Rohit Khosla</td><td>N.A.</td></tr> <tr><td>6.</td><td>Mr. Moiz Miyajiwala</td><td>N.A.</td></tr> <tr><td>7.</td><td>Mr. B. L. Passi</td><td>(56)%</td></tr> <tr><td>8.</td><td>Mr. D.R. Kaarthikeyan</td><td>(56)%</td></tr> <tr><td>9.</td><td>Mr. Giridhar Sanjeevi</td><td>N.A.</td></tr> <tr><td>10.</td><td>Mr. Puneet Chhatwal</td><td>N.A.</td></tr> <tr><td>11.</td><td>Mr. Ashwani Anand (CEO)</td><td>15.9%</td></tr> <tr><td>12.</td><td>Mr. Vijay Partap Shrikent (CEO)</td><td>N.A.</td></tr> <tr><td>13.</td><td>Mr. Sopan Kedia (CFO)</td><td>NA</td></tr> <tr><td>14.</td><td>Mr. Ravi Sharma (CFO)</td><td>NA</td></tr> <tr><td>15.</td><td>Ms. Vanika Mahajan (CS)</td><td>24.1%</td></tr> </table>	1.	Dr. A. N. Singh	(22)%	2.	Mr. Rakesh Sarna	N.A.	3.	Mr. Shriraman	(3)%	4.	Mrs. Rukmani Devi	(3)%	5.	Mr. Rohit Khosla	N.A.	6.	Mr. Moiz Miyajiwala	N.A.	7.	Mr. B. L. Passi	(56)%	8.	Mr. D.R. Kaarthikeyan	(56)%	9.	Mr. Giridhar Sanjeevi	N.A.	10.	Mr. Puneet Chhatwal	N.A.	11.	Mr. Ashwani Anand (CEO)	15.9%	12.	Mr. Vijay Partap Shrikent (CEO)	N.A.	13.	Mr. Sopan Kedia (CFO)	NA	14.	Mr. Ravi Sharma (CFO)	NA	15.	Ms. Vanika Mahajan (CS)	24.1%
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The percentage increase in the median remuneration of employees in the financial year	3.3%																																													
The number of permanent employees on the rolls of company for the year 2017-18	162																																													
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in the remuneration of KMP is 2.0%. while the average percentile increase in the salaries of employees other than KMP is 4.75%																																													

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

On behalf of the Board of Directors

**Dr. Anant Narain Singh**  
Chairman

Place : Mumbai  
Date : 10th May, 2018

## Annexure 2

### Annual Report on Corporate Social Responsibility Activities

#### [Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Policy

The CSR policy of the Company is aimed to improving the quality of the life of the communities served by us through long term stakeholder value creation. In line with the CSR policy of the Company, the CSR activities/programmes were undertaken in line with and as specified in Schedule VII of the Act to serve and be seen to serve society and community and create a significant and sustained impact in their lives and provide opportunities for Tata employees to contribute to these efforts through volunteering.

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of Directors is available on the Company's website: <https://www.benareshotelslimited.com/content/dam/thrp/benareshotelslimited/documents/policies/CSR%20POLICY.pdf>

2. Composition of the CSR Committee

- i) Chairman: Dr. Anant Narain Singh
- ii) Member: Mrs. Rukmani Devi
- iii) Member: Mr. Rohit Khosla

3. Average Net Profit of the Company for the last three Financial Years : Rs. 1,272.04 Lakhs

4. Prescribed CSR Expenditure : Rs. 25.44 Lakhs

5. Details of CSR spend during the Financial Year 2017-18: Rs. 28.78 Lakhs

A) Manner in which the amount spent during the year is detailed below:-

S.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes	Amount Outlay (budget) project or programme wise (₹ Lakhs)	Amount spent on the projects or programmes (₹ Lakhs)	Cumulative expenditure upto 31st March, 2018 (₹ Lakhs)	Amount spent: Direct or through implementing agency
1.	Hospitality skill centre set-up cost at Varanasi and food production lab set-up-Training in F&B service, production and Housekeeping trades	Livelihood	Varanasi	6.00	18.39	18.39	Tata Strive
2.	Livelihood Entrepreneurship (HWA partnership program)- handloom weaving and training	Livelihood	Varanasi	11.00	6.10	6.10	Human Welfare Association (NGO)

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3.	Traditional Arts and Crafts (OKHAI partnership)- providing marketing assistance through online collaterals and designs for selling weavers sarees on OKHAI website and supporting weavers' livelihood	Livelihood	Varanasi	5.00	—	—	OKHAI
4.	Expenditure for cleanliness program at Varanasi Ganga ghats and providing clean drinking water	Responsible Neighbourhood	Varanasi	5.00	4.28	4.28	Direct
	<b>Total</b>			<b>27.00</b>	<b>28.78</b>	<b>28.78</b>	

6. The CSR Committee Responsibility Statement

The activities of the Company are in compliance with the CSR objectives and CSR policy of the Company

On behalf of the Board of Directors

**Rukmani Devi**  
Director  
(DIN: 00552831)

**Dr. Anant Narain Singh**  
Chairman, CSR Committee  
(DIN: 00114728)

Place : Mumbai  
Date : 10th May, 2018

**Annexure 3**  
**Secretarial Audit Report**

**The Members**

**Benares Hotels Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BENARES HOTELS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there-under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The SEBI (Delisting of Equity Shares) Regulations, 2009; and
  - h. The SEBI (Buyback of Securities) Regulations, 1998;
  - i. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and as amended from time to time.
- vi. And other applicable laws like Factories Act, 1948, The Payment of Gratuity Act, 1972 and other Labour Laws.
- vii. And all other laws applicable to Hospitality and Hotel industry and in particular Food and Beverages, the list of which was provided by the Company.
- viii. And all direct tax and indirect tax laws including excise, customs and service tax.

# BENARES HOTELS LIMITED

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with respective Stock Exchanges.

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

We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the laws applicable to the Company.

The Company has complied with section 135 of the Companies Act, 2013 read with Schedule VII, by constituting a CSR committee and undertaking activities as given in CSR policy. The CSR systems and process of evaluation is in place.

The Board of Directors of the Company is duly constituted with proper balance of, 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. Meeting of Independent directors was also held.

Adequate notice, along with agenda and detailed notes on agenda is given to all the directors for the Board Meetings at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting, and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**A K Bhayana & Associates**  
Company Secretaries

**Anil Kumar Bhayana**  
Prop.  
Membership No. FCSI585  
CP 624

Date: 10th May, 2018  
Place: New Delhi

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**

### **The Members**

#### **Benares Hotels Limited**

#### **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. We have obtained the Management Representation about the compliance of laws, rules and regulations and other applicable laws.
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.

#### **A K Bhayana & Associates**

Company Secretaries

#### **Anil Kumar Bhayana**

Prop.

Membership No. FCS1585

CP 624

Date: 10th May, 2018

Place: New Delhi

**BENARES HOTELS LIMITED**  
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**Annexure 4**

**Form No. MGT - 9**

**Extract of Annual Return**

(As on the financial year ended on 31/03/2018)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:-	L55101UP1971PLC003480
ii)	Registration Date	03/11/1971
iii)	Name of the Company	Benares Hotels Limited
iv)	Category / Sub-Category of the Company:	Company Limited by Shares/Indian Non Government Company
v)	Address of the Registered office and contact details	Nadesar Palace Compound, Varanasi 221 002 Phone: 0542 6660001
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	The Indian Hotels Co. Ltd. Registrar & Share Transfer Agent Unit: Benares Hotels Limited Mandlik House, Mandlik Road, Mumbai 400 001. E-mail id: investorrelations@tajhotels.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be as stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Hoteliering	55101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	The Indian Hotels Company Limited	L74999MH1902 PLC000183	Ultimate Holding	53.70 (together with its subsidiaries)	2(87)(ii)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	61487	22550	84037	6.46	61487	22550	84037	6.46	No change
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	729138	-	729138	56.09	729138	-	729138	56.09	No change
e) Banks/FI									
f) Any Other									
<b>Sub-total (A) (1):-</b>	<b>790625</b>	<b>22550</b>	<b>813175</b>	<b>62.55</b>	<b>790625</b>	<b>22550</b>	<b>813175</b>	<b>62.55</b>	<b>No Change</b>
(2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
<b>Sub-total (A) (2):-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>No Change</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>790625</b>	<b>22550</b>	<b>813175</b>	<b>62.55</b>	<b>790625</b>	<b>22550</b>	<b>813175</b>	<b>62.55</b>	<b>No Change</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):</b>	<b>00.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>No Change</b>

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp.									
i) Indian	20099	815	20914	1.61	19394	790	20184	1.55	(0.06)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	252311	81041	333352	25.64	241210	59159	300369	23.11	(2.54)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	74092	20000	94092	7.24	90936	20000	110936	8.53	1.29
c) Others									
i) Trust	-	-	-	-	-	-	-	-	
ii) Directors & their Relatives	1106	9000	10106	0.78	1871	8200	10071	0.77	(0.01)
iii) Non-resident Indians	3258	-	3258	0.25	3538	-	3538	0.27	0.02
iv) Clearing members	679	-	679	0.05	117	-	117	0.01	(0.04)
- HUF	24424	-	24424	1.88	23890	-	23890	1.84	(0.04)
- IEPF Authority	0	0	0	0.00	17720	-	17720	1.36	1.36
v) <b>Sub-total (B)(2):-</b>	<b>375969</b>	<b>110856</b>	<b>486825</b>	<b>37.45</b>	<b>398676</b>	<b>88149</b>	<b>486825</b>	<b>37.45</b>	<b>-</b>
Total Public Shareholding (B) = (B)(1) + (B)(2)	375969	110856	486825	37.45	398676	88149	486825	37.45	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
<b>Grand Total (A+B+C)</b>	<b>1166594</b>	<b>133406</b>	<b>1300000</b>	<b>100.00</b>	<b>1189301</b>	<b>110699</b>	<b>1300000</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoters**

S. No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	TIFCO Holdings Limited*	350825	26.99	–	350825	26.99	–	–
2	The Indian Hotels Company Limited	293000	22.54	–	293000	22.54	–	–
3	Piem Hotels Limited	54063	4.16	–	54063	4.16	–	–
4	All India Kashiraj Trust	30000	2.31	–	30000	2.31	–	–
5	Imlak Varanasi Developments Private Limited	1050	0.08	–	1050	0.08	–	–
6	Northern India Hotels Limited	150	0.01	–	150	0.01	–	–
7	Oriental Hotels Limited	50	–	–	50	–	–	–
8	Anant Narain Singh	24000	1.85	–	24000	1.85	–	–
9	M.K. Krishna Priya	17550	1.35	–	17550	1.35	–	–
10	M K Vishnupriya	13000	1.00	–	13000	1.00	–	–
11	Maharaj Kumari Hari Priya**	12450	0.96	–	12450	0.96	–	–
12	Anamika Kunwar	6937	0.53	–	6937	0.53	–	–
13	Maharaj Kumari Har Priya**	5100	0.39	–	5100	0.39	–	–
14	Maharaj Kumari Vishnupriya**	5000	0.38	–	5000	0.38	–	–
	Total	813175	62.55		813175	62.55		–

\*TIFCO Holdings Limited has been amalgamated with The Indian Hotels Company Limited vide NCLT order dated 8th March, 2018 with appointed date 1st April 2017 and effective date 11th April, 2018.

\*\* Shares held in physical form and not yet dematerialized. The Company has notified these promoters the requirement of getting their shares dematerialized in terms of Regulation 31(2) of SEBI (LODR) Regulations, 2015. The shares, however are not yet dematerialized despite follow up with them by the Company.

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc):	<del>NO CHANGE</del>			
	At the end of the year				

# BENARES HOTELS LIMITED

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

Sl. No.	Name	No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Brij Raj Singh of Kishangarh	20,000 20,000	1.54 1.54	01 April 2017 31 March 2018	0		20,000	1.54
2	Vinodchandra Mansukhlal Parekh	19,252 19,252	1.48 1.48	01 April 2017 31 March 2018	0		19,252	1.48
3	Arjun Ramani	18,798 18,798	1.45 1.45	01 April 2017 31 March 2018	0		18,798	1.45
4	Raghubirsingh R Gohil	23,802	1.83	01 April 2017 24 November 2017 16 March 2018 23 March 2017 31 March 2018	-1,870 -5,836 -21 -115	Sale Sale Sale Sale	21932 16096 16075 15960	1.69 1.24 1.24 1.23
5	Dinesh Muktilal Paldiwal	12,440	0.96	01 April 2017 07 April 2017 02 June 2017 21 July 2017 27 July 2017 04 August 2017 18 August 2017 25 August 2017 01 September 2017 15 September 2017 22 September 2017 30 September 2017 13 October 2017 20 October 2017 27 October 2017 03 November 2017 17 November 2017 24 November 2017 01 December 2017 15 December 2017 05 January 2018 31 March 2018	54 37 10 37 39 69 67 22 5 147 76 94 56 11 100 20 378 19 75 108 0	Purchase Purchase	12494 12531 12541 12578 12617 12686 12753 12775 12780 12927 13003 13097 13153 13164 13264 13284 13662 13681 13756 13864 13864	0.00 0.96 0.96 0.96 0.97 0.98 0.98 0.98 0.98 0.99 1.00 1.01 1.01 1.01 1.02 1.02 1.05 1.05 1.06 1.07 1.07
6	Muktilal Ganulal Paldiwal	9,889	0.76	01 April 2017 28 April 2017 05 May 2017 12 May 2017 19 May 2017 26 May 2017 02 June 2017 09 June 2017 30 June 2017 14 July 2017 21 July 2017 04 August 2018 18 August 2017 01 September 2017 20 October 2017 27 October 2017 17 November 2017 24 November 2017 08 December 2017 15 December 2017 22 December 2017 30 December 2017 05 January 2018 12 January 2018 25 January 2018 09 February 2018 23 February 2018 02 March 2018 31 March 2018	94 55 13 375 17 149 50 19 132 68 25 25 54 38 47 5 28 50 25 6 175 150 50 72 4 89 11 0	Purchase Purchase	9983 10038 10051 10426 10443 10592 10642 10661 10793 10861 10886 10911 10965 11003 11050 11055 11083 11133 11158 11164 11339 11489 11539 11611 11615 11704 11715 11715	0.00 0.77 0.77 0.80 0.80 0.81 0.82 0.82 0.83 0.84 0.84 0.84 0.84 0.85 0.85 0.85 0.85 0.86 0.86 0.86 0.87 0.88 0.89 0.89 0.89 0.89 0.90 0.90 0.90
7	Arjun Dunichand Ramani	11,391 11,391	0.88 0.88	01 April 2017 31 March 2018	0		11,391	0.88

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd.)**

Sl. No.	Name	No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
8	Aditya Deorah *	1,100	0.08	01 April 2017		Purchase		0.00
		11347	0.87	16 March 2018 31 March 2018	10,247 0		11347 11347	0.87 0.87
9	Sharda Ramani	8,650	0.67	01 April 2017				0.00
		8,650	0.67	31 March 2018	0		8,650	0.67
10	Abhay KrishiUdyog Pvt Ltd	7,648	0.59	01 April 2017				0.00
		7,648	0.59	31 March 2018	0		7,648	0.59
11	Jitendra Mansukhlal Parekh	7,141	0.55	01 April 2017				0.00
		7,141	0.55	31 March 2018	0		7,141	0.55

\* Not in the list of Top 10 shareholders as on April 1, 2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2018.

Note: During the year 17, 220 Equity Shares of FY 2009-10 have been transferred to IEPF Authority in terms of IEPF Rules.

