

BOARD OF DIRECTORS (As on May 16, 2013)

R K Krishna Kumar
Chairman

D Varada Reddy
Managing Director

S B P V Ramamohana Rao
Director

Dr. G Sundaram
Director

Raymond N Bickson
Director

D R Kaarthikeyan
Director

Diwan Arun Nanda
Director

Venu Srinivasan
Director

D Vijayagopal Reddy
Director

S Y Syed Meeran
Director

Pramod Ranjan
Director

Ramesh D Hariani
Director

ORIENTAL HOTELS LIMITED

SHAREHOLDERS' INFORMATION

Annual General Meeting	August 6, 2013 at 2.45 p.m.
Venue	The Music Academy, TTK Road, Royapettah, Chennai 600014
Company Secretary	K.C. Raman
General Manager Finance	P. Parameshwaran
Legal Advisor	T Raghavan New No.41, (Old No.40), Kasturi Ranga Road, Alwarpet, Chennai - 600018
Auditors	Messrs. Brahmayya & Co., Chartered Accountants No.48, Masilamani Road, Balaji Nagar, Royapettah, Chennai - 600014 Messrs. SNB Associates, Chartered Accountants No.12, III Floor, Gemini Parsn Complex, 121, Anna Salai, Chennai - 600006
Bankers	Standard Chartered Bank Indian Bank HDFC Bank Ltd
Book Closure Date	July 30, 2013 to August 6, 2013 (both days inclusive)
Registered Office	Taj Coromandel, 37, Mahatma Gandhi Road, Chennai - 600034 Telephone : 044-66002827 Fax : 044-66002089/98
Company Secretary's Office	Paramount Plaza 47, Mahatma Gandhi Road, Chennai - 600034 Telephone : 044-28222827 Fax : 044-28254447 / 28278138 ohlshares.mad@tajhotels.com www.orientalhotels.co.in
E-mail	
Website	
Listing	
● Equity Shares	Madras Stock Exchange Ltd. Exchange Building, New No.30 (Old No.11) Second Line Beach, Chennai - 600001 Telephone : 044-25228951 / 4393 Fax : 044-25244897 Bombay Stock Exchange Ltd. Ist Floor, New Trading Ring, Rountana Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 Telephone : 022-22721233 / 34 Fax : 022-22721919 The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No.C/1, 'G' Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400051 Telephone : 022-26598100 / 8114 Fax : 022-26598237 / 38 Luxembourg Stock Exchange Societe De la Bourse de Luxembourg SA BP 165 L 2011, Luxembourg Fax : 00352473228/3298
● Shares underlying Global Depository Receipts	INE750A01020 NSE — ORIENTHOT EQ BSE — 500314 M/s.Integrated Enterprises (India) Limited, II Floor, Kences Towers, 1, Ramakrishna Street, T.Nagar, Chennai-600017
ISIN Number	
Stock Code	
Share Transfer Agent	

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**Forty Third Annual General Meeting on Tuesday, August 6, 2013 at 2.45 p.m.
at The Music Academy, TTK Road, Royapettah, Chennai 600014.**

ORIENTAL HOTELS LIMITED

FINANCIAL HIGHLIGHTS

(₹ lakhs)					
HIGHLIGHTS	2012-13	2011-12	2010-11	2009-10	2008-09
Gross Revenue	29,662.62	27,020.53	23,904.11	20,216.69	21,836.08
Profit Before Tax	1,390.01	1,880.96	3,205.99	3,536.99	5,757.84
Taxation	(39.80)	617.76	977.42	1,222.43	2,025.46
Profit After Tax	1,429.81	1,263.20	2,228.57	2,314.56	3,732.38
Dividend, dividend tax, Surcharge and cess	1,149.24	934.08	1,660.58	1,561.97	1,880.57
Retained Earnings	2,897.36	2,284.27	2,110.71	2,123.90	3,175.60
Funds Employed	50,820.57	56,424.38	52,032.64	48,833.87	35,839.94
Net Worth	29,769.55	29,488.98	29,204.99	28,637.00	27,884.41
Borrowings	28,340.00	29,036.85	21,667.90	19,065.95	6,766.42
Net Worth per Share	16.67	16.51	16.35	16.03	15.61
Earnings per Equity Share	0.80	0.71	1.25	1.30	2.09
Dividend on Equity Share	55%	45%	80%	75%	90%
Debt : Equity Ratio	0.88:1	0.98 : 1	0.74 : 1	0.66 : 1	0.24 : 1
Note : Net worth per share is based on equity share of ₹1/- each					

NOTICE TO MEMBERS

NOTICE is hereby given that the 43rd Annual General Meeting of the Members of Oriental Hotels Limited, scheduled to be held at The Music Academy, TTK Road, Royapettah, Chennai 600014 on August 6, 2013 at 2:45 PM to transact the following business:

- 1) To receive, consider and adopt the Profit & Loss Statement for the year ended March 31, 2013 and the Balance Sheet as on that date, along with the Schedules and Notes forming part thereof together with the Auditor's Report thereon and the Directors' Report.
- 2) To declare dividend.
- 3) To appoint a Director in place of Mr.S.Y. Syed Meeran who retires by rotation and is eligible for re-appointment.
- 4) To appoint a Director in place of Dr.G.Sundaram, who retires by rotation and is eligible for re-appointment.
- 5) To appoint a Director in place of Mr.S.B.P.V. Ramamohana Rao who retires by rotation and is eligible for re-appointment.
- 6) To appoint Auditors and fix their remuneration.

Special Business:

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

“Resolved that pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, for a sum not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956 be paid and distributed amongst the Non-Executive Directors of the Company in such amounts or proportions and in such manner as may be decided by the Board of Directors for a period of five (5) years commencing from April 1, 2013 up to March 31, 2018.”

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 forming part of the Notice of the 43rd Annual General Meeting of the Company.

Item no. 7

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

The Shareholders in the 38th Annual General meeting of the Company approved the payment of commission to Non-Executive Directors not exceeding 1% of the Net Profits of the Company for a period of five years commencing from April 1, 2008. Considering the valuable service being rendered by the Non-Executive Directors, the Board proposes that pursuant to Section 309(4) of the Companies Act, 1956 the Non-Executive Directors be paid a commission not exceeding 1% of the Net Profits calculated in accordance to Sections 198, 349 and 350 of the Companies Act, 1956 for a period of five years commencing from April 1, 2013 up to March 31, 2018.

All the Directors except the Managing Director are interested in the above resolution to the extent of the amount of remuneration they may receive.

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2) The instrument appointing a proxy should however be deposited at the Registered Office of the Company or at the office of the Company Secretary not less than 48 hours before the commencement of the meeting.
- 3) Members/Proxies should bring their Attendance Slip sent herewith duly filled in for attending the Meeting. ONLY MEMBERS/PROXIES WILL BE ADMITTED INTO THE AUDITORIUM FOR THE MEETING.
- 4) The Register of Members and the Transfer Books will remain closed from July 30, 2013 to August 6, 2013 (both the days inclusive) for payment of dividend.
- 5) The dividend on Equity Shares as recommended by the Directors for the year ended March 31, 2013, if approved at the Annual General Meeting, will be paid within 30 days i.e. on or before September 4, 2013 to those Members whose names appear in the Register of Members as on August 6, 2013. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
- 6) The Company is extending Electronic Clearing Service (ECS) / (NECS) facility to the shareholders, which will enable the shareholders of the Company to receive dividend amount directly into their bank account.
- 7) Pursuant to Section 205A of the Companies Act, 1956 all dividends remaining unclaimed for seven years from the date they first became due for payment are now required to be transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government under the amended provisions of the Companies Act, 1956.
- 8) As per the provisions of the Companies Act, 1956 facility for making nominations is now available for the shareholders in respect of shares held by them. Nomination forms can be obtained from the Company Secretary's Office at Paramount Plaza, II Floor, 47 Mahatma Gandhi Road, Chennai 600034.
- 9) Members desiring any information as regards the accounts are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the Meeting.
- 10) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies of the Annual Report to the Meeting.
- 11) Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/re-appointment at the meeting are annexed.

Details of Directors seeking re-appointment at the 43rd Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges) and this information forms part of the notice:

Name	Mr.S.Y.Syed Meeran	Dr.G.Sundaram	Mr.SBPV.Ramamohana Rao
Date of Birth	July 17, 1958	October 7, 1938	October 3, 1934
Nationality	Indian	Indian	Indian
Qualification	Graduate	PG (Economics) M.Phil., Ph.d.	Masters in Eng., M.I.T (USA)
Occupation / Experience	Industrialist	Retd. IAS Officer	Industrialist
Date of appointment	July 31, 2006	October 30, 2000	October 28, 1985
Directorship in other Companies	Taj Madurai Ltd., Kamar Chemicals & Industries Ltd., Bay Organics Ltd., KPV Shaik Mohamed Rowther&Co., (P) Ltd.	TAL Lanka Hotels PLC	Sarvaraya Consultancy Services (P) Ltd.
Chairman/Member of the * Committees of other Companies on which he is a Director	-	-	-
Shares held in the Company	10500	NIL	6750

* The Committees include the Audit Committee & the Shareholders' / Investors' Grievance Committee

The attendance records of the Directors seeking re-appointment are furnished in the Corporate Governance report which forms part of the Annual Report 2012-13.

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

Place: Chennai
Date: May 16, 2013

K.C.Raman
Company Secretary

DIRECTORS' REPORT**To the Members:**

The Directors are pleased to present the 43rd Annual Report of the Company together with its Audited Statement of Profit & Loss for the year ended March 31, 2013 and the Balance Sheet as on that date.

Financial Results

Particulars	Year Ended March 31, 2013 ₹ in Lakhs	Year Ended March 31, 2012 ₹ in Lakhs
Profit before depreciation, finance cost & Tax	5345	5771
Finance Cost	2774	1935
Depreciation and amortization expenses	2617	1955
Profit/(Loss) before tax and exceptional items	(46)	1881
Exceptional Items	1436	-
Profit Before Tax	1390	1881
Less:		
Provisions for tax		
- Current	276	383
- Minimum Alternate tax credit entitlement	(185)	(383)
- Deferred Tax	(224)	618
- Tax related to previous years	93	-
Profit After Tax	1430	1263
Balance brought forward from previous year	6551	6537
Distributable profit	7981	7800
Dividend	982	804
Tax on dividend	167	130
Amount transferred:		
- General Reserve	150	130
- Debenture Redemption Reserve	834	185
Balance carried forward	5848	6551
Earnings per share (₹)	0.80	0.71

Operating Results

The Average Room Rates (ARR) across the key domestic markets declined by 4% in the year 2012-13 as compared to the previous year, because of increase in supply. The ARR of the Company for the year was at ₹6,050/- against ₹6,314/- of the previous year.

The occupancy level across the units of the Company remained at 64% despite an increase of 14% in the inventory of the Company from 925 rooms to 1053 rooms. The Company's turnover for the financial year ended March 31, 2013 stood at ₹29,663 lakhs resulted an increase of 10% as compared to previous year. The room income stood at ₹14,790 lakhs with an increase of 8% compared to previous year. Food and Beverage Income stood at ₹12,578 lakhs with an increase of 21% as compared to the previous year.

Total expenditure of the Company was increased by ₹4,569 lakhs (18%) as compared to previous year, this increase of expenditure would be at 8% without considering expenditures on account of Vivanta by Taj – Surya, Coimbatore.

Profit before depreciation, finance cost & tax was at ₹5,345 lakhs for the current year with a decrease of ₹426 lakhs (7%) as compared to previous year. Interest and depreciation amounted to ₹2,774 lakhs and ₹2,617 lakhs respectively. The Net Loss before exceptional items was ₹46 lakhs as against a profit of ₹1,881 lakhs as compared to previous year. Further the Exceptional Items represent a profit of ₹1,218 lakhs on disinvestment holdings of Prestige Garden Resorts Private Limited, a Joint Venture Company and ₹218 lakhs being a profit on transfer of an immovable property.

Profit Before Tax and after Exceptional Items was ₹1,390 lakhs as against ₹1,881 lakhs as compared to previous year Profit After Tax stood at ₹1,430 lakhs as against ₹1,263 lakhs as compared to previous year.

Consolidated Financial Results

The Consolidated turnover of the Company for the financial year ended March 31, 2013 amounts to ₹34,878 lakhs as against ₹32,155 lakhs as compared to the previous year. The Profit After Tax amounts to ₹1,562 lakhs as against ₹2,249 lakhs as compared to previous year.

Dividend

Your Directors recommended a dividend of ₹0.55 (55%) per equity share of ₹1/- each for the financial year ended March 31, 2013. The total amount of dividend outgo for the financial year 2012-13 will be ₹1,149 lakhs comprising of ₹982 lakhs as dividend and ₹167 lakhs as tax on dividend as against ₹804 lakhs as dividend and ₹130 lakhs as tax of dividend for the previous year. The dividend if approved in the forthcoming Annual General Meeting will be paid within 30 days thereof to the Members whose name appears in the Register of Members as on August 6, 2013 and the proposed date of payment will be notified to the Stock Exchanges for publication.

Borrowings

The Company's borrowings as at March 31, 2013 on a standalone basis stood at ₹28,340 lakhs as against ₹29,037 lakhs as on March 31, 2012 and on a Consolidated basis borrowings stood at ₹30,338 lakhs as on March 31, 2013 as against ₹31,975 lakhs as compared to the previous year. The Company during the financial year 2011-12 has raised ₹10,000 lakhs through an issue of 10.40% Secured Non-Convertible Debentures towards capital expenditures which is repayable on maturity in January, 2015.

Fixed Deposits

The Company discontinued acceptance of fixed deposits effective from February 17, 2003 and also renewal of Fixed Deposits with effect from July 2009. The Liability on account of unclaimed Fixed Deposits amounts to ₹5.40 lakhs as on March 31, 2013.

Capital Expenditure

During the year under review, the Company incurred ₹5,274 lakhs towards capital expenditure. Major expenditure was incurred for the construction of Vivanta by Taj - Surya, Coimbatore and renovation of Taj Coromandel, Chennai.

Business Overview

India stands 42nd in the world ranking of Foreign Tourist Arrivals. The Indian economy grew by 5% in the year 2012-13 and the Services Sector grew by 6.6%. The tourism sector contributes 6.23% to the national gross domestic product (GDP) and 8.78% of the total employment in India. However, due to global economic slowdown the Foreign Tourist Arrivals growth was moderated at 5.4% in the year 2012.

In terms of hospitality industry performance in India, the reports indicate that the overall rates and occupancies have seen a decline in 2012 owing to the impact of increased supply in the marketplace and this trend is expected to continue for the next few years.

The increase in interest rates resulted in higher cost of borrowings and increasing input cost have had an impact on profitability. One of the hindrances towards growth of this Industry is that of multiple taxes which makes the tourism product expensive.

Your Company being part of the Taj Group of Hotels, has the advantage of access to the aggressive sales & marketing strategies, cost efficiency and talented pool of human resources etc., Your Company also expanded in newer locations in South India and has plans to add newer hotels in near future.

Product up-gradation and expansion

The year under review your Company had renovated and expanded its products and offerings as detailed hereunder:

1. The Ball Room complex at Taj Coromandel, Chennai was fully renovated and 7,000 Sqft. additional space was also added. A new 4,000 Sqft. Fitness Center was opened.
2. The capacity expansion at Vivant by Taj – Fishermen’s Cove, Chennai was completed with all the 64 new rooms being fully operational.
3. Vivanta by Taj – Surya, Coimbatore opened a Barbeque Restaurant and a Chinese Restaurant.
4. Vivanta by Taj – Trivandrum, opened a new (Jiva) Spa and a Chinese restaurant

Subsidiary Company

The Ministry of Corporate Affairs, vide Circular No. 3/2011 – N.5/12.2007-CL-III dated February 21, 2011 granted a general permission to holding companies from not attaching to its Annual Report the Profit & Loss Statement, Balance Sheet, Auditor’s Report & etc. of its Subsidiary Company(s).

The Board in accordance with the said circular and Section 212, of the Companies Act, 1956 and other applicable provisions if any, have not enclosed the Profit & Loss Statement, Balance Sheet, Auditor’s Report & etc. of its Subsidiary Company, namely OHL International (HK) Ltd. The Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Subsidiary Company is furnished in the Annual Report.

Listing

The Equity Shares of your Company are listed on Madras Stock Exchange Limited, Chennai, Bombay Stock Exchange Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai and the Global Depositary Receipts (GDRs) are listed on Luxembourg Stock Exchange. The Listing fees to the Stock Exchanges and custodian fees to NSDL and CDSL have been paid by the Company for the financial year 2013-14.

Directors

Mr.S.Y.Syed Meeran, Dr.G.Sundaram, and Mr.SBPV.Ramamohana Rao, Directors retire by rotation, and are eligible for re-appointment.

Auditors

The Auditors Messers Brahmaya & Co, Chartered Accountants and Messers SNB Associates, Chartered Accountants, Chennai shall retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The retiring auditors have furnished a certificate confirming their eligibility for re-appointment in accordance with the provisions of Section 224(1B) of the Companies Act, 1956 and also have indicated their willingness for re-appointment.

Staff

The particulars of employees requires to be furnished under Section 217 (2A) of the Companies Act, 1956 read with rules there under, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the reports and accounts are being sent to all the shareholders of the Company excluding the statement of particulars of employees. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

The Directors expressed their appreciation for the contribution made by the employees in the progress of the Company.

Director's Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 (Act) the Directors based on the representation received from the Operating Management, confirm that:—

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii. The Directors have selected such accounting policies and applied them consistently made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company at the end of the financial year March 31, 2013 and of the profits of the Company for that period.
- iii. The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing, detecting fraud and other irregularities.
- iv. The Directors had prepared the Annual Accounts on a going concern basis.

Energy conversion, Technology Transfer and Foreign Exchange Earnings and outgo

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is furnished in Annexure I.

Corporate Governance

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion & Analysis, Corporate Governance as well as the Auditor's certificate on the compliance of Corporate Governance, form part of the Annual Report.

Business Responsibility Report

The Business Responsibility Report in accordance with Clause 55 of the Listing Agreement is not a mandatory requirement for the Company.

Acknowledgement

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

For and behalf of the Board of Directors

Place: Mumbai
Date: May 16, 2013

R.K.Krishna Kumar
Chairman

Annexure I

Conservation & Management

The disclosure pursuant to Section 217(1)(e) of the Companies Act, 1956 read together with the companies (Disclosure of particulars in report of Board of Directors) Rules, 1988 the business of the Company is not covered in the list of industries, to furnish the particulars as specified in Form A & B of the said Rules. The Company has taken initiative to conserve energy, water and natural resources.

Energy

Solar lighting and solar heating panels is being installed by few units to reduce the consumption of power. Screw chillier and De-super heater etc., to generate hot water by heat recovery process from the AC plant and Automatic Power factor control panels are being used to reduce power consumption. The units are using CFL & LED lightings instead of conventional lightings, which reduced the consumption of energy. The Company has potentially using green energy through a group captivity scheme and saves considerable cost on power. Apart from the above the unit(s) under power trading mechanism reduced the consumption of power (electricity) supplied by State Electricity Board and also saved consumption of fossil fuel by operating DG sets.

Water & Waste

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

Foreign Exchange Earnings and outgo

The information relating to Foreign Exchange earnings and outgo is furnished in the Notes No.37 of the Notes to the financial statements.

Corporate Social Responsibility (CSR) Initiatives

Your Company is intrinsically associated with the society and environment by upholding its businesses with transparency and commitment. It has evolved an approach to leverage CSR as a potent, long term goal towards 'Value Creation' for all its stakeholders.

Your Company works towards facilitating creation of sustainable livelihoods by adequate opportunities to the youth community of rural and less privileged sectors of the society. Further, your Company also keen in supporting the differently-able candidates by providing training and access to employment in the hospitality industry.

Your Company units are working in small towns and areas in the nearby locality through initiatives of education, nutritional awareness and also consumption of homemade local produces. Your Company units regularly donate cloths, books & notebooks to under privileged children. Also provide food support to the children homes and old age homes on festival and special occasions.

The youths of Kovalam village near Chennai, are admitted to Kovalam Community College for a 12 months Diploma Course (Vocational Training) in Hotel Management, Air conditioner Mechanism and Data Processing. On completion they will accredited with a Diploma through Tamil Nadu Open University. There are 55 students in the year 2012-13 are yet to complete the 6 month internship training. The 164 students of the Kovalam village for the year 2012-13 provided special coaching in the subjects like English, Maths and Science. The Students are also provided with nutritional supplements. During the year for 214 children of fisherman community belongs to Kovalam the school fees were being paid. Each fisherman family at Kovalm Village were given rice during monsoon and non fishing period declared by the Government.

ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has been reporting a consolidated report taking into account of the financial results for the period April, 2012 to March, 2013 of its Subsidiary, Joint Venture and associates and other developments. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated on account of various factors such as changes in Government regulations, tax regimes, economic developments within India and exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints.

Overview of the Global and Indian Tourism

India, an emerging economy, has witnessed unprecedented volatile economic movement during the year. India, being a cost effective and labor intensive economy, has benefited immensely from outsourcing of work from developed countries, and has a strong manufacturing and export oriented industrial framework. The year under review has experienced the continued recession mixed economic policies adopted by the developed countries resulted cautious financial flows into India.

A comparison of services performance of the top countries in the eleven years period from 2001 to 2011 shows that an increase in the share of services, with India having highest GDP (8.1%). The international travel and tourism industry continues to reveal moderate growth and as per United Nations World Tourism Organisation (UNWTO). Asia Pacific emerging market continued to lead with a 7% growth, much higher than the global average. The Indian subcontinent however experienced a decline in RevPARs about 12%. Indian hospitality market is augmenting with supply-demand mismatch and also the global economic volatility which are the primary reasons for the current performance trend. It has been estimated that a deceleration in services sector growth will be at 6.6% from 8.2% as compared to FY 2011-2012.

In India, hotels and restaurants is the largest contributor to GDP among the various services sub-sectors. During the financial year 2012-13 trade, hotels and restaurants, transport, storage and communication combined to grow an estimated 5.2% and the Foreign Direct Investment (FDI) inflow to the services sector grew by 57.62%.

As per the National Sample Survey Office's (NSSO) report on employment and unemployment situation in India for every 1000 people 242 were employed in hotels and restaurants which is one of major employment providing sector.

Domestic tourism is an important contributor to the growth of this sector. Domestic Indian traveler has emerged in 2012 and increasing discretionary spends continues to propel domestic travel and tourism.

The hospitality industry had shown a marginal increase in services performance of 9.5% percent during 2012-13 as compared to 9.2% in 2011-12. As per the A T Keaney, Global Retail Development Index 2012 reports, India ranked at 5th place and remains as a high potential market with accelerated retail market growth of 15% to 20% expected over the next five years. In India the food and beverages segment is seeing increased activity from foreign players, and grocery remains India's largest source of retail sales.