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. Anant Narain Singh (Chairman)				
	At the beginning of the year	24000	1.85	24000	1.85
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	No change		No change	
	At the end of the year	24000	1.85	24000	1.85
2.	Mr. Shiraman (Director)				
	At the beginning of the year	4500	0.35	4500	0.35
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):			2080 shares transferred on 17-05-2017	
	At the end of the year			2420	0.19
3.	Mrs. Rukmani Devi (Director)				
	At the beginning of the year	1106	0.09	1106	0.09
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	No Change		No Change	
	At the end of the year	1106	0.09	1106	0.09

# BENARES HOTELS LIMITED

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### V. INDEBTEDNESS

During the year under report, the Company has borrowed a sum of Rs. 500.00 Lakhs as a short term Inter Corporate Deposit from a body corporate.

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: NOT APPLICABLE

B. REMUNERATION TO OTHER DIRECTORS: (Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Shiraman	Mr. B.L. Passi*	Mrs. Rukmani Devi	Mr. Moiz Miyajiwala	Mr. D.R. Kaarthikeyan**	
1.	Independent Directors	Mr. Shiraman	Mr. B.L. Passi*	Mrs. Rukmani Devi	Mr. Moiz Miyajiwala	Mr. D.R. Kaarthikeyan**	
	• Fee for attending Board /committee meetings	3,00,000	–	3,90,000	2,10,000	–	9,00,000
	• Commission <sup>@</sup> (for 2016-17)	7,75,900	1,93,200	7,75,400	20,100	2,29,500	19,94,100
	• Others, please specify	–	–	–	–	–	–
	Total (1)	10,75,900	1,93,200	11,65,400	2,30,100	2,29,500	28,94,100
2.	Other Non-Executive Directors	Dr. A.N. Singh	Mr. Rakesh Sarna***	Mr. Rohit Khosla	Mr. Giridhar Sanjeevi §	Mr. Puneet Chhatwal #	Total Amount
	• Fee for attending Board / Committee meetings	3,30,000	N.A.	N.A.	N.A.	N.A.	3,30,000
	• Commission <sup>@</sup> (for 2016-17)	12,24,800	–	–	–	–	12,24,800
	• Others, please specify	–	–	–	–	–	–
	Total (2)	15,54,800	–	–	–	–	15,54,800
	Total (B) = (1+2)						44,48,900
	<b>Total Managerial Remuneration</b>						44,48,900
	<b>Overall Ceiling as per the Act</b>	3% of the net profit of the Company excluding sitting fees					

\*Vacation of office u/s 167 of Companies Act, 2013 w.e.f. July 21, 2017

\*\* Resigned w.e.f. October 20, 2016

\*\*\* Resigned w.e.f. September 30, 2017

§ Appointed w.e.f. January 25, 2018 and Resigned w.e.f. May 16, 2018

# Appointed w.e.f. May 10, 2018

<sup>@</sup>An amount of Rs. 23.81 Lakhs has been provided in the books of Account towards the commission payable to the Directors for the financial year ended 31st March, 2018 and shall be paid as may be decided by the Board on the recommendation of the Nomination and Remuneration Committee after adoption of accounts by the shareholders at the Annual General Meeting to be held on August 24, 2018.

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

(Rs.)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO Ashwani Anand	Company Secretary Vanika Mahajan	CFO* Ravi Sharma	CFO* Sopan Kedia	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,96,334	7,22,200	3,23,416	10,81,638	56,23,588
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	89,796	1,05,449	14,538	–	2,09,783
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961					
2.	Stock Option	–	–	–	–	
3.	Sweat Equity	–	–	–	–	
4.	Commission					
	- as % of profit	–	–	–	–	
	- others, specify...					
5.	Others (PE, Superannuation, Gratuity)	3,13,629	34,742	11,193	31,121	3,90,685
	Total	38,99,759	8,62,391	3,49,147	11,12,759	62,24,056

\* for the part of the year.

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

There were no penalties/ punishments/ compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

On behalf of the Board of Directors

Place : Mumbai  
Date : 10th May, 2018

**Dr. Anant Narain Singh**  
Chairman

## Management Discussion and Analysis

### World Economy

The global economic upswing that began around mid-2016 has become broader and stronger. The advanced economies as a group will continue to expand above their potential growth rates this year and next before decelerating, while growth in emerging market and developing economies will rise before levelling off. For most countries, current favorable growth rates will not last. Policymakers should seize this opportunity to bolster growth, make it more durable, and equip their governments better to counter the next downturn.

Global growth seems on track to reach 3.9 percent this year and next. Helping to drive this output acceleration is faster growth in the euro area, Japan, China, and the United States, all of which grew above expectations last year, along with some recovery in commodity exporters. Along with China, several other emerging market and developing economies will also do better this year. (Source: *World Economic Outlook, IMF, April, 2018*)

The upswing in global investment and trade continued in the second half of 2017. At 3.8 percent, global growth in 2017 was the fastest since 2011. With financial conditions still supportive, global growth is expected to tick up to a 3.9 percent rate in both 2018 and 2019.

### Indian Economic and Hospitality Scenario

As per both IMF and World Bank reports, India's overall outlook after two sub-par years, impacted by demonetisation and rollout of the Goods and Services Tax (GST), the economy is forecast to grow at a respectable rate of 7.5% p.a. in FY 2018/19.

The introduction of GST, Jan Dhan Yojana, Aadhaar card and the new Insolvency and Bankruptcy Code are structural reforms that are intended to support economic growth. Higher fuel prices and large non-performing assets (NPAs) in banking sector can however impact the growth rate.

Currently, India is the world's seventh-largest economy at USD 2.2 trillion, sitting between France and Italy. A report by World Economic Forum has projected that by 2050, the Indian economy is

expected to be the world's second-largest, behind only China.

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country.

The launch of several branding & marketing initiatives by the Government of India provides a focused impetus to growth India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism. India is expected to move up five spots to be ranked among the top five business travel market globally by 2030, as business travel spending in the country is expected to treble until 2030 from US\$ 30 billion in 2015

As per both IMF and World Bank reports, India's overall outlook remains positive. Although growth slowed down marginally for a short duration as a result of disruptions to consumption and business activity from the recent withdrawal of high-denomination banknotes from circulation, but the nation's expansion was expected to pick up again as economic reforms kick in. While the growth forecasts were revised down to be just around 7% for 2016-17, it has been assessed at 7.2% and 7.6% for 2017-18 by the IMF and World Bank respectively.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

Electronic tourist authorisations, known as E Tourist Visa, launched by the Government of India have resulted in increase in number of tourist visa issued in the country, with arrivals through e-visa increasing 57.2 per cent to 1.697 million during CY 2017. During CY 2018 (up to February) arrivals through

e-visa increased 60.7 per cent year-on-year to 5,16,000.

In the coming year, Varanasi being the Prime Minister's constituency is expected to receive greater attention in terms of infrastructure, industries and connectivity with major cities in India. The Government has also proposed to set up a coordination committee for the integrated promotion of tourism and culture in Varanasi, in order to fully utilize the opportunity of spiritual and religious tourism along the holy river Ganga.

### **Financial Performance**

During the year 2017-18, the total revenues were at Rs. 48.28 Crores as against Rs. 51.14 Crs in 2016-17. The operating expenses (excluding Depreciation) increased from Rs. 35.75 Crs to Rs. 36.13 Crs in the same period while the depreciation decreased from Rs 4.65 Crores to 4.17 Crores. Resultantly, the Profit before tax registered decrease from Rs. 10.73 Crs in 2016-17 to Rs. 7.85 Crs in 2017-18, whereas Profit after Tax decreased from Rs. 6.82 Crs to Rs. 6.48 Crs. Being a listed company, the Board meetings are held 4 times a year and the results are communicated to the BSE Limited, where the shares are listed.

### **Internal control systems and their adequacy**

Your Company has in place an adequate system of internal controls, with documented procedures covering all functions in the hotel operating units. Systems of internal controls are designed to provide

reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

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

### **Certifications and Awards**

Your Company has been participating in the globally recognised 'EarthCheck' bench marking and certification system. EarthCheck certifications are a result of extensive assessments and audits by Independent Environmental Assessors' - mapping indicators ranging from energy & water consumption, waste management to sensitivity exhibited vis-à-vis social and cultural dimensions in all areas of hotel operations. The Company has been certified EarthCheck 'Gold' for its Gateway Hotel for continuously for the third time.

### **Workforce**

Total manpower employed by the company was 305 as on March 31st 2018 at the same level of March 31st 2017.

## Report on Corporate Governance

### Philosophy on Corporate Governance

The Company's philosophy envisages the protection and interest enhancement for all the stakeholders, creditors, customers, employees, suppliers and society. The Company continues to maintain steadfast commitment to ethics and code of conduct adhered by the Company and endeavors to maximize the Shareholder value while safeguarding and promising the interest of other stakeholders. To meet this objective, complying with legal and regulatory requirements and meeting environmental and local community needs with the highest standards of integrity, transparency and accountability are the integral part of the Corporate Governance Policy.

The Company has complied with the provisions of Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regards to Corporate Governance details of which are as under :

### Board of Directors:

1. The Board of Directors comprises Non-Executive Directors, Independent Directors and as well as a Woman Director. Half of the Board of Directors comprises Independent Directors, with the Chairman being a Promoter & Non-Executive Director. The Directors possess experience in fields as diverse as hoteliering, finance, management, Agriculture and social service. The experience and wisdom of the Directors, has proved to be of immense assistance to the Company. The details of the Director seeking re-appointment at the ensuing Annual General Meeting has been attached with the notice of the Annual General Meeting. None of the Director is related to each other.
2. "Independent Directors" i.e. Directors who apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which, in the judgment of the Board, may affect the independence of judgement of the Directors, comprise half of the Board. The Board has received the Declaration from all the Independent Directors of the Company under section 149(6) of the Companies Act, 2013 regarding meeting the criteria of independence.
3. During the year under review, the Board of Directors of the Company met four times and the period between any two meetings did not exceed one hundred and twenty days. The dates of the Board Meetings held during each quarter are as follows:

No.	Date of Meeting	For the quarter
1	8th May, 2017	April to June
2	24th July, 2017	July to September
3	27th October, 2017	October to December
4	25th January, 2018	January to March

As required under SEBI Listing Regulations, all the necessary information was placed before the Board from time to time.

4. The Non-Whole-time Directors of the Company are paid, in addition to commission, sitting fees @ Rs. 30,000/- per meeting for attending meetings of the Board of Directors and various Committee Meetings.
5. None of the Directors of the Board serve as members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per the requirements of the SEBI Listing Regulations. "Committees" for this purpose include the Audit Committee and the Stakeholders' Relationship Committee.

6. The details of the above are as follows:-

**Board of Directors:**

Names	Category	Remuneration paid			No. of outside Directorships		No of outside Committee positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting held on 03.08.2017
		Salary & Perks 2017-2018	Sitting Fees 2017-2018	Commission 2016-2017	Indian	Foreign	As Member	As Chairman		
Dr. Anant Narain Singh	Promoter Non-executive	N.A.	3,30,000	12,24,800	5	—	—	—	4	Yes
Mr. Rakesh Sarna*	Promoter Non-executive	N.A.	N.A.	N.A.	—	—	—	—	2	No
Mr. Shriraman	Independent Non-executive	N.A.	3,00,000	7,75,900	—	—	—	—	3	Yes
Mrs. Rukmani Devi	Independent Non-executive	N.A.	3,90,000	7,75,400	—	—	—	—	4	Yes
Mr. B L Passi**	Independent Non-executive	N.A.	—	1,93,200	—	—	—	—	0	N.A.
Mr. D.R. Kaarthikeyan***	Independent Non-executive	N.A.	N.A.	2,29,500	—	—	—	—	—	N.A.
Mr. Rohit Khosla	Promoter Non-executive	N.A.	N.A.	N.A.	3	—	—	2	2	Yes
Mr. Moiz Miyajiwala	Independent Non-executive	N.A.	2,10,000	20,100	3	—	1	1	4	Yes
Mr. Giridhar Sanjeevi <sup>§</sup>	Promoter Non-executive	N.A.	N.A.	N.A.	6	2	4	1	N.A.	N.A.
Mr. Puneet Chhatwal <sup>#</sup>	Promoter Non-executive	N.A.	N.A.	N.A.	8	1	2	—	N.A.	N.A.

\* Resigned from the directorship w.e.f. September 30, 2017

\*\* Vacation of office u/s 167 of Companies Act, 2013 w.e.f. July 21, 2017

\*\*\* Resigned w.e.f. October 20, 2016

<sup>§</sup>Appointed as Director w.e.f. 25th January, 2018 and resigned on May 16, 2018

<sup>#</sup> Appointed w.e.f. May 10, 2018

**NOTE:** Traditionally, the Directors are paid commission each year, after the Annual Accounts are approved by the Members at the Annual General Meeting of the Company. A sum of Rs. 23.81 lakhs has been provided as commission to Non Executive Directors for the year 2017-18.

- The Company has adopted a Code of Conduct for its Non-Executive Directors and all Non-Executive Directors have affirmed compliance with the said Code. All Senior Management of the Company has affirmed compliance with the Tata Code of Conduct.
- Other than transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or relatives save and except that the transaction with The Indian Hotels Co. Ltd., the ultimate holding company during the year exceeded 10% of the annual gross turnover of the Company for the previous year, the approval of which was taken from the shareholders by way of a special resolution at the AGM held on August 21, 2015.

# BENARES HOTELS LIMITED

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### COMMITTEES OF THE BOARD:

The Committees constituted by the Board of Directors of the Company are as under:

#### 1. Audit Committee:

As per Section 177 of the Companies Act, 2013, the Company has an Audit Committee and the Committee has inter alia, the following terms of reference:-

- i. Reviewing with management the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:-
  - Matters required to be included in the Directors 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.
  - Any changes in accounting policies and practices and reasons thereof.
  - Major accounting entries based on exercise of judgment by the Management.
  - Qualifications in the draft audit report.
  - Significant adjustments made in the financial statements, arising out of audit findings.
  - The going concern assumptions.
  - Compliance with Accounting Standards.
  - Disclosure on any related party transactions.
  - Compliance with Listing and other legal requirements relating to financial statements.
- ii. Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems.
- iii. Discussion with internal auditors on any significant findings and follow-up thereon.
- iv. Reviewing the findings of any internal investigations 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.
- v. Discussion with external/statutory auditors before the audit commences, nature and scope of audit, as well as have post-audit discussion to ascertain any area of concern.
- vi. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- vii. Review and monitor the auditors independence, performance and effectiveness of audit process.
- viii. Examination of the financial statement and auditors' report thereon.
- ix. Approval or any subsequent modification of transactions of the Company with related parties.
  - x. Scrutiny of Inter corporate loans and investments.
  - xi. Valuation of undertakings or assets of the Company, wherever it is necessary.
  - xii. Evaluation of internal financial controls and risk management systems.
- xiii. Monitoring the end use of funds raised through public offers and related matters.

The details of the composition, names of Members of the Audit Committee as well as the number of meetings held and attendance thereat during the year are as under:-

Sl.No.	MEMBERS	ATTENDANCE AT AUDIT COMMITTEE MEETINGS HELD ON			
		08.05.2017	24.07.2017	27.10.2017	25.01.2018
1	Mr. B L Passi*	–	N.A.	N.A.	N.A.
2	Mr. Shriraman	✓	–	✓	✓
3	Mr. Rohit Khosla	✓	✓	–	–
4	Mrs. Rukmani Devi	✓	✓	✓	✓
5	Mr. Moiz Miyajiwala (Chairman)	N.A.	✓	✓	✓
6	Mr. Giridhar Sanjeevi**	N.A.	N.A.	N.A.	N.A.

\*Mr. Passi ceased to be the chairman of Audit Committee consequent to vacation of office under Section 167 of the Companies Act, 2013 w.e.f. July 21, 2017.

\*\* Mr. Giridhar Sanjeevi was appointed as a member of Audit Committee w.e.f. January 25, 2018 and ceased to be a member of the Committee consequent to the resignation from the Directorship of the Company w.e.f. May 16, 2018.

Audit Committee meetings are attended by invitation by the VP Finance Northern Region, Group Internal Audit and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

## 2. Nomination & Remuneration Committee:

As per Section 178(1) of the Companies Act, 2013 and as per the SEBI Listing Regulations, the Company has a Nomination & Remuneration Committee (NRC) comprising Dr. Anant Narain Singh, Mr. Shriraman, Mr. Giridhar Sanjeevi and Mrs. Rukmani Devi as its members. Mr. Giridhar Sanjeevi ceased to be a member of the Nomination & Remuneration Committee consequent to the resignation from the Directorship of the Company. The Chairman of NRC is elected at every Meeting.

The details of the Committee as well as the number of meetings held and attendance thereat during the year are as under.:

Sl.No.	MEMBERS	ATTENDANCE AT NOMINATION AND REMUNERATION COMMITTEE MEETINGS HELD ON			
		08.05.2017	24.07.2017	25.01.2018	28.03.2018
1	Dr. Anant Narain Singh	✓	✓	✓	✓
2	Mr. Shriraman	✓	–	✓	–
3	Mr. Giridhar Sanjeevi	N.A.	N.A.	N.A.	–
4	Mrs. Rukmani Devi	✓	✓	✓	✓

The necessary quorum was present at all the meetings.

The role of Nomination and Remuneration Committee is as follows

- To identify persons who are qualified to become directors and who are appointed in senior management
- Recommend to the Board the appointment of directors/senior management and their removal
- To carry out the evaluation of every director's performance
- To formulate the criteria for discovering qualification, positive attributes and independence of directors and recommending to the Board the policies relating to remuneration for the directors, KMP and other employees.

# BENARES HOTELS LIMITED

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Pursuant to Section 178(2) and (3) of the Act, the Company has adopted a Remuneration Policy for Directors, KMPs and other employees based on the recommendations of the Committee which also recommended the criteria for determining qualifications, positive attributes and independence of a director and identified persons who are qualified to become director and who may be appointed in senior management in accordance with the criteria laid down and recommended their appointment and carried out evaluation of every director's performance.

Based on the said policy the Committee had recommended to the Board the payment of commission on the net profit to the directors. The criteria for the remuneration was based on the meetings attended by the directors; contribution at the meetings and the contribution made by them other than in meetings in the ratio of 40%, 40% and 20% respectively.

### 3. Stakeholders Relationship Committee:

As per Section 178(5) the Company has a Share Transfer & Stakeholders Relationship Committee (SRC) comprising Dr. Anant Narain Singh, Mr. Shriraman and Mr. Rohit Khosla as its members. The scope of the SRC includes the reporting of the status of the shareholders. The brief terms of the reference of the Committee include resolving grievances of all the shareholders of the Company including complaints related to transfer of shares, non receipt of Balance Sheet, non receipt of declared dividends etc. The Committee met twice on May 8, 2017 and January 25, 2018 during the period under review. The necessary quorum was present at all the meetings. Dr. Anant Narain Singh, Non-Executive Director, heads the Committee. The Secretary acts as the Compliance Officer to the Committee.

### Details of complaints received and resolved during the financial year 2017-18

Share transfers are processed weekly and noted by the SRC. Investor grievances are placed before the SRC. There were no pending investor complaints which remain unresolved. The status of complaints received from shareholders during the year 2017-18 is as under.

Complaints received	Pending as on March 31, 2018
1	Nil

### Other Committees:

#### 4. Corporate Social Responsibility ('CSR'):

In accordance with the provisions of Section 135 of the Act, the Company has a CSR Committee comprising Dr. Anant Narain Singh - Chairman, Mrs. Rukmani Devi and Mr. Rohit Khosla as its members. The broad terms of reference of the CSR Committee are as under:

- Formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- Recommending the amount of expenditure to be incurred on the aforesaid activities;
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time;

During the year, the Committee met twice on May 8, 2017 and January 25, 2018. The necessary quorum was present at all the meeting.

#### Transfer of unclaimed / unpaid amount to the Investor Education and Protection Fund:

Pursuant to Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority(Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to

shares in respect of which there is a specific order of court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated October 13, 2017 read with the Circular dated October 16, 2017, wherein it was provided that where the period of 7 consecutive years, as above, was completed or being completed during the period from September 7, 2016 to October 31, 2017, the due date of transfer for such shares was October 31, 2017.

In the interest of the shareholders, the Company sends reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/ shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividend and the shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website (<https://www.benareshotelslimited.com>).

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years. Further shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of the IEPF Authority.

The Company has transferred an amount of Rs. 3,60,945/- to IEPF of the Central Government during the financial year 2017-18.

The Company has also transferred 17,220 Equity Shares of FY 2009-10 to the IEPF Authority.

The members who have a claim on above dividends may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claim shall lie against the Company in respect of the dividends/ shares so transferred.

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

Financial Year	Date of Declaration of Dividend	Proposed Date of Transfer to IEPF*
2010-11	10.08.2011	16.09.2018
2011-12	13.08.2012	19.09.2019
2012-13	16.08.2013	23.09.2020
2013-14	28.08.2014	04.10.2021
2014-15	21.08.2015	27.09.2022
2015-16	12.08.2016	18.09.2023
2016-17	03.08.2017	09.09.2024

\* Indicative dates, actual dates may vary

**Compliance Officer : Ms. Vanika Mahajan**

**Company Secretary, Benares Hotels Ltd.**

Address : Corporate Office, Taj Palace Hotel, Sardar Patel Marg, New Delhi 110 021

Phone : 011-6650 3704

E-mail : [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com)

#### **Disclosure regarding Remuneration of Directors & Shares held by them:-**

##### **Remuneration to Non-Executive Directors:**

The remuneration drawn by the Non-Executive Directors is in the form of commission distributed out of the net profits of the Company subject to a maximum of 3%. The commission payable to Non-Executive Directors is decided by the Board on the recommendation of the Nomination and Remuneration Committee and is distributed based on a number of factors, including number of Board and Committee meetings attended, individual contribution thereat etc.

# BENARES HOTELS LIMITED

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**Details of shares of the Company held by the Non-Executive Directors as on March 31, 2018, are as under:**

Dr. Anant Narain Singh	-	24000
Mr. Shriraman	-	2420
Mrs. Rukmani Devi	-	1106

### **Details on General Meetings:**

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

Location	Date	Time	Special Resolutions passed
<b>Annual General Meetings</b>			
Registered office at Nadesar Palace Compound Varanasi 221 002	August 3, 2017	3.00 p.m	-
	August 12, 2016	3.00 p.m	Approval of payment of commission on Net Profit to Non Executive Directors
	August 21, 2015	3.00 p.m.	Approval of material related party transactions

The special resolution passed in the Annual General Meetings of the Company was passed with requisite majority.

### **Postal Ballot**

The Company did not pass any resolution vide postal ballot during the year.

### **Means of Communication:**

Quarterly, half-yearly and annual results of the Company were published in leading English and vernacular newspapers viz. Financial Express and Hindustan.

The Annual Report containing, inter alia, the Financial Statement (Audited Accounts), Directors Report (Board's Report), Auditors' Report, Secretarial Audit Report and other important information is circulated to the investors. Management Discussion and Analysis and Corporate Governance Report forms part of the Annual Report. The Annual Report is also available on the Company's website: [www.benareshotelslimited.com](http://www.benareshotelslimited.com).

### **Disclosures:**

The Board of Directors receive, 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. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

The details of the Related Party Transactions are placed before and reviewed by the Company's Audit Committee, in terms of the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

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.

Pursuant to the provisions of SEBI Listing Regulations regarding CFO Certification, the CFO has issued a certificate to the Board, for the year ended March 31, 2018.

## General Shareholder Information

### Annual General Meeting

<b>Date and Time</b>	:	Friday, August 24 at 3:00 p.m.
<b>Venue</b>	:	Nadesar Palace Compound Varanasi 221 002
<b>Registered Office</b>	:	Nadesar Palace Compound, Varanasi 221 002
<b>Telephone No.</b>	:	0542 666 0001
<b>Facsimile No.</b>	:	0542- 250 3291
<b>Website</b>	:	www.benareshotelslimited.com
<b>E-mail</b>	:	investorrelations@tajhotels.com

### Financial Calendar

Financial reporting for:

- Quarter ending 30th June, 2018 on or before August 14, 2018
- Quarter ending 30th September, 2018 on or before November 15, 2018
- Quarter ending 31st December, 2018 on or before February 15, 2019
- Quarter ending 31st March, 2019 on or before May 30, 2019

<b>Financial Year :</b>	:	2018-19
<b>Date of Book Closure :</b>	:	August 17, 2018 to August 28, 2018 (both days inclusive)
<b>Dividend Payment Date :</b>	:	On or after <b>September 5, 2018.</b>

Listing on Stock Exchanges

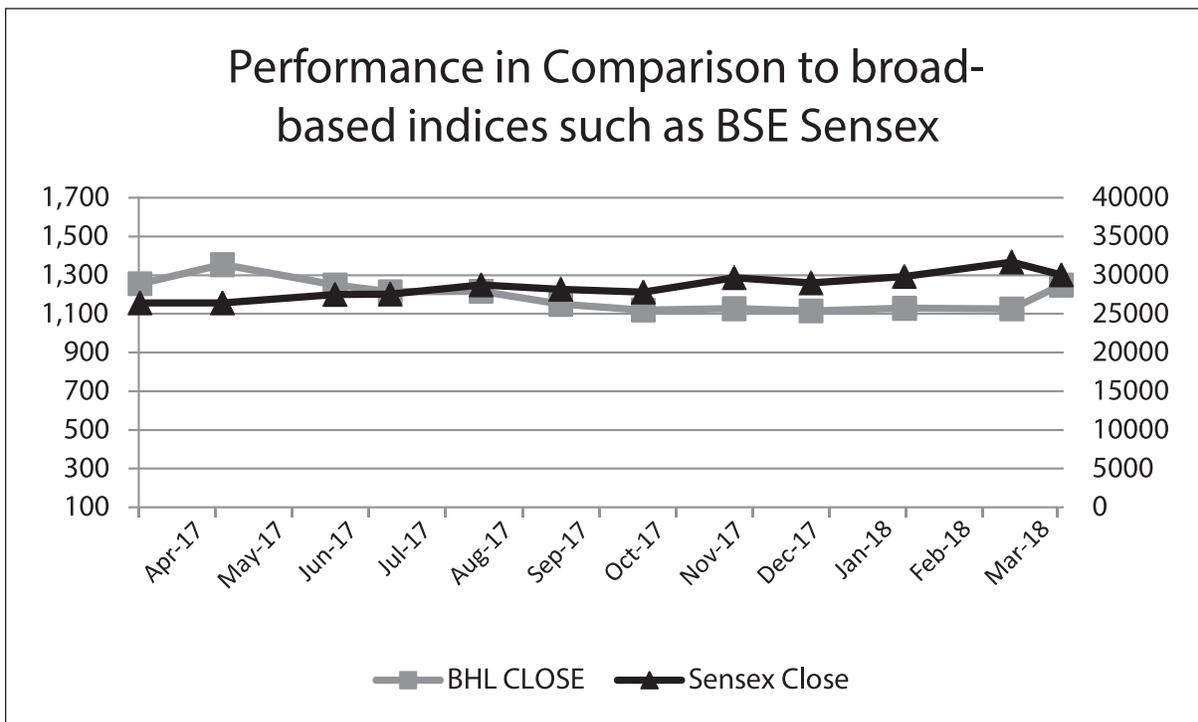
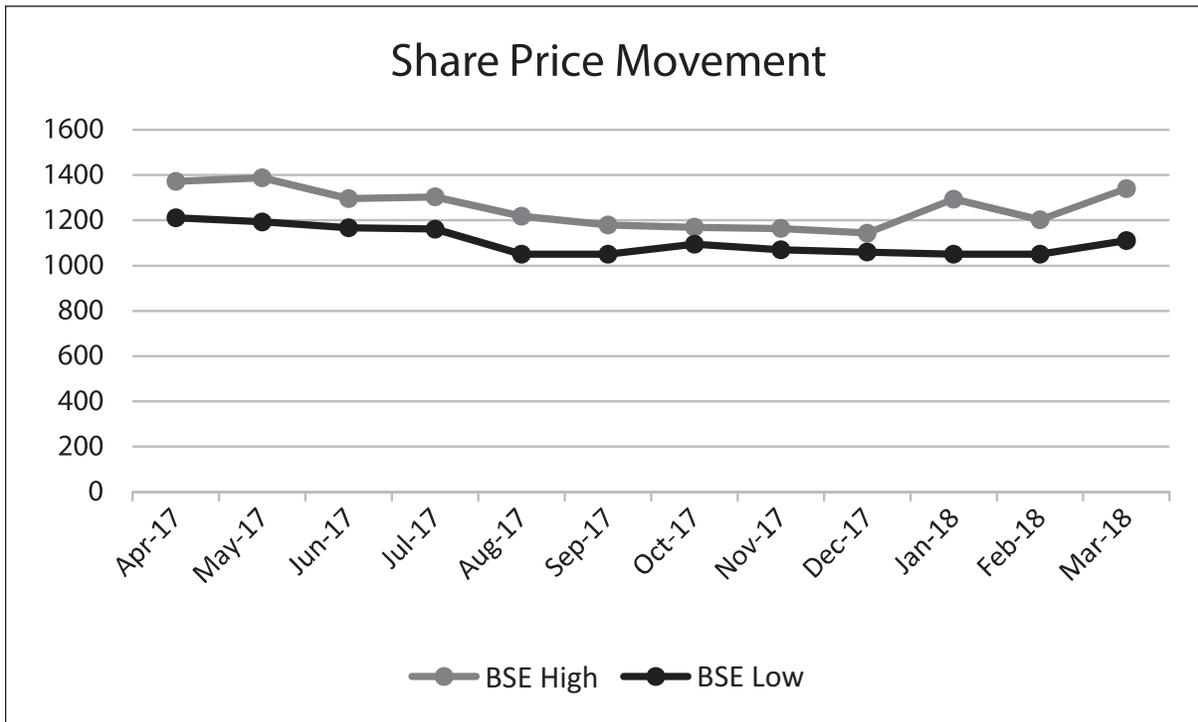
➤ Equity Shares	:	BSE Ltd.
<b>Corporate Identification No.(CIN) :</b>	:	L55101UP1971PLC003480
<b>ISIN NO.:</b>	:	INE664D01019
<b>Stock Code:</b>	:	509438

The Company has paid annual listing fees to BSE Limited in respect of the financial year 2018-19.