Prospects for Tourism Industry

The Ministry of Tourism is focusing on preservation and enrichment of natural and cultural resources to ensure positive impact on environmental protection and community development. In order to create awareness, the Ministry of Tourism organized conferences across India in association with UNDP and various stakeholders, on themes of responsible tourism, community participation & empowerment and waste management, etc. The Ministry also provides Central Financial assistance to States/UTs for development of eco-tourism projects. Promoting and marketing of eco-tourism products have been carried out in domestic and overseas markets

The hotels and restaurants sector with a 1.5% share in India's GDP in 2011-12 is also an important sub-component of the tourism sector. There are also many new tourism products that hold significant potential for India like wellness tourism, golf tourism and adventure tourism. To promote tourism, the Government has taken many initiatives including a five year tax holiday for 2, 3 and 4 star category hotels located around all (United Nations Educational, Scientific and Cultural Organisation) UNESCO World Heritage sites for hotels which start operating w.e.f. 1 April, 2008 to 31 March, 2013. Investment linked deduction permitted under Section 35AD of the Income Tax Act extended to new hotels of 2 star category and above anywhere in India, also allowing 100% deduction in respect of the whole or any expenditure of capital nature excluding land, goodwill and financial instruments incurred during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

A committee has been constituted for promotion of golf tourism and wellness tourism and specific guidelines have been formulated to support golf, polo and wellness tourism. The Government has also formulated a set of guidelines on safety and quality norms for adventure tourism. To attract foreign tourists coming to India for medical treatment a new medical visa category has been introduced.

The Economic Surveys 2010–11 and 2011–12 have highlighted various challenges that need to be addressed to develop this sector. The challenges still remain as hindrances to the growth of this sector, one of them is the multiple taxes on hospitality and tourism related activities which make the tourism product expensive in the form of high hotel rates and high fares resulting low occupancy in hotels. The tourism infrastructure is another area which needs immediate attention. Significant opportunities still remains untapped for faster, sustainable and more inclusive growth as envisaged in the Twelfth Five Year Plan. The Government of India has announced the following as a policy.

- Allowed 100% Foreign Direct Investment (FDI) in the hospitality sector on automated route.
- The resource allocated to the Ministry of Tourism in the Union Budget 2013-14 has been increased by ₹8,766 lakhs to ₹1,29,766 lakhs.
- The Indian companies (individual or group, as a whole) in the hotel sector, with a total project cost of ₹25,000 lakhs (US\$ 45.70 million) or more, irrespective of their geographical locations, have been permitted to raise funds through External Commercial Borrowing (ECB) up to a maximum of US\$ 3 billion.

In terms of hospitality industry performance in India, data from Smith Travel Research Global (STR) reports indicate that the overall rates, occupancies and RevPAR have seen a decline in 2012 owing to the impact of increased supply in the marketplace and this trend is expected to continue for the next few years. The supply-demand mismatch in the Indian subcontinent and economic volatility are the primary reasons for this performance trend.

Future prospects

The United Nations World Tourism Organisation (UNWTO) expects growth in the hospitality sector continue in 2013 at 3% in line with UNWTO long term forecast. As per World Travel and Tourism Council (WTTC), foreign tourist arrivals to India are forecasted to grow at a rate of 8% to 9% in the next few years and predicted that India will receive 14 million tourists by 2023.

According to the STR, Global Construction Pipeline Report as of March 2013, the Asia Pacific hotel developments which are in pipeline comprise over 1,700 hotels consisting of 3.8 lakhs rooms. Asia is set to become an increasingly important engine of growth in the future even as it leads the world out of the worst recession in over half a century, according to a leading IMF economist.

Tourism in India has seen exponential growth in the recent years. India is one of the most preferred destinations for both overseas and domestic travelers. Tourism enables the international traveler to understand and experience India's cultural diversity. According to official estimates the Indian tourism industry has outperformed the global tourism industry in terms of growth, volume of foreign tourists as well as in terms of revenue.

Product Up-gradation

The year under review your Company had renovated & increased area by 7,000 Sqft. of the Ball Room complex at Taj Coromandel, Chennai. It also added 4,000 Sqft. new Fitness Center. Further, during the year 64 new additional rooms became fully operational at Vivanta by Taj - Fisherman's Cove, Chennai. The Vivanta by Taj – Surya, Coimbatore opened a Barbeque restaurant and a Chinese restaurant. A new Jiva Spa and Chinese restaurant were opened at Vivanta by Taj - Trivandrum.

Guest Experience

Your Company continues its quest for excellence by constant enhancement of guest experience through personalized service levels and product upgrades.

H R Initiatives

Your Company undertakes several initiatives to develop the competencies of our associates and has focused on greater training and competency enhancement done by Learning and Development Department. The focus on improving and delivering high quality service is an ongoing process. Several initiatives like Year of Associate Program have been implemented to help and create a vibrant and engaged work force.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year, focus was on cost balancing & cost reduction, improving productivity, efficiency and productivity of employees through several HR initiatives like internal re-deployment, promotions and mobility which in turn helped in cutting the payroll cost.

Management Discussion and Analysis of Operating Results & Financial performance

The Annual Report contains Financial Statements of your Company, both on a stand-alone and consolidated basis. An analysis of the financial performance is being discussed hereunder.

Results of the Operations for the year ended March 31, 2013

A summary of standalone and consolidated financial results for the period ended March 31, 2013 is provided hereunder:

₹ in lakhs

Particulars	Standalone		Consolidated	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Revenue from Operations	29,003	26,309	34,464	31,725
Other Income	659	712	414	430
Total expenditure	24,317	21,250	28,190	24,873
Gross Profit	5,345	5,771	6,688	7,282
LESS:				
- Finance Cost	2,774	1,935	2,938	2,150
- Depreciation	2,617	1,955	3,159	2,493
- Profit/(Loss) before Exceptional Items & Tax	(46)	1,881	591	2,639
Exceptional Items(Sale of investments/property)	1,436	-	1,252	299
Profit Before Tax	1,390	1,881	1,843	2,938
Provision for Taxation (Net)	(40)	618	(87)	889
Profit for the year	1,430	1,263	1,930	2,049
Share of Profit/(Loss) of Associates	-	-	(248)	290
Profit after Tax before Minority Interest	-	-	1,682	2,339
Less: - Minority Interest	-	-	(120)	(90)
Profit after Tax after Minority Interest	-	-	1,562	2,249

A summary of standalone and Consolidated Cashflow Statement for the period ended March 31, 2013 is provided hereunder:

₹ in lakhs

Particulars	Standalone		Consolidated	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Net cash from operating activities	4,997	6,146	7,617	7,156
Net cash used for investing activities	(1,432)	(7,541)	(1,941)	(6,549)
Net cash from financing activities	(4,385)	2,155	(6,370)	594
Net increase/(Decrease) in cash & cash equivalents	(820)	760	(694)	1,201

MANAGEMENT DISCUSSION AND ANALYSIS

Particulars	March 31, 2013	March 31, 2012	% of Change
Room Income	14,790	13,688	8.06
Food & Beverage Income	12,577	10,360	21.40
Other Operating Income	1,320	1,873	(29.52)
Management Fees	316	388	(18.56)
Non operating Income	659	712	(7.44)
Total Income	29,662	27,021	9.77
Statistical information			
- Average Room Rate (Rupees)	6,050	6,314	(4.18)
- Percentage of Occupancy (%)	64	64	-

Overall revenue increased by 9.77% and the occupancy percentage of the Company remain unchanged. The inventory of the Company has increased by 128 rooms during the year under review. The operational income of the Company is under constant pressure due to increase in market supply, increase in the input costs, economic volatility & slowdown.

Finance costs:

The financing cost was ₹2,774 lakhs for the year ended March 31, 2013 as compared to ₹1,935 lakhs in the previous year consequent to the renovation and expansion activities undertaken during the year.

Profit /Loss:

The Company has reported a loss of ₹46 lakhs during the financial year ended as at March 31, 2013. The Company recorded a profit after considering transaction of exceptional items was at ₹1,436 lakhs.

Risk factors: Risk and Concerns –Industry Risk**General economic conditions:**

Your Company in the hospitality industry faces risks from socio-political environment from both natural and political factors. Natural calamities, international political conflicts, cross border terrorism which directly had an impact in the travel and affecting business of the Company. The Hotel business is highly sensitive to fluctuations of the economy and any untoward global or local incident(s). The hospitality sector is also affected by factors such as changes in economies, local market conditions, excess supply, reduction in demand of associated services, market competition, changes in interest rates/exchange rates, availability of finance and other natural and social factors.

Company specific risks:

Heavy dependence on India: The Company's revenue is realized from its Indian operations, making it susceptible to domestic socio-political and economic conditions.

Dependence on the high-end Luxury segment: Company's flagship hotel, Taj Coromandel contributes the major proportion of the total revenue. Luxury segment is always affected by the international events, travel behavior and suffers from high operating cost.

Competition from international hotel chains: Several International hotel chains have announced their plans to establish hotels in India. Nearly 600 rooms are expected to be added in the next two years. These entrants are expected to intensify the market competitive environment.

Increased outbound travel: Competition in international airfares, package tour plans etc., resulted travelling interest in destinations like Europe, South East Asia and Australia, which is affordable to an average Indian traveler. This has increased outbound travel resulting as a risk to leisure resorts in the domestic segment.

Risk of wage inflation: The hospitality industry requires employees with specific aptitude and skills to serve guests. The demand for such employees is high across the industry, the Company is of the opinion that wage inflation is critical in determining employees' costs. Thus, your Company will continue to focus on improving manpower efficiencies, by maximizing effectiveness in terms of customer service and satisfaction.

MANAGEMENT DISCUSSION AND ANALYSIS

Client Concentration: Your Company provides its services to 7 broad market segments, namely - Corporate/Business, Leisure, Long-stayers, Groups, Conferences, Crew, Events and Packages. The Company does not face any significant risk since there is no excessive concentration of business with any single client segment.

Foreign exchange fluctuation risks: Your Company also has a portfolio of foreign currency debt, in respect of which it faces exposure to fluctuations in currency as well as interest rate risks.

Initiatives to mitigate Risks

To counter these risks effectively, your Company adopted various measures some of which are given below:

- The Company being part of the Taj Group of Hotels, which helps to implement the sales and marketing strategies of Taj, enables your Company to grow and retain its market share.
- On the cost front various initiatives like centralized purchasing, Green Energy purchase contract had helped in controlling the expenditure
- The Company enjoys the benefit of highly motivated, well trained and organized work force which gives it a competitive edge.
- Well planned and timely up-gradation and renovations of various hotels of the Company helps in guests retention.
- Safety and security initiatives have been rolled out in all the hotels of your Company and they are frequently reviewed and monitored.

Internal control systems and their adequacy being an area of continuous focus, which are being reviewed through the internal audit process. Internal audits were being undertaken for every operational Unit and thrust of the reviews was as follows:

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

The "Taj Positive Assurance Model", a risk and control methodology is being used to identify focus areas, develop a process framework with a scoring matrix and institutionalize the internal audit process.

The Audit Committee of the Board has reviewed the adequacy of the internal control environment through continuous review of the audit findings and monitoring the implementation of the internal audit recommendations.

Limitations of Financial Systems

Contingent liabilities

The accounting standard definition of a contingent liability is as follows:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- the present obligation that arises from past events but is not recognized because it is not probable that a transfer of economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.
- a loss contingency is an existing condition, situation, or set of circumstances that involves uncertainty as to possible loss that will be resolved when one or more future events occur or fail to occur. Potential loss refers to contingent liabilities in which there is substantial and material risk of loss to the organization.

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company's Contingent Liabilities pertain primarily to corporate guarantee provided and taxation matters.

Human Resources and Industrial Relations

The Company's mission is to achieve and sustain leadership in the hospitality industry and to deliver value to its customers by rewarding and recognizing quality customer care based upon individual and team performance. The Company provides opportunities for continuous learning and development and abides by fair policies to ensure the well beings of its employees, their family, the community and the environment.

Industrial relations throughout the year were cordial at all operating units of your Company.

Tax and regulatory policies

The rising prices of land in India, high financial cost and long gestation period has put a damper on the investment avenues available with the Company.

Future outlook

The prospective outlook on the long term growth of the sector is very optimistic. It is forecasted that the next two to three years this sector will witness muted growth, but post this slump, a phase of high growth is expected to emerge. This outlook will be instrumental in promoting investment by hoteliers in the forth coming years. Consequently, India will emerge as a preferred tourism destination among its global competitors. Domestic travelers, who constitute a significant majority of the Indian Hospitality Sector, will fuel growth in newer geographies and help to develop different categories of hotels. The various segments of the industry like Domestic Travelers, Business Travelers, MICE (Meetings, Incentives, and Conventions & Exhibitions), Leisure Travelers and food and beverage are expected to share a promising growth in the near future. The segment of business travelers is expected to grow significantly over the next few years. However, the segment of leisure travelers might not portray the same trend as in business travelers. The Indian tourism offers many products such wellness tourism, golf tourism, and adventure tourism.

India has also developed as one of the world's most cost-efficient medical tourism destinations, and is anticipated that the Indian medical tourism market will register a compound annual growth rate (CAGR) of 27% during 2011-15.

Companies in the hospitality industry are focusing towards Tier II and Tier III cities and expected to drive major portion of the growth. Your Company is already well presented in these markets.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. These statements are made based on certain assumptions, expectations of future events over which the Company exercises no control, neither guarantees nor warrant that the same will be realized by the Company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions affecting demand, supply and price conditions in the hospitality industry, changes in Government regulations, tax regimes and other statutes.

OUR VISION AND VALUES

VISION : “To lead and become the international benchmark in the hospitality industry, in India and in key regions of the world.

To dazzle and delight the customer with the highest quality of hotel products, F & B experiences and above all, exceptional service standards.”

TAJ CORE VALUES : **C**ourage
Excellence
Integrity
Team Work
Respect & concern for others, Reliability
Environment & Society Concern

ANNEXURE TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

A) Company's Vision:

Corporate Governance has been in existence in your Company since inception, before it was mandated by law and more importantly, embedded it as a fundamental principle of the business. The Company's Corporate Governance Philosophy derives from the values of Integrity, Excellence & Responsibility. The Company has adopted best governance to improve business with innovative ideas by promoting indigenous methods. The Company applies a Balanced Scorecard methodology across its units, which assesses the steps taken to achieve long term strategic objectives. The Code of Conduct articulates the values, ethics and business principles that should be adhered to by the employees, as part of its philosophy on Corporate Governance.

The Board of Directors of the Company believes the principles of the Corporate Governance. The Company has been implementing the best practices of the Corporate Governance in order to attain total transparency, accountability and integrity. The Company follows business principles and ethics in all the dealings while striving to achieve the financial targets.

Your Company has also complied with the requirements of Stock Exchange Regulations, and the provisions of the Listing Agreement, which deals with compliance of Corporate Governance requirements.

B) Board of Directors

- The Board of Directors of the Company shall have an optimum combination of Executive and Non-Executive Directors.
- As on March 31, 2013 the Company has twelve (12) Directors with a Non – Executive Chairman. Of the twelve Directors eleven (11) are Non – Executive Directors and six (6) of them being Independent Directors who are experts in diverse fields.
- The day to day management of the Company is administered by the Managing Director subject to the supervision and overall control of Board of Directors.
- "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 independent judgment of the Director, comprise half of the Board,
- During the year under review, the Board of Directors of the Company met five (5) times and the dates of the Board meetings are as follows:

Date of Meeting	For the Quarter
May 8, 2012	April to June
July 17, 2012	July to September
October 10, 2012	October to December
January 13, 2013	January to March
March 18, 2013	

Name of the Director	DIN No.	Category	No. of Meetings attended					Other Companies			
			Board Meeting	Audit Committee	Investor's Grievance Committee	Remuneration Committee	Whether attended last AGM on July 17, 2012	Indian	Foreign	Chairman	Committee Membership
Mr. R.K. Krishna Kumar	00027941	NN	3	-	-	1	Yes	13	7	4	8
Mr. D. Varada Reddy	00052200	MD	5	4	1	-	Yes	-	3	-	-
Mr.S.B.P.V. Ramamohana Rao	00051157	NI	5	3	1	1	Yes	1	-	-	-
Dr. G. Sundaram	00051093	NI	5	4	1	1	Yes	-	1	-	-
Mr. Raymond N. Bickson	00050664	NN	3	2	-	-	Yes	10	7	6	7
Mr. D. Vijayagopal Reddy	00051554	NP	5	-	-	-	Yes	4	-	-	-
Mr. S.Y. Syed Meeran	00547775	NI	4	-	-	-	-	4	-	-	-
Mr. Pramod Ranjan	00887569	NP	5	-	-	-	Yes	6	1	-	-
Mr. D.R. Kaarthikeyan	00327907	NI	4	3	1	1	Yes	12	-	-	7
Diwan Arun Nanda	00034744	NI	1	-	-	-	-	9	1	-	4
Mr. Venu Srinivasan	00051523	NI	-	-	-	-	-	13	2	2	4
Mr. Ramesh D. Hariani	00131240	NP	5	-	-	-	Yes	7	-	-	-

- NI → Non Executive – Independent - NN → Non Executive – Non Independent

- NP → Non Executive – Promoter - MD → Managing Director

C) Committees of the Board

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

1.0 Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the listing Agreement with the Stock Exchanges and the provisions of Section 292A of the Companies Act, 1956.

The Audit Committee comprises of Members including three (3) Independent Directors and two (2) Non Independent Directors. All the Members of the Committee have the relevant experience in the field of finance. Dr. G. Sundaram, Chairman of the Committee is an Independent Director and was present at the previous Annual General Meeting. Audit Committee met four (4) times during the year on the same date of Board Meetings.

1.1 Powers of Audit Committee

The powers of audit committee shall include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it consider necessary.

1.2 Role of Audit Committee

The role of the audit committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor(s) and the fixation of audit fees.
3. Approval of payment to statutory auditor(s) for any other services rendered by them.
4. Reviewing; with management, the quarterly and annual financial statements before submission to the Board for its approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956 .
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management, if any.
 - d. Significant adjustments made in the financial statements arising out of audit findings, if any.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of related party transactions, if any.
 - g. Qualifications in the (draft) audit report, if any.
5. Reviewing; with management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing; with management, performance of statutory and internal auditors, adequacy of the internal control systems.

7. Reviewing; the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors for any significant findings and follow up there on.
9. 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.
10. Discussion with statutory auditor(s) before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividend(s) and creditors.
12. To review the functioning of the Whistle Blower mechanism.
13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
14. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

1.3 Review of information by Audit Committee

The Audit Committee reviewed the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the internal auditor;

1.4 Audit Qualifications

During the period under review, there are no audit qualifications in the financial statements. The Company continues to adopt best practices to ensure unqualified financial statements.

2. Shareholder's/ Investor's Grievance Committee

The Shareholder's / Investor's Grievance Committee comprises of Members including three (3) Independent Directors and one (1) Non Independent Director. The Committee is headed by Dr. G. Sundaram, an Independent Director was present at the previous Annual General Meeting. The Committee met on July 17, 2012 during the year.

The primary function of the Shareholders' Grievance Committee is to assist the Board in addressing the shareholders' grievances against the Company and redresses the complaints of the shareholders.

Barring cases pending in Court relating to disputes over the title to shares, in which the Company has been included as a party, all the complaints from investors have been replied/resolved to the satisfaction of the investors. The Company attends to the investor grievances / correspondences within a period of 15 days from the date of receipt.

The Shareholders' Grievance Committee shall:

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

The status of the complaints received from shareholders during the period April 1, 2012 to March 31, 2013 is as detailed hereunder:

Complaints outstanding at the beginning of the year	NIL
Complaints received during the year; (Types of complaints)	
1. Non Receipt of Dividend	2
2. Non Receipt of Share certificate	2
Complaints disposed off	4
Complaints outstanding at the end of the year	NIL

3.0 Remuneration Committee

The Remuneration Committee constituted by the Board as per the requirement of the Listing Agreement, determines the remuneration payable to the Managing Director, with agreed terms of reference. The Committee comprises of Members including three (3) Independent Directors and two (2) Non Independent Directors. The Committee is headed by Dr. G. Sundaram, an Independent Director and was present at the previous Annual General Meeting. The Committee met on May 5, 2012 during the year.

The Committee reviews the Company's policy on specific remuneration package for the Managing Director which may include pension and compensation payments, etc. The same shall be recommended to the Board of Directors and the shareholders of the Company.

3.1 Remuneration policy

The remuneration of the Managing Director is recommended by the Remuneration Committee based on many factors such as industry benchmarks, the Company's performance vis-s-vis the industry, performance / track record of the Managing Director etc., Accordingly the remuneration comprises a fixed component, viz. salary, perquisites, allowances and a variable component (i.e) commission or yearly incentive.

3.2 Service Contract and Notice Period of the Managing Director

Mr.D.Varada Reddy's contract as a Managing Director is for a period of 5 years, commencing from November 11, 2010 up to November 10, 2015, terminable by 6 month notice on either side. The Company has no scheme for stock options. There is no separate provision for payment of severance fees to the Managing Director.

3.3 Mechanism for evaluating Non – Executive Board Members

The Board of Directors of the Company comprises of eleven (11) Non – Executive Directors. The Directors appointed on the Board are from diverse fields and have long standing experience and expertise in their respective fields.

The Non – Executive Directors add substantial value through the discussions at the Meetings of the Board and Committees thereof. To safeguard the interests of the investors, they also play a control role. In the light of the above, the Chairman under the authority from the Board decides on the performance of each of the Non – Executive Directors and they are accordingly evaluated and remunerated.

Accordingly, the shareholders at the 38th Annual General Meeting of the Company approved the payment of commission to Non-Executive Directors not exceeding 1% of the Net profits of the Company for a period of five years commencing from April 1, 2008. Considering the valuable services being rendered by the Non-Executive Directors, it is proposed that pursuant to Section 309(4) of the Companies Act, 1956 the Non-Executive Directors be paid a commission not exceeding 1% of the net profits calculated in accordance to Sections 198, 349 and 350 of the Companies Act, 1956 for a period of subsequent five years commencing from April 1, 2013 up to March 31, 2018.

The attendance for the Board of Directors meeting(s) and the Committee meeting(s) are furnished in the Corporate Governance Report.

The Company has complied with all listing requirements as detailed above and also adopted the other non mandatory requirements as furnished.

D) Other Non Mandatory Committees of the Board:

1. Share Transfer Committee

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

2. Approval Committee

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

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

3. Ethics Committee

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

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

4. Property Acquisition Committee

The Board has constituted the Property Acquisition Committee to consider specific business and powers with the terms of references as detailed below:

- Set forth the policies relating to purchase / acquisition / sale of properties of the Company
- Acquisition of new properties
- Take on record the market scenario related to real estate
- Decide and recommend to the Board about the purchase or sale of properties of the Company

The details of the non mandatory committee meetings held during the year and the attendance of the members of the respective committees are given below:

Name of the Members	Share Transfer Committee 14.07.2012	Ethics Committee 08.03.2013	Property Acquisition Committee 08.11.2012
Mr.D.Varada Reddy	Yes	Yes	Yes
Mr.S.B.P.V.Ramamohana Rao	Yes	-	Yes
Dr.G.Sundaram	-	Yes	Yes
Mr.D.Viajyagopal Reddy	Yes	-	Yes
Mr.Pramod Ranjan	Yes	-	-

E) Subsidiary Company

The Company does not have any material unlisted subsidiary and is not required to have an Independent Director of the Company on the Board of such Subsidiary. The financial statements including the investments made by the Company's wholly owned subsidiary, OHL International (HK) Limited was reviewed by the Audit Committee. The minutes of the Board meetings of the Subsidiary Company were periodically placed before and reviewed by the Board of Directors of the Company.

F) Postal Ballot:

No resolution was passed through postal ballot during the year.