### Market Price Data:

High/Low market price of the Company's shares and performance in comparison to Sensex Indices on BSE Limited, Mumbai during the financial year 2017-18 is furnished below:-

Months	BSE High	BSE Low
April 2017	1372.6	1211.05
May 2017	1387.9	1193.05
June 2017	1296	1167.05
July 2017	1303.9	1161
August 2017	1218.4	1050
September 2017	1180	1050
October 2017	1169.75	1095.05
November 2017	1164.4	1070.25
December 2017	1143.6	1060.2
January 2018	1293.8	1050
February 2018	1202	1050
March 2018	1340	1110.05



### BHL Distribution of Shareholding as on March 31, 2018

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	8,13,175	62.55
Directors & their Relatives	10071	0.77
Resident Individuals & HUF	435195	33.48
Non-Resident Indians	3538	0.27
Clearing Member	117	0.01
Corporate Bodies	20184	1.55
IEPF Authority	17720	1.36

### Secretarial Audit

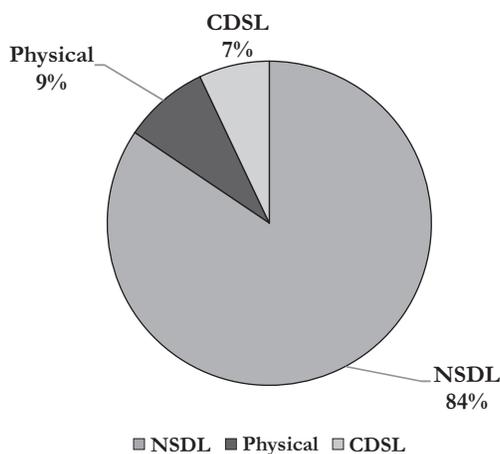
In terms of Section 204 of the Companies Act, 2013 the secretarial audit of the Company for the year 2017-18 has been carried out by the Secretarial Auditor appointed by the Company. The report of the Secretarial Auditor forms part of the Board's Report.

In keeping with the requirement of the SEBI and the Stock Exchanges, a secretarial audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with NSDL and 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.

### Dematerialisation of Shares & Liquidity

As at the end of March 31, 2018, shares comprising approximately 90% of the Company's Equity Share Capital have been dematerialised.

### Status on Dematerialised Shares



### Registrar & Share Transfer Agent:

The Indian Hotels Company Limited  
Mandlik House, Mandlik Raod  
Mumbai 400 001.

Phone: 022 - 66651369

Fax: 022 - 22027442

E-mail: investorrelations@tajhotels.com

# BENARES HOTELS LIMITED

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**Location of Hotels:** The Gateway Hotel Ganges & Nadesar Palace, Varanasi; and  
The Gateway Hotel, Gondia

### **Investor Correspondence**

For any queries, investors are requested to get in touch at the following addresses:-

The Indian Hotels Co. Ltd.  
Registrar & Share Transfer Agent  
Unit: Benares Hotels Limited  
Mandlik House,  
Mandlik Road, Mumbai 400 001.  
e-mail id: investorrelations@tajhotels.com

OR

Benares Hotels Ltd.  
C/o Corporate Office  
Taj Palace Hotel  
SP Marg, New Delhi 110 021  
Phone: 011-6650 3549

### **Usage of electronic payment modes for making cash payment 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 is listed on stock exchange shall use, either directly or through their RTA & STA, any RBI (Reserve Bank of India) approved electronic mode of payment such as ECS[ECS(Local ECS)/RECS(Regional ECS)/NECS(National ECS)] NEFT etc.

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

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

### **Declaration by the Chairman on behalf of the Board of Directors regarding adherence to the CODE OF CONDUCT as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In accordance with SEBI Listing Regulations, 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 Benares Hotels Limited**

**Anant Narain Singh**  
Chairman  
(DIN 00114728)

# Independent Auditor's Certificate on Corporate Governance

## TO THE MEMBERS OF BENARES HOTELS LIMITED

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

### Management Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations- 2015.

### Auditors Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance of the conditions of the Corporate Governance requirements by the Company.
5. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, insofar 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 (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 SEBI Listing Regulations-2015, as applicable, during the year ended March 31, 2018.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restriction on Use

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

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

**K. Manigandan**  
Partner  
Membership No. 224762

Place: New Delhi  
Dated: 20th June, 2018

## Independent Auditor's Report

### TO THE MEMBERS OF BENARES HOTELS LIMITED

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

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

#### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit (including other

comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Other Matter**

The comparative financial information of the Company for the year ended March 31st, 2017 prepared in accordance with Ind AS included in this Statement have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 08th May, 2017 expressed an unmodified opinion.

Our report is not modified in respect of this matter

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed

as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements at Note No.27.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2018.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**S. Ramakrishnan**  
Partner  
Membership No.018967

Place: Mumbai  
Dated: 10th May, 2018

## Annexure-A to Independent Auditor's Report

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

- i. In respect of its fixed assets
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification of fixed assets in a three year period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Fixed assets have been physically verified by the management during the year as per the said program. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
  - c. According to the information and explanations given to us and the records examined by us and based on the examination of the relevant records provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name/erstwhile name of the Company as at the balance sheet date.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. In respect of loans given:
  - a. Based on our audit procedures & according to the information and explanation given to us, the Company has granted loan (unsecured) to a party covered in the register maintained under section 189 and the terms and conditions of the grant of such loan are not prejudicial to the Company's interest.
  - b. For this loan, the schedule of repayment of principal and payment of interest has been stipulated and the receipt of principal amount and interest, where applicable, is regular.
  - c. There are no amounts overdue for more than 90 days
- iv. Based on our audit procedures & according to the information and explanation given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.
- v. Based on our audit procedures & according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Act and Rules made thereunder and hence clause (v) is not applicable.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The company has generally been regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service-tax, goods & service tax duty of customs, value added tax, luxury tax and cess with the appropriate authorities during the year and that there are no disputed amounts in respect of these dues which have remained outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.
  - b. Dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax/ goods and service tax, which have not been deposited on account of any dispute, are stated in the table below:

Name of the Statute	Period	Amount (in INR Lakhs)	Forum where the dispute is pending
Income Tax Act 1961	FY 2012-13	0.98*	CIT-Appeals (Varanasi)
Income Tax Act 1961	FY 2014-15	58.24*	CIT-Appeals (Varanasi)
Service Tax (Finance Act 1994)	FY 2012-13 to 2014-15	9.70	Asst. Commissioner, CGST & Central Excise, Audit Circle Varanasi
U. P. Trade Tax Act	FY 2006-07 & FY 2007-08	26.27*	1st Appellate Authority, UP VAT

\*net of amounts paid under protest

- viii. Based on our audit procedures and according to the information and explanations given to us, there were no loans or borrowings from financial institutions or government, nor has it issued any debentures during the year. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- xi. In our opinion and according to the information and explanations given to us, there are no term loans raised or outstanding during the year. The Company did not raise any money by way of public offer. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. Based on our audit procedures and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. Based on our audit procedures and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. Based on our audit procedures and according to the information and explanations given to us, the Company has not made any private placement of equity shares during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**S. Ramakrishnan**  
Partner  
Membership No.018967

Place: Mumbai  
Dated: 10th May, 2018

## Annexure-B to Independent Auditor's Report

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

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

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

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

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

### **Auditors' Responsibility**

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

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

including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

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

### **Opinion**

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

### **For PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

### **S. Ramakrishnan**

Partner

Membership No.018967

Place: Mumbai

Dated: 10th May, 2018

## Balance Sheet as at 31st March, 2018

	Note	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment .....	3	5,303.68	3,988.47
Capital work-in-progress .....		1,463.98	352.33
Other Intangible assets.....	4	94.94	116.48
		<u>6,862.60</u>	<u>4,457.28</u>
Financial assets .....			
Investments .....		—	—
Other financial assets .....	6	18.95	19.35
Advance income tax (net).....		206.14	228.97
Other non-current assets .....	7	396.76	192.88
		<u>7,484.45</u>	<u>4,898.48</u>
<b>Current Assets</b>			
Inventories.....	8	124.77	115.00
Financial assets			
Trade receivables.....	9	407.99	421.05
Cash and cash equivalents.....	10	481.51	175.91
Bank balances other than cash and cash equivalents .....	11	158.25	1,056.64
Loans .....	5	—	1,000.00
Other financial assets .....	6	115.76	88.62
Other current assets .....	7	122.18	119.80
		<u>1,410.46</u>	<u>2,977.02</u>
<b>Total .....</b>		<u><b>8,894.91</b></u>	<u><b>7,875.49</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital.....	12	130.00	130.00
Other equity .....	13	6,400.92	5,986.25
<b>Total equity.....</b>		<u><b>6,530.92</b></u>	<u><b>6,116.25</b></u>
<b>Non-current liabilities</b>			
Provisions .....	14	32.16	32.67
Deferred tax liabilities (net).....	15	573.80	730.39
		<u>605.96</u>	<u>763.06</u>
<b>Current Liabilities</b>			
Financial liabilities			
Borrowings .....	16	500.00	—
Trade payables .....	17	607.46	495.79
Other financial liabilities .....	18	469.09	236.46
Other current liabilities.....	19	162.25	221.42
Provisions .....		19.23	42.50
		<u>1,758.03</u>	<u>996.17</u>
<b>Total .....</b>		<u><b>8,894.91</b></u>	<u><b>7,875.49</b></u>
Summary of Significant Accounting Policies .....	2		

The Accompanying Notes form an Integral part of the Financial Statements

As per our Report of even date attached  
**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No. 003900S/S200018

For and on behalf of the Board

**Dr. Anant Narain Singh**  
Chairman  
DIN: 00114728

**Rohit Khosla**  
Director  
DIN: 07163135

**S. Ramakrishnan**  
Partner  
(Membership No.: 018967)

**Vanika Mahajan**  
Company Secretary

**Sopan Kedia**  
Chief Financial Officer

Date : 10th May, 2018  
Place: Mumbai

**BENARES HOTELS LIMITED**  
Forty Seventh Annual Report 2017-18

**Statement of Profit and Loss for the Year Ended March 31, 2018**

	Note	March 31 2018 ₹ Lakhs	March 31 2017 ₹ Lakhs
<b>I. INCOME (Revenue)</b>			
1. Revenue from Operations.....	20	4,742.65	4,956.92
2. Other Income .....	21	84.87	156.70
3. Total Revenue.....		4,827.52	5,113.62
<b>II EXPENSES</b>			
1. Food and beverages consumed .....	22	496.58	491.59
2. Employee benefit expense and payment to contractors .....	23	952.68	910.74
3. Finance Costs - (Interest on ICD).....		12.32	—
4. Depreciation and amortisation expense .....		417.31	464.85
5. Other operating and general expenses.....	24	2,163.78	2,173.10
Total Expenses.....		4,042.67	4,040.28
<b>III PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX .....</b>		784.85	1,073.34
<b>IV EXCEPTIONAL ITEMS .....</b>		—	—
<b>V PROFIT/(LOSS) BEFORE TAX .....</b>		784.85	1,073.34
<b>VI TAX EXPENSES</b>			
1. Current Tax .....		301.30	491.77
2. Deferred Tax .....		(157.00)	(100.12)
3. Short provision of tax of earlier years (Net).....		(7.74)	—
Total .....		136.56	391.65
<b>PROFIT/(LOSS) AFTER TAX .....</b>		648.29	681.69
<b>VII OTHER COMPREHENSIVE INCOME, NET OF TAX</b>			
Items that will not be reclassified subsequently to profit or loss			
1. Remeasurement of defined benefit obligation .....		1.48	(25.34)
2. Less: Income tax expense .....		0.41	(8.73)
Other comprehensive income for the period, net of tax .....		1.07	(16.61)
<b>TOTAL COMPREHENSIVE INCOME .....</b>		649.36	665.08
<b>EARNINGS PER SHARE</b>			
1. Basic .....		49.87	52.44
2. Diluted .....		49.87	52.44
3. Face Value per Ordinary Share - (₹).....		10.00	10.00

Summary of Significant Accounting Policies ..... 2

The Accompanying Notes form an Integral part of the Financial Statements.....

As per our Report of even date attached  
**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No.003900S/S200018

**S. Ramakrishnan**  
Partner  
(Membership No.: 018967)

Date : 10th May, 2018  
Place: Mumbai

For and on behalf of the Board

**Dr. Anant Narain Singh**  
Chairman  
DIN: 00114728

**Vanika Mahajan**  
Company Secretary

**Rohit Khosla**  
Director  
DIN: 07163135

**Sopan Kedia**  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	Note	2017-18 ₹ Lakhs	2016-17 ₹ Lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax.....		784.85	1,073.34
<b>Adjustments for:</b>			
Depreciation and Amortisation .....		417.31	464.85
Finance Cost .....		12.32	—
Provision for Doubtful Debts.....		8.89	0.03
(Gain)/Loss on Sale of Assets.....		(8.60)	(0.70)
Interest (Net).....		(63.75)	(148.05)
Provision for Employee Benefits .....		1.48	5.98
		<u>367.65</u>	<u>322.11</u>
<b>Cash Operating Profit Before Working Capital Changes .....</b>		<b>1,152.50</b>	<b>1,395.45</b>
<b>Adjustments for:</b>			
Trade Receivables.....		4.17	(55.06)
Inventories .....		(9.77)	2.16
Non Current - Other financial Asset.....		0.40	(0.20)
Other Non-current Assets .....		(2.18)	(179.53)
Current-Other Financial Assets .....		(43.96)	22.59
Other current assets .....		(2.38)	(58.35)
Trade Payables .....		111.67	104.64
Current Liabilities -Other Financial Liabilities.....		(45.42)	66.50
Other Current Liabilities & Provisions .....		(23.78)	46.39
		<u>(11.25)</u>	<u>(50.86)</u>
Cash Generated from Operating Activities .....		1,141.25	1,344.59
Direct Taxes Paid .....		(270.73)	(260.00)
<b>Net Cash From Operating Activities (A) .....</b>		<b>870.52</b>	<b>1,084.59</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets .....		(2,834.38)	(319.51)
Sale of Fixed Assets .....		36.30	4.02
Short Term Inter Corporate Deposits Encashed (Placed) ... ..		1,000.00	(500.00)
Interest Received .....		80.57	147.24
Bank Balances Not Considered as Cash and Cash Equivalents ..		898.39	(529.07)
<b>Net Cash Used in Investing Activities (B) .....</b>		<b>(819.12)</b>	<b>(1,197.32)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES*</b>			
Interest Paid .....		(11.10)	—
Short-term Loans Raised / (repaid) (net) .....		500.00	—
Dividend Paid (Including tax on dividend) .....		(234.70)	(312.93)
<b>Net Cash Used in Financing Activities (C) .....</b>		<b>254.20</b>	<b>(312.93)</b>
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C) ..		<u>305.60</u>	<u>(425.67)</u>
Cash and Cash Equivalents - Opening (Refer Note 10) .....		175.91	601.58
Cash and Cash Equivalents - Closing (Refer Note 10) .....		481.51	175.91

\*Refer foot note under Borrowings (Note 16) for Net Debt Reconciliation.