G) Details of Annual General Meeting:

Particulars of the Annual General Meetings of the Company for the previous three years are as follows:

Location	Date & time	Resolutions passed
Narada Gana Sabha. Chennai - 600 018	July 27, 2010 at 2.30 PM	Ordinary Resolutions: - Adoption of accounts - Declaration of Dividend - Appointment of Directors retiring by rotation - Appointment of Auditors - Appointment of Mr. Venu Srinivasan as Director - Re-appointment of Mr. D. Varada Reddy as Managing Director and approval of terms of appointment and remuneration
	July 28, 2011 at 2.45 PM	Ordinary Resolutions: - Adoption of accounts - Declaration of Dividend - Appointment of Directors retiring by rotation - Appointment of Auditors - Appointment of Mr. Ramesh D. Hariani as Director.
	July 17, 2012 at 2.45 PM	Ordinary Resolutions: - Adoption of accounts - Declaration of Dividend - Appointment of Directors retiring by rotation - Appointment of Auditors

All resolutions passed in the previous Annual General Meetings of the Company were unanimously passed by a show of hands by the Members of the Company present and voting at the said meetings.

No extra-ordinary General Meeting of the Members was held during the year.

H) Compliances

1. Whistle-Blower Policy: The Company has adopted the Whistle Blower Policy pursuant to which employees of the Company can raise their concerns relating to fraud, malpractice(s) or any other activities or event detrimental to the interest of the Company. No personnel were denied access to the Audit Committee.
2. The Company has adopted Insider Trading Policy for prevention of insider trading in the shares of the Company. The Code, inter-alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company.

I) Means of Communication

The Company ensures adequate measures being taken to disseminate pertinent information to the shareholder's, employees and society at large.

- **Quarterly Financial Results:** Quarterly results of the Company are published in one widely circulated English News paper (The Indian Express) and a Vernacular Newspaper, Tamil (Dinamani). The results are also promptly forwarded to Stock Exchanges where the shares of the Company are listed and simultaneously the same being published in the Company's website www.orientalhotels.co.in. The website also displays all official news releases issued by the Company from time to time.

- **Investor Education:** Investors are being provided with timely information on all Company related matters including recruitment / appointment and remuneration of Executive Directors, circulars on the advantages of dematerialization and sub-division of shares ect.,

The Company's official website www.orientalhotels.co.in has in it a separate page for Financial Status in which the quarterly, half yearly and annual results of the Company are displayed. The Company has assigned a separate email id ohlshares.mad@tajhotels.com for investor correspondence.

- Reminders are also sent periodically to investors to claim their respective shares, dividend(s) and interest / deposit amounts which remains unclaimed.

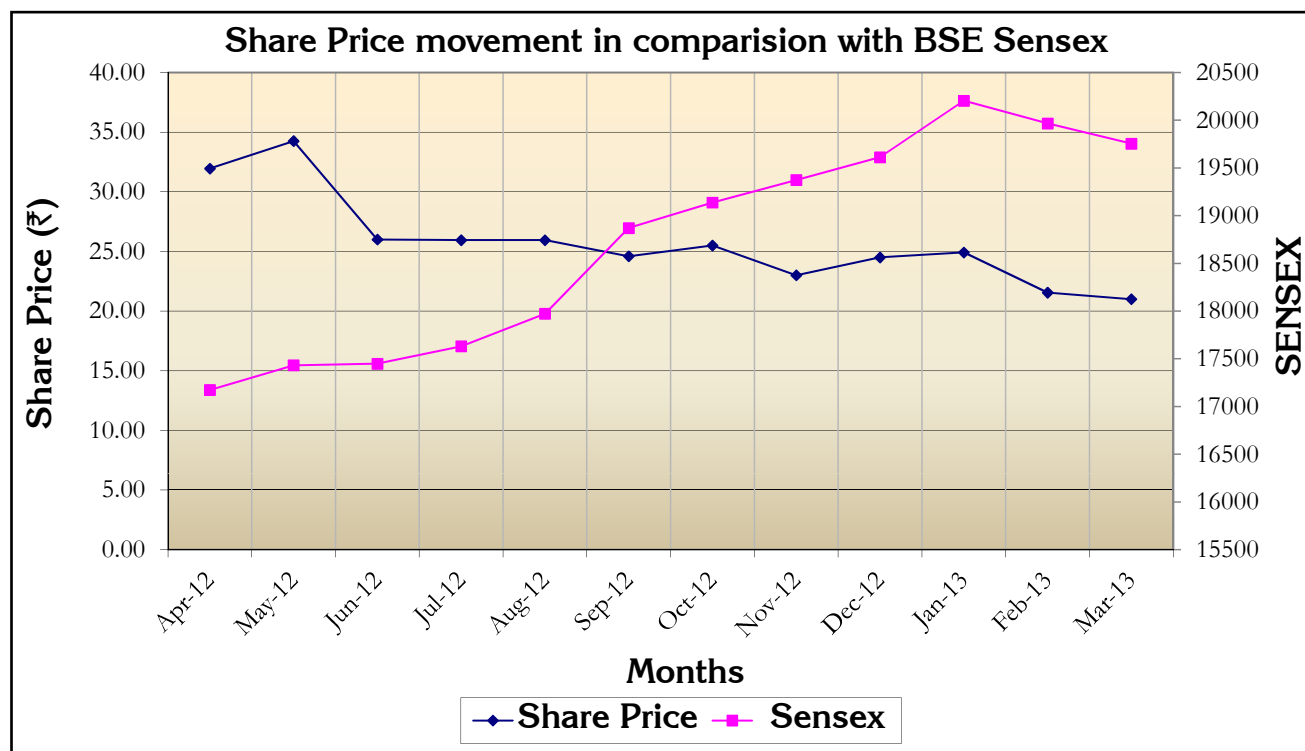
J) General Shareholder Information

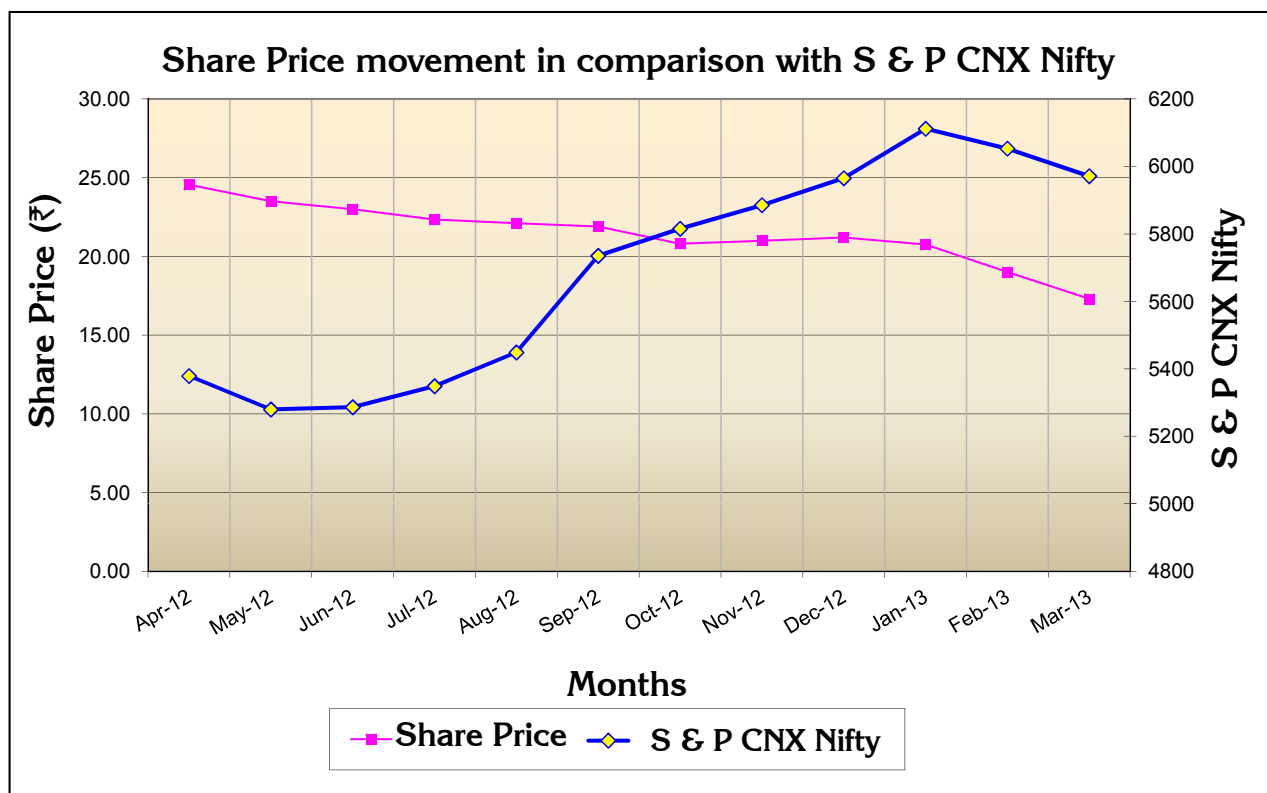
Company Identification Number	L55101TN1970PLC005897
Registered office	Taj Coromandel 37, Mahatma Gandhi Road Chennai – 600034 Tel.no.- 044 66002827 / Facsimile no.- 044 66002089
Company Secretary & Compliance Officer's Office	K.C. Raman Paramount Plaza, 47, Mahatma Gandhi Road , Chennai – 600034. Tel.no.- 044 28222827 Facsimile no.- 044 28254447 / 044 28278138 Website: www.orientalhotels.co.in E-mail: ohlshares.mad@tajhotels.com
Registrar & Share Transfer Agent	M/S Integrated Enterprise (India) Limited Kences Towers, 1 Ramakrishna Street North Usman Road, T Nagar, Chennai – 600017 Facsimile no.- 044 28140801 - 803 E-mail: corpserv@integratedindia.com
Date of AGM & Time	August 6, 2013, 2.45 PM.
Dividend Payment Date	On or after August 6, 2013 before September 4, 2013
Financial Calendar	
Financial Year	1 st April to 31 st March
Financial Report for: Quarter ending 30th June Quarter ending 31st December	Quarter ending 30th September Quarter ending 31st March
Date of Book Closure	July 30, 2013 to August 6, 2013 (Both the days inclusive)
Listing on Stock Exchanges	
Equity Shares	The National Stock Exchange Limited Stock Code: ORIENTHOT EQ Bombay Stock Exchange Limited Stock Code: 500314 Madras Stock Exchange Limited Stock Code: ORIENTHOT EQ
Global Depository Receipts	Luxembourg Stock Exchange, Luxembourg
ISIN No.	INE750A01020

Shareholders are requested to send all their communications to the Company Secretary to the above given address.

Market Price Data

Month	National Stock Exchange Ltd (NSE) - Share price in ₹		Nifty		Bombay Stock Exchange Ltd (BSE) - Share price in ₹		Sensex	
	High	Low	High	Low	High	Low	High	Low
April' 12	33.00	24.55	5378.75	5154.30	31.95	25.05	17173.06	17010.16
May' 12	32.45	23.50	5279.60	4788.95	34.25	23.35	17432.33	15809.71
June' 12	25.95	23.00	5286.25	4770.35	26.00	23.00	17448.48	15748.98
July' 12	27.50	22.35	5348.55	5032.40	25.95	21.35	17631.19	16598.48
August' 12	24.85	22.10	5448.60	5164.65	25.95	22.15	17972.54	17026.97
Sep' 12	23.50	21.90	5735.15	5215.70	24.60	21.60	18869.94	17250.80
Oct'12	24.25	20.80	5815.35	4888.20	25.50	21.30	19137.29	18393.42
Nov' 12	22.70	21.00	5885.25	5548.35	23.00	20.55	19372.70	18255.69
Dec' 12	24.90	21.20	5965.15	5823.15	24.50	21.20	19612.18	19149.03
Jan' 13	24.20	20.75	6111.80	5935.20	24.90	20.70	20203.66	19508.93
Feb'13	21.65	19.00	6052.95	5671.90	21.55	18.90	19966.69	18793.97
Mar' 13	19.75	17.30	5971.20	5604.85	21.00	17.05	19754.66	18568.43





Share Transfer System:

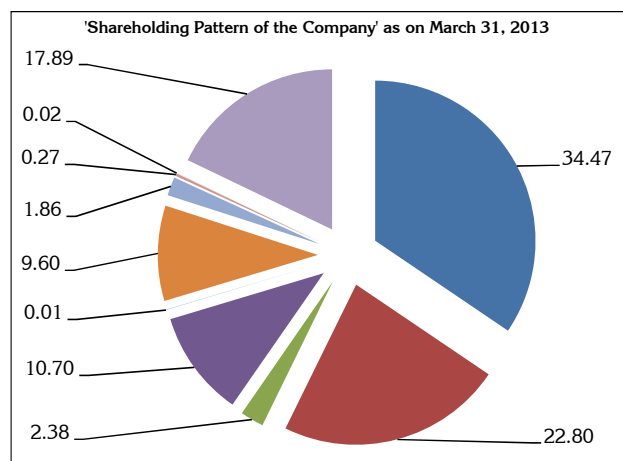
The Company’s shares which are in compulsory dematerialized list are transferable through the depository system. Shares in physical form are processed by the Registrars and Share Transfer Agents. The share transfers in physical form are processed within a period of 15 days from the date of receipt of transfer documents.

Share transfers, dividend payment and all other investor related activities are attended to and processed at the office of the Registrars and Transfer Agents.

Shareholders holding shares in electronic form may note that the instructions regarding bank details to be incorporate on their dividend warrants, change of address, nomination and power of attorney should be given directly to their depository participants.

Shareholding pattern as on 31st March 2013

Sl. No.	PATTERN OF HOLDING	TOTAL HOLDING SHARES	AS ON 31-03-2013 % SHARES TO THE CAPITAL
1.	Promoters		
	- Bodies Corporate	61,561,430	34.47
	- Individuals	40,727,989	22.80
2.	Other Corporate Bodies / Trust	4,257,735	2.38
3.	Financial Institutions & Banks / MF	19,104,372	10.70
4.	Other Directors	17,250	0.01
5.	GDRs Underlying Equity Shares		
	- Promoters & Promoter Group	17,145,090	9.60
	- Public	3,330,840	1.86
6.	Non – Resident Indian	476,381	0.27
7.	Mutual Fund Trust Clearing / FFI	31,644	0.02
8.	Others – Public	31,946,449	17.89
	GRAND TOTAL	178,599,180	100.00



Particulars	Percentage
Promoters - Bodies Corporate	34.47
Promoters - Individuals	22.80
Bodies Corporate / Trust	2.38
IFI / Banks	10.70
Directors	0.01
GDR-Promoters	9.60
GDR-Public	1.86
NRIs	0.27
MF / Trust / FFI	0.02
Public	17.89

Distribution Schedule of Share Holding as an March 31, 2013

Srl. No.	Category of Shares	No. of Shareholders	% to Total No. of Shareholders	No. of Shares	% to Capital
1	Upto 500	8,120	62.57	925,332	0.52
2	501-1000	1,227	9.45	1,042,900	0.58
3	1001-2000	1,055	8.13	1,641,570	0.92
4	2001-3000	621	4.78	1,571,088	0.88
5	3001-4000	328	2.53	1,160,413	0.65
6	4001-5000	494	3.81	2,243,319	1.26
7	5001-10000	573	4.42	4,287,504	2.40
8	10000 & above	560	4.31	1,65,727,054	92.79
	TOTAL	12,978	100.00	178,599,180	100.00

K) Disclosures and Informations

- The Company has complied with the requirements of Stock Exchanges/SEBI/statutory authorities on all matters relating to capital market. No strictures being imposed by SEBI or Stock Exchanges during the year.
- 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.
- The particulars of transactions between the Company and its related parties are as per the Accounting Standard are set out in the Audited Financial Reports.

L) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments

There are no outstanding GDRs, the conversion of which will have any impact on the equity capital of the Company.

M) Dividend information

The dividend paid by the Company for the previous five years at a glance:

Year of Dividend	Nominal Value ₹	₹ per share	Dividend %
2011 – 2012	1/-	0.45	45%
2010 – 2011	1/-	0.80	80%
2009 – 2010	10/-	7.50	75%
2008 – 2009	10/-	9.00	90%
2007 – 2008	10/-	10.50	105%

N) Investor Education and Protection Fund (IEPF)

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956 the Company is required to transfer dividends and matured deposits / interest / that remain unclaimed for a period of seven years from the date of declaration and from the due date of repayment respectively, to the Investor Education and Protection Fund established and administered by Government of India.

The table below gives the dates of dividend declared since 2005-06 and the proposed dates for transfer of the unclaimed dividend to IEPF.

Financial year	Date of Declaration of Dividend	Proposed date for transfer to IEPF*	Amount outstanding (₹in lakhs)
2005 – 2006	July 31,2006	August 29, 2013	635,198
2006 – 2007	August 29, 2007	September 27, 2014	863,189
2007 – 2008	July 31, 2008	August 29, 2015	1,004,588
2008 – 2009	July 23, 2009	August 21, 2016	1,206,666
2009 – 2010	July 27, 2010	August 25, 2017	976,973
2010 – 2011	July 28, 2011	August 26, 2018	1,093,617
2011 – 2012	July 17, 2012	August 16, 2019	689,072

* Indicative dates, actual may vary

It may be noted that no claims will lie against the Company or IEPF in respect of the unclaimed amounts transferred to the fund.

During the year the Company made attempts to contact with those members/depositors who have not claimed their dividend(s) / deposit(s). Special mailers were sent by different modes to reach the members/depositors. As a result, the Company was able to pay a sum of ₹ 5.52 lakhs, during the current year and following amounts were transferred to IEPF.

Particulars	Amount (₹)
Amounts transferred up to March 31, 2012	31,57,751
Unclaimed Dividend transferred pertaining to 2004 – 2005 during the year	4,24,727
Amounts transferred as on March 31, 2013	35,82,478

O) Unclaimed Shares

As per the Listing Agreement, the Company has transferred all the share certificates remaining undelivered, unclaimed by the shareholders to “Unclaimed Suspense Account” and also has dematerialized the shares held in the said Unclaimed Suspense Account. 24,71,730 equity shares remains unclaimed as on March 31, 2013.

P) Remuneration paid to Mr.D.Varada Reddy, Managing Director for the year 2012 – 13:

₹ in lakhs

Salary, Incentive and perquisites	105.99
Contribution to Provident and Gratuity Fund	9.63
Commission Payable	-
No of shares held as on March 31, 2013	65,30,671

Q) Remuneration paid to Non-Executive Directors and the details of share held by them as on March 31, 2013

Name of Director	Sitting fees paid 2012 - 2013 ₹ in lakhs	Commission paid 2011 - 2012 ₹ in lakhs	Total ₹ in lakhs	No of Shares held
Mr. R.K. Krishna Kumar	0.40	2.60	3.00	-
Mr. S.B.P.V. Ramamohana Rao	1.20	2.80	4.00	6,750
Dr. G. Sundaram	1.40	3.03	4.33	-
Mr. Raymond N Bickson	-	2.19	2.19	-
Mr. D. Vijayagopal Reddy	0.70	1.57	2.27	1,502,070
Mr. S.Y. Syed Meeran	0.40	1.40	1.80	10,500
Mr. Pramod Ranjan	0.60	1.57	2.17	2,927,660
Mr. D.R. Kaarthikeyan	0.90	2.80	3.70	-
Mr .Venu Srinivasan	-	-	-	-
Diwan Arun Nanda	0.10	0.75	0.85	-
Mr. Ramesh D. Hariani	0.50	1.57	2.69	1,130,710

R) Location of Hotel Units of the Company

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

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT
REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2013.

Place: Mumbai
Date: May 16, 2013

D VARADA REDDY
MANAGING DIRECTOR

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE
AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

To the Members of
ORIENTAL HOTELS LIMITED,

We have examined the compliance of conditions of Corporate Governance by Oriental Hotels Limited for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Registration No. 000511S

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No. 015682N

R.NAGENDRA PRASAD
Partner
Membership No.203377

S. LAKSHMANAN
Partner
Membership No.20045

Place : Mumbai
Date : May 16, 2013

ORIENTAL HOTELS LIMITED
INDEPENDENT AUDITORS' REPORT

To
The Members of
Oriental Hotels Limited

Report on the financial statements

1. We have audited the accompanying financial statements of M/s. Oriental Hotels Limited ("the Company") which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the 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:
 - a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2013;
 - b) In the case of the Profit and Loss Statement, of the Profit for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Emphasis of Matter

5. Attention is drawn to Note no.38 of the notes to the financial statements regarding payment of remuneration to the Managing Director in excess of the limits prescribed under the Act amounting to ₹58 lakhs which is subject to the approval of the shareholders by a special resolution and also the approval of the Central Government. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
7. As required by Section 227(3) of the Act, we report that:
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet, Profit and Loss Statement, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Act;
 - On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

Place : Mumbai
Date : May 16, 2013

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

S. LAKSHMANAN
Partner
Membership No.20045

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 6 of our report of even date

1. The Company is maintaining proper records, showing full particulars including quantitative details and situation of fixed assets. Fixed assets have been physically verified by the Management during the year based on a phased programme of verifying all the assets over three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its Fixed Assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. There was no substantial disposal of fixed assets during the year.
2. The management has conducted physical verification of inventory at reasonable intervals. The procedures of physically verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) In our opinion and according to the information and explanations given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure to correct major weaknesses in internal control system.
5. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act that need to be entered into a register in pursuance of said section and therefore reporting under Clause v (a) and v (b) of Paragraph 4 of the Order does not arise.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58 A and Section 58 AA or any other relevant provisions of the Act and the rules framed thereunder and the directives issued by the Reserve Bank of India, wherever applicable, with regard to deposits accepted from the public.
7. The Company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Act.
9. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Luxury Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty and Cess during the year with the appropriate authorities. There are no outstanding statutory dues as at March 31, 2013 for a period of more than six months from the date they became payable.
10. According to the records of the Company and information and explanations given to us, in respect of Customs Duty, Wealth Tax, Excise Duty and Cess, there are no outstanding amounts that have not been deposited with the appropriate authorities on account of any dispute. The details of disputed Income Tax, Luxury Tax, Sales Tax and Service tax that have not been deposited with the appropriate authorities are as follows:

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Nature of Dues	Amount (₹ In lakhs)	Forum where dispute is pending
Income Tax		
Income Tax Demand for the Assessment Years 2003-04, 2004-05, 2005-06, 2008-09, 2009-10 and 2010-11	409.47	Income Tax Appellate Tribunal, Chennai / Commissioner of Income Tax (Appeals), Chennai
Income Tax Demand – TDS for the Assessment Years 2009-10 to 2012-13	2.21	Commissioner of Income Tax, Coimbatore
Sales Tax		
Sales Tax Demand for the Financial Years 1990-91 & 1991-92	23.68	Appellate Assistant commissioner, Chennai
Sales Tax Demand for the Financial Years 1992-93 to 1996-97	19.93	Hon'ble High Court of Madras, Chennai
Sales Tax Demand for the Financial Years 2004-05 & 2005-06	30.76	The Assistant Commissioner (Commercial Taxes), Chennai
Sales Tax Demand for the Financial Years 2009-10	6.81	The Assistant Commissioner (Commercial Taxes), Special Circle, Thiruvananthapuram
Sales Tax Demand for the Financial Years 2010-11 to 2012-13	13.49	The Appellate Deputy Commissioner(CT), Visakhapatnam
Luxury Tax		
Luxury tax demands for the Financial Years 2004-05 and 2005-06	28.19	Hon'ble Kerala High court, Ernakulum
Luxury tax demands for the Financial Years 2006-07	1.31	Deputy Commissioner (Appeals), Ernakulum
Service tax		
Service Tax Demand for the Financial Years 2003-04 to 2010-11	138.64	Commissioner of Central excise (Appeals), Kochi
Service Tax Demand for the Financial Years 2005-06 to 2010-11	644.07	Hon'ble High court of Madras, Chennai
Service Tax Demand for the Financial Years 2006-07 to 2010-11	7.96	Commissioner of Central excise, Madurai
Service Tax Demand for the Financial Years 2005-06 to 2010-11	88.74	Commissioner of Central excise(Appeals), Mangalore