As per our Report of even date attached  
**For PKF Sridhar & Santhanam LLP**  
 Chartered Accountants  
 Firm Registration No.003900S/S200018

**S. Ramakrishnan**  
 Partner  
 (Membership No.: 018967)

Date : 10th May, 2018  
 Place: Mumbai

For and on behalf of the Board

**Dr. Anant Narain Singh**  
 Chairman  
 DIN: 00114728

**Vanika Mahajan**  
 Company Secretary

**Rohit Khosla**  
 Director  
 DIN: 07163135

**Sopan Kedia**  
 Chief Financial Officer

**BENARES HOTELS LIMITED**  
Forty Seventh Annual Report 2017-18

Statement of Changes in Equity as at 31st March, 2018

₹ Lakhs

Particulars	Equity Share Capital Subscribed	Reserves and Surplus			Grand Total
		Capital Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2016	130.00	0.86	2,167.22	3,466.03	5,764.11
Restated balance at the beginning of the reporting period (April 1, 2016)	130.00	0.86	2,167.22	3,466.03	5,764.11
Profit for the year ended March 31, 2017	—	—	—	681.69	681.69
Remeasurements of post employment benefit obligation, net of tax of ₹ 8.73 lakhs (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L))				(16.61)	(16.61)
<b>Total Comprehensive Income for the year ended March 31, 2017</b>	—	—	—	<b>665.08</b>	<b>665.08</b>
Dividends				(260.00)	(260.00)
Tax on Dividend				(52.93)	(52.93)
<b>Balance as at March 31, 2017</b>	<b>130.00</b>	<b>0.86</b>	<b>2,167.22</b>	<b>3,818.18</b>	<b>6,116.26</b>
Profit for the year ended March 31, 2018	—	—	—	648.29	648.29
Remeasurements of post employment benefit obligation, net of tax of ₹ 0.41 lakhs (item of other comprehensive income recognised directly in retained earnings (Not reclassified to P&L))				1.07	1.07
<b>Total Comprehensive Income for the year ended March 31, 2018</b>	—	—	—	<b>649.36</b>	<b>649.36</b>
Dividends	—	—	—	(195.00)	(195.00)
Tax on Dividend				(39.70)	(39.70)
<b>Balance as at March 31, 2018</b>	<b>130.00</b>	<b>0.86</b>	<b>2,167.22</b>	<b>4,232.84</b>	<b>6,530.92</b>

As per our Report of even date attached  
For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No.003900S/S200018

**S. Ramakrishnan**  
Partner  
(Membership No.: 018967)  
Date : 10th May, 2018  
Place: Mumbai

For and on behalf of the Board

**Dr. Anant Narain Singh**  
Chairman  
DIN: 00114728

**Vanika Mahajan**  
Company Secretary

**Rohit Khosla**  
Director  
DIN: 07163135

**Sopan Kedia**  
Chief Financial Officer

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

## NOTE 1: CORPORATE INFORMATION

Benares Hotels Limited (“BHL” or the “Company”), is a listed public limited company incorporated in 1971. The Company operates its hotels, viz. The Gateway Hotel Ganges and Nadesar Palace in Varanasi and The Gateway Hotel, Gondia in Maharashtra. In May, 2011, the Company became a subsidiary of The Indian Hotels Company Limited, a company promoted by Tata Sons Ltd.

The financial statements were approved by the Board of Directors and authorised for issue on 10th May'2018.

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## NOTE 2A: APPLICATION OF NEW INDIAN ACCOUNTING STANDARDS

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparation of these Financial Statements.

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## NOTE 2B: SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance:

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

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) issued under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

### (b) Standards issued but not yet effective

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

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

Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

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

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

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose

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

of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

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

A number of other standards have 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), 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 joint ventures 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 are expected to have any material effect on the company's financial statements.

### (c) **Basis of preparation and presentation:**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value i.e. Defined Benefit Plans 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 and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

#### **Fair value measurement:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

### (d) **Critical accounting 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:

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

- **Useful lives of property, plant and equipment and intangible assets:** The Company has with the help of group technical assessment 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 Balance Sheet date. 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.
- **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 judgments 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.

- **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 judgment 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 Balance Sheet date.

### (e) Revenue recognition :

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations.

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

### Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

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

**(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 provident fund set up by the respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.
- 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 subject to a cap (currently INR 20 lakhs). 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. **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.
- iv. **Short Term Obligations:** The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

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

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 asset's 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 ,

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

method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation made at the group level, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support, etc.

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

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

Assets under finance leases are depreciated over the expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

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

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

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

### (h) Intangible Assets:

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

- i) the technical feasibility and Company's intention and ability of completing the project;
- ii) the probability that the project will generate future economic benefits;
- iii) the availability of adequate technical, financial and other resources to complete the project; and
- iv) the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

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 evaluations are carried out at least once a year. The estimated useful life used for amortising intangible assets is as under:

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

<b>Class of Assets</b>	<b>Estimated Useful Life</b>
Website Development Cost	5 years
Software and Licences	6 years
Service and Operating Rights	10 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or 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 are recognized in the Statement of Profit and Loss when the asset is derecognized.

**(i) Impairment of 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 fair value measured.

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

**(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

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

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. Further, 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. Inventory cost includes the cost of fair value of consideration paid 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

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

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, 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 arising between the tax base of assets and liabilities and their carrying amount in financial statements.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet 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 Balance Sheet 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 reasonable certainty that the Company will pay normal income tax during the specified period in which such credit can be set off under the income tax law. 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 reasonable certainty 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 non-current provisions are 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.

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

### **(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.

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

### **(t) Earnings Per Share:**

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

### **(u) 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 Board of Directors 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.

Since the Company's business consists of its hotel operations only, no separate information for segment-wise disclosures is given.

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

### (v) 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.

##### 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.

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

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 Balance Sheet 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, 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

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

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 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.

### 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.

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

### NOTE 3: PROPERTY, PLANT AND EQUIPMENT (Owned, unless otherwise stated) ₹ Lakhs

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Cost</b>							
At April 1, 2016	13.05	2,495.59	1,578.15	313.72	64.29	0.16	4,464.96
Additions	-	83.29	114.74	23.58	-	-	221.60
Adjustment	-	-	-	-	-	-	-
Transition	-	-	-	-	-	-	-
Disposals	-	1.29	1.40	1.18	-	0.04	3.90
<b>At March 31, 2017</b>	<b>13.05</b>	<b>2,577.59</b>	<b>1,691.49</b>	<b>336.12</b>	<b>64.29</b>	<b>0.12</b>	<b>4,682.66</b>
Additions	-	641.11	637.09	446.15	12.13	-	1,736.47
Adjustments	-	-	-	-	-	-	-
Disposals	-	142.87	75.79	32.19	0.82	-	251.67
<b>At March 31, 2018</b>	<b>13.05</b>	<b>3,075.83</b>	<b>2,252.78</b>	<b>750.07</b>	<b>75.59</b>	<b>0.12</b>	<b>6,167.46</b>
<b>Depreciation</b>							
At April 1, 2016	-	52.72	141.04	40.89	14.88	-	249.53
Charge for the year	-	187.00	182.80	61.21	14.23	0.01	445.25
Disposals	-	0.04	0.06	0.47	-	0.01	0.59
<b>At March 31, 2017</b>	<b>-</b>	<b>239.68</b>	<b>323.78</b>	<b>101.62</b>	<b>29.11</b>	<b>-</b>	<b>694.20</b>
Charge for the year (Refer Foot Note (i))	-	157.17	164.11	57.58	14.70	-	393.55
Disposals	-	137.65	59.19	26.43	0.70	-	223.97
<b>At March 31, 2018</b>	<b>-</b>	<b>259.20</b>	<b>428.70</b>	<b>132.78</b>	<b>43.11</b>	<b>-</b>	<b>863.78</b>
<b>Net Block</b>							
<b>At March 31, 2017</b>	<b>13.05</b>	<b>2,337.91</b>	<b>1,367.71</b>	<b>234.49</b>	<b>35.18</b>	<b>0.12</b>	<b>3,988.46</b>
<b>At March 31, 2018</b>	<b>13.05</b>	<b>2,816.63</b>	<b>1,824.08</b>	<b>617.30</b>	<b>32.48</b>	<b>0.12</b>	<b>5,303.68</b>

#### Footnotes :

- (i) During the year, the company has charged accelerated depreciation amounting to INR 118.90 Lakhs (PY 187.04 lakhs) in accordance with provisions of schedule II of the Companies Act, 2013, in respect of assets which have been identified to have a shorter useful life, considering factors such as planned renovation in near future or other factors.

### NOTE 4: INTANGIBLE ACCOUNTS (Acquired) - Softwares

₹ Lakhs

<b>Cost</b>		<b>Amortisation</b>		<b>Net Block</b>	
At April 1, 2016	141.42	At April 1, 2016	16.38	At March 31, 2017	<u>116.48</u>
Additions	11.03	Charge of the year	19.59	At March 31, 2018	<u>94.94</u>
Disposals	-	Disposals	-		
<b>At March 31, 2017</b>	<b><u>152.45</u></b>	<b>At March 31, 2017</b>	<b><u>35.97</u></b>		
Additions	2.22	Charge of the year	23.76		
Adjustments	-	Disposals	-		
Disposals	-	<b>At March 31, 2018</b>	<b><u>59.73</u></b>		
<b>At March 31, 2018</b>	<b><u>154.67</u></b>				

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

### NOTE 5: LOANS

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Current:</b>		
(Unsecured, considered good unless stated otherwise)		
<b>Related Parties</b>		
Roots Corporation Limited .....	—	500.00
Taj Air Limited .....	—	500.00
Others .....	—	—
<b>Total</b> .....	—	1,000.00

### NOTE 6: OTHER FINANCIAL ASSETS

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
(Unsecured, considered good unless stated otherwise)		
<b>A) Non Current:</b>		
<b>Deposits with Public Bodies and Others at amortised costs</b>		
Public Bodies and Others .....	18.95	19.35
	18.95	19.35
<b>B) Current</b>		
<b>Deposits with Public Bodies and Others</b>		
Others .....	2.63	1.60
	2.63	1.60
<b>Other advances</b>		
Considered good .....	30.22	3.18
<b>Interest receivable</b>		
Related Parties (Refer Note 30) .....	—	6.03
Bank Deposits.....	2.31	13.10
	2.31	19.13
<b>On Current Account dues :</b>		
Related Parties (Refer Note 30) .....	64.73	47.95
Others.....	15.87	16.76
	115.76	88.62

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

### NOTE 7: OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>A) Non Current:</b>		
Capital Advances .....	318.45	116.75
Export incentive receivable .....	67.34	50.16
Deposits with Government Authorities .....	10.97	25.97
	<u>396.76</u>	<u>192.88</u>
<b>B) Current</b>		
Prepaid Expenses .....	41.44	53.56
Indirect tax recoverable.....	68.92	21.98
Advance to Suppliers .....	11.82	44.04
Advance to Employees .....	—	0.22
	<u>122.18</u>	<u>119.80</u>

### NOTE 8: INVENTORIES (At lower of cost and net realisable value)

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Food and Beverages .....	49.94	45.65
Stores and Operating Supplies.....	74.83	69.35
	<u>124.77</u>	<u>115.00</u>

### NOTE 9: TRADE AND OTHER RECEIVABLES

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>(Unsecured)</b>		
Considered good*.....	407.99	421.05
Considered doubtful .....	23.32	14.43
	<u>431.31</u>	<u>435.48</u>
<b>Less : Provision for Debts doubtful of recovery .....</b>	<b>23.32</b>	<b>14.43</b>
	<u>407.99</u>	<u>421.05</u>

\*For related party balances refer Note. 30.

#### Footnote:

##### i) Provision for Doubtful Debts

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Opening Balance .....</b>	<b>14.43</b>	<b>14.40</b>
<b>Add: Provision during the year .....</b>	<b>12.09</b>	<b>4.34</b>
	<u>26.52</u>	<u>18.74</u>
<b>Less: Bad Debts written off against past provisions .....</b>	<b>—</b>	<b>1.22</b>
<b>Less: Reversal of provision no longer required .....</b>	<b>3.19</b>	<b>3.09</b>
<b>Closing Balance.....</b>	<u><b>23.32</b></u>	<u><b>14.43</b></u>

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

**NOTE 10: CASH AND CASH EQUIVALENTS**

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Cash on hand .....	5.83	8.62
Balances with bank in current account .....	174.17	98.14
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months) .....	301.51	69.15
	481.51	175.91

**NOTE 11 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Other Balances with banks</b>		
Call and Short-term deposit accounts* .....	110.83	1,010.97
Earmarked balances .....	47.42	45.67
	158.25	1,056.64

\*includes FDRs having maturity less than 12 months of INR 31.46 lakhs which are under lien for issuance of Bank Guarantees.

**NOTE 12 : SHARE CAPITAL**

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Authorised Share Capital</b>		
Ordinary Shares		
15,00,000 (Previous Year- 15,00,000)		
Ordinary Shares of ₹ 10/- each .....	150.00	150.00
	150.00	150.00
<b>Issued Share Capital</b>		
13,00,000 (Previous Year- 13,00,000)		
Ordinary Shares of ₹ 10/- each .....	130.00	130.00
	130.00	130.00
<b>Subscribed and Paid Up</b>		
13,00,000 (Previous Year- 13,00,000)		
Ordinary Shares of ₹ 10/- each [Refer Foot note (4)].....	130.00	130.00
	130.00	130.00

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

### NOTE 12 : SHARE CAPITAL (Contd.)

#### Footnotes:

(1) The company has one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of the liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.

(2) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Closing Balance
<b>Ordinary shares</b>			
<b>Year ended 31-03-2018</b>			
- Number of shares .....	13.00	—	13.00
- Amount (Rupees) .....	130.00	—	130.00
<b>Year ended 31-03-2017</b>			
- Number of shares .....	13.00	—	13.00
- Amount (Rupees) .....	130.00	—	130.00

(3) Details of shares held by each shareholder holding more than 5% shares:

#### Ordinary Shares with voting rights held by Holding Company along with its Subsidiaries & Associates Companies

Name of the Company	No. of Shares March 31, 2018	No. of Shares March 31, 2017
<b>Holding Company</b>		
The Indian Hotels Company Limited [Refer Footnote (5)].....	293,000	293,000
<b>Subsidiaries of Holding Company</b>		
TIFCO Holdings Limited [Refer Footnote (5)].....	350,825	350,825
Piem Hotels Limited.....	54,063	54,063
Northern India Hotels Limited.....	150	150
<b>Associate of Holding Company</b>		
Oriental Hotels Limited .....	50	50

(4) Shareholders holding more than 5% shares in the Company :

The Indian Hotels Company Limited.....	293,000	293,000
% of Holding .....	22.54%	22.54%
TIFCO Holdings Limited.....	350,825	350,825
% of Holding .....	26.99%	26.99%

(5) Note on Amalgamation of TIFCO Holdings Limited with The Indian Hotels Company Limited

TIFCO Holdings Limited has been amalgamated with The Indian Hotels Company Limited vide NCLT Order dated 08th March 2018 with appointed date 01st April 2017.

(6) Aggregate number and class of shares allotted as fully paid-up in previous year pursuant to contracts without payment being received in cash, bonus shares and shares bought back for a period of 5 years immediately preceding the balance sheet date NIL (previous year NIL).