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

11. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
12. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in payment of dues to Banks or financial institutions. There are no amounts fallen due in respect of debentures.
13. According to information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The Company is not a chit fund/nidhi /mutual benefit fund/society.
15. Based on our examination of records and the information and explanations given to us, the Company has not dealt/traded in shares, securities, debentures and other investments during the year.
16. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or other institutions.
17. The Company has availed term loans from banks during the year which have been applied for the purpose for which they were raised.
18. According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis amounting to ₹274.31 lakhs have been used during the year for acquisition of fixed assets.
19. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.
20. According to the information and explanations given to us and the records examined by us, securities have been created in respect of debentures issued by the Company.
21. The Company has not raised any monies by public issue during the year.
22. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

Place : Mumbai
Date : May 16, 2013

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

S. LAKSHMANAN
Partner
Membership No.20045

Balance Sheet as at 31st March 2013

₹ in lakhs

Particulars	Note	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	1,785.99	1,785.99
(b) Reserves and surplus	3	27,983.56	27,702.99
		29,769.55	29,488.98
Non-current liabilities			
(a) Long-term borrowings	4	18,869.73	24,551.64
(b) Deferred tax liabilities (Net)	5	1,531.38	1,755.83
(c) Other long term liabilities	6	242.54	249.30
(d) Long term provisions	7	407.37	378.63
		21,051.02	26,935.40
Current liabilities			
(a) Short-term borrowings	8	3,149.40	-
(b) Trade payables	9	2,695.46	2,512.19
(c) Other current liabilities	10	9,173.44	7,634.36
(d) Short-term provisions	11	1,228.10	1,008.26
		16,246.40	11,154.81
TOTAL		67,066.97	67,579.19
ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		44,349.89	42,382.87
(ii) Intangible assets		103.90	112.46
(iii) Capital work-in-progress		1,811.26	1,112.87
(b) Non-current investments	13	6,583.64	7,215.81
(c) Long-term loans and advances	14	8,713.23	8,632.81
		61,561.92	59,456.82
Current assets			
(a) Inventories	15	712.27	829.30
(b) Trade receivables	16	1,639.42	1,820.51
(c) Cash and bank balances	17	734.83	1,560.35
(d) Short-term loans and advances	18	1,878.70	3,294.41
(e) Other current assets	19	539.83	617.80
		5,505.05	8,122.37
TOTAL		67,066.97	67,579.19
Significant Accounting Policies	1		

As per our Report attached

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

S.LAKSHMANAN
Partner
Membership No.20045

For and on behalf of the Board

R.K.Krishna Kumar
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Mumbai
Date: May 16, 2013

P. Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

ORIENTAL HOTELS LIMITED
PROFIT AND LOSS STATEMENT

Profit and Loss Statement for the year ended 31st March 2013

₹ in lakhs

Particulars	Note	March 31, 2013	March 31, 2012
INCOME			
Revenue from operations	20	29,003.50	26,308.69
Other income	20	659.12	711.84
Total Revenue		29,662.62	27,020.53
EXPENSES			
Cost of materials consumed	21	3,665.27	3,065.59
Employee benefits	22	7,169.81	6,459.92
Finance costs	23	2,774.35	1,934.70
Depreciation and amortization	12	2,616.79	1,955.15
Other expenses	24	13,482.63	11,724.21
Total Expenses		29,708.85	25,139.57
Profit/ (Loss) before exceptional item and tax		(46.23)	1,880.96
Exceptional items (Refer Note No.43)		1,436.24	-
Profit before tax		1,390.01	1,880.96
Tax expense:			
(1) Current tax		276.25	383.26
(2) MAT credit entitlement		(184.62)	(383.26)
(3) Deferred tax		(224.46)	617.76
(4) Tax relating to earlier years		93.03	-
Total Taxes		(39.80)	617.76
Profit for the year		1,429.81	1,263.20
Earnings per equity share:			
Basic & diluted (Face value of ₹ 1/- each) (Refer Note No. 41)		0.80	0.71
Significant Accounting Policies	1		

As per our Report attached
For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

S.LAKSHMANAN
Partner
Membership No.20045

For and on behalf of the Board
R.K.Krishna Kumar
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Mumbai
Date: May 16, 2013

P. Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

CASHFLOW STATEMENT

Cashflow Statement for the year ended March 31, 2013

Particulars	₹ in lakhs	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
A. Cashflow from Operating Activities			
Net profit before tax and extraordinary items		1,390.01	1,880.96
Adjustments for			
a) Depreciation	2,616.79		1,955.15
b) Loss/(Profit) on sale of assets	(110.37)		30.31
c) Profit on sale of investments	(1,217.96)		-
d) Assets Written off	-		14.74
e) Bad Debts / Advances Written Off	19.92		24.55
f) Provision for Doubtful Debts and Advances	14.85		60.01
g) Provision and Balances Written Back	(94.13)		(119.82)
h) Interest / Dividend Income	(443.54)		(475.50)
i) Interest paid	2,774.35		1,934.70
j) Unrealised Foreign Exchange (Gain)		-	(46.16)
		3,559.91	3,377.98
Operating profits before working capital changes		4,949.92	5,258.94
Adjustments for			
a) Increase in Trade and other receivables	(28.20)		(271.31)
b) Decrease in Inventories	117.03		(275.91)
c) Increase in Trade payables and Other liabilities	159.22		1,793.70
	248.05		1,246.48
Cash generated from operations		5,197.97	6,505.42
Adjustments for Direct taxes paid (net)		(201.27)	(359.93)
Net Cashflow from Operating Activities (A)		4,996.70	6,145.49
B. Cash Flow from Investing Activities			
Purchase of fixed assets	(5,706.90)		(7,412.70)
Sale of fixed assets	28.54		15.36
Sale/(Purchase) of Investments	1,850.12		36.65
Share holders deposit Placed with Joint Venture received	424.52		356.98
Interest received	96.26		108.57
Dividend received	425.25		204.75
Deposits with other companies	1,450.00		(850.00)
Exchange Gain Realised on Funds Invested	0.01		(0.02)
Net Cashflow from Investing Activities (B)		(1,432.20)	(7,540.41)
Carried forward		3,564.50	(1,394.92)

ORIENTAL HOTELS LIMITED

CASHFLOW STATEMENT

Cashflow Statement for the year ended March 31, 2013

Particulars	₹ in lakhs	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Brought Forward		3,564.50	(1,394.92)
C. Cashflow from financing activities			
Net Increase in borrowings	(1,175.70)		6,285.42
Debenture Issue Expenses	-		(66.80)
Interest Paid	(2,275.55)		(2,403.36)
Dividend paid	(934.08)		(1,660.58)
Net cash flow from financing activities (C)		(4,385.33)	2,154.68
Net Increase / (Decrease) in cash and cash equivalents(A+B+C)		(820.83)	759.76
Cash as per books			
Cash as on Opening 1st April		1,465.89	706.13
Cash as on Closing 31st March		645.06	1,465.89
Net Increase / (Decrease) in cash and cash equivalents		(820.83)	759.76
NOTES TO THE CASH FLOW STATEMENT :		As at	As at
		31-03-2013	31-03-2012
i) Cash and Cash Equivalents			
Cash on hand and balances with banks		734.83	1,560.35
Bank balances and Deposits Not Considered as Cash		(89.74)	(94.45)
Unrealised Exchange Loss/ (Gain)		(0.03)	(0.01)
Cash and Cash Equivalents as restated		645.06	1,465.89

ii) Previous year's figures have been regrouped wherever necessary to confirm to current year's classification.

As per our Report attached
For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

S.LAKSHMANAN
Partner
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For and on behalf of the Board
R.K.Krishna Kumar
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Mumbai
Date: May 16, 2013

P. Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

Notes to Financial Statements for the year ended 31st March, 2013

Note 1

Significant Accounting Policies

The financial statements are prepared under historical cost convention on accrual basis and comply with Accounting Standards (AS) referred to in Section 211(3C) of the Companies Act, 1956. The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from the estimates. Significant accounting policies adopted in the presentation of the accounts are as under:

a) Fixed Assets

Fixed Assets are carried at cost less depreciation.

b) Depreciation

Depreciation on Assets is provided on straight line basis at rates which are in conformity with the requirements of the Companies Act, 1956. Assets given to the employees under the Company's white good scheme are depreciated as per the terms of the scheme. Buildings constructed and capital expenditure incurred on leasehold rights are depreciated at the rates arrived at based on the number of years of total lease or the rates applicable as per the Companies Act, 1956 whichever is higher.

c) Investments

Long Term Investments are carried at cost. Provision for decline in the value, other than temporary, has been made wherever necessary.

Current Investments are carried at lower of cost and market value / net asset value.

d) Inventories

Inventories are valued at cost on weighted average basis.

e) Transactions in Foreign Exchange

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate prevailing on the date of balance sheet. Exchange differences arising on settlement and conversion of foreign currency transactions are recognised as income or expense in the period in which they arise, except in cases where they relate to long term monetary items utilized for acquisition of qualifying assets.

Consequent to the notification No.F.No.17/133/2008 – CL V dated 29th December, 2011 revising Accounting Standard (AS) 11 “The Effects of Changes in Foreign Exchange Rates”, the Company has exercised the option in terms of paragraph 46A. Accordingly the exchange differences arising on settlement / translation of long term monetary items utilised for acquisition of depreciable fixed assets are adjusted to the carrying cost of fixed assets. Non-monetary items denominated in foreign currency are carried at the exchange rate in force at the date of the transaction.

f) Employee Benefits

In respect of defined contributions schemes, contributions to Provident Fund and Family Pension are charged to profit and loss account as incurred.

In respect of defined benefit schemes, the post - retirement benefits such as gratuity, leave encashment and other retirement benefits are accounted for based on valuations, as at the balance sheet date, made by an independent actuary. Gratuity in respect of certain employees is covered by Group Gratuity scheme with the Life Insurance Corporation of India and the balance employees contribution is made to a recognised fund and is managed by the Company.

In respect of other employee benefits, provision for such benefits are provided in terms of Accounting Standard - 15 (Revised) - "Employee Benefits".

g) Borrowing Cost:

Borrowing costs incurred on acquiring qualifying assets (i.e assets that necessarily take a substantial period of time to get ready for their intended use) are capitalised at the weighted average rate at which the funds have been borrowed for such acquisition. Other borrowing costs are recognised as an expense in the year in which they are incurred.

h) Taxes on Income :

Income Tax including minimum alternate tax is computed in accordance with Accounting Standard 22 (AS-22) 'Accounting for Taxes on Income' . Tax expenses are accrued in the same period as the revenue and expenses to which they relate.

Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit /loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liability is recorded for timing differences , i.e. differences that originate in one accounting period and reversed in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on applicable tax rates. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date.

Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. In situations, where the Company has unabsorbed depreciation and carried forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits.

i) Impairment of Assets:

Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

j) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets', when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

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

Contingent Assets are not recognised in the financial statements.

k) Assets taken on lease:

In respect of lease transactions, which are in nature of finance leases, Assets taken on lease after 1st April, 2001 are accounted as fixed assets at fair value in accordance with Accounting Standard 19 (AS-19) - "Leases". Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return.

Assets taken on lease/licence under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses in accordance with the respective lease/licence agreements.

Note 2 : SHARE CAPITAL

Particulars	As at March 31, 2013	As at March 31, 2012
	₹ in lakhs	₹ in akhs
(i) Authorised Share capital		
24,50,00,000 - Equity Shares of ₹1/- each (Previous year 24,50,00,000 Equity Shares of ₹1/- each)	2,450.00	2,450.00
50,50,000 - Redeemable Cumulative Preference Shares of ₹100/- each	5,050.00	5,050.00
Total	7,500.00	7,500.00
(ii) Issued, Subscribed and Paid up		
17,85,99,180 - Equity Shares of ₹1/- each fully paid (Previous year 17,85,99,180 Equity Shares of ₹1/- each)	1,785.99	1,785.99
Total	1,785.99	1,785.99

(a) The Company has one class of equity shares having a par value of ₹1/- share. Each shareholder is eligible for one vote per share held. The Board of Directors in their meeting on 16th May, 2013 proposed a dividend of ₹ 0.55 per equity share, which is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Reconciliation of Equity shares

Particulars	March 31, 2013		March 31, 2012	
	No. of share	₹ in lakhs	No. of share	₹ in lakhs
Shares outstanding at the beginning of the year	178,599,180	1,785.99	178,599,180	1,785.99
Add : Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	178,599,180	1,785.99	178,599,180	1,785.99

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

Name of the Shareholder(s)	March 31, 2013		March 31, 2012	
	No. of Shares Held	% holding	No. of Shares Held	% holding
The Indian Hotels Company Limited	33,764,550	18.91%	33,764,550	18.91%
TIFCO Holdings Limited	17,208,360	9.64%	17,208,360	9.64%
Reliance Long Term Equity Fund	15,047,061	8.43%	15,094,161	8.45%

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 3 : Reserves and Surplus

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in akhs
Securities Premium Account	11,009.40	11,054.53
Less: Debenture Issue Expenses*	-	45.13
	11,009.40	11,009.40
Debenture Redemption Reserve		
Opening Balance	185.00	-
Add : Transferred from Profit & Loss Statement	834.00	185.00
Closing Balance	1,019.00	185.00
Investment Allowance Utilised Reserve	45.74	45.74
Export Profits Reserve	0.43	0.43
General Reserve		
Opening Balance	9,911.47	9,781.47
Add : Transferred from Profit & Loss Statement	150.00	130.00
Closing Balance	10,061.47	9,911.47
Surplus in Profit and Loss Account		
Opening Balance	6,550.95	6,536.83
Add : Profit for the year	1,429.81	1,263.20
Less : Proposed dividend	982.30	803.70
Less : Tax on Proposed dividend	166.94	130.38
Less : Transfer to Debenture Redemption Reserve	834.00	185.00
Less : Transfer to General Reserve	150.00	130.00
	5,847.52	6,550.95
Total	27,983.56	27,702.99

* Net of tax credit.

Note 4 : Long Term Borrowings

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Secured		
10.40% Non- Convertible Redeemable Debentures	10,000.00	10,000.00
Term Loans - From Banks (refer Note below)	13,589.78	17,978.31
	23,589.78	27,978.31
Less: Current Maturities of Long Term Borrowings transferred to current liabilities	6,321.32	4,485.21
	17,268.46	23,493.10
Add: Exchange Loss on currency swap of the term loan	1,601.27	1,058.54
	18,869.73	24,551.64
Unsecured		
Fixed Deposits	-	0.40
Less: Current Maturities of Long Term Borrowings transferred to current liabilities	-	0.40
Total	18,869.73	24,551.64

Note:

Particulars	Loan Outstanding in ₹lakhs	No. of Instalments	Security	Repayment Terms
Rupee Term Loan - I	4,615.38	13	Rupee Term Loan are secured by way of mortgage by deposit of title deeds in respect of immovable properties of Fisherman's Cove and Coonor Hotel & additionally secured by way of exclusive first charge of credit card receivables of the Company.	13 equated Quaterly Instalments of ₹ 769.23 lakhs, commencing from July 2011 carrying interest rate of 11.55%
Rupee Term Loan - II	7,000.00	19		19 Quaterly Instalments of ₹ 382 lakhs commencing from April 2013 carrying interest rate of 11.4%
Foreign Currency Term Loan from a Bank	1,974.40	3	Foreign currency loan is secured by first pari passu mortgage by deposit of title deeds of Taj Coromandel Hotel.	3 Yearly commencing from June-2011 carrying interest rate of 10.46%
10.40% Secured Non-convertible Redeemable Debentures	10,000.00	1	Secured by Mortgage of Buildings and other fixed assets of Vivanta by Taj Surya, Coimbatore.	Due in the month of January, 2015 carrying interest rate of 10.4%

Note 5 : Deferred Tax Liability (Net)

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Deferred tax liability:		
Relate to Fixed Assets	5,979.17	5,830.11
Total (A)	5,979.17	5,830.11
Deferred tax asset:		
Provision for doubtful debts	35.30	59.72
Provision for Employee Benefits	87.37	72.38
Loss u/s 35AD of Income Tax Act, 1961	4,310.56	3,932.13
Others	14.56	10.05
Total (B)	4,447.79	4,074.28
Deferred Tax Liability (Net) (A-B)	1,531.38	1,755.83

Note 6 : Other Long Term Liabilities

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Unsecured From Others		
- Deposit - Sublease	200.00	200.00
- Shop Security Deposits	42.54	49.30
Total	242.54	249.30

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 7 : Long Term Provisions

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Provision for Employee Benefits	314.12	276.90
Provision for Pension liability for retired Directors & their relatives	93.25	101.73
Total	407.37	378.63

Notes 8 : Short Term Borrowings

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Loans repayable on demand		
- Secured from Banks (Refer Note (i))	150.00	-
- Unsecured - Commercial Paper (Refer Note (ii))	749.40	-
	899.40	-
Deposits - Unsecured from Corporates		
- Inter Coporate Deposits from Related Parties	2,250.00	-
Total	3,149.40	-

Note (i): Secured loans from banks represents short term loan are secured by way of mortgage by deposit of title deeds in respect of immovable properties of Fisherman's Cove and Coonor Hotel & additionally secured by way of exclusive first charge of credit card receivables of the Company.

Note (ii): The Company has issued 150 Commercial Paper of ₹ 5 lakhs each aggregating ₹ 750 lakhs (net proceeds ₹ 748.59 lakhs and interest accrued for current year ₹ 0.81 lakhs) on March 28, 2013. The Commercial Paper carries interest @9.8% and is repayable at par 7days from the date of allotment.

Notes 9 : Trade Payables

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Due to Micro, Small Medium Enterprises (Ref. Note Below)	63.96	41.87
Trade Payable	2,631.50	2,470.32
Total	2,695.46	2,512.19

Note: Amounts due to Micro, Small and Medium Enterprises:

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

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	63.96	41.87
(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 and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

ii) Includes ₹30 lakhs due to Directors (Previous year ₹47.14 Lakhs)

Note 10: Other Current Liabilities

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Current maturities of long term borrowings	6,321.32	4,485.61
Interest accrued but not due on borrowings	694.62	160.04
Creditors for capital goods		
- Retention money	276.12	496.84
- Others	152.14	614.12
Advance from customers	162.42	209.15
Unclaimed dividend (Refer Note i)	64.69	68.35
Unclaimed matured deposits & interest accrued thereon	6.11	6.11
Other Liabilities		
- Statutory Dues	694.93	773.71
- Employee related Dues	599.88	597.08
- Other payables	201.21	223.35
	1,496.02	1,594.14
Total	9,173.44	7,634.36

- i) The amount reflects the position as on 31st March 2013, the actual amount to be transferred to the "Investor Education & Protection Fund" shall be determined and paid to the credit of the fund on due dates.

Note 11 : Short Term Provisions

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Provision for employee benefits	66.13	55.72
Provision for pension liability for retired Directors and their relatives	12.73	18.46
Proposed dividend	982.30	803.70
Tax on dividend	166.94	130.38
Total	1,228.10	1,008.26

NOTE 12: FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	At Cost as 01.04.12	Additions	Deletions	At Cost as 31.03.13	Up to 01.04.12	Depreciation for the year	Withdrawals during the year	Up to 31.03.13	As at 31.03.13	As at 31.03.12
Tangible Assets										
1. Land (Freehold)*	8062.43 (7473.19)	606.83 (589.24)	0.11 -	8669.15 (8062.43)	- -	- -	- -	- -	8669.15 (8062.43)	8062.43 (7473.19)
2. Land (Leasehold) #	33.76 (33.76)	- -	- -	33.76 (33.76)	16.71 (15.57)	1.14 (1.14)	- -	17.85 (16.71)	15.91 (17.05)	17.05 (18.19)
3. Buildings	7598.13 (6222.41)	1350.03 (1394.49)	84.24 (18.77)	8863.92 (7598.13)	922.99 (808.94)	157.84 (116.04)	19.18 (1.99)	1061.65 (922.99)	7802.27 (6675.14)	6675.14 (5413.47)
4. Improvement to Buildings	8948.27 (1849.97)	59.93 (7102.58)	0.22 (4.28)	9007.98 (8948.27)	820.23 (703.73)	177.45 (117.75)	- -	997.68 (820.23)	8010.30 (8128.04)	8128.04 (1146.24)
5. Plant and Machinery	19992.34 (13525.37)	1711.46 (6619.63)	447.21 (152.66)	21256.59 (19992.34)	7355.60 (6499.99)	1283.59 (970.60)	374.16 (114.99)	8265.03 (7355.60)	12991.56 (12636.74)	12636.74 (7025.38)
6. Furniture and Fixtures	11018.11 (7510.79)	826.19 (3524.58)	208.30 (17.26)	11636.00 (11018.11)	4987.46 (4441.66)	773.32 (558.66)	196.22 (12.86)	5564.56 (4987.46)	6071.44 (6030.65)	6030.65 (3069.13)
7. Vehicles	463.15 (472.36)	52.95 (15.11)	10.84 (24.32)	505.26 (463.15)	283.93 (274.55)	35.33 (32.46)	8.06 (23.08)	311.20 (283.93)	194.06 (179.22)	179.22 (197.81)
8. Office Equipments	1629.78 (1317.09)	104.78 (342.74)	0.14 (30.05)	1734.42 (1629.78)	976.18 (863.82)	163.09 (137.52)	0.05 (25.16)	1139.22 (976.18)	595.20 (653.60)	653.60 (453.27)
Total tangible assets	57745.97 (38404.94)	4712.17 (19588.37)	751.06 (247.34)	61707.08 (57745.97)	15363.10 (13608.26)	2591.76 (1934.17)	597.67 (179.33)	17357.19 (15363.10)	44349.89 (42382.87)	42382.87 (24796.68)
In tangible Assets										
9. Intangible assets	337.52 (273.50)	16.47 (64.02)	- -	353.99 (337.52)	225.06 (203.60)	25.03 (21.46)	- -	250.09 (225.06)	103.90 (112.46)	112.46 (69.90)
Total intangible assets	337.52 (273.50)	16.47 (64.02)	- -	353.99 (337.52)	225.06 (203.60)	25.03 (21.46)	- -	250.09 (225.06)	103.90 (112.46)	112.46 (69.90)

Note

* A portion of land measuring 1.071 acres costing ₹3.78 Crores is under compulsory acquisition by Tamil Nadu State Highway Department. Pending acquisition and fixing of compensation, the same has not been dealt with in the books of account as on 31st March, 2013.

Company has obtained long term Commercial Lease rights from Ministry of Defence, Government of India. The Lease Rights are amortised over the lease period. The land is under sub-lease.

Fixed Assets includes Interest Capitalised ₹35.78 lakhs (Previous Year - ₹460.76 lakhs)

Fixed Assets include exchange fluctuation capitalised of which Buildings ₹418.53 lakhs (Previous Year ₹489.29 lakhs), Plant and Machinery ₹283.04 lakhs (Previous Year ₹ 400.06 lakhs), Furniture and Fixtures ₹120.96 lakhs (Previous Year ₹198.72 lakhs) and Vehicles ₹1.01 lakhs (Previous Year ₹ 1.42 lakhs) and Depreciation of which Buildings ₹24.64 lakhs (Previous Year ₹4.57 lakhs), Plant and Machinery ₹68.85 lakhs (Previous Year ₹30.59 lakhs), Furniture and Fixtures ₹30.80 lakhs (Previous Year ₹5.67 lakhs) and Vehicles ₹.26 lakhs (Previous Year ₹.14 lakhs)

Note 13 : Non Current Investments

Particulars	Face Value	Holdings As at 31st March, 2013	As at 31 March, 2013 ₹ in lakhs	As at 31 March, 2012 ₹ in lakhs
INVESTMENT IN GROUP COMPANIES				
LONG TERM				
Investment in Subsidiaries- (Unquoted)				
OHL International (HK) Limited-Equity Shares (Note iii)	US\$10	1,500,000	4,683.00	4,683.00
Investment in Joint Ventures (Unquoted)				
TAL Hotels & Resorts Limited-Equity Shares (Note iv)	US\$1	919,104	437.68	437.68
Prestige Garden Resorts Pvt Limited-Equity Shares (Note v)	₹10	-	-	632.17
Investment in Associates (Unquoted)				
Taj Madurai Limited-Equity Shares	₹10	912,000	118.60	118.60
OTHER TRADE INVESTMENT, UNQUOTED-Equity Shares				
Taj Kerala Hotels and Resorts Limited	₹10	1,515,000	151.50	151.50
Taj Karnataka Hotels and Resorts Limited	₹10	300,000	30.00	30.00
Asian Hotels West Limited	₹10	70	0.11	0.11
Taj Air Limited (Refer Note vi)	₹10	6,250,000	625.00	625.00
Taj Trade & Transport Company Limited.	₹10	100,500	15.92	15.92
Apollo Sindoori Hotels Limited	₹10	100	-	-
Asian Hotels East Limited	₹10	70	0.12	0.12
Lands End Properties Private Limited	₹10	1,990,000	199.00	199.00
Green Infra Wind Farms Limited	₹10	45,000	4.50	4.50
Green Infra Wind Generation Limited	₹10	60,000	6.00	6.00
OTHER TRADE INVESTMENT, QUOTED-Equity Shares				
The Indian Hotels Company Limited	₹1	511,836	274.62	274.62
Hotel Leela Venture Limited	₹2	500	0.12	0.12
EIH Limited	₹2	1,125	0.53	0.53
Jaiprakash Associates Limited	₹2	150	0.06	0.06
Sterling Holiday Resorts (India) Limited	₹10	500	0.37	0.37
Tulip Star Hotels Limited	₹10	29,600	32.56	32.56
EIH Associated Hotels Limited	₹10	4,314	2.03	2.03
Benares Hotels Limited	₹10	50	0.06	0.06
Velan Hotels Limited	₹10	4,000	0.42	0.42
NON-TRADE INVESTMENT, QUOTED				
ICICI Bank Limited	₹10	1,546	1.36	1.36
Apollo Hospital Enterprises Limited.	₹10	100	0.08	0.08
NON-TRADE INVESTMENT, UNQUOTED				
Chennai Willingdon Corporate Foundation	₹10	5	-	-
Indian Dairy Entrepreneurs Agricultural Company Limited. (Refer Note vii)	₹1	86,302	-	-
TOTAL			6,583.64	7,215.81

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
NOTES :		
i) Aggregate of quoted investments:		
Shares		
Cost	312.21	312.21
Market value	337.85	399.22
ii) Aggregate of unquoted investments :		
Cost	6,271.43	6903.60
(iii) Stated at the exchange rate prevailing on the date of Initial deposit of loan which was converted into Shares.		
(iv) In terms of Share Retention Agreement with International Finance Corporation (IFC) for the loans availed by TAL Hotel and Resorts Limited (THRL), transfer of shareholding in this Company is restricted during the subsistence of the loan agreement of THRL.		
(v) Sold during the year.		
(vi) In terms of an undertaking, transfer of this shareholding is restricted to Taj / TATA group Companies.		
(vii) Equity Shares of ₹ 10/- each have been reduced to ₹ 1 /- each as confirmed by the order of the court and provision for diminution in value has been made in the earlier years.		

Note 14 : Long Term Loans and Advances

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
(Unsecured, considered good unless stated otherwise)		
Capital advances	565.50	218.44
Security deposits		
Long term deposits placed for hotel properties		
- Related party (Refer Note i)	4,750.00	4,750.00
- Others	718.62	718.62
Deposits with public bodies and others	428.66	232.05
	5,897.28	5,700.67
Loans & advances to related parties:		
Shareholder's deposit placed with a joint venture (Refer Note ii)	-	424.52
Advance tax Net of Provisions (Refer Note iii)	1,566.94	1,641.93
MAT credit entitlement	474.86	383.26
Secured loans - Mortgage loans to employees	208.65	263.99
Total	8,713.23	8,632.81

Note:

- i. The related party under Long Term Deposits placed for hotel properties represent enterprises influenced by relatives of key management personnel.
- ii. The shareholders deposit represents advance for investments.
- iii. Advance Tax and Tax deducted at Source is net of Provision for Income Tax amounting ₹16,833.79 lakhs (previous year ₹16,557.16 lakhs).

Note 15 : Inventories

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
(valued at cost)		
Food and beverages	355.17	456.60
Stores and operating supplies	357.10	372.70
Total	712.27	829.30

Note: The inventories has been classified as per the nomenclature used in the hotel industry.

Note 16 : Trade Receivables

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Unsecured		
Outstanding over six months from the date they are due:		
Considered good	52.15	199.51
Considered doubtful	93.07	127.64
	145.22	327.15
Less : Provision for doubtful debts	93.07	127.64
	52.15	199.51
Others		
Considered good	1,587.27	1,621.00
Total	1,639.42	1,820.51

Note 17 : Cash and Bank balances

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Cash and Cash equivalents		
Cash on Hand	56.40	32.14
Cheques and drafts on hand	163.21	200.71
Balances in current accounts	425.48	382.63
Call and short term deposit accounts	-	850.42
	645.09	1,465.90
Other Balances with Banks-Earmarked		
Margin money deposits	22.64	23.70
Others (Refer Note i)	67.10	70.75
	89.74	94.45
Total	734.83	1,560.35

(i) Include amounts in unpaid dividend accounts ₹64.69 lakhs (Previous year ₹68.35 lakhs)

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 18 : Short Term Loans and Advances

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
(Unsecured, considered good unless stated otherwise)		
Loans & Advances - Related Parties	251.17	288.78
- Others	78.94	64.08
Inter Corporate Deposits		
- Related Parties	-	550.00
- Others	560.00	1,460.00
Other Advances :		
Considered good		
- Advance to Suppliers	83.14	76.76
- Prepaid expenses	267.69	216.9
- Statutory advances	174.34	101.49
- Claims receivable	73.59	41.1
- Employee loans and advances		
Secured - Mortgage loan to employees	31.44	22.99
Unsecured	142.00	114.30
- Others	216.39	358.01
	988.59	931.55
Considered doubtful	10.79	7.04
Less: Provision for doubtful advances	10.79	7.04
Total	1,878.70	3,294.41

Note 19 : Other Current Assets

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Others		
- Interest Receivable	154.26	105.13
- Amounts Recoverable (Refer Note Below)	385.57	385.57
- Dividend receivable from a Subsidiary	-	127.10
Total	539.83	617.80

Note: Based on the orders of the Division Bench of the Hon'ble High Court of Madras in an earlier year, the value of Freehold Land amounting to ₹749.86 lakhs has been classified as recoverables. The Company has initiated appropriate legal action to recover the amount together with interest and obtained interim stay order to protect and secure the amount. The Company has received part amount under a compromise settlement. The Company has already obtained the court order for recovery of the balance amount of ₹385.57 lakhs.

Note 20 : Rooms, restaurants, banquets and other income

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
INCOME		
(i) Rooms, restaurants, banquets and other services		
- Sale of products	12,587.45	10,363.82
Less: Excise duty	9.79	4.18
	12,577.66	10,359.64
- Sale of services	16,425.84	15,949.05
	29,003.50	26,308.69
(ii) Other income		
(a) Dividend income		
- From a Subsidiary	274.00	306.46
- From others-Long Term Trade	24.15	25.40
(b) Interest income	145.39	143.64
(c) Miscellaneous income	113.81	157.74
(d) Exchange gain	101.77	78.60
	659.12	711.84
Total	29,662.62	27,020.53

Note 21: Cost of materials consumed

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) Food & beverages consumed (Including smokes)		
i. Opening stock	113.93	85.17
ii. Add: Purchases	3,072.60	2,628.95
iii. Less: Closing stock	100.58	113.93
	3,085.95	2,600.19
b) Wine & liquor consumed		
i. Opening stock	342.67	252.79
ii. Add: Purchases	491.24	555.28
iii. Less: Closing stock	254.59	342.67
	579.32	465.40
Total	3,665.27	3,065.59

Note 22 : Employee benefits cost and Payment to Contractors

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Salaries, wages, bonus etc.	3,561.54	3,099.62
Company's contribution to retirement funds & other funds	295.15	265.14
Retiring gratuity	116.50	87.24
Workmen / Staff welfare expenses	855.94	864.70
Payment for contracted services	854.56	768.33
Deputed staff salaries	1,486.12	1,374.89
Total	7,169.81	6,459.92

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 23 : Finance Costs

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Interest Expenses	2810.13	2327.03
Exchange differences considered as borrowing costs under AS-16	-	68.43
	2810.13	2395.46
Less: Interest capitalized	35.78	460.76
Total	2774.35	1934.70

Note 24 : Other Expenses

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
i) Operating Expenses		
Linen & room supplies	117.13	174.94
Catering supplies	252.46	286.99
Other supplies	529.48	542.63
Fuel, power, light & water	3,629.20	2,667.42
Banquet expenses	452.82	414.00
Repairs to buildings	432.66	375.59
Repairs to machinery	608.62	520.71
Repairs to others	314.21	323.31
Linen, uniform washing & laundry expenses	254.07	225.30
Payment to orchestra staff & artistes	51.19	35.31
Expenses on communication services	159.94	149.48
Guest transportation	235.06	227.26
Travel agent's commission	210.73	173.91
Collecting agent's commission	287.83	287.53
Fees to consultants	1,195.54	1,176.70
Other operating expenses	131.74	125.62
Sub - Total	8,862.68	7,706.70
ii) General Expenses		
Rent	261.47	219.12
License fees	941.66	744.28
Rates & taxes	615.48	479.01
Insurance	106.30	81.65
Advertising & publicity	927.51	871.50
Reservation & other services	554.15	566.42
Printing & stationery	145.11	137.26
Passage & traveling	206.01	195.95
Bad debts and advances written off	19.92	24.55
Provision for doubtful debts, deposits and advances	14.85	60.01
Professional fees	245.14	144.40
Loss on sale of fixed assets (Net)	107.91	30.31
Assets written off (Net)	-	14.75
Donations	-	15.00
Other expenses	408.38	342.41
Directors' fees and commission	6.20	25.82
Auditors' remuneration		
i. As auditors	23.40	23.40
ii. For taxation matters	8.78	8.78
iii. For other services	14.89	20.00
iv. For reimbursement of expenses & service tax	12.79	12.89
Sub-Total	4619.95	4017.51
TOTAL	13,482.63	11,724.21

Note 25: Contingent Liabilities and Commitments

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
(i) Contingent Liability not provided for :		
a) Bank Guarantee/Bond executed by the Company	270.56	270.56
b) Letter of credits opened by bankers	69.23	67.78
c) Appeals filed in respect of disputed demands		
- Income Tax **	1,029.89	981.07
- Luxury Tax	32.16	29.47
- Sales Tax	94.67	98.50
- Urban Land Tax	7.30	7.30
- Electricity Tax and Adjustment Charges	139.34	139.34
- Service Tax	879.41	801.71

** Demand raised by the Income Tax department against the Company by disallowing certain deductions/benefits/ claims made by the Company. In the opinion of the Company most of these demands are not maintainable and accordingly appeals have been preferred

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	1,399.51	903.28
(iii) Other Commitments	Nil	Nil

Note: 26 Derivative Instruments

The Company uses forward exchange contracts, interest rate swaps, currency swaps and options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:

Particulars	March 31, 2013	March 31, 2012
i) Derivative instruments that are outstanding		
- Interest Swaps with embedded options	US\$4.00 Million (₹1974.40 lakhs)	US\$7.00 Million (₹3286.01 lakhs)
- Principle only swaps	US\$15.82 Million (₹7000.00 lakhs)	US\$15.82 Million (₹7000.00 lakhs)
ii) Unhedged Foreign Currency Exposure/the Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise Receivables Outstanding	US \$60,062 (₹32.60 lakhs)	US \$454,557 (₹231.10 lakhs)

Note: 27 Income from Rooms, Restaurants, Banquets and other services

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Room Revenues	14,789.93	13,687.90
Sale of food and Beverages	12,577.66	10,359.64
Other Services Income	1,635.91	2,261.15

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

28 Bad debts and Advances written off is after adjusting the provision made in the earlier years amounting to ₹25.33 lakhs (Previous Year ₹15.31 lakhs)

29 Earnings in Foreign Exchange :

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) On account of Rooms, Restaurants etc.,	10,938.55	9,455.17
b) Operating and Management Fees	316.16	388.45
c) Dividend	274.00	306.46

30 Value of Imports (CIF Value)

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) Raw Material - Food and Beverages	-	0.57
b) Stores & Spares	59.69	116.45
c) Capital Goods	715.68	1,097.03

31 Expenditure in Foreign Currencies :

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) Consultancy Fees	86.64	202.95
b) Interest	96.73	134.37
c) Commission	77.86	15.29
d) Payment on other accounts	101.93	15.55

32 Expenditure on account of (i) Salaries, Wages, Bonus etc., (ii) Fuel, Power, Light & Water (iii) Repairs to Machinery and (iv) Other expenses are after adjusting (i) ₹44.64 lakhs (Previous Year ₹30.10 lakhs), (ii) ₹55.83 lakhs (Previous Year ₹48.00 lakhs), (iii) ₹3.23 lakhs (Previous Year ₹2.44 lakhs) and (iv) ₹74.62 lakhs (Previous Year ₹56.43 lakhs) respectively recovered from outside parties.

33 Passage & traveling includes travelling expenses of Auditors ₹2.67 lakhs (Previous Year ₹2.43 lakhs).

34 The Company has not made any remittance in foreign currencies on account of dividends during the year and does not have any information as to the extent of which remittances in foreign currencies on account of dividends have been made by or on behalf of Non-Resident Shareholders. The particulars of dividends declared during the year and paid to Non-Resident Shareholders are as follows:

Particulars	2012-13	2011-12
a) Number of Non-resident Shareholders	127	122
b) Number of Equity Shares held by them.	31,160,413	30,786,197
c) Gross amount of Dividend (₹ in lakhs)	140.22	246.29

35 The Company is exclusively engaged in the business of hoteliering. This, in the context of Accounting Standard 17 on Segment Reporting notified by the Companies (Accounting Standards) Rules, 2006 is considered to constitute one single primary segment and accordingly no segment information as required under Accounting Standard 17 is furnished.

36 Disclosure Under AS -15(Revised) - Employee Benefits

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Staff Costs include the following		
Defined Contribution Schemes		
Company's contribution to Provident Fund	295.15	265.14
Defined Benefit Schemes (Gratuity - Funded Scheme)		
i) Liability Recognised in the Balance Sheet		
i) Present value of Obligation		
As at 1st April, 2012	1,156.73	1,048.59
Interest cost	98.42	85.93
Service Cost	81.79	84.56
Liabilities Assumed on Acquisition / (Settled on Divestiture)	-	(0.72)
Benefits Paid	(73.84)	(80.30)
Actuarial (gain) /loss on obligations	83.96	18.69
As at 31st March, 2013	1,347.06	1,156.73
Less:		
Fair Value of Assets		
As at 1st April, 2012	1,278.64	1,154.11
Expected return on plan assets less loss on investments	100.87	87.98
Actuarial gain /(loss) on Investments	42.16	13.23
Employers' Contribution	73.84	103.62
Benefits Paid	(73.84)	(80.30)
As at 31st March, 2013	1,421.69	1,278.64
ii) Expense during the year		
Interest Cost	98.42	85.93
Service Cost	81.79	84.56
Liabilities Assumed on Acquisition / (Settled on Divestiture)	(5.00)	(0.72)
Expected Return on Plan assets	(100.87)	(87.98)
Actuarial (Gain) /Loss	41.79	5.46
Expense recognised in the profit and loss account *	116.14	87.24
iii) Principal Actuarial Assumptions		
Discount Rate	8% / 8.05%	8% / 8.50%
Expected Return on Plan Assets	8% / 7.5%	8% / 7.5%
Rate of increase in Salaries	5%	5%

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
iv) Amount to be recognised in the Balance Sheet		
Present Value of Funded Obligations	1,347.06	1,156.73
Fair Value of Plan Assets	1,421.69	1,278.64
Net Liability	(74.63)	(121.91)
Amount in Balance Sheet		
Liability		
Asset	(74.63)	(121.91)
Defined Benefit Schemes (Pension Non Funded Scheme)		
i) Liability Recognised in the Balance Sheet		
i) Present value of Obligation		
As at 1st April, 2012	120.18	144.17
Interest cost	9.43	10.96
Service Cost	-	-
Benefits Paid	(21.76)	(18.45)
Actuarial (gain) /loss on obligations	(1.87)	(16.49)
As at 31st March, 2013	105.98	120.18
ii) Expense during the year		
Interest Cost	9.43	10.96
Service Cost	-	-
Expected Return on Plan assets	-	-
Actuarial (Gain) /Loss	(1.87)	(16.49)
Expense recognised in the profit and loss account *	7.56	(5.53)
iii) Principal Actuarial Assumptions		
Discount Rate	8.05%	8.50%
Pension Increase rate	5%	5%
Medical Inflation Rate	6.50%	6.50%
iv) Amount to be recognised in the Balance Sheet		
Present Value of Funded Obligations	105.98	120.18
Fair Value of Plan Assets	-	-
Net Liability	105.98	120.18
Amount in Balance Sheet		
Liability	105.98	120.18

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

37 The Company has exercised option under Notification No. GSR 914 (E) dated December 29, 2011 issued by the Ministry of Corporate Affairs during the financial year 2011-12. Pursuant to clarification on Para 46A of notification number G.S.R. 914(E) dated 29/12/2011 on Accounting Standard 11 relating to "The effects of changes in foreign exchange rates" issued by Ministry of Corporate Affairs, the Company has capitalized foreign exchange loss amounting to ₹ 68.44 lakhs during the year, which was in the earlier year treated as borrowing cost as per Accounting Standard 16 – 'Borrowing Costs'.

38 The Company during the year has provided to Managing Director an amount of ₹115.63 lakhs as managerial remuneration. In view of inadequacy of profits, the remuneration paid to Managing Director is in excess of the limits prescribed under the Companies Act, 1956 by ₹58 lakhs. The amount paid in excess of limits is subject to approval of the Shareholders by a special resolution and also subject to approval of the Central Government.

39 As per Accounting Standard - AS 18 "Related Parties Disclosure" notified by the Companies (Accounting Standards) Rules, 2006 the required information are given below:

I) List of Related Parties are as follows:

- | | |
|---|--|
| A. Subsidiary Companies | OHL International (HK) Limited |
| B. Associate Companies | Taj Madurai Limited
Lanka Island Resorts Limited |
| C. Joint Ventures | TAL Hotels & Resorts Limited
Prestige Garden Resorts Private Limited
(Ceased to be a Joint Venture from the Financial year 2012-13) |
| D. Significant Influence | The Indian Hotels Company Limited |
| E. Others | 100% Subsidiaries of The Indian Hotels Company Limited <ul style="list-style-type: none"> - Roots Corporation Limited - TIFCO Holdings Limited Subsidiaries of The Indian Hotels Company Limited <ul style="list-style-type: none"> - PIEM Hotels Limited - Taj Trade and Transport Company Limited - United Hotels Limited - Indi Travels Limited - Benares Hotels Limited |
| F. Key Management Personnel | Mr.D.Varada Reddy, Managing Director |
| G. Enterprises influenced by Relatives of Key Management Personnel | Dodla International Limited |

NOTES TO FINANCIAL STATEMENTS

Details of Transaction with the Related Parties are as Follows:

S.No.	Particulars	₹ in lakhs			
		Associate Companies /Joint Venture	Significant Influence #	Enterprises influenced by Relatives of Key Management Personnel	Total
A.	Sales of Goods / Services *		666.63 (725.23)		666.63 (725.23)
	- Taj Madurai Limited	0.76 (0.76)			0.76 (0.76)
	- Indi Travels Limited		33.36 (26.52)		33.36 (26.52)
B.	Purchase of Goods / Services *		1,046.30 (1,164.75)	13.05	1,059.35 (1,164.75)
	- Beneras Hotels Limited		4.65	-	4.65
C.	Interest Paid	-	-	-	(2.96)
	- Roots Corporation Ltd		(21.21)		(21.21)
	- TIFCO Holdings Limited		25.07 (0.48)		25.07 (0.48)
	- PIEM Hotels Ltd		-		-
	- United Hotels Limited		(23.51) 46.12		(23.51) 46.12
	- Indi Travels Limited		-		-
	- Indi Travels Limited		69.13		69.13
D.	Interest Received				
	- Roots Corporation Ltd		22.45 (10.64)		22.45 (10.64)
E.	Dividend Received				
			5.12 (5.12)		5.12 (5.12)
	- Taj Madurai Limited	13.68 (12.31)			13.68 (12.31)
F.	Operating / Management / Licence Fees Paid		1,195.54 (1,176.70)	245.94 (236.01)	1,441.48 (1,412.71)
	- Taj Madurai Limited	132.97 (130.94)			132.97 (130.94)
G.	Sales and Marketing, Reservation and Other Services Costs		1,232.63 (1,187.01)		1,232.63 (1,187.01)
H.	Operating/Management/Licence Fees Received - TAL Hotels & Resorts Limited	316.16 (388.45)			316.16 (388.45)
I.	Loans Outstanding as on 31st March 2013				
	- Roots Corporation Ltd		- (550.00)		- (550.00)
	- United Hotels Limited		800.00		800.00
	- Indi Travels Limited		-		-
			1,450.00		1,450.00
			-		-

S.No.	Particulars	₹ in lakhs			
		Associate Companies /Joint Venture	Significant Influence #	Enterprises influenced by Relatives of Key Management Personnel	Total
J.	Loans Taken & Repaid During the year		-		-
	- PIEM Hotels Ltd		(800.00)		(800.00)
	- TIFCO Holdings Limited		(5,000.00)		(5,000.00)
	- Roots Corporation Ltd		725.00		725.00
			(200.00)		(200.00)
			-		-
			(1,150.00)		(1,150.00)
K.	Outstanding Balances as at March 31,2013				-
	(i) Receivables		226.96		226.96
	- TAL Hotels & Resorts Limited	32.60	(233.55)		(233.55)
	- Taj Trade and Transport Company Ltd	(231.10)	1.10		32.60
	- Roots Corporation Limited		(27.84)		(231.10)
	- Piem Hotels Ltd		0.72		1.10
	- Benares Hotels Limited		-		(27.84)
			15.57		0.72
			(18.22)		-
			0.43		15.57
			(0.33)		(18.22)
	(ii) Payables		837.62	74.81	912.43
	- Inditravels Limited		(812.63)	(46.23)	(858.86)
	- United Hotels Limited		49.44		49.44
	- Taj Madurai Limited	64.32	(15.31)		(15.31)
		(84.36)	14.93		14.93
			-		-
	(iii) Long Term Licence Deposit Receivable			4750.00	4,750.00
				(4,750.00)	(4,750.00)

* Includes Reimbursement of deputed staff salaries and other expenses.