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

**NOTE 13: OTHER EQUITY**

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>A) Reserves &amp; Surplus</b>		
<b>Capital Reserve</b> .....	0.86	0.86
<b>General Reserve</b>		
Opening Balance .....	2,167.22	2,167.22
Less : Dividend /Tax on Dividend .....	—	—
<b>Closing Balance</b> .....	<u>2,167.22</u>	<u>2,167.22</u>
<b>Retained Earnings</b>		
Opening Balance .....	3,818.18	3,466.03
Add: Current year profits .....	649.36	665.08
Less : Final Dividend .....	(195.00)	(260.00)
Less : Tax on Dividend .....	(39.70)	(52.93)
<b>Closing Retained Earnings</b> .....	<u>4,232.84</u>	<u>3,818.17</u>
<b>Total</b> .....	<u>6,400.92</u>	<u>5,986.25</u>

**NOTE 14: PROVISIONS**

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>A) Long Term Provisions</b>		
<b>Employee Benefit Obligation (Non-current)</b>		
Compensated absences .....	32.16	32.67
	<u>32.16</u>	<u>32.67</u>
<b>B) Short term provisions</b>		
<b>Employee Benefit Obligation (Current)</b>		
Compensated absences .....	5.93	5.47
Gratuity trust payable .....	13.30	37.03
<b>Total</b> .....	<u>19.23</u>	<u>42.50</u>

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

### NOTE 15: DEFERRED TAX LIABILITIES (Net)

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Deferred Tax Liabilities</b>		
Property, Plant and equipment & Intangible Assets .....	648.53	842.41
<b>Total (A)</b> .....	<u>648.53</u>	<u>842.41</u>
<b>Deferred Tax Assets:</b>		
Provision for Employee Benefits .....	10.60	13.20
OCI- Defined Benefit Obligations.....	(0.41)	11.08
Provision for doubtful debts .....	6.49	4.99
Others .....	58.05	82.74
<b>Total (B)</b> .....	<u>74.73</u>	<u>112.02</u>
<b>Net Deferred Tax Liabilities (A-B)</b> .....	<u>573.80</u>	<u>730.39</u>

### NOTE 16: BORROWINGS

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Short term borrowings</b>		
<b>Short Term Borrowings from Related Parties</b>		
Secured .....	—	—
Unsecured @ 9% .....	501.22	—
<b>Total Short term borrowings</b> .....	<u>501.22</u>	<u>—</u>
Less: Interest accrued (included in Note 18) .....	1.22	—
<b>Total Borrowings</b> .....	<u>500.00</u>	<u>—</u>
(Refer foot note below)		

#### FOOT NOTE:

#### Financial liabilities

#### Net debt reconciliation

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>a) Net debt</b>		
Cash and cash equivalents .....	481.51	175.91
Current Investment .....	—	—
Short Term Borrowings .....	(500.00)	—
Long term Borrowings (Including Current portion) .....	—	—
<b>Net (debt)/ Cash &amp; Cash Equivalents</b> .....	<u>(18.49)</u>	<u>175.91</u>
<b>b) Other financial Liability</b>		
Unclaimed Deposits/Interest .....	—	—
Derivative.....	—	—
Interest Accrued .....	(1.22)	—
<b>Total Other financial Liability</b> .....	<u>(1.22)</u>	<u>—</u>
<b>Grand Total</b> .....	<u>(19.71)</u>	<u>175.91</u>

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

**NOTE 16: BORROWINGS - Foot Note (Contd.)**

Particulars	Accrued during the Year		Paid during the Year	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Interest Expenses				
On long term borrowings	-	-	-	-
On short term borrowings	12.32	-	11.10	-
FV Changes for Derivatives (i.e. IRS)	-	-	-	-
Other Interest costs	-	-	-	-
<b>Total</b>	<b>12.32</b>	<b>-</b>	<b>11.10</b>	<b>-</b>

Particulars	Other Assets		Borrowings		Other Financial Liability	Grand Total
	Cash and Cash Equivalents	Current Investment	Short Term Borrowings	Total Net Borrowings	Interest Accrued	
<b>Net (debt)/ Cash &amp; Cash Equivalents as at 1 April 2016</b>	601.58	-	-	601.58	-	601.58
<b>Cash Flows</b>						
Increase/(Decrease) in cash and cash equivalents	(425.67)	-	-	(425.67)	-	-425.67
Borrowings	-	-	-	-	-	-
Repayment	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2017</b>	<b>175.91</b>	<b>-</b>	<b>-</b>	<b>175.91</b>	<b>-</b>	<b>175.91</b>
<b>Net (debt)/ Cash &amp; Cash Equivalents as at 1st April 2017</b>	<b>175.91</b>	<b>-</b>	<b>-</b>	<b>175.91</b>	<b>-</b>	<b>175.91</b>
<b>Cash Flows</b>						
Increase/(Decrease) in cash and cash equivalents	305.60	-	(500.00)	(194.40)	-	-194.40
Borrowings	-	-	-	-	-	-
Repayment	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	-	-	-	(12.32)	(12.32)
Interest paid	-	-	-	-	11.10	11.10
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2018</b>	<b>481.51</b>	<b>-</b>	<b>(500.00)</b>	<b>(18.49)</b>	<b>(1.22)</b>	<b>(19.71)</b>

**NOTE 17: TRADE PAYABLES**

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Micro and Small Enterprises .....	5.11	-
Vendor Payables.....	360.62	197.82
Accrued expenses and others .....	241.73	297.97
	<u>607.46</u>	<u>495.79</u>

**Footnotes:**

- (i) 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 such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.
- (ii) For related party balances refer Note 30.

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

### NOTE 18: OTHER FINANCIAL LIABILITIES

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Current financial liabilities</b>		
<b>Payables on Current Account dues :</b>		
Related Parties .....	—	1.28
Others .....	<u>2.85</u>	<u>2.25</u>
	2.85	3.53
<b>Deposits from others</b>		
Unsecured .....	<u>33.79</u>	<u>34.25</u>
	33.79	34.25
Interest accrued but not due on borrowings .....	1.22	—
Creditors for capital expenditure* .....	302.33	84.67
Unclaimed dividend .....	47.42	45.67
Employee related liabilities .....	72.33	61.16
Others .....	9.15	7.18
<b>Total</b> .....	<u><u>469.09</u></u>	<u><u>236.46</u></u>

\*Includes payable to MSMED Vendors of INR 4.98 lakhs (PY Nil)

### NOTE 19: OTHER CURRENT LIABILITIES

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Current</b>		
Income received in advance .....	—	0.60
Advances collected from customers .....	114.49	142.34
Statutory dues .....	<u>47.76</u>	<u>78.48</u>
<b>Total</b> .....	<u><u>162.25</u></u>	<u><u>221.42</u></u>

### NOTE 20: REVENUE FROM OPERATIONS

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Room Income, Food, Restaurants and Banquet Income .....	4,497.82	4,684.13
Shop rentals .....	58.50	65.45
Membership fees .....	—	0.87
Others .....	<u>186.33</u>	<u>206.47</u>
<b>Total</b> .....	<u><u>4,742.65</u></u>	<u><u>4,956.92</u></u>

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

**NOTE 21: OTHER INCOME**

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Interest Income from financial assets at amortised cost</b>		
Inter-corporate deposits		
Deposits with banks.....	33.17	57.15
Deposits with Related Parties.....	28.90	90.90
Others.....	—	—
<b>Total.....</b>	<b>63.75</b>	<b>148.05</b>
Profit on sale of assets (Net).....	8.60	0.70
Others.....	12.52	7.95
<b>Total .....</b>	<b>84.87</b>	<b>156.70</b>

**NOTE 22: FOOD AND BEVERAGES CONSUMED**

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Opening Stock .....	45.65	51.18
Add Purchases .....	500.87	486.06
	546.52	537.24
Less: Closing Stock .....	49.94	45.65
<b>Food and Beverage Consumed .....</b>	<b>496.58</b>	<b>491.59</b>

**NOTE 23: EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS**

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Salaries, Wages, Bonus etc.....	542.88	478.46
Company's Contribution to Provident and Other Funds .....	43.19	34.63
Reimbursement of Expenses on Personnel Deputed to the Company.....	171.30	158.54
Payment to Contractors .....	56.09	84.26
Staff Welfare Expenses .....	139.22	154.85
<b>Total.....</b>	<b>952.68</b>	<b>910.74</b>

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

### NOTE 24: OTHER OPERATING AND GENERAL EXPENSES

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>(i) Operating expenses consist of the following :</b>		
Linen and Room Supplies .....	81.89	70.11
Catering Supplies.....	36.71	30.16
Other Supplies.....	5.53	8.36
Fuel, Power and Light [Refer footnote (i)] .....	417.47	401.77
Repairs to Buildings.....	51.68	57.01
Repairs to Machinery.....	87.07	92.52
Repairs to Others.....	9.82	23.72
Garden Expenses.....	57.06	51.75
Linen and Uniform Washing and Laundry Expenses .....	61.91	66.70
Payment to Orchestra Artistes and Security Charges .....	45.96	47.84
Guest Transportation .....	42.38	52.31
Travel Agents' Commission .....	37.13	47.95
Discount to Collecting Agents .....	32.37	29.43
Other Operating Expenses .....	100.59	110.49
<b>Total .....</b>	<b>1,067.55</b>	<b>1,090.12</b>
<b>(ii) General expenses consist of the following :</b>		
Rent .....	19.08	19.50
Licence Fees .....	36.68	34.67
Rates and Taxes.....	122.79	98.29
Insurance.....	12.67	10.99
Advertising and Publicity.....	183.42	165.78
Management Fee Expenses .....	305.64	337.02
Reimbursable Fees Expenses- Corporate Services and CRS/ CIS .....	95.06	99.41
Printing and Stationery.....	19.51	19.51
Passage and Travelling .....	20.33	32.43
Provision for Doubtful Debts/ Bad debts written off (Refer Note 9) .....	8.89	4.91
Expenditure on Corporate Social Responsibility [Refer footnote (iii)] .....	28.78	29.81
Professional Fees .....	47.34	28.96
Outsourced Support Services .....	23.71	18.24
Exchange Loss (Net) .....	0.11	0.15
Payment made to Statutory Auditors [Refer Footnote (iv)] .....	6.02	4.10
Director' Fees and Commission .....	36.19	47.90
Other Expenses .....	130.03	131.31
<b>Total .....</b>	<b>1,096.23</b>	<b>1,082.98</b>
<b>Total .....</b>	<b>2,163.78</b>	<b>2,173.10</b>

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

**NOTE 24: OTHER OPERATING AND GENERAL EXPENSES (Contd.)**

	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Footnotes:</b>		
(i) <b>Expenditure recovered from other parties :</b>		
Fuel, Power and Light .....	19.86	14.65
<b>Total</b> .....	<b>19.86</b>	<b>14.65</b>
(ii) The following direct expenses incurred during the year and to the extent attributable to construction or renovation of hotel buildings have been capitalised:		
Employee benefits expense .....	107.04	—
Rent, Rates and Taxes .....	—	—
Fuel, power and light .....	9.57	—
Depreciation .....	—	—
Other expenses (Net) .....	8.48	—
<b>Total</b> .....	<b>125.09</b>	<b>—</b>
(iii) <b>Corporate Social Responsibility Expenditure</b>		
Amount required to be spent as per Section 135 of the Act .....	25.44	27.09
<b>Amount spent during the year on:</b>		
(i) Construction/acquisition of an asset .....	—	—
(ii) On purposes other than (i) above .....	28.78	29.81
(iv) <b>Payment made to Statutory Auditors:</b>		
As auditors* .....	3.70	2.50
As tax auditors .....	1.30	1.00
For other services .....	0.80	0.50
For out-of pocket expenses .....	0.22	—
Service tax on above [Net of credit availed] .....	—	0.10
<b>Total</b> .....	<b>6.02</b>	<b>4.10</b>

\* The payment to the auditor includes amount paid to the previous auditor of ₹ 1.42 lakhs.)

**NOTE 25: TAX DISCLOSURES**

**i). Income Tax recognised in profit or Loss:**

Particulars	March 31, 2018	March 31, 2018
<b>Current Tax</b>		
In respect of the current year .....	301.30	482.24
In respect of earlier years		
Resulting from reversal of provision for tax for earlier years .....	(7.74)	—
Other demands and tax paid for earlier years .....	—	9.53
	293.56	491.77
<b>Deferred Tax</b>		
In respect of the current year		
Set off of carried forward losses (unabsorbed deduction u/s 35AD)	—	—
Other items includes the impact on account of change in tax rates..	(157.00)	(100.12)
<b>Total tax expense recognised in the current year relating to continuing operations</b> .....	<b>136.56</b>	<b>391.65</b>

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

### NOTE 25: TAX DISCLOSURES (Contd.)

#### ii) Reconciliation of tax expense with the effective tax:

Particulars	March 31, 2018	March 31, 2017
<b>Profit before tax from continuing operations (a)</b> .....	<b>784.85</b>	1073.34
Income tax rate as applicable (b) .....	<b>33.06%</b>	34.61%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)] .....	<b>259.50</b>	371.46
<b>Permanent tax differences due to:</b>		
Effect of expenses that are not deductible in determining taxable profit .....	<b>17.84</b>	10.66
Others .....	<b>(3.26)</b>	—
<b>Deferred tax reversal</b>		
Net Impact of the change in the tax rates* .....	<b>(129.77)</b>	—
<b>Prior year taxes</b>		
Income tax expense recognised in profit or loss .....	<b>(7.74)</b>	9.53
(relating to continuing operations)		
<b>Total tax expense recognised in the current year</b> .....	<b>136.56</b>	391.65

#### Foot Note:

\* The change of tax rate from 30% to 25% was enacted on 29th Mar'18 and will be effective from 1st Apr'18. As a result, the relevant deferred tax balances have been remeasured. Deferred tax expected to be reversed in the year ended 31st Mar'19 and later, has been measured using the effective rate which is 27.82%.

Further changes in tax rates are expected in future years but these changes will be enacted separately in respective years and hence are not recognised in the financial statements.

#### iii) Income Tax recognised in other comprehensive Income:

₹ Lakhs

Particulars	March 31, 2018	March 31, 2017
<b>Deferred Tax</b>		
(a) <b>Arising on income and expenses recognised in other comprehensive income</b>		
Remeasurement of defined benefit obligation .....	<b>0.41</b>	<b>(8.73)</b>
	<b>0.41</b>	<b>(8.73)</b>

#### iv) Reconciliation of deferred Tax Asset and Deferred Tax Liability

₹ Lakhs

March 31, 2018	Opening Balance	Recognised in profit and loss	Recognised in other Comprehensive Income	Closing Balance
<b>Deferred tax liabilities/ assets in relation to:</b>				
Property, Plant and equipment & Intangible Assets	842.41	(193.88)	—	648.53
Provision for Employee Benefits .....	(13.20)	2.60	—	(10.60)
Provisions for Defined benefit obligations .....	(11.08)	11.08	0.41	0.41
Others (Expenses disallowed to be allowed in future) .....	(87.74)	23.20	—	(64.54)
<b>Total Deferred Tax Liability</b> .....	<b>730.39</b>	<b>(157.00)</b>	<b>0.41</b>	<b>573.80</b>

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

**NOTE 25: TAX DISCLOSURES (Contd.)**

₹ Lakhs

March 31, 2017	Opening Balance	Recognised in profit or loss	Recognised in other Comprehensive Income	Closing Balance
Deferred tax liabilities/assets in relation to:				
Property, Plant and equipment & Intangible Assets .....	921.76	(79.35)	—	842.41
Provision for Employee Benefits .....	(11.48)	(1.72)	—	(13.20)
MAT Credit Entitlement* .....	(269.44)	—	—	—
Provisions for Defined benefit obligations .....	(2.35)	—	(8.73)	(11.08)
Others (Expenses disallowed to be allowed in future).....	(68.69)	(19.05)	—	(87.74)
<b>Net Deferred Tax Liability .....</b>	<b>569.80</b>	<b>(100.12)</b>	<b>(8.73)</b>	<b>730.39</b>

**Footnote:**

\* Opening MAT credit has been fully adjusted against the provisions for Current year Tax liability, in accordance with the provisions of Income Tax Act.

**NOTE 26: OPERATING LEASE**

The Company has taken certain vehicle, land and immovable properties on operating lease. These leases have varying terms, escalation clauses and renewal rights. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses (Refer note no 24(ii)). The minimum future lease rentals payable in respect of non-cancellable leases entered into by the Company to the extent of minimum guarantee amount are as follows:-

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Not later than one year .....	27.05	28.07
Later than one year but not later than five years .....	135.32	106.07
Later than five years .....	292.97	318.75
Total.....	<u>455.34</u>	<u>452.89</u>

**NOTE 27: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR):**

**a) On account of Income Tax matters in dispute:**

- i. In respect of matters which have been decided in the Company's was earlier favour by both CIT-A and ITAT, but the Hon'ble Allahabad High Court has referred the case back to CIT-A for reconsideration of the facts involved ₹ Nil Lakhs (previous year - ₹ 167.97 Lakhs).
- ii. In respect of other matters for which Company's appeals are pending with appellate authorities against the order of the assessing officer - ₹ 241.78 Lakhs (previous year - ₹ 12.79 Lakhs)

**b) On account of other disputes in respect of:**

- i. Service Tax - ₹ 9.70 Lakhs (previous year - ₹ 28.78 Lakhs)
- ii. Sales tax - ₹ 36.27 Lakhs (previous year - ₹ 39.19 Lakhs)
- iii. Others - ₹ 1.21 Lakhs (previous year - ₹ 1.21 Lakhs)

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

### NOTE 27: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (Contd.)

#### c) Others

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

- (i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
- (ii) the proceedings are in early stages;
- (iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;
- (iv) there are significant factual issues to be resolved; and/or there are novel legal issues presented.