Represents transactions with Indian Hotels Company Limited unless otherwise specified.

Key Management Personnel :

Key managerial personnel comprise of Managing Director who has the authority and the responsibility for planning, directing and controlling the activities of the Company. The remuneration paid to such director is ₹115.63 lakhs (Previous year ₹101.62 lakhs) which includes an amount of ₹30 lakhs outstanding as at 31st March 2013 (Previous year ₹26.82 lakhs)

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

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

40 DISCLOSURE REQUIREMENT UNDER AS-19 - LEASE/LICENCE TRANSACTION

- a) The Company has entered into a licensing arrangement to operate a hotel for a period of 40 years and there after renewable for a further period of 30 years for a hotel property situated at Trivandrum.

The license fee payable is ₹175.00 lacs per annum or specified percentage of Gross Annual Turnover which ever is higher.

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) The total of future minimum license payments under non cancelable operating license for each of the following periods		
i. not later than one year	175.00	175.00
ii. later than one year and not later than five years	700.00	700.00
iii. later than five years	5,483.33	5,658.33
b) License payments recognized in the profit and loss account	245.94	236.01

- b) The Company has entered into a licensing arrangement to operate a hotel for a period of 29 years and 11 months thereafter renewable for a further period of 29 years and 11 months for a hotel property situated at Coimbatore.

The license fee payable is ₹ 60.00 lacs per annum with an escalation of 10% once in three years plus a specific percentage of total revenues from the date of hotel operation.

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) The total of future minimum license payments under non cancelable operating license for each of the following periods		
i. not later than one year	60.00	60.00
ii. later than one year and not later than five years	263.25	254.50
iii. later than five years	1,707.54	1,776.29
b) License payments recognized in the profit and loss account	151.60	43.18

- c) The Company has taken certain vehicles on operating lease. The total lease rent paid on the same amounting to ₹14.65 lakhs (Previous Year ₹14.65 lakhs) have been recognised in profit and loss account.

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) The total of future minimum license payments under non cancelable		
i. not later than one year	₹14.66	₹14.65
ii. later than one year and not later than five years	₹31.47	₹48.95
iii. later than five years	-	-

41 Earning Per Share :

	2012-13	2011-12
Earning per share is computed based on the following :		
Profit after Tax (₹ in lakhs)	1,429.81	1,263.20
Nominal Value of share (₹)	1	1
Number of Equity Shares	178,599,180	178,599,180
Earning Per Share ₹ (Basic and Diluted)	0.80	0.71

- 42 The Company has an investment of ₹ 30 lakhs and advances outstanding of ₹ 560 lakhs in Taj Karnataka Hotels and Resorts Limited (TKHRL) TKHRL has accumulated losses in excess of its networth. Considering the inherent value of the investee Company's assets and proposed financial restructuring, the management is of the view that there is no permanent or long term diminution in the value of the investment and that outstanding will be fully recovered after the financial restructuring.
- 43 Exceptional Items represents (i) Profit on sale of investment in a Joint Venture Company of ₹ 1217.96 lakhs and (ii) Profit on transfer of immovable property of ₹ 218.28 lakhs.
- 44 Disclosure of Company's Interest in Joint Ventures:

Name of the Company % of Interest	TAL Hotels & Resorts Limited 21.736%	
	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Proportionate Share of Assets	12,592.00	11,887.20
Proportionate Share of Liabilities	3,880.56	5,388.49
Proportionate Share in Income	5,438.98	5,422.99
Proportionate Share in Expenses	4,642.28	4,437.30

Name of the Company % of Interest	Prestige Garden Resorts Pvt Ltd * 50%	
	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Proportionate Share of Assets	-	533.81
Proportionate Share of Liabilities	-	80.01
Proportionate Share in Income - exceptional items	-	298.89
Proportionate Share in Expenses	-	-

* During the year, the Company has divested its holding in the Joint Venture.

- 45 As per Accounting Standards 21 on "Consolidated Financial Statement", Accounting Standard 23 on "Accounting for investments in Associates in Consolidated Financial Statements" and AS 27 on "Financial Reporting of Interests in Joint Ventures" referred to in Section 211(3C) of the Companies Act, 1956, the Company has presented consolidated financial statements separately, including that of its subsidiary, associates and joint venture entities in this annual report.
- 46 The previous year's figures have been re-grouped, reclassified wherever necessary so as to make them comparable with the current year's figures.

As per our Report attached
For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

S.LAKSHMANAN
Partner
Membership No.20045

For and on behalf of the Board
R.K.Krishna Kumar
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Mumbai
Date: May 16, 2013

P. Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

ORIENTAL HOTELS LIMITED

FINANCIAL STATISTICS

(RUPEES IN LAKHS)															
CAPITAL ACCOUNTS							REVENUE ACCOUNTS								
Year	Capital	Reserves & Surplus	Borrowings	Gross Block	Net Block	Investments	Gross Revenue	Expenditure (Including Interest)	Depreciation	Profit before Tax	Taxes	Profit after Tax	Net Transfer to Reserves	Dividends	Rate of Dividend (on Equity Shares %)
1973-74	137.03	8.76	177.69	354.97	348.56	—	10.27	20.55	6.39	(25.43)	—	(25.43)	8.76	—	—
1974-75	142.03	21.00	286.34	423.45	401.24	—	101.24	124.77	15.79	(51.56)	—	(51.56)	12.24	—	—
1975-76	152.46	21.00	325.54	427.87	405.69	—	136.95	145.55	—	(8.60)	—	(8.60)	—	—	—
1976-77	155.00	21.18	333.72	428.30	406.12	—	158.35	158.26	—	0.08	—	0.08	0.18	—	—
1977-78	155.00	21.23	294.32	428.18	389.87	—	205.22	165.68	*16.15	23.29	—	23.39	0.05	—	—
1978-79	155.00	21.44	219.54	431.69	367.47	—	250.32	185.96	÷25.95	38.41	—	38.41	0.21	—	—
1979-80	155.00	32.89	192.43	453.58	374.67	13.71	292.06	214.18	14.92	62.96	—	62.96	11.45	\$27.54	15
1980-81	155.00	65.74	182.56	477.16	381.84	18.13	364.31	284.13	16.42	63.76	—	63.76	32.84	\$29.95	20
1981-82	155.00	112.82	143.29	496.07	383.25	19.64	422.73	324.33	17.50	80.90	—	80.90	47.09	\$32.85	22
1982-83	155.00	130.09	123.46	547.51	408.06	24.59	479.18	368.82	27.13	83.23	32.15	51.08	17.27	\$32.85	22
1983-84	155.00	138.57	110.25	570.34	402.79	26.59	557.40	435.12	29.99	92.29	50.00	42.29	17.24	\$32.85	22
1984-85	155.00	154.65	146.23	625.86	412.41	26.59	692.00	548.34	46.76	96.90	47.00	49.90	28.32	\$32.85	22
1985-86	155.00	206.49	225.85	825.16	595.57	26.59	908.29	792.47	†16.17	72.17	14.00	58.17	51.84	\$32.85	22
1986-87	155.00	269.11	344.24	966.34	688.39	17.96	1173.26	985.18	54.30	133.78	33.00	100.78	62.62	\$37.20	25
1987-88	155.00	334.39	411.39	1289.51	959.66	17.96	1397.99	1206.49	58.05	133.45	30.00	103.45	65.28	\$37.20	25
1988-89	#203.00	373.30	382.80	1457.32	1069.48	6.56	1256.93	1044.17	59.05	153.71	15.00	137.71	96.91	\$40.84	20
1989-90	₹252.02	577.39	419.90	1625.06	1157.87	6.51	1865.64	1569.51	85.53	210.60	23.17	187.43	95.55	56.88	25
1990-91	252.02	719.02	783.59	1942.23	1382.58	16.51	2048.32	1702.49	100.98	244.86	40.22	204.64	127.32	63.01	25
1991-92	252.02	965.36	1207.10	2449.15	1780.95	32.89	2820.57	2321.93	121.68	376.95	55.00	321.96	250.00	75.61	30
1992-93	\$352.83	1067.51	1920.91	3452.86	2635.79	155.25	3506.32	2996.08	167.56	342.68	16.24	326.44	215.00	123.49	35
1993-94	~575.10	2741.69	1354.59	4033.13	3022.60	432.24	4542.82	3703.99	210.35	628.48	90.50	537.98	320.00	197.40	40
1994-95	¶1097.95	11729.02	1871.11	5311.47	4084.77	755.17	5290.02	4208.35	248.96	832.71	50.00	782.71	340.00	512.04	55
1995-96	1097.95	13119.15	1196.25	6284.42	4739.09	1519.56	8091.95	5289.34	348.82	2453.79	350.00	2103.79	1320.00	713.67	65
1996-97	@1646.92	14163.30	1615.07	8593.57	6727.38	1744.84	9311.24	5851.05	450.70	3009.52	420.00	2589.52	1580.27	905.81	55
1997-98	1646.92	16381.42	1723.93	10251.02	7847.77	1970.60	11504.06	7355.77	543.79	3604.50	390.00	3214.50	2133.00	905.81	55
1998-99	c1646.93	18451.68	1842.57	10656.45	7642.74	2413.60	10988.65	6745.10	627.93	3615.62	540.00	3075.62	2020.00	905.81	55
1999-00	1646.93	19201.58	1592.60	13313.65	9712.51	7409.40	9055.29	6194.94	680.00	2180.35	425.00	1755.35	480.00	905.81	55
2000-01	1646.93	19297.51	2688.53	15207.52	11062.52	7606.57	9498.34	6964.24	795.13	1738.97	410.00	1328.98	135.00	823.47	50
2001-02	1785.99	18553.33	866.15	19401.88	13494.53	6596.72	10286.34	7455.31	1124.79	1706.24	865.63	840.60	-(295.00)	803.70	45
2002-03	1785.99	18551.94	745.42	19943.29	12927.61	6570.00	9903.68	7785.84	1188.64	929.19	391.08	538.11	-(31.00)	604.45	30
2003-04	1785.99	18679.96	640.18	20456.72	12409.38	6563.70	11525.43	8753.30	1232.24	1557.89	623.94	933.95	-(58.00)	805.93	40
2004-05	1785.99	19091.81	645.93	21454.83	12253.50	6561.60	13527.13	9787.11	1262.77	2477.25	943.50	1533.75	140.00	1121.89	55
2005-06	1785.99	20473.44	458.03	21937.81	11672.27	7953.17	16847.37	11032.55	1189.83	4624.99	1716.00	2908.99	547.00	1527.36	75
2006-07	1785.99	22091.25	375.10	24087.79	12853.09	6946.60	19541.91	12511.84	1170.26	5859.81	2068.09	3791.72	846.13	1985.04	95
2007-08	1785.99	24246.61	304.82	28341.20	16181.95	6946.60	22004.60	14087.05	1259.95	6657.60	2308.24	4349.36	475.00	2194.00	105
2008-09	1785.99	26098.42	6766.42	34617.63	21424.98	12048.96	21836.08	14754.45	1323.79	5757.84	2025.46	3732.38	410.00	1880.57	90
2009-10	1785.99	26851.01	19065.95	42549.23	29648.96	12252.46	20216.69	15308.39	1371.31	3536.99	1222.43	2314.56	375.00	1561.97	75
2010-11	1785.99	27419.00	21667.90	50635.47	38623.68	7252.46	23904.11	19155.40	1542.72	3205.99	977.42	2228.57	500.00	1660.58	80
2011-12	1785.99	27702.99	29036.85	59196.37	43608.37	43608.11	7215.81	27020.53	23184.42	1955.15	1880.96	617.76	1263.20	130.00	45
2012-13	1785.99	27983.56	28340.00	63872.33	46265.05	6583.64	29662.62	27092.06	2616.79	1390.01	(39.80)	1429.81	250.00	1149.24	55

* Includes adjustment for depreciation written back Rs.0.15 lakhs

÷ Includes adjustment for depreciation written back Rs.14.36 lakhs and arrears of depreciation for earlier year Rs.26.62 lakhs Depreciation for 1975-76 and 1976-77 provided in 1978-79.

§ Preference and equity dividends.

† Includes adjustment for depreciation written back to the extent of Rs.27.48 lakhs.

After issue of Bonus Shares in the ratio 2 : 5

₹ After issue of Rights Shares in the ratio 1 : 5

§ After issue of Bonus Shares in the ratio 2 : 5

~ Issue of Rights Shares in the ratio 3:5 after Bonus Issue.

¶ Issue of Bonus Shares in the ratio 1:2 and 23,52,941 underlying Equity Shares proportionate to Global Depository Receipts.

@ Issue of Bonus Shares in the ratio 1 : 2

c 162 Equity Shares withheld for allotment on rights basis pursuant to a Court Order were allotted during the year 1998-99

d 13,90,536 Equity Shares of Rs.10/- each issued on amalgamation of Covelong Beach Hotel (I) Ltd. with the Company, in the ratio of 2 : 5.

Statement Pursuant to Section 212 of the Companies Act, 1956.

Relating to the Subsidiary Company Named Below:

1. Financial year of the Company ended on
2. Fully paid up Equity shares held by Oriental hotels Limited in the Subsidiary Company or by the Subsidiary company in the Sub-Subsidiary Company at the end of the financial year of the subsidiary Company or Sub-Subsidiary Company as the case may be :
 - a) Number of Shares
 - b) Extent of Holding
3. Changes in the interest of Oriental Hotels Limited between the end of the subsidiary's financial year and 31st March, 2013
Number of Shares acquired
4. The net aggregate of Profits / (Loss) of the Subsidiary Company of the financial year, so far as they concern the members of Oriental Hotels Limited were:
 - a) Dealt with in the Accounts of Oriental Hotels Limited for the year ended 31st March, 2013
 - b) Not dealt with in the Accounts of Oriental Hotels Limited for the year ended 31st March, 2013
5. The net aggregate of Profits/(Loss) of the Subsidiary company for the Previous financial years, so far as they concern the members of Oriental Hotels Limited were:
 - a) Dealt with in the Accounts of Oriental Hotels Limited for the year ended 31st March, 2013
 - b) Not dealt with in the Accounts of Oriental Hotels Limited for the year ended 31st March, 2013
6. Material changes between the end of the Subsidiary's financial year and 31st March, 2013
 - a) Fixed Assets
 - b) Investments
 - c) Maney's lent by the Subsidiary Company
 - d) Moneys borrowed by the Subsidiary Company other than for meeting Current Liabilities.

**OHL International
(HK) Limited**
31st March, 2013

15,00,000 ordinary
shares of US\$ 10/-
each fully paid-up
100%

Does not arise

-

USD 1,31,561

USD 35,12,500

USD 23,11,267

-

-

-

Does not arise

NOTE :

Ministry of Corporate Affairs, Government of India vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted general permission from compliance with Section 212 of the Companies Act, 1956 subject to fulfillment of conditions stipulated in the circulars. The Company has satisfied the conditions stipulated in the circulars and hence is entitled to the exemption from attaching the Accounts of the Subsidiary Company OHL International (HK) Limited for the year ended March 31, 2013. Necessary information relating to the subsidiary company, OHL International (HK) Ltd. has been included in the Consolidated Financial Statements. Summary of Financial information of the subsidiary along with the Consolidated Financial Statements of the Subsidiary prepared in accordance with relevant Accounting Standards and Listing Agreement as prescribed by SEBI and duly audited by the Statutory Auditors form part of the Annual Report. The Company hereby undertakes to provide the accounts of the Subsidiary and make available other detailed information to the investors seeking such information at any point of time. The Annual Accounts of the Subsidiary is also kept for inspection by any investor at the Company's Corporate Office and at the office of the Subsidiary Company.

For and on behalf of the Board

R.K.Krishna Kumar
Chairman

D. Varada Reddy
Managing Director

Dr. G. Sundaram
Director

Place: Mumbai
Date: May 16, 2013

P.Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

ORIENTAL HOTELS LIMITED
SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANY

Name of the Subsidiary	OHL International (H.K) Limited	
	US\$	INR (₹ in Lakhs)
Funds Employed		
Capital	150.00	8,154.00
Reserve	24.43	1,327.47
Total Funds Employed	174.43	9,481.47
Applications of Funds		
Assets		
Investments	163.08	8,865.03
Net Current Assets	11.34	616.44
Total Assets (Net)	174.42	9,481.47
Total Income	1.95	106.06
Profit before Taxation	1.32	71.52
Profit after Taxation	1.32	71.52

ORIENTAL HOTELS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS 2012 - 2013

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ORIENTAL HOTELS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of Oriental Hotels Limited ("the Company") and its subsidiary, associate companies and a joint venture company which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Profit and Loss statement and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the consolidated Balance Sheet, of the State of Affairs of the Company as at March 31, 2013;
 - b) In the case of the consolidated Profit and Loss Statement, of the Profit for the year ended on that date; and
 - c) In the case of the consolidated Cash flow Statement, of the Cash Flows for the year ended on that date.

Other Matter

5. We did not audit the financial statements of a subsidiary, a joint venture company whose financial statements reflect total assets (net) of ₹17284.65 Lakhs as at March 31, 2013, total revenues of ₹5242.33 Lakhs including the share of Loss of an associate company of the subsidiary company for the year and net cash inflows amounting to ₹127.11 Lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

S. LAKSHMANAN
Partner
Membership No.20045

Place : Mumbai
Date : May 16, 2013

ORIENTAL HOTELS LIMITED
CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet as at 31st March 2013

₹ in lakhs

Particulars	Note	As at March 31, 2013	As as March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	1,785.99	1,785.99
(b) Reserves and surplus	3	38,928.97	37,456.74
		40,714.96	39,242.73
Minority Interest			
		908.34	773.06
Non-current liabilities			
(a) Long-term borrowings	4	20,664.95	26,462.28
(b) Deferred tax liabilities (Net)	5	1,503.08	1,847.04
(c) Other Long term liabilities	6	471.60	592.15
(d) Long-term provisions	7	469.12	428.84
		23,108.75	29,330.31
Current liabilities			
(a) Short-term borrowings	8	3,352.16	1,027.98
(b) Trade payables	9	3,034.15	2,735.07
(c) Other current liabilities	10	10,330.63	8,192.73
(d) Short-term provisions	11	1,318.64	1,191.90
		18,035.58	13,147.68
TOTAL		82,767.63	82,493.78
ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		50,343.21	48,485.60
(ii) Intangible assets		103.92	113.78
(iii) Capital work-in-progress		1,930.43	1,141.31
(b) Goodwill on Consolidation		938.43	1,241.47
(c) Non-current investments	13	9,122.87	8,887.93
(d) Long-term loans and advances	14	12,305.92	11,841.88
(e) Other non-current assets	15	1.24	-
		74,746.02	71,711.97
Current assets			
(a) Inventories	16	995.18	1,108.73
(b) Trade receivables	17	2,158.11	2,395.36
(c) Cash and bank balances	18	1,999.25	2,953.37
(d) Short-term loans and advances	19	2,293.49	3,460.81
(e) Other current assets	20	575.58	863.54
		8,021.61	10,781.81
TOTAL		82,767.63	82,493.78
Significant Accounting Policies	1		

As per our Report attached

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

S.LAKSHMANAN
Partner
Membership No.20045

For and on behalf of the Board

R.K.Krishna Kumar
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Mumbai
Date: May 16, 2013

P.Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

FORTY THIRD ANNUAL REPORT 2012-13

CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated Profit and Loss Statement for the year ended 31st March 2013

₹ in lakhs

Particulars	Note	31st March 2013	31st March 2012
INCOME			
Revenue from operations	21	34,463.98	31,724.82
Other income	21	413.95	430.28
Total Revenue		34,877.93	32,155.10
EXPENSES			
Cost of materials Consumed	22	4,223.19	3,598.09
Employee Benefit Expense	23	8,255.69	7,639.98
Finance Costs	24	2,938.38	2,149.48
Depreciation and amortization	12	3,158.70	2,493.13
Other expenses	25	15,711.28	13,635.14
Total Expenses		34,287.24	29,515.82
Profit before exceptional items and tax		590.69	2,639.28
Exceptional items -Income			
Exceptional items (Refer Note No.30)		1,252.35	-
- Surplus on sale of fixed assets of Joint Venture Company (Net)		-	298.86
Profit before tax		1,843.04	2,938.14
Tax expense:			
(1) Current tax		370.89	647.67
(2) Minimum Alternate Tax(MAT) Credit entitlement		(184.62)	(383.26)
(3) Deferred tax		(340.18)	624.24
(4) Tax relating to earlier years		66.96	
Total Taxes		(86.95)	888.65
Profit for the year		1,929.99	2,049.49
Share of Profits/(Losses) of Associates		(247.78)	289.64
Minority Share of (Profit)/loss transferred to Minority Interest Account		(119.89)	(89.87)
Net Profit after tax, Minority Interest and Share of profits of Associates		1,562.32	2,249.26
Earnings per equity share:			
Basic & Diluted (Face Value ₹1/- per share) (Refer Note: 28)		0.87	1.26
Significant Accounting Policies	1		

As per our Report attached

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

S.LAKSHMANAN
Partner
Membership No.20045

For and on behalf of the Board

R.K.Krishna Kumar
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Mumbai
Date: May 16, 2013

P.Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

ORIENTAL HOTELS LIMITED
CONSOLIDATED CASHFLOW STATEMENT

Consolidated Cashflow Statement for the year ended 31 March, 2013

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
A. Cashflow from Operating Activities		
Net profit before tax and extraordinary items	1,843.04	2,938.14
Adjustments for		
a) Depreciation	3,158.70	2,479.64
b) (Profit) / Loss on sale of assets	(105.59)	(285.56)
c) Profit on sale of investments	(1,034.07)	-
d) Assets Written off	-	17.25
e) Bad Debts / Advances Written Off	24.04	27.29
f) Provision for Doubtful Debts & Advances	14.85	60.01
g) Provision and Balances Written Back	(87.92)	(119.83)
h) Interest / Dividend Income	(156.05)	(181.10)
i) Interest	2,928.41	2,154.68
j) Unrealised Foreign Exchange Loss	(0.88)	(42.54)
Operating profits before working capital changes	6,584.53	7,047.98
Adjustments for		
a) Increase in Trade and other receivables	790.96	(604.92)
b) Increase in Inventories	131.88	(267.81)
c) Increase in Trade payables	355.92	1,473.18
	1,278.76	600.45
Cash generated from operations	7,863.29	7,648.43
Adjustments for Direct taxes paid (net)	(246.10)	(491.74)
Net Cashflow from operations	7,617.19	7,156.69
Net Cashflow from Operating Activities (A)	7,617.19	7,156.69
B. Cashflow from investing activities		
Purchase of fixed assets	(6,116.85)	(7,717.91)
Sale of fixed assets	29.97	552.34
(Purchase) / Sale of Investments	1,850.13	36.65
Share holders deposit Placed with Joint Venture received	419.26	1,275.55
Interest received	106.51	128.70
Dividend received	24.15	25.40
Deposits with other companies	1,745.39	(850.00)
Exchange Gain Realised on Funds Invested	0.01	(0.02)
Net Cashflow from Investing Activities (B)	(1,941.43)	(6,549.29)
Carried Over	5,675.76	607.40

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CONSOLIDATED CASHFLOW STATEMENT

Consolidated Cashflow Statement for the year ended 31 March, 2013

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Brought Forward	5,675.76	607.40
C. Cashflow from Financing Activities		
Net Increase in borrowings	(2,995.36)	4,973.08
Debenture Issue Expenses	-	(66.80)
Interest Paid	(2,440.02)	(2,651.98)
Dividend paid	(934.08)	(1,660.58)
Net Cashflow from Financing Activities (C)	(6,369.46)	593.72
Net Increase / (Decrease) in cash and cash equivalents(A+B+C)	(693.70)	1,201.12
Cash as per books(Refer Note i)		
Cash as on Opening 1st April	2,898.37	1,575.04
Deduction due to sale of of stake in Joint Venutue Company	(358.61)	-
Translation Adjustment on Opening Cash/Cash Equivalents	72.28	122.21
Cash as on Closing 31st March	1,918.34	2,898.37
Net Increase /(Decrease) in cash and cash equivalents	(693.70)	1,201.12
i) Cash and Cash Equivalents		
Cash on hand and balances with banks	1,999.25	2,953.37
Bank balances and Deposits Not Considered as Cash	(89.74)	(94.46)
Unrealised Exchange Adjustment	8.83	39.46
Cash and Cash Equivalents as restated	1,918.34	2,898.37
ii) Previous year's figures have been regrouped wherever necessary to conform to current year's classification.		