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial statements, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

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### NOTE 28: CAPITAL COMMITMENTS:

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 64.82 Lakhs (Previous year - ₹ 547.25 Lakhs).

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### NOTE 29: SEGMENT REPORTING

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

### NOTE 30: RELATED PARTY DISCLOSURES

#### 30(a) Related party transactions

##### Details of related parties:

- (I) Holding Company
  - (a) The Indian Hotels Company Limited (IHCL)  
(Tata Sons Limited has substantial interest in The Indian Hotels Company Limited)
- (ii) Fellow subsidiaries
  - KTC Hotels Limited
  - United Hotels Limited
  - Roots Corporation Limited
  - Piem Hotels Limited
  - Taj Trade and Transport Company Limited
  - Inditravel Limited
  - Northern India Hotels Limited
  - Taj Enterprises Limited
  - Luthria & Lalchandani Hotel & Properties Private Limited
  - Skydeck Properties and Developers Private Limited
  - Sheena Investments Private Limited
  - ELEL Hotels & Investments Limited
  - Taj International Hotels (H.K) Limited
  - IHOCO BV
  - St. James Court Hotels Limited
  - Taj International Hotels Limited

## Notes to Financial Statements for the year ended March 31, 2017

### NOTE 30: RELATED PARTY DISCLOSURES (Contd.)

IHMS LLC - San Francisco  
IHMS LLC - USA  
PIEM International Hotels (H.K) Limited  
BAHC 5  
United Overseas Holdings Inc.

- (iii) Directors who hold the office during the year:  
Dr. Anant Narain Singh, Chairman  
Mr. Shriraman, Non Executive Director & Independent Director#  
Mrs. Rukmani Devi, Non Executive & Independent Director#  
Mr. Rohit Khosla, Executive Director  
Mr. Moiz Miyajiwala, Non Executive Director & Independent Director#  
Mr. Giridhar Sanjeevi, Additional Director\*  
Mr. Rakesh Sarna, Director\*  
Mr. B.L. Passi Non Executive Director & Independent Director\*#

\* For Part of the year

# Independent directors are included as related parties for the purpose of Indian Accounting Standards (Ind AS 24- Related Party Transactions) only. They are not related under the Companies Act, 2013.

- (iv) Key Management Personnel (KMP) :

Mr. Ashwani Anand (Chief Executive Officer)  
Mr. Sopan Kedia (Chief Financial Officer)\*  
Mr. Ravi Sharma (Chief Financial Officer)\*  
Ms. Vanika Mahajan (Company Secretary)

\* For Part of the year

- (v) Firms/ Corporation in which Directors are interested

Maharaja Prabhu Narain Physical Cultural Trust  
Aditya Dairies Private Limited  
Anant Electric Lamp Works Private Limited  
Imlak Varanasi Developments Private Limited

- (vi) Relatives of the Directors

Anamika Kumwar  
MK Krishna Priya  
MK Vishnupriya  
MK Hari Priya  
Raghubir Singh Gohil  
Rama Raman  
Puneet Raman  
Shanti Raman  
Renu Raman  
Mukta Raman

- (vii) Subsidiary, JV & Associates of the Entities having Significant influence with whom transactions were carried out during the year:

Taj Air Limited  
Tata Consultancy Services Limited  
Taj GVK Hotels and Resorts Limited  
Taj Kerala Hotels and Resorts Limited  
Oriental Hotels Limited  
Tata Teleservices Limited  
Tata SIA Airlines Limited  
TC Travel and Services Limited (part of the year)  
Tata Capital Limited  
Tata International Limited

- (viii) Others

Hotel Taj Ganges Employee Gratuity Trust

Notes to Financial Statements for the year ended March 31, 2018  
NOTE 30: RELATED PARTY DISCLOSURES:

S.No.	Particulars	Holding Company		Fellow subsidiaries, JV, Associates of the Holding company & Entity with significant influence or their subsidiaries/JV		Key Management Personnel (KMP)		Entities in which Directors are interested/ Relatives of Directors		Directors		Others	
		31 Mar. 18	31 Mar. 17	31 Mar. 18	31 Mar. 17	31 Mar. 18	31 Mar. 17	31 Mar. 18	31 Mar. 17	31 Mar. 18	31 Mar. 17	31 Mar. 18	31 Mar. 17
	<b>Transactions during the year:</b>												
1	ICD received during the year	-	-	500.00	-	-	-	-	-	-	-	-	-
2	Repayment of ICD received during the year	-	-	1,000.00	-	-	-	-	-	-	-	-	-
3	ICD Placed during the year	-	-	-	500.00	-	-	-	-	-	-	-	-
4	Interest income on ICD	-	-	28.90	90.96	-	-	-	-	-	-	-	-
5	Interest expense on ICD	-	-	12.32	-	-	-	-	-	-	-	-	-
6	KMP remuneration (Foot Note -1)	-	-	-	-	62.24	60.46	-	-	-	-	-	-
7	Other Reimbursement to KMPs	-	-	0.70	-	-	-	-	-	-	-	-	-
8	Director Sitting Fees	-	-	-	-	-	-	-	-	12.30	14.70	-	-
9	Director Commission on cash basis	-	-	-	-	-	-	-	-	32.19	38.59	-	-
10	License Fees	-	-	-	-	-	-	14.74	13.71	14.74	13.71	-	-
11	Management fees expenses paid/accrued	305.64	330.18	-	-	-	-	-	-	-	-	-	-
12	Fees paid for other services/accrued	209.37	219.33	26.80	20.75	-	-	-	-	-	-	-	-
13	Deputed Staff Expense at cost	137.52	145.90	40.32	26.82	-	-	-	-	-	-	-	-
14	Deputed Staff Expense Recoverable	-	-	20.44	-	-	-	-	-	-	-	-	-
15	Purchase of Capital Assets	5.28	-	-	-	-	-	-	-	-	-	-	-
16	Other Reimbursable Expense at cost	93.78	1.32	8.85	-	-	-	-	-	0.94	-	-	-
17	Other Operating Income- Rooms (including tax)	-	-	14.63	10.01	-	-	-	-	-	-	-	-
18	Other Income Earned/ Recoveries made	-	-	4.74	5.09	-	-	-	-	-	-	-	-
19	Dividend Paid	43.95	58.60	60.76	81.02	-	-	13.72	17.63	4.13	5.92	-	-
20	Contribution to Gratuity Trust on Cash Basis	-	-	-	-	-	-	-	-	-	-	37.03	17.03
	<b>Balance outstanding at the end of the year:</b>												
1	Borrowings	-	-	500.00	-	-	-	-	-	-	-	-	-
2	Current Account Receivable	53.72	44.33	11.01	3.62	-	-	-	-	-	-	-	-
3	Trade Payables	152.02	-	1.71	-	-	-	5.09	-	6.41	-	-	-
4	Trade Receivables	-	-	4.71	-	-	-	-	-	-	-	-	-
5	Current Account Payables	-	-	-	3.73	-	-	-	-	-	-	-	-
6	Loans made - ICD Receivable	-	-	-	1,000.00	-	-	-	-	-	-	-	-
7	Interest Payable	-	-	1.22	-	-	-	-	-	-	-	-	-
8	Interest Receivable	-	-	-	6.03	-	-	-	-	-	-	-	-

Foot Note: 1. KMP Remunerations paid as reimbursement to IHCL.

**Terms and conditions of transactions with related parties:**

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**30 (b) Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:**

₹ Lakhs

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

**NOTE 30: RELATED PARTY DISCLOSURES (Contd.)**

**30 (c) Details of material transactions with related party during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:**

S. No.	Entities	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
	<b>Material transactions during the year</b>		
1	<b>The Indian Hotels Company Limited (IHCL)</b>		
	i Management and operating Fees .....	305.64	330.18
	ii Fee for other Services .....	209.37	219.33
	ii Deputed staff Salaries/ Inner Circle Reimbursements ....	231.29	145.90
	iv Purchase of Capital Asset- Baggage scanner .....	5.28	-
	v Miscellaneous Expense .....	-	1.32
	vi Dividend Paid .....	43.95	58.60
	<b>Fellow Subsidiary company</b>		
2	<b>Roots Corporation Limited</b>		
	i ICD Placed .....	-	500.00
	ii ICD Repayment received .....	500.00	-
	iii Interest Income Received .....	26.71	36.59
	iv Paid for other services .....	0.05	-
3	<b>United Hotels Limited</b>		
	i ICD Received .....	500.00	-
	ii Interest Expense .....	12.32	-
	iii Deputed Staff Expense payable .....	7.58	4.11
	iv Reimbursement of Expenses payable .....	-	0.16
	v Reimbursement of Expenses recoverable .....	0.87	0.09
4	<b>TIFCO Holdings Limited</b>		
	i Dividend Paid .....	52.62	70.17
	<b>Subsidiary of Entity having significant influence (Tata Sons Limited)</b>		
5	<b>Taj Air Limited</b>		
	i Interest Income Received .....	2.19	54.37
	ii ICD Repayment received .....	500.00	-
6	<b>KMP Remuneration - paid as reimbursement to IHCL</b>		
	i Ashwani Anand .....	39.00	33.64
	ii Ravi Sharma .....	3.49	19.87
	iii Sopan Kedia .....	11.13	-
	iv Vanika Mahajan .....	8.62	6.95
7	<b>Directors</b>		
	<b>Dr. Anant Naraian Singh</b>		
	i License Fees .....	14.74	13.71
	ii Sitting Fees .....	3.30	4.20
	iii Non Executive Director Commission .....	12.25	15.83
	iv Dividend Paid .....	3.60	4.80

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

### NOTE 30: RELATED PARTY DISCLOSURES (Contd.)

S. No.	Entities	March 31, 2018	March 31, 2017
	<b>Shriraman</b>		
i	Sitting Fees .....	3.00	3.00
ii	Non Executive Director Commission .....	7.76	8.11
iii	Dividend Paid .....	0.36	0.90
	<b>Rukmani Devi</b>		
i	Sitting Fees .....	3.90	3.90
ii	Non Executive Director Commission .....	7.75	8.10
iii	Travel Expenses reimbursement .....	0.94	-
iv	Dividend Paid .....	0.17	0.22
	<b>Moiz Miyajiwala</b>		
i	Sitting Fees .....	2.10	0.60
ii	Non Executive Director Commission .....	0.20	-
	<b>B.L. Passi</b>		
i	Sitting Fees .....	-	1.20
ii	Non Executive Director Commission .....	1.93	3.19
	<b>D.R. Kaarathikeyan (resigned w.e.f. 20th Oct' 16)</b>		
i	Sitting Fees .....	-	1.80
ii	Non Executive Director Commission .....	2.30	3.37
	<b>Entities Controlled by the Directors - License Fees paid/ accrued</b>		
i	Maharaja Prabhu Naraian Physical Cultural trust .....	3.68	3.43
ii	Aditya Dairies Private Limited .....	7.37	6.86
iii	Ananta Electrical Lamp Works Limited .....	3.68	3.49
S. No.	Entities	March 31, 2018	March 31, 2017
	<b>Balances outstanding at the end of the year:</b>		
1	<b>The Indian Hotels Company Limited (IHCL)</b>		
i	Management and operating fees payable .....	152.02	-
ii	Receivable on Current account dues .....	53.72	44.33
2	<b>United Hotels Limited</b>		
i	ICD received .....	500.00	-
ii	Interest Expense payable .....	1.22	-
iii	Payable on Current account dues .....	0.60	1.22
3	<b>Payables to Directors &amp; Entities in which Directors are related</b>		
i	Dr. Anant Naraian Singh .....	6.27	-
ii	Rukmani Devi Singh .....	0.14	-
iii	Maharaja Prabhu Naraian Physical Cultural trust .....	1.16	-
iv	Aditya Dairies Private Limited .....	2.62	-
v	Ananta Electrical Lamp Works Limited .....	1.31	-

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

### NOTE 31: EMPLOYEE BENEFITS

- (a) The Company has recognised the following expenses as defined contribution plan under the head “Company’s Contribution to Provident Fund and Other Funds”(net of recoveries) :

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Provident Fund .....	32.38	31.16

- (b) The Company operates post retirement defined benefit plans as follows :-

Funded : Post Retirement Gratuity

- (c) Defined Benefit Plans (Gratuity) As per Actuarial Valuation on March 31, 2018 :-

- (i) Amount to be recognized in Balance Sheet and movement in net liability

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Present Value of Funded Obligations .....	180.72	163.94
Fair Value of Plan Assets .....	167.42	126.91
Net (asset) / Liability .....	13.30	37.03

- (ii) Expenses recognized in the Statement of Profit & Loss

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Current Service Cost .....	12.81	10.44
Interest on Net Defined Benefit Liability .....	1.97	1.24
Total .....	14.78	11.69

- (iii) Amount recorded in Other Comprehensive Income

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Changes in financial assumptions .....	(4.21)	12.28
Changes in demographic assumptions .....	3.34	—
Experience Adjustments .....	7.75	12.69
Actual return on plan assets less interest on plan assets .....	(8.36)	0.37
Total .....	(1.48)	25.34

- (iv) Reconciliation of Net Liability/ Asset

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Opening Net Benefit Liability.....	37.03	18.36
Expense charged to profit and loss .....	14.78	11.69
Amount recognized outside profit and loss .....	(1.48)	25.33
Employer Contribution .....	(37.03)	(18.36)
Closing Net Defined Benefit Liability/ (Asset)..	13.30	37.03

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

### NOTE 31: EMPLOYEE BENEFITS (Contd.)

#### (v) Reconciliation of Defined Benefit Obligation

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Opening Defined Benefit Obligation .....	163.94	146.58
Current Service Cost .....	12.81	10.45
Past Service Cost .....	—	—
Interest on defined benefit obligation .....	11.20	10.86
Actuarial Losses / (Gain) arising from change in financial assumptions .....	(4.22)	12.28
Actuarial Losses / (Gain) arising on account of demographic .....	3.34	—
Actuarial Losses / (Gain) arising on account of ....	7.75	12.69
Benefits Paid .....	(23.97)	(28.91)
Liabilities assumed/ (settled)* .....	9.87	—
Closing Defined Benefit Obligation .....	180.72	163.94

\*On account of business combination or inter group transfer

#### (vi) Reconciliation of Fair Value of Plan Assets

	March 31, 2018	March 31, 2017
	₹ Lakhs	₹ Lakhs
Opening Fair Value of Plan Assets .....	126.91	128.22
Employer Contribution .....	37.03	18.35
Interest on plan assets .....	9.22	9.61
Re-measurements due to Actual return on plan assets less interest .....	8.36	(0.37)
Benefits Paid .....	(23.97)	(28.91)
<b>Liabilities assumed / (settled)* .....</b>	<b>9.87</b>	<b>—</b>
Closing Fair Value of Plan Assets .....	167.42	126.91

\*On account of business combination or inter group transfer

#### (vii) Description of Plan Assets

	March 31, 2018	March 31, 2017
Government of India Securities .....	0%	0%
Corporate Bonds .....	0%	0%
Special Deposit Scheme .....	5%	7%
Equity .....	0%	0%
Others - <b>Bank FDR</b> .....	95%	93%
Grand Total .....	100%	100%

#### (viii) Actuarial Assumptions

	March 31, 2018	March 31, 2017
Discount rate (p.a.) .....	7.55%	7.30%
Salary Escalation Rate (p.a.) .....	Staff- 4.00%	4.00%
	Executive-5.00%	4.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations. Further, Mortality has been assumed as per the published notes under the Indian Assured Lives Mortality (2006-08) Ult table Change in Benefit Obligation.

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

### NOTE 31: EMPLOYEE BENEFITS (Contd.)

(ix) **Maturity Profile**

Maturity Profile	Amount in ₹ lakhs
Expected benefits for year 1 .....	29.14
Expected benefits for year 2 .....	24.01
Expected benefits for year 3 .....	6.29
Expected benefits for year 4 .....	38.11
Expected benefits for year 5 .....	18.70
Expected benefits for year 6 .....	19.52
Expected benefits for year 7 .....	11.20
Expected benefits for year 8 .....	28.08
Expected benefits for year 9 .....	19.38
Expected benefits for year 10 & above .....	123.40

The weighted average duration to the payment of these cash flows is 6.09 years.

(x) **Effect of Change in Key Assumptions  
Year Ended 31st March 2018**

Particulars	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO .....	-2.97%	3.21%
Impact of decrease in 50 bps on DBO .....	3.13%	-3.06%

The expected contribution for the next year is ₹ 20 lakhs.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Information disclosed above is to the extent provided by actuary.

**Exposure to Risks:**

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has made investments in special deposit schemes of banks & FDRs. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate to invest funds in the bank FDRs.

**Interest risk:** A decrease in the Government Securities (G-Sec Bonds) interest rate will increase the plan liability.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

### Other Regulatory matters

#### NOTE 32: DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	31st March 2018	31st, March 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	10.09	—
(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	—	—
(iv) The amount of interest due & 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		

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

#### NOTE 33: EARNINGS PER SHARE (EPS)

Earnings Per Share is calculated in accordance with Ind AS 33 'Earnings Per Share' prescribed under Section 133 of the Companies Act, 2013.

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Profit/ (Loss) after tax (₹) .....	648.29	681.69
Number of Ordinary (Equity) Shares in lakhs .....	13	13
Weighted Average Number of Ordinary (Equity) Shares in lakhs:		
Considered in calculation of Basic EPS .....	13	13
Considered in calculation of Diluted EPS.....	13	13
Face Value per Ordinary (Equity) Share (₹) .....	10	10
Earnings Per Share (₹):		
Basic	49.87	52.44
Diluted	49.87	52.44

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

### NOTE 34: FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed.

#### a. Financial assets and liabilities

The carrying value of financial instruments by categories under the most relevant method i.e. amortised cost is as follows:

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
<b>Financial assets:</b>		
Cash and cash equivalents .....	481.51	175.91
Bank Balances other than Cash & Cash Equivalents .....	158.25	1,056.64
Trade Receivables .....	407.99	421.05
Loans & Advances .....	—	1,000.00
Other financial assets - Non Current* .....	18.95	19.34
Other financial assets - Current* .....	115.76	88.62
<b>Total .....</b>	<b>1,182.46</b>	<b>2,761.56</b>
<b>Financial liabilities:</b>		
Borrowings .....	500.00	—
Trade Payables .....	607.46	495.79
Other financial liabilities - Non Current* .....	—	—
Other financial liabilities - Current* .....	469.09	236.46
<b>Total.....</b>	<b>1,576.55</b>	<b>732.25</b>

#### Fair value of Financial Instruments measured at amortised cost :

The management considers that the carrying amount of assets and liabilities recognised at amortised cost in financial statements is approximate to their fair value.

### NOTE 35: FINANCIAL RISK MANAGEMENT

#### (A) Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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

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

### NOTE 35: FINANCIAL RISK MANAGEMENT (Contd.)

#### 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.

#### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. During the year, following provisions for doubtful debts has been made:

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
Opening provision for doubtful debts .....	14.43	14.40
Add: Provision made during the year .....	12.09	4.34
Less: Debtors written off against past provision .....	—	1.22
Less: Provision written back .....	3.19	3.09
<b>Closing provision for doubtful debts .....</b>	<b>23.32</b>	<b>14.43</b>

#### Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	March 31, 2018 ₹ Lakhs	March 31, 2017 ₹ Lakhs
No of Customers who owed more than 10% of the Total receivables	—	—
Contribution of Customers in owing more than 10% of Total 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 requires the company to track changes in credit risk, rather it recognises impairment loss allowance based on life time expected credit loss at each balance sheet date, since its initial recognition.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**BENARES HOTELS LIMITED**  
Forty Seventh Annual Report 2017-18

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

### NOTE 35: FINANCIAL RISK MANAGEMENT (Contd.)

#### Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Also, The company is having short term borrowings in form of inter corporate deposits renewing at a period of 90 days.

Inter Corporate Deposits	Interest rate % ₹ Lakhs	Due in 1st year ₹ Lakhs
<b>Year ended 31 March, 2018</b>		
United Hotels Limited .....	9%	500
<b>Total .....</b>		<b>500</b>
<b>Year ended 31 March, 2017.....</b>		
<b>Total.....</b>		<b>—</b>

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Contractual Maturity of Financial Liabilities:	₹ Lakhs			
	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Total
<b>Year ended 31 March 2018</b>				
Borrowings (for renewal)	500.00	—	—	500.00
Trade and other payables	607.46	—	—	607.46
Other financial liabilities - Non Current				
Other financial liabilities - Current	469.09	—	—	469.09
<b>Year ended 31 March 2017</b>				
Borrowings (for renewal)				
Trade and other payables	495.79	—	—	495.79
Other financial liabilities - Non Current	—	—	—	—
Other financial liabilities - Current	236.46	—	—	236.46

### NOTE 36: GUARANTEES GIVEN

Bank Guarantees of ₹ 29.22 lakhs (PY - ₹ 28.14 lakhs) have been given by the company to various government authorities & other parties. These guarantees were issued against the Fixed Deposits of ₹ 31.46 lakhs made with the bank.

### NOTE 37:

There are no financial liabilities and assets that are set off as at 31st March 2018 and 31st March 2017.

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

### NOTE 38: DIVIDENDS

Dividends paid during fiscal 2018 represent an amount of ₹ 195 Lakhs @ ₹ 15/- per equity share towards dividend for fiscal 2017.

Dividends paid during fiscal 2017 represent an amount of ₹ 260 Lakhs @ ₹ 20/- per equity share towards dividend for fiscal 2016.

The dividends declared by Benares Hotels Limited are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of Benares Hotels Limited. Subsequent to March 31, 2018, the Board of Directors of Benares Hotels Limited have proposed a dividend of ₹ 195 Lakhs (₹ 15 per share) in respect of fiscal 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 234.70 Lakhs, inclusive of corporate dividend tax of ₹ 39.70 Lakhs. Remittance of dividend within India is exempt from tax in the hands of shareholders.

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### NOTE 39: CAPITAL MANAGEMENT

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the company. The company determines the capital requirement based on annual operating plan and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated.

The Company has borrowings of ₹ 500.00 lakhs (previous year: ₹ Nil lakhs) as at the end of the reporting period. Accordingly, the Company has 0.07 gearing ratio as at 31- Mar -2018 and Nil as at 31- Mar -2017.

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### NOTE 40:

The disclosure required to be made in terms of Schedule V of SEBI (Listing Obligation And Disclosure Requirement) 2015 is not applicable to the company.

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As per our Report of even date attached

**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No.003900S/S200018

**S. Ramakrishnan**  
Partner  
(Membership No.: 018967)

Date : 10th May, 2018  
Place: Mumbai

For and on behalf of the Board

**Dr. Anant Narain Singh**  
Chairman  
DIN: 00114728

**Vanika Mahajan**  
Company Secretary

**Rohit Khosla**  
Director  
DIN: 07163135

**Sopan Kedia**  
Chief Financial Officer

## FINANCIAL STATISTICS

YEAR	CAPITAL ACCOUNTS							REVENUE ACCOUNTS									
	Capital	Reserves & Surplus	Borrowing	Deferred Taxes	Fixed Assets		Investments	Gross Revenue	Expenditure (Including Interest)	Depreciation	Profit Before Extraord. Items & Taxes	Taxes	Profit After Taxes	Net Transfer to Reserves	Dividend	Tax on Dividend	Rate of Dividend %
					Gross Block	Net Block											
1989-90	130.00	28.54	223.51		354.89	233.57	—	293.01	222.09	18.93	51.99	3.10	48.89	38.49	10.40		8%
1990-91	130.00	44.85	218.63		502.44	363.19	—	285.11	237.94	20.47	26.70	—	26.70	16.30	10.40		8%
1991-92	130.00	125.83	181.95		528.47	360.75	—	421.79	286.34	28.46	106.99	—	106.99	80.99	26.00		20%
1992-93	130.00	181.24	145.70		572.99	375.23	—	421.09	309.84	30.52	80.73	(0.67)	81.40	55.40	26.00		20%
1993-94	130.00	231.84	101.98		617.92	389.34	—	462.66	343.17	32.89	86.60	10.00	76.60	50.60	26.00		20%
1994-95	130.00	284.46	79.46		639.16	377.10	—	516.45	382.22	34.11	100.12	8.50	91.62	52.62	39.00		30%
1995-96	130.00	427.78	48.94		689.27	390.25	—	755.19	498.42	36.95	219.82	18.00	201.82	143.34	58.50		45%
1996-97	130.00	616.01	9.88		740.91	487.35	—	904.31	595.56	33.73	275.02	35.50	239.52	188.23	78.00	7.80	60%
1997-98	130.00	781.67	9.74		785.85	498.88	—	985.31	668.39	35.96	280.96	29.50	251.46	165.66	78.00	7.80	60%
1998-99	130.00	981.38	9.74		985.85	661.34	—	1,083.29	716.74	46.65	319.89	33.60	286.29	199.71	78.00	8.58	60%
1999-00	130.00	1,161.94	9.74		1,032.95	661.53	—	1,105.09	730.40	48.19	326.50	37.71	288.78	180.56	97.50	10.73	75%
2000-01	130.00	1,313.88	12.97		1,123.18	706.71	—	1,252.47	870.50	47.09	334.88	54.00	280.88	151.94	117.00	11.93	90%
2001-02	130.00	1,106.06	12.97	141.16	1,282.28	812.41	—	936.29	776.22	55.17	104.90	32.50	72.40	(25.10)	97.50	—	75%
2002-03	130.00	1,124.68	12.97	145.08	1,411.13	876.48	—	1,104.34	857.04	64.77	182.54	53.92	128.62	18.62	97.50	12.49	75%
2003-04	130.00	1,188.07	12.97	152.81	1,530.16	929.83	—	1,298.42	957.70	67.29	273.44	92.73	180.71	63.39	104.00	13.33	80%
2004-05	130.00	1,334.76	14.26	145.75	1,518.08	919.67	100.45	1,532.17	1,046.88	72.16	413.13	140.44	272.69	146.69	110.50	15.50	85%
2005-06	130.00	1,497.84	14.26	146.71	1,759.20	1,112.36	105.19	1,574.94	1,071.05	67.56	436.33	147.25	289.08	163.08	110.50	15.50	85%
2006-07	130.00	1,732.48	22.97	153.78	2,141.70	1,468.78	111.50	1,943.33	1,269.77	86.66	586.90	200.17	386.73	234.64	130.00	22.09	100%
2007-08	130.00	1,990.41	22.97	164.09	2,323.36	1,548.51	—	2,168.87	1,397.41	101.93	669.52	229.08	440.45	257.93	156.00	26.51	120%
2008-09	130.00	2,182.89	25.27	175.62	3,331.83	2,469.11	—	2,018.78	1,417.40	109.56	491.81	170.05	321.76	192.48	110.50	18.77	85%
2009-10	130.00	2,362.78	30.58	205.33	3,534.63	2,522.04	—	2,347.19	1,635.69	153.20	558.30	181.34	376.96	179.89	169.00	28.07	130%
2010-11	130.00	2,656.11	30.58	231.32	3,769.96	2,674.02	—	2,773.17	1,879.79	160.04	733.35	242.89	490.46	293.39	169.00	28.07	130%
2011-12	130.00	3,033.66	—	249.27	4,228.85	2,978.46	—	3,519.50	2,387.20	170.72	961.58	342.35	619.23	377.49	208.00	33.74	160%
2012-13	130.00	3,587.08	—	234.31	4,401.84	3,108.90	—	3,984.62	2,550.28	180.51	1,253.83	396.22	857.61	553.42	260.00	44.13	200%
2013-14	130.00	4,180.88	—	245.64	5,238.53	3,646.59	—	4,411.88	2,845.90	190.28	1,375.70	477.71	897.99	593.80	260.00	44.19	200%
2014-15	130.00	4,790.57	—	303.41	6,310.67	4,459.55	—	4,824.06	3,131.04	267.23	1,425.78	503.15	922.67	609.69	260.00	52.93	200%
2015-16	130.00	5,306.20	—	841.59	6,673.21	4,605.92	—	5,100.20	3,547.16	266.46	1,286.57	458.01	828.56	515.63	260.00	52.93	200%
2016-17	130.00	5,986.25	—	730.39	4,835.11	4,104.14	—	5,113.62	3,575.43	464.85	1,073.34	391.65	681.69	680.05	195.00	39.70	150%
2017-18	130.00	6,400.92	500.00	573.80	6,322.13	5,595.62	—	4,827.52	3,625.36	417.31	784.85	136.56	648.29	414.67	195.00	40.08	150%

**BENARES HOTELS LIMITED**

Corporate Identification No. (CIN) L55101UP1971PLC003480  
Registered Office: Nadesar Palace Compound, Varanasi 221 002

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....

Registered Address : .....

E-mail Id : .....

Folio No./Client ID No. : .....

I/We, being the member (s) of Benares Hotels Limited, holding..... shares hereby appoint

1. Name : ..... E-mail Id : .....

Address : .....

Signature : ....., or failing him/her

2. Name : ..... E-mail Id : .....

Address : .....

Signature : ....., or failing him/her

3. Name : ..... E-mail Id : .....

Address : .....

Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Forty Seventh Annual General Meeting of the Company, to be held on Friday, August 24, 2018 at 3.00 p.m. at the Registered Office of the Company at Nadesar Palace Compound, Varanasi 221 002 and at any adjournment thereof in respect of such resolutions as are indicated below :

Please put a (✓) in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he /she thinks appropriate.

Item No.	Resolution	Type of Resolution	I / We assent to the resolution	I / We dissent to the resolution
			FOR	AGAINST
1	Adoption of Financial Statements, Report of Board of Directors and Auditors for the year ended March 31, 2018	Ordinary		
2	Declaration of Dividend	Ordinary		
3	Reappointment of Dr. Anant Narain Singh (DIN: 00114728) as a Director of the Company.	Ordinary		
4	Appointment of the Auditors of the Company.	Ordinary		
5	Appointment of Mr. Puneet Chhattwal as a Director of the Company	Ordinary		

Signed this ..... day of ..... 2018

Signature of Member.....

Signature of Proxy holder(s).....



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Nadesar Palace Compound, Varanasi 221 002, not less than 48 hours before the commencement of the Meeting.



# LEADERSHIP WITH TRUST

SINCE 1868

₹  
**656,973**  
CRORE  
REVENUE

**600**  
MILLION+  
CONSUMERS

In a free enterprise,  
the community is not just another  
stakeholder in business, but is in fact  
the very purpose of its existence.

- Jamsetji Tata



₹  
**27,346**  
CRORE  
PROFIT  
AFTER TAX

**695,699**  
EMPLOYEES

**3.98**  
MILLION  
SHAREHOLDERS

**150+**  
COUNTRIES

**66%**  
OF PARENT COMPANY  
TATA SONS' EQUITY  
SHARE CAPITAL HELD BY  
PHILANTHROPIC  
TRUSTS

**150**  
YEARS

The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,  
to pioneering national institutions,  
the Tata Group remains committed to improving the lives of communities  
we serve globally, based on leadership with trust.



Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata;  
Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.

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