As per our Report attached
For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S
R.NAGENDRA PRASAD
Partner
Membership No.203377

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N
S.LAKSHMANAN
Partner
Membership No.20045

For and on behalf of the Board
R.K.Krishna Kumar
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Mumbai
Date: May 16, 2013

P.Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to Consolidated Financial Statements for the year ended 31st March,2013

NOTE:1

a) The Company and description of business:

Oriental Hotels Limited was incorporated in India in September 1970 and is engaged in the business of Hoteliering and catering.

b) Principles of Consolidation:

The Consolidated Financial Statements related to Oriental Hotels Limited ('the Company'), its wholly owned Subsidiary Company, Associates and Joint Venture Entites. The Consolidated Financial Statements have been prepared on the following basis:

- i) The Financial statements of the Company, with the Consolidated Financial Statements of its Subsidiary Company have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, as per the respective financial statements duly certified by the auditors of the respective companies after fully eliminating intra-group balances and also transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- ii) In case of Associates where the Company directly or indirectly through subsidiary holds more than 20 % of equity, investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 - " Accounting for investments in associates in Consolidated Financial Statements".
- iii) In case of Joint Ventures, interests in jointly controlled entities have been accounted for by using the Proportinate Consolidation Method, in accordance with Accounting Standard (AS) 27 - " Financial Reporting of Interests in Joint Ventures".
- iv) The Consolidated Financial Statements have been prepared using the uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statements.
- v) The Details of the Subsidiary Companies, Associates and Joint Venture Entities considered in the Consolidated Financial Statements are as follows:

Name of the Company	Category	Country of Incorporation	% of Voting power held as at 31st March, 2013
OHL International (HK) Ltd.	Subsidiary	Hong Kong	100%
Taj Madurai Ltd.	Associate	India	26%
Lanka Island Resorts Ltd.**	Associate of OHL International (HK) Ltd.	SriLanka	23.08%
TAL Hotels & Resorts Ltd.	Joint Venture	Hong Kong	21.736%
Prestige Garden Resorts (P) Ltd \$	Joint Venture	India	-

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

\$ Divested during the year

vi) Translation of Foreign Subsidiary Accounts

The accounts of the Subsidiary Company OHL International (HK) Ltd have been prepared in US Dollar (USD), being the reporting currency of the Subsidiary Company. For the purpose of convenience, the financial statements of OHL International (HK) Ltd are translated into Indian currency, being the reporting currency of the parent Company, at the closing rate as at March 31, 2013 (1 USD = ₹ 54.36).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The accounts of the Joint Venture Entity TAL Hotels & Resorts Ltd., have been prepared in USD, being the reporting currency of the Joint Venture Company. For the purpose of convenience, the financial statement of TAL Hotels & Resorts Ltd are translated into Indian currency, being the reporting currency of the parent Company, at the closing rate as at March 31, 2013 (1 USD = ₹54.36).

- vii. As required by Accounting Standard (AS-23) on Accounting for Investments in Associates in Consolidated Financial Statements, the carrying amount of investments in associates at the beginning of the year have been restated by applying "Equity Method" of accounting from the date of acquisition of the associates and the corresponding adjustments have been made to the retained earnings at the beginning of the year after eliminating unrealised profits, if any.

c). GROUP ACCOUNTING POLICIES:

Significant accounting policies adopted in the presentation of the accounts are as under :-

i) **Fixed Assets**

Fixed Assets are carried at cost and includes amount added on revaluation less depreciation. Increase in the carrying amounts arising on revaluation are credited to the revaluation reserve.

ii) **Depreciation**

Depreciation on Assets is provided on straight line basis at rates which are in conformity with the requirements of the Companies Act, 1956. Assets given to the employees under the Company's white good scheme are depreciated as per the terms of the scheme. Buildings constructed and capital expenditure incurred on leasehold rights are depreciated at the rates arrived at based on the number of years of total lease or the rates applicable as per the Companies Act, 1956 whichever is higher. Depreciation for the fixed assets of Foreign Subsidiary Company/Associates/Joint Venture Company have been provided on the straight-line basis so as to write off the cost of assets over their estimated useful lives of the assets.

Depreciation on amounts added on revaluation is provided over the residual life of the assets and the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from revaluation reserve to profit and loss account.

iii) **Investments**

Investments being long term are carried at cost. Provision for decline in the value, other than temporary, has been made wherever necessary.

iv) **Inventories**

Inventories are valued at cost on weighted average basis.

v) **Transactions in Foreign Exchange**

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate prevailing on the date of balance sheet. Exchange differences arising on settlement and conversion of foreign currency transactions are recognised as income or expense in the period in which they arise, except in cases where they relate to long term monetary items utilized for acquisition of qualifying assets.

Consequent to the notification No.F.No.17/133/2008 – CL V dated 29th December, 2011 revising Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates", the Company has exercised the option in terms of paragraph 46A. Accordingly the exchange differences arising on settlement / translation of long term monetary items utilised for acquisition of fixed assets are adjusted to the carrying cost of fixed assets.

The exchange difference on settlement / translation of longterm monetary items utilized for other than acquisition of fixed assets are accumulated in foreign currency monetary items translation difference account and amortised over the balance period of long term loans.

Non-monetary items denominated in foreign currency are carried at the exchange rate in force at the date of the transaction.

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

vi) **Employee Benefits**

In respect of defined contributions schemes, contributions to Provident Fund and Family Pension are charged to profit and loss account as incurred.

In respect of defined benefit schemes, the post - retirement benefits such as gratuity, leave encashment and other retirement benefits are accounted for based on valuations, as at the balance sheet date, made by an independent actuary. Gratuity in respect of certain employees is covered by Group Gratuity scheme with the Life Insurance Corporation of India and the balance employees contribution is made to a recognised fund and is managed by the Company.

In respect of other employee benefits, provision for such benefits are provided in terms of Accounting Standard-15 (Revised)- "Employee Benefits".

vii) **Borrowing Cost**

Borrowing costs incurred on acquiring qualifying assets i.e (assets that necessarily takes a substantial period of time to get ready for its intended use) are capitalised at the weighted average rate at which the funds have been borrowed for such acquisition. Other borrowing costs are recognized as an expense in the year in which they are incurred.

viii) **Taxes on Income :**

Income Tax is computed in accordance with Accounting Standard 22 'Accounting for Taxes on Income'. Tax expenses are accrued in the same period as the revenue and expenses to which they relate.

Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liability is recorded for timing difference. i.e difference that originate one accounting period and reversed in another. The tax effect is calculated on accumulated at the end of the accounting year based on applicable tax rates. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date.

Deferred tax assets, other than on unabsorbed depreciation and carried forward losses are recognised only if there is reasonable certainty that they will be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. In situations, where the Company has unabsorbed depreciation and carried forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits.

ix) **Impairment of Assets:**

Impairment is ascertained at each balance sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

x) **Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets', when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

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

Contingent Assets are not recognised in the financial statements.

xi) **Assets taken on lease:**

In respect of lease transactions, which are in nature of finance leases, Assets taken on lease after 1st April, 2001 are accounted as fixed assets at fair value in accordance with Accounting standard 19 (AS-19)-"Leases". Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return.

Assets taken on lease/licence under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expenses in accordance with the respective lease/licence agreements.

d) **Goodwill on consolidation is not amortized:**

NOTE 2 : SHARE CAPITAL

Particulars	As at March 31, 2013	As at March 31, 2012
	₹ in lakhs	₹ in lakhs
SHARE CAPITAL		
1 Authorised Share capital		
a) Equity Shares		
24,50,00,000 - Equity Shares of ₹1/- each (Previous year 24,50,00,000 Equity Shares of ₹1/- each)	2,450.00	2,450.00
b) Preference Shares		
50,50,000 - Redeemable Cumulative Preference Shares of ₹100/- each	5,050.00	5,050.00
	7,500.00	7,500.00
2 Issued, Subscribed and Paid up		
Equity Shares		
17,85,99,180 - Equity Shares of ₹1/- each fully paid (Previous year 17 85,99,180 Equity Shares of ₹1/- each)	1,785.99	1,785.99
Total	1,785.99	1,785.99

(a) The Company has one class of equity shares having a par value of ₹ 1/- share. Each shareholder is eligible for one vote per share held. The Board of Directors in their meeting on May 16, 2013 proposed a dividend of ₹0.55 per equity share, which is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Reconciliation of Equity Shares				
Particulars	March 31, 2013		March 31, 2012	
	No. of share	₹ in lakhs	No. of share	₹ in lakhs
Shares outstanding at the beginning of the year	178,599,180	1,785.99	178,599,180	1,785.99
Add : Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	178,599,180	1,785.99	178,599,180	1,785.99
(c) Shareholders holding more than 5% Equity Shares in the Company				
Particulars	March 31, 2013		March 31, 2012	
	No. of share	% holding	No. of share	% holding
The Indian Hotels Company Limited	33,764,550	18.91%	33,764,550	18.91%
TIFCO Holdings Limited	17,208,360	9.64%	17,208,360	9.64%
Reliance Long Term Equity Fund	15,047,061	8.43%	15,090,161	8.45%

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3 : Reserves and Surplus

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Capital Reserve-Arising on Investments in Joint Venture Securities Premium Account	1.74	1.74
Opening Balance	11,009.40	11,054.53
Less : Debenture issue expenses*	-	45.13
Closing Balance	11,009.40	11,009.40
Debenture Redemption Reserve		
Opening Balance	185.00	-
Add : Transferred from P & L A/c	834.00	185.00
Closing Balance	1,019.00	185.00
Investment Allowance Reserve	45.74	45.74
Export Profits Reserve	0.43	0.43
Revaluation Reserve-Joint Venture		
As per last Balance Sheet	911.78	963.20
Adjustment during the Year	61.40	140.90
Less: Deletions/Depreciation on revalued Assets during the year	50.60	192.32
Closing Balance	922.58	911.78
Foreign Currency Translation Reserve-Subsidiary		
Opening Balance	2,915.09	1,586.34
Additions during the Year	929.70	1,328.75
Deletion during the Year	-	-
Closing Balance	3,844.79	2,915.09
Foreign Currency Translation Reserve-Joint Venture		
Opening Balance	133.18	282.48
Adjustment During the Year	197.08	115.14
Deletion during the Year	-	264.44
Closing Balance	330.26	133.18
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	-	-
Additions during the Year	(60.82)	-
Deletion during the Year	13.03	-
Closing Balance	(47.79)	-
General Reserve		
Opening Balance	9,911.47	9,781.47
Add : Transferred from P & L A/c	150.00	130.00
Adjustment for carrying amount of investment in Associates	481.93	512.57
Closing Balance	10,543.40	10,424.04
Carried Forward	27,669.55	25,626.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3 : Reserves and Surplus

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Brought Forward	27,669.55	25,626.40
Surplus in Profit and Loss Account		
Opening Balance	11,830.34	10,830.16
Add :Net Profit for the current year	1,562.32	2,249.26
Less :Proposed Dividend	982.30	803.70
Less :Tax on Proposed Dividend	166.94	130.38
Less :Transfer to Debenture Redemption Reserve	834.00	185.00
Less :Transfer to General Reserves	150.00	130.00
Closing Balnace	11,259.42	11,830.34
Total	38,928.97	37,456.74

* Net of Tax credit

Note 4 : Long Term Borrowings

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Secured		
10.40% Non- Convertible Redeemable Debentures	10,000.00	10,000.00
Term Loans - From Banks	15,304.02	19,562.21
	25,304.02	29,562.21
Less: Current Maturities of Long Term Borrowings	6,321.32	4,485.21
	18,982.70	25,077.00
Add: Exchange Loss on currency swap of the term loan	1,601.27	1,058.54
	20,583.97	26,135.54
Unsecured-From Others	67.94	312.73
Othe Loans and advances	13.04	14.01
Total	20,664.95	26,462.28

Note 5 : Deferred Tax Liability (Net)

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Deferred Tax Assets / Liability comprises of the following :		
Deferred tax liability:		
Related to fixed assets	5,983.43	5,955.68
Total (A)	5,983.43	5,955.68
Provision for doubtful debts	35.30	65.75
Provision for Employee Benefits	94.37	100.71
Busines Loss Carried Forward	4,336.12	3,932.13
Others	14.56	10.05
Total (B)	4,480.35	4,108.64
Net Deferred Tax Liability / (Asset) (A-B)	1,503.08	1,847.04

ORIENTAL HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6 : Other Long Term Liabilities

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
From Others- Unsecured		
Creditors for Capital goods	13.42	-
- Deposit - Sublease	200.00	200.00
Others		
- Shop Security Deposits	42.54	49.30
Share holders Deposits Joint Venture Companies	215.64	342.85
Total	471.60	592.15

Note 7 : Long Term Provisions

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Provision For Employee Benefits	375.87	327.11
Others	93.25	101.73
Total	469.12	428.84

Note 8 : Short Term Borrowings

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Loans repayable on demand		
Secured from Banks	150.00	553.51
Unsecured-Commercial Paper from Banks (Refer Note Below)	749.40	-
Unsecured-From Banks	202.76	340.05
Secured-from Others	-	134.42
Unsecured-Inter Corporate Deposits from Others	2,250.00	-
Total	3,352.16	1,027.98

Note : The Company has issued 150 Commercial Paper of ₹ 5 lakhs each aggregating ₹ 750 lakhs (net proceeds ₹ 748.59 lakhs and interest accrued for current year ₹ 0.81 lakhs) on March 28, 2013. The Commercial Paper carries interest @9.8% and is repayable at par 7days from the date of allotment.

Note 9 : Trade Payables

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Trade Payables		
Total Outstanding dues of micro and small enterprises	63.96	41.87
Total Outstanding dues of creditors other than micro and small enterprises	2,970.19	2,693.20
Total	3,034.15	2,735.07

Note 10: Other Current Liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
	₹ in lakhs	₹ in lakhs
Current Maturities of long term borrowings	7,039.85	4,712.02
Interest accrued but not due on borrowings	722.36	188.71
Creditors for Capital goods		
- Retention Money	276.12	496.84
- Others	152.14	614.13
Advance from Customers	376.23	323.76
Unclaimed dividend (Refer Note below)	64.69	68.35
Unclaimed Matured Deposits & interest accrued thereon	6.11	6.11
Other Payables		
- Statutory Dues	694.93	774.04
- Employee related Dues	599.88	474.84
- Others	398.32	533.93
	1,693.13	1,782.81
Total	10,330.63	8,192.73

Note: The amount reflects the position as on 31st March 2013, the actual amount to be transferred to the Investor Education & Protection Fund shall be determined and paid to the credit of the fund on the due dates.

Note 11 : Short Term Provision

Particulars	As at March 31, 2013	As at March 31, 2012
	₹ in lakhs	₹ in lakhs
Short Term Provision For Employee Benefits	66.13	58.35
Provision for Pension liability for retired directors and their relatives	12.73	18.46
Provision for Taxation	70.32	165.12
Provision for contingent claims (Refer Note below)	20.22	15.89
Proposed Dividend	982.30	803.70
Tax on Dividend	166.94	130.38
Total	1,318.64	1,191.90

Note:

Provision for contingencies is pertaining to Joint Venture Company in relation to legal and statutory matters. Opening balance ₹15.89 lakhs addition during the year ₹4.33 lakhs and closing balance ₹20.22 lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12: FIXED ASSETS

₹ in lakhs

Particulars	Gross Block				Depreciation				Net Block			
	At Cost as 01.04.12	Adjustment to opening balance @	Additions	Deduction/Adjustment	At Cost as 31.03.13	Up to 01.04.12	Adjustment to opening balance @	Depreciation for the year	Deduction/Adjustment	Up to 31.03.13	As at 31.03.13	As at 31.03.12
A Tangible Assets												
1 Land (Freehold) *	8089.15 (7506.66)	-	606.83 (589.24)	26.85 (6.75)	8669.13 (8089.15)	-	-	-	-	-	8669.13 (8089.15)	8089.15 (7506.66)
2 Land (Leasehold) #	1681.49 (1613.74)	107.01 (67.75)	-	-	1788.50 (1681.49)	653.60 (585.47)	42.18 (42.55)	27.38 (27.03)	-	723.16 (653.60)	1065.34 (1027.89)	1027.89 (1028.27)
3 Buildings	7804.25 (6438.33)	-	1350.04 (1394.49)	290.66 (28.57)	8863.63 (7804.25)	998.98 (881.45)	-	157.84 (123.09)	95.17 (5.56)	1061.65 (998.98)	7801.98 (6805.27)	6805.27 (5556.88)
4 Improvements to Lease Buildings	14896.92 (7217.46)	393.03 (458.56)	140.30 (7225.18)	0.22 (4.28)	15430.03 (14896.92)	3033.46 (2487.84)	148.45 (160.28)	474.81 (398.61)	-	3656.72 (3033.46)	11773.31 (11863.46)	11863.46 (4729.62)
5 Plant and Machinery	22260.70 (15519.29)	150.77 (213.23)	1760.39 (6683.56)	458.66 (155.38)	23713.20 (22260.70)	8916.81 (7758.09)	103.79 (126.57)	1439.77 (1151.34)	381.12 (119.19)	10079.25 (8916.81)	13633.95 (13343.89)	13343.89 (7761.20)
6 Furniture and Fixtures	12210.92 (8569.45)	72.45 (90.01)	902.04 (3574.29)	228.02 (22.83)	12957.39 (12210.92)	5933.82 (5241.79)	56.82 (63.13)	861.11 (648.39)	215.68 (19.49)	6636.07 (5933.82)	6321.32 (6277.10)	6277.10 (3327.66)
7 Vehicles	672.13 (655.64)	14.03 (23.68)	62.25 (19.36)	10.84 (26.55)	737.57 (672.13)	450.07 (417.16)	11.26 (18.65)	42.37 (39.46)	8.04 (25.20)	495.66 (450.07)	241.91 (222.06)	222.06 (238.48)
8 Office Equipments	2133.40 (1770.20)	3.41 (29.95)	192.22 (380.56)	10.55 (47.31)	2318.48 (2133.40)	1276.62 (1114.56)	(9.08) (13.42)	223.68 (190.09)	9.01 (41.45)	1482.21 (1276.62)	836.27 (856.78)	856.78 (655.65)
Total	69748.96 (49290.77)	740.70 (883.18)	5014.07 (19866.68)	1025.80 (291.67)	74477.93 (69748.96)	21263.36 (18486.36)	353.42 (424.60)	3226.96 (2578.01)	709.02 (225.61)	24134.72 (21263.36)	50343.21 (48485.60)	48485.60 (30804.42)
B Intangible Assets												
1 Software	337.52 (273.50)	-	16.47 (64.02)	-	353.99 (337.52)	225.08 (203.61)	-	25.03 (21.47)	-	250.11 (225.08)	103.88 (112.44)	112.44 (69.89)
2 Service Rights	9.94 (8.71)	0.67 (1.23)	-	-	10.61 (9.94)	8.60 (4.64)	0.58 (0.65)	1.39 (3.31)	-	10.57 (8.60)	0.04 (1.34)	1.34 (4.07)
Total	347.46 (282.21)	0.67 (1.23)	16.47 (64.02)	- -	364.60 (347.46)	233.68 (208.25)	0.58 (0.65)	26.42 (24.78)	- -	260.68 (233.68)	103.92 (113.78)	113.78 (73.96)

Note

* A portion of land measuring 1.071 acres costing ₹3.78 Crores is under compulsory acquisition by Tamil Nadu State Highway Department. Pending acquisition and fixing of compensation, the same has not been dealt with in the books of accounts as on 31st March, 2013

Company has obtained long term Commercial Lease rights from Ministry of Defence, Government of India. The Lease Rights are amortised over the lease period. The land is under sub-lease.

** Depreciation for the year includes Nil considered part of Expenditure during construction period in respect of Joint Venture Company. (Previous Year ₹7.05 lakhs)

@ Fixed Assets include Interest Capitalised ₹35.78 lakhs (Previous Year - ₹460.76 lakhs)

~ Depreciation for the year includes ₹94.68 Lakhs on revalued assets adjusted against Revaluation reserve (Previous Year ₹102.61 Lakhs)

~ Adjustment on account of foreign exchange translation differences on opening balance is reflected as "Adjustment to Opening Balance".

~ Fixed Assets include exchange fluctuation capitalised of which Buildings ₹418.53 lakhs (Previous Year ₹489.29 lakhs), Plant and Machinery ₹283.04 lakhs (Previous Year ₹400.06 lakhs), Furniture and Fixtures ₹120.96 lakhs (Previous Year ₹198.72 lakhs) and Vehicles ₹1.01 lakhs (Previous Year ₹1.42 lakhs) and Depreciation of which Buildings ₹24.64 lakhs (Previous Year ₹45.7 lakhs), Plant and Machinery ₹68.85 lakhs (Previous Year ₹30.59 lakhs), Furniture and Fixtures ₹30.80 lakhs (Previous Year ₹5.67 lakhs) and Vehicles ₹0.26 lakhs (Previous Year ₹0.14 lakhs)

~ Includes Land ₹26.74 lakhs and Buildings ₹206.42 lakhs on account of Sale of stake in Joint Venture Company

~ Includes Buildings ₹75.99 lakhs on account of Sale of stake in Joint Venture Company

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 13 : NON- CURRENT INVESTMENTS

Particulars	Face Value	Holdings As at 31st March 2013	As at 31st March 2013 ₹ in lakhs	As at 31st March 2012 ₹ in lakhs
LONG TERM				
a Investment in Associates (Unquoted)			2,433.56	2,535.88
b OTHER TRADE INVESTMENT, UNQUOTED -Equity Shares				
Taj Kerala Hotels and Resorts Limited	₹10	1,515,000	151.50	151.50
Taj Karnataka Hotels and Resorts Limited	₹10	300,000	30.00	30.00
Asian Hotels West Limited	₹10	70	0.11	0.11
Taj Air Limited	₹10	6,250,000	625.00	625.00
Taj Trade & Transport Company Limited	₹10	100,500	15.92	15.92
Apollo Sindoori Hotels Limited	₹10	100	-	-
Asian Hotels East Limited	₹10	70	0.12	0.12
Lands End Properties Private Limited	₹10	1,990,000	199.00	199.00
Green Infra Wind Farms Limited	₹10	45,000	4.50	4.50
Green Infra Wind Generation Limited	₹10	60,000	6.00	6.00
St. James Court Hotel Ltd	GBP 1	6,000,000	5,344.95	5,007.69
c OTHER TRADE INVESTMENT, QUOTED -Equity Shares				
The Indian Hotels Company Limited	₹1	511,836	274.62	274.62
Hotel Leela Venture Limited	₹2	500	0.12	0.12
EIH Limited	₹2	1,125	0.53	0.53
Jaiprakash Associates Limited	₹2	150	0.06	0.06
Sterling Holiday Resorts (India) Limited	₹10	500	0.37	0.37
Tulip Star Hotels Limited	₹10	29,600	32.56	32.56
EIH Associated Hotels Limited	₹10	4,314	2.03	2.03
Benares Hotels Limited	₹10	50	0.06	0.06
Velan Hotels Limited	₹10	4,000	0.42	0.42
d NON-TRADE INVESTMENT, QUOTED				
ICICI Bank Limited	₹10	1,546	1.36	1.36
Apollo Hospital Enterprises Limited.	₹10	100	0.08	0.08
e NON-TRADE INVESTMENT, UNQUOTED				
Chennai Willingdon Corporate Foundation	₹10	5	-	-
Indian Dairy Entrepreneurs Agricultural Company Limited.	₹1	86,302	-	-
TOTAL			9,122.87	8,887.93

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 14 : Long Term Loans and Advances

Particulars	As at March 31, 2013	As at March 31, 2012
	₹ in lakhs	₹ in lakhs
Unsecured, considered good unless otherwise stated		
Capital Advances	565.50	218.44
Security Deposits:		
Long term deposits placed for Hotel Properties		
- Related party (Refer Note i)	4,750.00	4,750.00
- Others	718.61	718.61
Deposits with Public Bodies and Others	428.66	328.98
	5,897.27	5,797.59
Loans & Advances to related parties:		
Share Holders deposits placed-with Joint controlled entity (Refer Note ii)	3,592.70	3,536.68
Advance tax Net of Provisions (Refer Note iii)	1,566.94	1,641.92
MAT Credit Entitlement	474.86	383.26
Secured loans and advances - Mortgage loans to employees	208.65	263.99
Total	12,305.92	11,841.88

Note:

- The related party under Long Term Deposits placed for hotel properties represent enterprises influenced by relatives of key management personnel.
- The shareholders deposit represents advance for investments.
- Advance Tax and Tax deducted at Source is net of Provision for Income tax amounting ₹16,791.66 lakhs (previous year ₹16,336.68 lakhs).

Note 15 : Other Non-Current Assets

Particulars	As at March 31, 2013	As at March 31, 2012
	₹ in lakhs	₹ in lakhs
Interest receivable	1.24	-
Total	1.24	-

Note 16 : Inventories

Particulars	As at March 31, 2013	As at March 31, 2012
	₹ in lakhs	₹ in lakhs
(valued at cost)		
Food and Beverages	417.60	518.76
Stores and Operating Supplies	577.58	589.97
Total	995.18	1,108.73

Note: The inventories has been classified as per the nomenclature used in the hotel industry.

Note 17 : Trade Receivables

Particulars	As at March 31, 2013	As at March 31, 2012
	₹ in lakhs	₹ in lakhs
(Insecured)		
Outstanding over six months :		
Considered good	52.15	428.96
Considered doubtful	93.07	127.64
	145.22	556.60
Less : Provision for Doubtful Debts	93.07	127.64
	52.15	428.96
Others :		
Considered good	2,105.96	1,966.40
Considered doubtful	13.88	9.21
	2,119.84	1,975.61
Less : Provision for Doubtful Debts	13.88	9.21
	2,105.96	1,966.40
Total	2,158.11	2,395.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 18 : Cash and Bank balances

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Cash and Cash equivalents:		
Cash on Hand	67.27	45.39
Cheques and drafts on hand	209.48	224.94
Balances in current accounts	1,444.64	1,196.21
Call and short term deposit accounts	188.12	1,202.38
	1,909.51	2,668.92
Other Balances with Banks:		
Call and Short Term Deposit Accounts maturity after 12 months	-	189.99
Margin Money Deposits	22.64	23.70
Deposits pledged with others	67.10	70.76
Total	1,999.25	2,953.37

Note 19 : Short Term Loans and Advances

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Unsecured, considered good unless otherwise stated Loans & Advance		
Loans & Advance to Related Parties	251.17	290.55
Others	78.94	64.08
	330.11	354.63
Inter Corporate Deposits		
- to Related Parties	-	550.00
- Others	560.00	1,460.00
	560.00	2,010.00
Other Advances :		
Considered good		
-Supplier Advance	83.14	79.32
-Prepaid Expenses	267.69	216.90
-Statutory Advances	174.34	75.28
-Claims Receivable	73.59	41.10
-Staff Loans/Advances		
Secured	31.44	22.99
Unsecured	142.00	116.26
-Other receivables	631.18	544.33
	1,403.38	1,096.18
Considered doubtful	10.79	4.48
Less: Provision for Doubtful Advances	10.79	4.48
Total	2,293.49	3,460.81

ORIENTAL HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 20 : Other Current Assets

Particulars	As at March 31, 2013 ₹ in lakhs	As at March 31, 2012 ₹ in lakhs
Others		
- Interest Receivable	154.99	143.99
- Other Receivables	35.02	-
- Amounts recoverable (Refer Note below)	385.57	385.57
- Dividend Receivable from an Associate	-	333.98
Total	575.58	863.54

Note: Based on the orders of the Division Bench of the Hon'ble High Court of Madras in an earlier year, the value of Freehold Land amounting to ₹749.86 lakhs has been classified as recoverables. The Company has initiated appropriate legal action to recover the amount together with interest and obtained interim stay order to protect and secure the amount. The Company has received part amount under a compromise settlement. The Company has already obtained the court order for recovery of the balance amount of ₹385.57/- lakhs.

Note 21 : ROOMS, RESTAURANTS, BANQUETS AND OTHER INCOME

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
1. Operating Income (A)		
Rooms, Restaurants, Banquets and Other Services		
- Sale of products	17,459.00	15,135.95
Less: Excise duty	9.79	4.18
-Income from Rooms, Restaurants & Banquets	17,449.21	15,131.77
-Sale of Services	17,014.77	16,593.05
Sub Total (A)	34,463.98	31,724.82
2. Other Income (B)		
(a) Dividend Income	10.47	19.33
(b) Interest Income	155.55	147.56
(c) Miscellaneous Income	130.10	164.63
(d) Exchange gain / (loss)	117.83	98.76
Sub Total (B)	413.95	430.28
TOTAL (A+B)	34,877.93	32,155.10

Note 22 Cost of materials consumed

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) Food & Beverages Consumed (A) (Including Smokes)		
1. Opening stock	113.93	85.17
2. Add Purchases	3,630.52	3,161.45
3. Less: Closing stock	100.58	113.93
Sub Total (A)	3,643.87	3,132.69
b) Wine & Liquor Consumed (B)		
1. Opening stock	342.67	252.79
2. Add Purchases	491.24	555.28
3. Less: Closing stock	254.59	342.67
Sub Total (B)	579.32	465.40
Total (A +B)	4223.19	3,598.09

Note 23 : Employee Benefit expense

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Payments to & Provisions for Employees		
(i) Salaries, Wages, Bonus etc.	4,283.85	3,742.04
(ii) Company's Contribution to Retirement Funds & Other Funds	331.09	299.92
(iii) Retiring Gratuity	116.50	87.24
(iv) Deputed Staff Salaries	855.94	1,374.90
(v) Payment for contracted services	896.67	808.18
(vi) Workmen / Staff Welfare Expenses	1,771.64	1,327.70
Total	8,255.69	7,639.98

Note 24 : Finance costs

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Interest expenses	2974.16	2541.81
Exchange differences considered as borrowing costs under AS-16	-	68.43
	2,974.16	2,610.24
Less: Interest capitalized	35.78	460.76
Total	2,938.38	2,149.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 25 : Other Expenses

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
(i) Operating Expenses		
Linen & Room Supplies	189.83	241.42
Catering Supplies	318.45	346.90
Other Supplies	600.53	601.29
Fuel, Power & Light	4,247.75	3241.20
Banquet Expenses	452.82	414.00
Repairs to Buildings	508.00	428.81
Repairs to Machinery	713.75	612.13
Repairs to Others	379.47	378.03
Linen, Uniform Washing & Laundry Expenses	260.79	229.85
Payment to Orchestra Staff & Artistes	72.40	55.09
Expenses on Communication Services	159.94	149.48
Guest Transportation	272.60	263.68
Travel Agent's Commission	325.79	264.98
Collecting Agent's Commission	337.48	337.27
Fees to Consultant	1,372.34	1426.97
Other Operating Expenses	225.18	208.76
Sub Total	10,437.12	9,199.86
(ii) General Expenses		
Rent	450.88	193.36
License Fees	941.66	744.28
Rates & Taxes	644.06	504.91
Insurance	161.56	132.94
Advertising & Publicity	1,077.61	1004.81
Reservation & Other services	554.15	566.42
Printing & Stationery	176.75	168.04
Passage & Traveling	249.48	241.35
Bad Debts and Advances Written off	19.92	24.55
Provision for Doubtful Debts, Deposits and Advances	18.97	63.10
Professional Fees	277.14	188.75
Loss on Sale of Fixed Assets (Net)	112.70	35.64
Assets Written off (Net)	-	14.75
Donations	-	15.00
Other Expenses	515.07	439.16
Directors Commission	6.66	25.91
Auditors' Remuneration		
i. As Auditors'	31.04	30.62
ii. For Taxation matters	8.78	8.78
iii. For Other Services	14.89	20.00
iv. For Reimbursement of expenses	12.84	12.91
Sub Total	5,274.16	4,435.28
TOTAL	15,711.28	13,635.14

26

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
i.) Contingent Liability not provided for :		
a) Counter Guarantee/Bond executed by the Company	270.56	270.56
b) Letter of credits opened by bankers	69.23	67.78
c) Appeals filed in respect of disputed demands		
-Income Tax **	1,029.89	981.07
-Luxury Tax	32.16	29.47
-Sales Tax	94.67	98.50
-Urban Land Tax	7.30	7.30
-Electricity Tax and Adjustment Charges	139.34	139.34
-Service Tax	879.41	801.71

** Demand raised by the Income Tax department against the Company by disallowing certain deductions/benefits/claims made by the Company. In the opinion of the Company most of these demands are not maintainable and accordingly appeals have been preferred before the appropriate authorities.

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
ii) Share in Joint Venture Entity's Contingent Liability		
Guarantees / Counter Guarantees issued for loans availed by Subsidiary / Associates / firms	828.35	2,343.75
iii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	1,467.58	903.28
iv) Other Commitments	Nil	Nil

27 The Company and its Subsidiary, Associates and Joint Ventures are exclusively engaged in the business of hoteliering. This in context of Accounting Standard 17 on Segment Reporting is considered to constitute one single primary segment and accordingly no segment information as required under Accounting Standard 17 is furnished.

28 Earning Per Share :

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
Earning per share is computed based on the following :		
Profit after Tax	1,562.32	2,249.26
Nominal Value of share (₹)	1	1
Number of Equity Shares	178,599,180	178,599,180
Earning Per Share ₹ (Basic and Diluted)	0.87	1.26

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

29 As per Accounting Standard - AS 18 "Related Parties Disclosure", the required information are given below:

List of Related Parties with whom transactions have taken place during the year :

- | | |
|--|---|
| A. Associate Companies | Taj Madurai Limited
Lanka Island Resorts Limited |
| B. Joint Venture | TAL Hotels & Resorts Limited
Prestige Garden Resorts (P) Limited
(Ceased to be a Joint Venture from Financial year 2012-13) |
| C. Significant Influence | The Indian Hotels Company Limited |
| D. Others | 100 % Subsidiaries of The Indian Hotels Company Limited <ul style="list-style-type: none"> - Taj International (HK) Limited - Roots Corporation Limited - TIFCO Holdings Limited Subsidiaries of The Indian Hotels Company Limited <ul style="list-style-type: none"> - PIEM Hotels Limited - Taj Trade and Transport Company Limited - United Hotels Limited - Indi Travels Limited - Benares Hotles Limited |
| E. Key Management Personnel | Mr.D.Varada Reddy, Managing Director |
| F. Enterprises influenced by Relatives of Key Management Personnel | Dodla International Limited |

Details of Transaction with the Related Parties are as follows:

S.No.	Particulars	₹ in lakhs			
		Associate Companies /Joint Venture	Significant Influence #	Enterprises influenced by Relatives of Key Management Personnel	Total
A.	Sales of Goods / Services *	-	666.63	-	666.63
		-	(725.23)	-	(725.23)
	- Taj Madurai Limited	0.76			0.76
		(0.76)			(0.76)
	- Indi Travels Limited		33.36		33.36
			(26.52)		(26.52)
B.	Purchase of Goods / Services *		1,046.30	13.05	1,059.35
			(1,164.75)	-	(1,164.75)
	- Beneras Hotels Limited	-	4.65	-	4.65
C	Consideratoin paid for Assets Transferred	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Details of Transaction with the Related Parties are as follows:

S.No.	Particulars	₹ in lakhs			
		Associate Companies /Joint Venture	Significant Influence #	Enterprises influenced by Relatives of Key Management Personnel	Total
D	Interest Paid	-	-	-	-
	- Roots Corporation Ltd	-	(2.96)	-	(2.96)
	- TIFCO Holdings Limited	-	(21.21)	-	(21.01)
	- PIEM Hotels Ltd	-	25.07	-	25.07
	- United Hotels Limited	-	(0.48)	-	(0.48)
	- Indi Travels Limited	-	(23.51)	-	(23.51)
E	Interest Received				
	Roots Corporation Ltd		22.45		22.45
			10.64)		(10.64)
F	Dividend Received		5.12	-	5.12
	- Taj Madurai Limited	13.68	(5.12)	-	(5.12)
		(12.31)			(12.31)
G	Operating / Management / Licence Fees Paid		1,283.92	245.94	1,529.86
	- Taj International (HK) Ltd.		(1,252.25)	(236.01)	(1,488.26)
	- Taj Madurai Limited	132.97	64.61		64.61
		(130.94)	(75.26)		(75.26)
H	Sales and Marketing, Reservation and Other service Costs	-	1,232.63	-	1,232.63
		-	(1,187.01)	-	(1,187.01)
I	Operating / Management / Licence Fees Received				
	TAL Hotels & Resorts Limited	316.16		-	316.16
		(388.45)			(388.45)
J	Redemption of Debentures		(42.65)		(42.65)
K	Loans outstanding as on 31st March 2013				
	- Roots Corporation Ltd		-	-	-
	- United Hotels Limited		(550.00)		(550.00)
	- Indi Travels Limited		800.00		800.00
			-	-	-
			1,450.00		1,450.00
			-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Details of Transaction with the Related Parties are as follows:

S.No.	Particulars	₹ in lakhs			
		Associate Companies /Joint Venture	Significant Influence #	Enterprises influenced by Relatives of Key Management Personnel	Total
L	Loans taken and repaid during the year	-	-		-
		-	(800.00)		(800.00)
	PIEM Hotels Limited	-	-		-
			(5,000.00)		(5,000.00)
	TIFCO Holdings Limited	-	725.00		725.00
		-	(200.00)		(200.00)
	Roots Corporation	-	-		-
		-	(1,150.00)		(1,150.00)
M	Outstanding Balances as at March 31,2013				
i)	Receivables		226.96		226.96
			(233.55)		(233.55)
	- TAL Hotels & Resorts Limited	32.60			32.60
		(231.10)			(231.10)
	- Taj Trade and Transport Company Ltd		1.10		1.10
			(27.84)		(27.84)
	- Roots Corporation Limited		0.72		0.72
	- Piem Hotels Ltd		15.57		15.57
			(18.22)		(18.22)
	- Benares Hotels Limited		0.43		0.43
			(0.33)		(0.33)
ii)	Payables		1,017.19	74.81	1,092.00
			(852.80)	(46.23)	(899.03)
	- Taj International (HK) Ltd.		44.23		44.23
			(173.07)		(173.07)
	- Inditravels Limited		49.44		49.44
			(15.31)		(15.31)
	- United Hotels Limited		14.93		14.93
	- Taj Madurai Limited	64.32			64.32
		(84.36)			(84.36)
iii)	Long Term Deposit Receivable			4,750.00	4,750.00
				(4,750.00)	(4,750.00)

* Includes Reimbursement of deputed staff salaries and other expenses.

Represents transactions with Indian Hotels Company Limited unless otherwise specified.

Key Management Personnel :

Key managerial personnel comprise of Managing Director who has the authority and the responsibility for planning, directing and controlling the activities of the Company. The remuneration paid to such directors is ₹115.63 lakhs (Previous Year ₹ 101.62 lakhs) and ₹30.00 lakhs outstanding as at 31st March 2013 (previous year ₹26.82 lakhs).

NOTE: Figures in brackets are in respect of Previous Year

30 Exceptional Items represents (i) Profit on sale of investment in a Joint Venture Company of ₹1034.07 lakhs and (ii) Profit on transfer of immovable property of ₹218.28 lakhs.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 DISCLOSURE REQUIREMENT UNDER AS-19 - LEASE/LICENCE TRANSACTION

- a). The Company has entered into a licensing arrangement to operate a hotel for a period of 40 years and thereafter renewable for a further period of 30 years for the hotel property situated at Trivandrum

The license fee payable is ₹175.00 lakhs per annum or specified percentage of Gross Annual Turnover whichever is higher.

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) The total of future minimum license payments under non cancelable operating license for each of the following periods		
i. not later than one year	175.00	175.00
ii. later than one year and not later than five years	700.00	700.00
iii. later than five years	5,483.33	5658.33
b) License payments recognized in the profit and loss account	245.94	236.01

- b). The company has entered into a licensing arrangement to operate a hotel for a period of 29 years and 11 months thereafter renewable for a further period of 29 years and 11 months.

The license fee payable is ₹60.00 lakhs per annum with an escalation of 10% every three years plus a specific percentage of total revenues from the date of hotel operations

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) The total of future minimum license payments under non cancelable operating license for each of the following periods		
i. not later than one year	60.00	60.00
ii. later than one year and not later than five years	263.25	254.50
iii. later than five years	1,707.54	1776.29
b) License payments recognized in the Profit and Loss Account	151.60	43.18

- c) The Company has taken certain vehicles on operating lease. The total lease rent paid on the same amounting to ₹14.65 lakhs (Previous year ₹14.65 lakhs) have been recognised in Profit and Loss Account.

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) The total of future minimum license payments under non cancelable operating license for each of the following periods		
i. not later than one year	14.66	14.65
ii. later than one year and not later than five years	31.47	48.75
iii. later than five years	-	-

- d) Operating lease commitments in respect of Joint Venture Company are as under.

Particulars	March 31, 2013 ₹ in lakhs	March 31, 2012 ₹ in lakhs
a) The total of future minimum license payments under non cancelable operating license for each of the following periods		
i. not later than one year	162.44	170.42
ii. later than one year and not later than five years	662.43	658.22
iii. later than five years	1,495.55	1366.82
b) License payments recognized in the Profit and Loss Account	179.46	168.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- 32 The Company has an investment of ₹ 30.00 lakhs and advances outstanding of ₹ 560 lakhs in Taj Karnataka Hotels and Resorts Limited (TKHRL). TKHRL has accumulated losses in excess of its networth. Considering the inherent value of the investee Company's assets and proposed financial restructuring, the management is of the view that there is no permanent or long term diminution in the value of the investment and that outstanding will be fully recovered after the financial restructuring.
- 33 The Proportinate share of assets, liabilities, income and expenditure in the Joint Venture Company included in these Consolidated Financial Statements are given below:

Name of the Company	Prestige Garden Resorts Pvt Ltd \$	TAL Hotels & Resorts Ltd
Percentage of Interest	50%	21.736%
	₹ in lakhs	₹ in lakhs
ASSETS:		
Non Current Assets		
Fixed Assets		
- Tangible Assets	-	5,993.32
	(157.17)	(5,945.58)
- Intangible Assets	-	0.02
	-	(1.32)
- Capital Work in Progress	-	119.16
	(18.03)	(10.42)
Goodwill on Consolidation	-	938.43
	-	(879.21)
Non-current investments	-	13.17
Deferred tax Asset (Net)	-	28.30
	-	(12.39)
Long-term loans and advances	-	3,486.34
	-	(3,096.20)
Other non-current assets	-	1.24
Current Assets		
- Inventories	-	282.91
	-	(279.44)
- Trade receivables	-	291.58
	-	(372.72)
- Cash and bank balances	-	1,014.89
	(358.61)	(879.25)
- Short-term loans and advances	-	414.79
	-	(410.73)
- Other current assets	-	35.76
LIABILITIES		
Reserves and Surplus	-	5,734.98
	(406.31)	(4,561.43)
Minority Interest	-	908.34
Non current liabilities	-	(773.06)
- Long Term Borrowings	-	1,795.22
	-	(1,944.79)
- Deferred tax liabilities (Net)	-	-
	-	(91.21)
Other Long term liabilities	-	258.60
	-	(448.73)
Long-term provisions	-	61.76
	-	(50.22)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Name of the Company	Prestige Garden Resorts Pvt Ltd \$	TAL Hotels & Resorts Ltd
Percentage of Interest	50%	21.736%
	₹ in lakhs	₹ in lakhs
Current Liabilities		
Short-term borrowings	-	202.76
	-	(367.20)
Trade payables	-	342.78
	(18.37)	(190.51)
Other current liabilities	-	1,157.19
	(0.33)	(1,402.16)
Short-term provisions	-	90.54
	(61.30)	(120.60)
INCOME		
Rooms,Restaurants, Banquets, Other Services and Other Income	-	5,438.98
	(298.89)	(5,422.99)
EXPENSES		
Operating and General Expenses	-	4,100.37
	-	(3,608.61)
Depreciation	-	541.91
	-	(537.98)
Interest	-	164.03
	-	(290.71)
Provision for Tax	-	47.15
	(115.00)	(155.89)

\$ Divested during the year

- 34 The Company has exercised option under Notification No. GSR 914 (E) dated December 29, 2011 issued by the Ministry of Corporate Affairs during the financial year 2011-12. Pursuant to clarification on Para 46A of notification number G.S.R. 914(E) dated 29/12/2011 on Accounting Standard 11 relating to "The effects of changes in foreign exchange rates" issued by Ministry of Corporate Affairs, the Company has capitalized foreign exchange loss amounting to ₹ 68.44 lakhs during the year, which was in the earlier year treated as borrowing cost as per Accounting Standard 16 – 'Borrowing Costs'.
- 35 The Company during the year has paid to Managing director an amount of ₹115.63 lakhs as managerial remuneration. In view of in-adequacy of profits, the remuneration paid to the Managing Director is in excess of the limits prescribed under the Companies Act, 1956 by ₹58 lakhs. The amount paid in excess of limits is subject to approval of the shareholders by Special Resolution and also subject to approval of the Central Government.
- 36 The previous year's figures have been re-grouped, reclassified wherever necessary so as to make them comparable with the current year's figures.

As per our Report attached
For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S
R.NAGENDRA PRASAD
Partner
Membership No.203377

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N
S.LAKSHMANAN
Partner
Membership No.20045

For and on behalf of the Board
R.K.Krishna Kumar
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Mumbai
Date: May 16, 2013

P. Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary