

ORIENTAL HOTELS LIMITED
44th ANNUAL REPORT 2013-14



Southern Spice - Taj Coromandel, Chennai



Vivanta by Taj - Surya, Coimbatore

BOARD OF DIRECTORS (As on May 13, 2014)

Raymond N Bickson
Chairman

D Varada Reddy
Managing Director

S B P V Ramamohana Rao
Director

Dr. G Sundaram
Director

Anil P Goel
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	July 31, 2014 at 3.00 p.m.
Venue	Sathguru Sri Gnanananda Hall, Narada Gana Sabha, 314, T.T.K Road, Chennai 600018
GM Legal & Company Secretary	K.C. Raman
General Manager - Finance & CFO	P. Parameshwaran
Legal Advisor	T Raghavan New No.41, (Old No.40), Kasturi Ranga Road, Alwarpet, Chennai - 600018
Auditors	Messrs. Brahmaya & 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 Axis Bank Ltd HDFC Bank Ltd
CIN	L55101TN1970PLC005897
Book Closure Date	July 4, 2014 to July 31, 2014 (both days inclusive)
e-Voting Window Date	July 25, 2014, 9.00 a.m. to July 27, 2014 6.00 p.m.
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	
<ul style="list-style-type: none"> ● Equity Shares 	<p>Madras Stock Exchange Ltd. Exchange Building, New No.30 (Old No.11) Second Line Beach, Chennai - 600001 Telephone : 044-25228951 Fax : 044-25224393</p> <p>BSE Ltd. Ist Floor, New Trading Ring, Rountana Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 Telephone : 022-22721233 / 34 Fax : 022-22721919</p> <p>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</p> <p>Luxembourg Stock Exchange Societe De la Bourse de Luxembourg SA BP 165 L 2011, Luxembourg Fax : 00352473228/3298</p>
<ul style="list-style-type: none"> ● Shares underlying Global Depository Receipts 	
ISIN Number	INE750A01020
Stock Code	NSE — ORIENTHOT EQ BSE — 500314
Share Transfer Agent	M/s.Integrated Enterprises (India) Limited, II Floor, Kences Towers, 1, Ramakrishna Street, T.Nagar, Chennai-600017

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**Forty Fourth Annual General Meeting on Thursday July 31, 2014 at 3.00 p.m.
at Sathguru Sri Gnanananda Hall, Narada Gana Sabha,
314, T.T.K Road, Chennai 600018**

ORIENTAL HOTELS LIMITED

FINANCIAL HIGHLIGHTS

(₹ lakhs)					
HIGHLIGHTS	2013-14	2012-13	2011-12	2010-11	2009-10
Gross Revenue	30,234.02	29,662.62	27,020.53	23,904.11	20,216.69
Profit Before Tax	(1,044.13)	1,390.01	1,880.96	3,205.99	3,536.99
Taxation	(324.57)	(39.80)	617.76	977.42	1,222.43
Profit After Tax	(719.56)	1,429.81	1,263.20	2,228.57	2,314.56
Dividend, dividend tax, Surcharge and cess	1,149.24	1,149.24	934.08	1,660.58	1,561.97
Retained Earnings	925.63	2,897.36	2,284.27	2,110.71	2,123.90
Total Assets	67,295.80	67,038.50	67,579.19	58,339.82	54,762.15
Net Worth	27,900.75	29,769.55	29,488.98	29,204.99	28,637.00
Borrowings	30,755.82	28,340.00	29,036.85	21,667.90	19,065.95
Net Worth per Share	15.62	16.67	16.51	16.35	16.03
Earnings per Equity Share	(0.40)	0.80	0.71	1.25	1.30
Dividend on Equity Share	55%	55%	45%	80%	75%
Debt : Equity Ratio	1.07:1	0.88:1	0.98 : 1	0.74 : 1	0.66 : 1
Note : Net worth per share is based on equity share of ₹1/- each					



ORIENTAL HOTELS LIMITED

CIN: L55101TN1970PLC005897

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

Phone No.(044) 28222827 Fax No.(044) 28254447

Website: www.orientalhotels.co.in

NOTICE TO MEMBERS

NOTICE is hereby given that the 44th Annual General Meeting of the Members of Oriental Hotels Limited will be held at 3:00 pm on Thursday, July 31, 2014 at Sathguru Sri Gnanananda Hall, Narada Gana Sabha, 314, T.T.K Road, Chennai 600018 to transact the following business:

- 1) To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and the Auditors thereon.
- 2) To declare dividend
- 3) To appoint a Director in place of Mr.Raymond.N.Bickson (DIN 00050664) who retires by rotation and is eligible for reappointment.
- 4) To appoint a Director in place of Mr.D.Vijayagopal Reddy (DIN 00051554) who retires by rotation and is eligible for re-appointment.
- 5) To appoint Auditors and fix their remuneration.

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Messrs Brahmaya & Co, Chartered Accountants (Firm Registration No:000511S) and Messrs SNB Associates, Chartered Accountants, (Firm Registration No:015682N) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

- 6) Authority to borrow in excess of the paid up capital and free reserves:

To consider, and if thought fit with or without modification(s) to pass the following resolution as a Special Resolution pursuant to the Companies Act, 2013 (the “Act”)

“RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company by postal ballot on December 22, 2011 the Board of Directors of the Company be and is hereby authorised in accordance with the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013, to borrow periodically from, including without limitation, any Banks and/or public financial institutions as defined under Section 2(72) of the Companies Act, 2013 and/or any foreign financial institution(s) and/or any entity/entities or authority/authorities and/or through suppliers credit securities instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures (both convertible and non-convertible), commercial papers, short term loans, working capital loans, or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings including external commercial borrowings from the private sector window of multilateral financial institutions, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ₹600 Crores (Rupees Six Hundred Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or a duly constituted Committee thereof, be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to resolve any question, difficulty or doubt that may arise in relation thereto in the best interest of the Company.”

7) Appointment of Dr.G.Sundaram as an Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rule, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (herein after referred as “Act”), as amended from time to time and Clause 49 of the Listing Agreement, Dr.G.Sundaram, (DIN 00051093), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, for a term of five years with effect from July 31, 2014 up to July 30, 2019”.

8) Appointment of Mr.S.B.PV.Ramamohana Rao as an Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rule, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (herein after referred as “Act”), as amended from time to time and Clause 49 of the Listing Agreement, Mr.S.B.PV.Ramamohana Rao, (DIN 00051157), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, for a term of five years with effect from July 31, 2014 up to July 30, 2019”.

9) Appointment of Mr.Venu Srinivasan as an Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rule, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (herein after referred as “Act”), as amended from time to time and Clause 49 of the Listing Agreement, Mr.Venu Srinivasan, (DIN 00051523), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, for a term of five years with effect from July 31, 2014 up to July 30, 2019”.

10) Appointment of Mr.D.R.Kaarthikeyan as an Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rule, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (herein after referred as “Act”), as amended from time to time and Clause 49 of the Listing Agreement, Mr.D.R.Kaarthikeyan, (DIN 00327907), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, for a term of five years with effect from July 31, 2014 up to July 30, 2019”.

11) Appointment of Mr.S.Y.Syed Meeran as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rule, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (herein after referred as “Act”), as amended from time to time and Clause 49 of the Listing Agreement, Mr.S.Y.Syed Meeran, (DIN 00547775), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, for a term of five years with effect from July 31, 2014 up to July 30, 2019”.

12) Appointment of Diwan Arun Nanda as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rule, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (herein after referred as “Act”), as amended from time to time and Clause 49 of the Listing Agreement, Diwan Arun Nanda, (DIN 00034744), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, for a term of five years with effect from July 31, 2014 up to July 30, 2019”.

NOTES:

- 1) The relative explanatory statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the special business under Item No.6 to 12 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as directors under Item No.3 & 4 and Item No. 7 to 12 of the Notice is also annexed.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder The instrument appointing the proxy should be deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies must be supported by appropriate resolution/authority, as applicable.
- 3) The instrument appointing a proxy should however be deposited at the Registered Office of the Company or at the office of the Company Secretary not less than 48 hours before the commencement of the meeting.
- 4) Members/Proxies should bring their Attendance Slip sent herewith duly filled in for attending the Meeting. ONLY MEMBERS/PROXIES WILL BE ADMITTED INTO THE AUDITORIUM FOR THE MEETING.
- 5) **MEMBERS SEEKING ANY INFORMATION WITH RESPECT TO FINANCIALS OR ANY OTHER INFORMATION ARE REQUESTED TO WRITE TO THE COMPANY AT THE EARLIEST SO AS TO ENABLE THE COMPANY TO PROVIDE APPROPRIATE REPLY.**
- 6) Members please note that the Board of Directors of the Company recommended payment of dividend at 55% i.e. ₹0.55 (55 Paise) per equity share at its meeting held on May 13, 2014.

- 7) The Register of Members and the Transfer Books will remain closed from July 4, 2014 to July 31, 2014 (both days inclusive) for payment of dividend.
- 8) The dividend on Equity Shares as recommended by the Directors for the year ended March 31, 2014, if approved at the Annual General Meeting, will be paid on August 5, 2014 as under: (a) to all beneficial owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of closure of the business hours on July 3, 2014 and (b) to all the members in respect of shares held in physical form after giving effect to valid transfer in respect of transfer request lodged/ deposited with the Company on or before of closure of business hours on July 3, 2014.
- 9) The Company is extending Electronic Clearing Service (ECS) facility to the shareholders, which will enable the shareholders of the Company to receive dividend amount directly into their bank account.
- 10) SEBI vide it's Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has instructed all Companies for usage of electronic payment modes for making cash payments to the investors. Companies whose securities are listed on Stock Exchanges are directed to use, either directly or through their RTI & STA, any Reserve Bank of India approved electronic mode of payment such as ECS [ECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT etc. Thus, Members are requested to kindly provide their requisite bank account particulars by quoting their reference folio number(s) in case shares are held in physical form. If shares are held in dematerialised form, Members may kindly provide the requisite bank account details to their Depository Participant, to ensure that future dividend payments are credited to the respective account.
- 11) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form may submit the PAN copy to their depository participants, in the case of physical form the PAN copy be submitted to the Company.
- 12) Pursuant to Section 205A of the Companies Act, 1956 all dividends remaining unclaimed for more than 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.
- 13) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- 14) 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.
- 15) Members holding shares in physical form are requested to intimate the Company regarding any change in their addresses/bank mandates to enable the Company to address future communications to their correct addresses. Members holding shares in electronic / dematerialised form are requested to inform the Depository Participant (DP) with whom they hold their demat account about changes in their address / bank details for necessary update.
- 16) Members are requested to kindly bring their copy of the Annual Report for the Meeting. As measure of economy, copies of the Annual Report will not be distributed at the venue of the Annual General Meeting.
- 17) Members may also note that the Notice of the 44th Annual General Meeting and the Annual Report for 2013-14 is also available on the Company's website www.orientalhotels.co.in .
- 18) DIN refers to Director Identification Number.
- 19) Pursuant to Section 108 of the Act, members may exercise their right to vote by electronic means for the resolutions to be passed at the meeting. A note on the e-voting process is provided hereunder:

20) Voting through Electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to inform you a facility to exercise your voting right at the Annual General Meeting by electronic means (eVoting) and the business may be transacted through e-voting Services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

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

Open e-mail and open PDF file viz. "OHL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

- B. In case a Member receives physical copy of the Notice (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy)

Initial password is provided at the bottom of the Attendance Slip for the AGM.

EVEN (E Voting Event Number) USER ID PASSWORD/PIN

e-Voting Procedures:

- a) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- b) Click on Shareholder – Login
- c) Put user ID and password as initial password noted in step (i) above. Click Login.
- d) Password change menu appears, Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof, Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- e) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- f) Select "EVEN" of Oriental Hotels Limited.
- g) Now you are ready for e-Voting as Cast Vote page opens.
- h) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- i) Upon confirmation, the message "vote cast successfully" will be displayed.
- j) Once you have voted on the resolutions, you will not be allowed to modify your vote.
- k) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: secretarial.ksmassociates@gmail.com with a copy marked to evoting@nsdl.co.in
- l) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the "downloads" section of www.evoting.nsdl.com
 - i. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

ORIENTAL HOTELS LIMITED

NOTICE TO MEMBERS

- ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii. The e-voting window commences on July 25, 2014 (9:00 am) and ends on July 27, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 27, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- iv. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of June 27, 2014.
- v. KSM Associates, Practicing Company Secretary (Membership No. 7039) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vi. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/Managing Director of the Company.
- vii. Members who do not have access to e-voting facility, may send the duly completed Ballot Form (MGT11) (enclosed with the Annual Report) in the attached self-addressed business reply envelope, to reach the Scrutinizer appointed by the Board of Directors of the Company, KSM Associates, Practicing Company Secretary (Membership No.7039) at the Registered Office of the Company not later than July 27, 2014 6.00 p.m.

Members may request for physical copy of the Ballot Form by sending an e-mail to Ohlshares mad@tajhotels.com by mentioning their Folio / DP ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than July 26, 2014 6.00 p.m. Ballot forms received after this date will be treated as invalid.

A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member cast votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid. Please note the unsigned Ballot Form MGT11 will be rejected. Scrutinizer's decision on the validity of the Ballot Form shall be final.

- viii. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ix. The results along with the Scrutinizer's report shall be published on the Company's website www.orientalhotels.co.in and on the website of NSDL www.evoting.nsdl.com within two days of passing the resolutions at the Forty-Fourth AGM of the Company scheduled to be held on July 31, 2014 and will be communicated to the Stock Exchanges where the Company's shares are listed.

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

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

Place: Chennai
Date: May 13, 2014

K.C.Raman
Company Secretary

Explanatory Statement pursuant to Section 102 of the Companies Act 2013 forming part of the Notice of the 44th Annual General Meeting of the Company.

Items No. 6

The Members of the Company granted power to the Board to borrow monies for the business of the Company not exceeding ₹600 Crores (Rupees Six Hundred Crores only) in aggregate pursuant to Section 293(1)(d) of the Companies Act, 1956 by passing an Ordinary Resolution through Postal Ballot on December 22, 2011.

The Section 180 of the Act is the corresponding Section 293 of the Companies Act, 1956. Thus, the Section 180 (1)(c) mandated the members' approval by a Special Resolution for the borrowing powers of the Board. Accordingly, it is necessary to obtain members' approval for the borrowing powers under the said Section of the Act by a Special Resolution.

It is hereby recommended to the members to authorize the Board of Directors to borrow up to ₹600 Crores (including the existing borrowings) in accordance with the provisions of Section 180(1)(c) of the Act.

The Board of Directors accordingly, recommends the Special Resolution as set out in Item No.6 of the accompanying notice for approval of the Members.

None of the Directors or any other key managerial personnel or their relatives is either concerned or interested in the above resolution.

Items No. 7 to 12

As per the provisions of Section 149 of the Act which has come into force with effect from April 1, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

The Board currently consists of six Independent Directors, as listed below, appointed in accordance with the requirements of the listing agreement:

1. Dr.G.Sundaram (DIN 00051093)
2. Mr.S.B.P.V.Ramamohana Rao (DIN 00051157)
3. Mr.Venu Srinivasan (DIN 00051523)
4. Mr.D.R.Kaarthikeyan (DIN 00327907)
5. Mr.S.Y.Syed Meeran (DIN 00547775)
6. Diwan Arun Nanda (DIN 00034744)

The aforesaid Directors have given declaration to the Board that they meet with the criteria of independence as provided under Section 149(6) of the Act, and the matter regarding their appointment as Independent Directors was placed before the Nomination & Remuneration Committee, which commends their appointment as Independent Director for a term of Five Years;

In the opinion of the Board, these Directors fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Director(s) and are independent of the management. These Independent Directors' appointment are being now regularized and placed before the Members in General Meeting for their approval in compliance with the provisions of Section 149 read with Schedule IV of the Act. The profile of the Directors proposed to be appointed as Independent Directors is annexed to this notice.

ORIENTAL HOTELS LIMITED

NOTICE TO MEMBERS

The terms and conditions of appointment of the above Directors shall be open for inspection at the registered office of the company by any member during normal business hours.

The Board of Directors accordingly, recommends the Ordinary Resolution(s) as set out in Items No.7 to 12 of the accompanying notice for approval of the members.

Dr.G.Sundaram, Mr.S.B.P.V.Ramamohana Rao, Mr.Venu Srinivasan, Mr.D.R.Kaarthikeyan, Mr.S.Y.Syed Meeran and Diwan Arun Nanda, respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

A brief profile of the Independent Directors to be appointed is given below:

Dr. G. Sundaram, IAS is a retired Officer of the Indian Administrative Services with a Post Graduate degree in Economics, and Ph.D. from the Delhi School of Economics. Dr.G.Sundaram retired as Secretary to the Government of India, Department of Tourism on October 31, 1996. He held numerous positions viz. Joint Secretary, Ministry of Environment, Additional Secretary Ministry of Commerce, Secretary, Cabinet Secretariat (Public Grievance) and Secretary, Ministry of Civil Supplies, before he moved to Department of Tourism. He was also Advisor (Tourism Development), Government of Gujarat, New Delhi.

Mr.S.B.P.V.Ramamohana Rao holds a Honors degree in Engineering and a Master's degree from the Massachusetts University. He is an industrialist of repute and associated with the Company for the past 20 years.

Mr.Venu Srinivasan, holds a Bachelor's degree in Engineering and a Master's degree in Management from Purdue University, USA. He is a renowned industrialist and the Managing Director of TVS Motor Company Ltd. and Sundaram-Clayton Ltd. He also served as the President of Confederation of Indian Industry (CII) in the year 2009-10.

Mr.D.R.Kaarthikeyan is a retired Officer of the Indian Police Services and severed as a Special Director of the Central Bureau of Investigation (CBI) and Director General, National Human Rights Commission. He holds a Bachelor's degree in Science and Law. He has rich experience in Legal and Corporate Affairs.

Mr.S.Y.Syed Meeran was the Managing Director of erstwhile Covelong Beach Hotel (India) Ltd., which was amalgamated with the Company. He is an industrialist and manages a chemical manufacturing company.

Diwan Arun Nanda, holds B.Com and MBA from IIM Ahmedabad. He is the Founder Chairman and Managing Director of Rediffusion-DY&R and with over 40 years experience in Marketing, Finance, Communication and Advertising. In 1973, he founded Rediffusion, a creative communication agency that fundamentally reimagined the rules of advertising in India. Today, Rediffusion-DY&R is amongst the top advertising agencies in the country, with a nationwide presence. Mr. Nanda has been felicitated with the "Distinguished Alumni Award" by his Alma Mater- Loyola College, Chennai, and also by IIM-Ahmedabad.

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

Place: Chennai
Date: May 13, 2014

K.C.Raman
Company Secretary

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

Details of Directors seeking reappointment at the 44th Annual General Meeting of the Company and this information forms part of the notice for the Annual General Meeting:

Name	Mr. Raymond N. Bickson (DIN 00050664)	Mr. D. Vijayagopal Reddy (DIN 00051554)
Date of Birth	December 16, 1955	August 22, 1952
Nationality	American	Indian
Occupation	Business Management	Industrialist
Qualification	Advanced Management Program at Harvard Business School in Boston. Also studied at the Goethe Institute in Berlin, the Alliance Francaise in Paris, the Universite de L'ecole Hoteliere Lausanne, and Cornell University in New York.	M.B.A
Date of appointment	October 29, 2003	November 11, 2005
Shares held in the Company	Nil	15,02,070
Directorship in other Companies	<ol style="list-style-type: none"> 1. The Indian Hotels Company Ltd 2. Taj GVK Hotels & Resorts Ltd 3. Benaras Hotels Ltd 4. Taj Trade & Transport Co Ltd 5. Taj Lanka Hotels PLC 6. Roots Corporation Ltd 7. Taj Safaris Ltd 8. Taj SATS Air Catering Ltd 9. Tal Hotels and Resorts Ltd 10. OHL International (HK) Ltd 11. Taj International (HK) Ltd 12. United Hotels Ltd 13. Taj Maldives (P) Ltd 14. St. James Court Hotels Ltd 15. Taj International Hotels Ltd (UK) 16. PIEM Hotels Ltd 17. Good Hope Palace Hotels (P) Ltd 	<ol style="list-style-type: none"> 1. Vijay Garments Ltd 2. Bhavan Garments Ltd 3. Vijay Appliances (P) Ltd 4. Televijay Technologies (P) Ltd
Chairman/Member of the *Committees of other Companies on which he is a Director	<p>Audit Committee: Chairman</p> <ol style="list-style-type: none"> 1. Roots Corporation Ltd 2. Taj SATS Air Catering Ltd 3. Benaras Hotels Ltd 4. United Hotels Ltd <p>Member Taj GVK Hotels & Resorts Ltd</p> <p>Stakeholders' Relationship Committee: Member The Indian Hotels Company Ltd</p>	Nil

ORIENTAL HOTELS LIMITED

NOTICE TO MEMBERS

Details of Directors seeking appointment as Independent Directors under items no. 7 to 12 of the notice at the 44th Annual General Meeting of the Company:

Name	Dr.G.Sundaram (DIN 00051093)	S.B.PV.Ramamohana Rao (DIN 00051157)	Venu Srinivasan (DIN 00051523)
Date of Birth	October 7, 1938	October 3, 1934	December 11, 1952
Nationality	Indian	Indian	Indian
Occupation	Retired IAS Officer	Industrialist	Industrialist
Qualification	Retired IAS Officer with a Post Graduate degree in Economics, and Ph.D. from the Delhi School of Economics	Hons. Degree in Engineering and a Masters degree from Massachusetts University	Bachelor's Degree in Engineering and a Master's Degree in Management from Purdue University, USA
Date of appointment	October 23, 2000	October 28, 1985	October 17, 2008
Shares held in the Company	Nil	6750	Nil
Directorship in other Companies	Taj Lanka Hotels Ltd	Sarvaraya Consultancy Services (P) Ltd	<ol style="list-style-type: none"> 1. TVS Motor Company Ltd 2. Sundaram Clayton Ltd 3. Cummins India Ltd 4. Sundaram Fasteners Ltd 5. Lucas TVS Ltd 6. Tata Coffee Ltd 7. Harita-NTI Ltd 8. Southern Roadways Ltd 9. Sundram Non-Conventional Energy Systems Ltd 10. T.V.Sundaram Iyengar & Sons Ltd 11. TVS Credit Services Ltd 12. Sundaram Investment Ltd 13. Aga Khan Rural Support Programme (India)
Chairman/Member of the Committees* of other Companies on which he is a Director	Nil	Nil	<p>Audit Committee: Chairman Harita - NTI Ltd Member TVS Sundaram Iyengar & Sons Ltd</p> <p>Stakeholders' Relationship Committee Member TVS Motor Company Ltd</p>

Name	D.R.Kaarthikeyan (DIN 00327907)	S.Y.Syed Meeran (DIN 00547775)	Diwan Arun Nanda (DIN 00034744)
Date of Birth	October 2, 1939	July 17, 1958	August 20, 1943
Nationality	Indian	Indian	Indian
Occupation	Retired IPS Officer	Industrialist	Industrialist
Qualification	Bachelor's Degree in Science and Law	Graduate	Gold medalist from the Indian Institute of Management (IIM), Ahmadabad
Date of appointment	May 27, 2008	July 31, 2008	October 17, 2008
Shares held in the Company	Nil	10500	Nil
Directorship in other Companies	<ol style="list-style-type: none"> 1. Taj GVK Hotels and Resorts Ltd 2. Lotus Eye Hospital and Institute Ltd 3. Star Health and Allied Insurance Company Ltd 4. Raj TV Network Ltd 5. Synergy Environics Ltd 6. Radcliff Schools Education Ltd 7. Texmaco Rail & Engineering Ltd 8. Roots Industries India Ltd 9. Benaras Hotels Ltd., 10. Life Positive (P) Ltd 11. I-Grandee Software Technologies (P) Ltd 12. Vidi Vedika Heritage Pvt. Ltd 13. Bangalore International Airport Ltd 14. TATA Coffee Ltd 	<ol style="list-style-type: none"> 1. Taj Madurai Ltd 2. Kamar Chemicals & Industries Ltd 3. Bay Organics Ltd 4. K P V Shaik Mohamed Rowther & Co (P) Ltd 	<ol style="list-style-type: none"> 1. Rediffusion DY&R Pvt. Ltd., 2. Arion Horse Co. Pvt Ltd 3. Everest Brand Solutions Pvt Ltd 4. Rediff.com India Ltd 5. Rediffusion Holdings Pvt Ltd 6. Showdiff Worldwide Pvt Ltd 7. Wunderman India Pvt Ltd 8. Rediffusion DY&R Pvt. Ltd., Sri Lanka 9. Yes Bank Ltd
Chairman / Member of the Committees* of other Companies on which he is a Director	Audit Committee: Member <ol style="list-style-type: none"> 1. Star Health and Allied Insurance Company Ltd 2. Taj GVK Hotels & Resorts Ltd 3. Lotus Eye Care Pvt Ltd 4. Texmaco Rail & Engineering Ltd. 5. TATA Coffee Ltd 	Nil	Nil

* The Committees includes only Audit Committee and Stakeholders' Relationship Committee.

The attendance records of the Directors seeking re-appointment and appointment as Independent Directors are furnished in the Corporate Governance report which forms part of the Annual Report 2013-14.

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

Place: Chennai
 Date: May 13, 2014

K.C.Raman
 Company Secretary

DIRECTORS' REPORT**To the Members:**

The Directors are pleased to present the 44th Annual Report of the Company together with its Audited Statement of Profit & Loss for the year ended March 31, 2014 and the Balance Sheet as on that date.

1. Financial Results

Particulars	Year Ended March 31, 2014 ₹ in Lakhs	Year Ended March 31, 2013 ₹ in Lakhs
Profit before Depreciation, finance cost & Tax	4692	5345
Finance Cost	2942	2774
Depreciation and amortization expenses	2794	2617
Profit/(Loss) before Tax and Exceptional Items	(1044)	(46)
Exceptional Items	-	1436
Profit/(Loss) Before Tax	(1044)	1390
Less:		
Provisions for tax		
- Current	66	276
- Minimum Alternate tax credit entitlement	-	(185)
- Deferred Tax	(390)	(224)
- Tax related to previous years	-	93
Profit/(Loss) After Tax	(720)	1430
Balance brought forward from previous year	5848	6551
Distributable profit	5128	7981
Dividend	982	982
Tax on dividend	167	167
Amount transferred:		
- General Reserve	-	150
- Debenture Redemption Reserve	834	834
Balance carried forward	3145	5848
Earnings per share (₹)	(0.40)	0.80

2. Operating Results

The Total Income for the year ended March 31, 2014 stood at ₹30,234 lakhs, resulting in an increase of ₹571 lakhs (1.92%) of the previous year. Room Income stood at ₹14,070 lakhs, showing a decrease of ₹719 lakhs (4.86%) of the previous year. F&B Income had showed an increase of ₹1,311 lakhs (10.42%) of the previous year.

The Total Expenditure (other than finance cost and depreciation) incurred by the Company for the year under review amounted to ₹25,542 lakhs showing an increase of ₹1,225 lakhs (5%) of the previous year.

The Profit before Depreciation, Finance Cost & Tax for the year ended March 31, 2014 amounted to ₹4,692 lakhs, showing a decrease of ₹653 lakhs (12.21%) of the previous year. Interest cost for the year under review increased by ₹167 lakhs (6%) due to additional funds borrowed for renovation of Taj Coromandel and overall increase in interest rates. The depreciation provided for the year increased by ₹178 lakhs (6.79%) of the previous year.

No Exceptional item for the year under review and the Loss before Tax and after Exceptional Item for the year ended March 31, 2014 amounted to ₹1,044 lakhs as against a profit of ₹1,390 lakhs of the previous year.

Consolidated Financial Results

The consolidated turnover of the Company for the financial year ended March 31, 2014 amounted to ₹35,867 lakhs as against ₹34,878 lakhs of the previous year. The Loss after Tax amounted to ₹2,455 lakhs as against Profit after Tax of ₹1,930 lakhs of 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, 2014. The total amount of dividend outgo for the financial year 2013-14 will be ₹1,149 lakhs comprising of ₹982 lakhs as dividend and ₹167 lakhs as tax on dividend which is at par with the previous year.

Capital Expenditure

During the year under review, the Company has incurred ₹2,833 lakhs towards capital expenditure consisting of renovation activities at Taj Coromandel, Chennai and routine capital expenditure. During the year under review, hotel units of the Company, upgraded/renovated its corridors and bathrooms and refurbished the soft furnishings as a standard practice.

Borrowings

The Company's borrowings as on March 31, 2014 on a standalone basis stood at ₹30,756 lakhs as against ₹28,340 lakhs as on March 31, 2013 and on a consolidated basis borrowings stood at ₹34,734 lakhs as on March 31, 2014 as against ₹31,273 lakhs as compared to the previous year.

Business Overview

The Indian Economy, in 2013-14, continued to be impacted by volatile economic scenario, recording a growth of below 5% for the second consecutive year. India ranked 13 amongst 184 countries in the tourism sector's absolute contribution to GDP.

During the year ended 2013, the Ministry of Tourism, India has reported growth in Foreign Tourist Arrivals (FTAs) by 4.1% with 6.8 million tourists visiting India and Foreign Exchange Earnings (FEEs) grown by 2.2% with US\$ 18.13 billion.

The increase in interest rates coupled with additional borrowings resulted in higher finance cost of borrowings and also the increased input cost had an impact on profitability. Notwithstanding the few difficult years now behind us the outlook for the future is positive.

Fixed Deposits

Your Company has stopped accepting and / or renewing fixed deposits from the general public and shareholders. The Liability on account of unclaimed Fixed Deposits amounts to ₹3.55 lakhs as on March 31, 2014 as against ₹5.40 lakhs as on March 31, 2013.

Subsidiary Company

The Company has a subsidiary Company as on March 31, 2014 and there has been no material change in the nature of business of subsidiary. As required under the Listing Agreement entered into with Stock Exchanges, the consolidated financial statements of the Company and its subsidiary are attached. The consolidated financial statements have been prepared in accordance with relevant accounting standards as prescribed under section 211(3)(c) of the Companies Act, 1956. The consolidated financials disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiaries.

Pursuant to the provision of Section 212(8) of the Companies Act, 1956 the Ministry of Corporate Affairs, vide Circular dated February 21, 2011 granted a general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary with the balance sheet of the Company. A statement containing brief financial details of the subsidiary for the financial year ended March 31, 2014 is attached hereto in the Annual Report. The annual accounts of the subsidiary and the related information will be made available to any member of the Company/ its subsidiary seeking such information and are available for inspection by any member of the Company/its subsidiary at the registered office of the Company.

Listing

The Equity Shares of your Company are listed at Madras Stock Exchange Limited, Chennai, BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai and the Global Depository Receipts (GDRs) are listed at Luxembourg Stock Exchange. The Listing fees to these Stock Exchanges and custodian fees to NSDL and CDSL have been paid by the Company for the financial year 2014-15.

Directors

Mr.Raymond.N.Bickson and Mr.D.Vijayagopal Reddy, Directors retire by rotation and are being eligible for re-appointment.

The Company had, pursuant to the Listing Agreement entered into with the Stock Exchanges, appointed Dr.G.Sundaram, Mr.S.B.P.V.Ramamohana Rao, Mr.Venu Srinivasan, Mr.D.R.Kaarthikeyan, Mr.S.Y.Syed Meeran and Diwan Arun Nanda as Independent Directors of the Company. As per the Section 149(4) of the Companies Act, 2013 (Act) which came into effect from April 1, 2014, every listed Company is required to have at least one third of the total number of directors as Independent Directors. In accordance with the provision of Section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment as mentioned in the Notice of the forthcoming Annual General Meeting of the Company.

The aforementioned independent directors have declared to the Company that they satisfied the criteria of independence as provided under Section 149 of the Act.

Director's Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors based on the representation received from the 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, 2014, and of the profits or loss of the Company for that period.
- iii. The Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Act to safeguard the assets of the Company and to prevent, detect fraud, and other irregularities.
- iv. The Directors had prepared the Annual Accounts on a going concern basis.

Auditors

Messrs Brahmayya & Co, Chartered Accountants and SNB Associates, Chartered Accountants, who are the Joint Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules there-under, it

is proposed to appoint Messrs Brahmayya & Co, Chartered Accountants (Firm Registration No:000511S) and SNB Associates, Chartered Accountants, (Firm Registration No:015682N) as the Joint Statutory Auditors of the Company from the conclusion of the 44th Annual General Meeting up to the conclusion of the next (45th) Annual General Meeting.

Particulars of Employees

The particulars of employees required to be furnished under Section 217 (2A) of the Companies Act, 1956 read with rules there-under, forms part of this Report. However, pursuant to 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.

Conservation of Energy, 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 the Annexure.

Corporate Governance Report, Management Discussion & Analysis Report

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 thereon are attached and form part of the Annual Report.

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 sustainable livelihoods by providing adequate opportunities to the youth of rural and less-privileged sectors of society. Your Company hotel units, which are in smaller cities, are engaged in community initiatives such as education and nutritional awareness. The units have consumed homemade local produces amounting to ₹57.73 lakhs for the year under review from self-help groups, without compromising the product quality.

A total of 260 students were provided education assistance, amounting to ₹3.42 lakhs during the year 2013-14. Each family of the fishing community at Kovalm Village, Tamil Nadu, was given rice during the non-fishing period declared by the Government. The 'Taj Clinic' organized Vivanta by Taj - Fishermen's Cove provided free medical consultation and medicines for the residents of the nearby community.

Companies Act 2013

The Companies Act, 2013 has become effective from April 1, 2014 and the rules relating to the Act were made effective subsequently. The Ministry of Corporate Affairs, vide Circular No. 1/19/2013-CL-V dated April 4, 2014, notified that matters pertaining to maintenance of books of accounts and preparations/adoption/filing of financial statements, auditor's report, Board's report and attachments to such statements and reports in respect of financial years that commenced earlier than 1st April 2014 shall be governed by the relevant provisions/schedules/rules of the Companies Act, 1956. Thus, the Board's Report and the financial statements of the Company were prepared as per the Companies Act, 1956.

Acknowledgement

The Directors expressed their appreciation for the contribution made by the employees in the progress of the Company. The Directors also thank the Company's Members, customers, vendors, investors and bankers for their continued support during the year.

For and behalf of the Board of Directors

Place: Chennai
Date: May 13, 2014

Raymond N Bickson
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

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, required 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

The Company has used green energy to its potential through a group captivity scheme and saved considerable cost on power. Apart from the above, the hotel unit(s) reduced the consumption of power (electricity) through power trading mechanism, and has also reduced the consumption of fossil fuel by using diesel electricity generators infrequently. Solar lighting and heating panels are being installed by a few hotel units to reduce the consumption of power. To generate hot water through heat recovery process from AC plants and Automatic Power factor control panels through Screw chillier and De-super heater are being used to reduce power consumption. The units are using CFL & LED lightings instead of conventional lightings, which also reduced the consumption of energy.

Water & Waste

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

Foreign Exchange Earning and outgo

The information relating to Foreign Exchange earnings and outgo is furnished in Note No.30 of the Notes to the financial statements

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 year April, 2013 to March, 2014 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 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.

The Indian Economy, in 2013-14, continued with its struggle amidst the volatile economic landscape, recording a growth of below 5% for the second consecutive year. The anticipation of the recovery of the Indian Economy during the second half of the year did not materialize, and the country's investment and industrial growth remained meager. The increasing global uncertainties, external debts, high cost of borrowings, depreciation in value of rupee, low business confidence and elevated level of inflation dominated the economic scene during the year under review. The service sector growth also moderated during the year growing by just 6%, the lowest in around 12 years. The trade, hotel and transport segment continues to grow at below 5% during the first three quarters of the year.

Tourism industry – Global trends

The Travel & Tourism sector's contribution to world economy has grown for the fourth consecutive year. 2013 was a good year for international tourism; the sector has shown a remarkable capacity to adjust to the changing market conditions and fuelling the growth of job creation around the world, despite continuing economic and geopolitical challenges.

As per the United Nations World Tourism Organisation (UNWTO) World Tourism Barometer, it is estimated that international tourist arrivals grew by 5% in 2013, reaching a record of 1,087 million. Despite a global economy in 'low gear', international tourism was well above expectations, with an additional 52 million international tourist travelling the world in 2013. Demand for International tourism was strongest for destinations in Asia and the Pacific (+6%), Africa (+6%) and Europe (+5%). The leading sub-regions were South-East Asia (+10%), Central and Eastern Europe (+7%), Southern and Mediterranean Europe (+6%) and North Africa (+6%).

As per World Travel and Tourism Council (WTTC), the global Travel & Tourism sector's total contribution to the global economy rose to 9.5% (nearly US \$7 trillion), which grew by 3.0%, outperforming the overall GDP growth for the third consecutive year. 4.7 million new jobs were created as a result of the tourism activity. The industry supported nearly 266 million jobs – amounting to 1 in 11 jobs in the world. South East Asia leads the pack in terms of both total Travel & Tourism economic and employment growth at 7.9% and 4.1% respectively. Economies which benefited from expanded revenues from hosting international travellers included the US, UK, Thailand, Hong Kong, Turkey, Japan, Greece, Russia and Indonesia.

As per the 2013 year ending data from STR Global, Middle-East Hotels reported the strongest RevPAR increases among the four world regions, rising 6.8 percent to US\$ Europe hotels reported a 4.8 percent gain to US\$ 90.41 in RevPAR, Hotels in Asia Pacific ended the year with decrease in RevPAR 4.1 percent to US\$ 83.32). The Americas hotels RevPAR increased by 5.2 percent to US\$ 70.24.

The international tourism spending in 2013 grew by 14% over the previous peak levels. Further, restrained GDP growth was observed across many economies, and especially among the emerging markets.

Research from WTTC and the UN World Tourism Organisation (UNWTO) in 2012 demonstrates that improving visa processes could generate an additional US\$ 206 billion in tourism receipts and create as many as 5.1 million jobs by 2015.

Tourism industry – India

India is ranked 13 among 184 countries in the tourism sector's absolute contribution to GDP. The sector's global growth should reach 4.3% this year, with rising demand from emerging markets. The country witnessed growth in Occupancy by 1% to 57%, whereas ADR decrease by 3.4% to ₹5,648 owing to supply pressures and market conditions resulting in a decline in RevPAR by 2.5% to ₹3,216 across all market classes.

In the year ended 2013, the Ministry of Tourism India has recorded growth in Foreign Tourist Arrivals (FTAs) by 4.1% with 6.8 million tourists visiting India and Foreign Exchange Earnings (FEEs) grown by 2.2% with US\$ 18.13 billion.

MANAGEMENT DISCUSSION AND ANALYSIS

The "Travel & Tourism Economic Impact 2014 - India" released by WTTC estimated a total contribution of Travel & Tourism Industry to GDP to be ₹6,631.6 billion; 6.2% of GDP in 2013.

Government initiatives

According to the Consolidated FDI Policy released by the Ministry of Commerce and Industry, Government of India, the Government has allowed 100% foreign investments under the automatic route in the hospitality industry. The Governments

at Center and State level has initiated many measures to promote Travel and Tourism in the country, some are listed hereunder:

1. Elimination of Custom Duty for Import of equipments and liquor for new hotel projects.
2. Capital subsidy for development and promotion of budget hotels.
3. Five year income tax holiday granted to 2- 4 star hotels established in specified districts having UNESCO - declared World Heritage Sites.
4. Exemption of Luxury Tax and Sales Tax for 5-7 Years for new hotel Projects
5. Allotment of land by State for development projects at market price.
6. Zonal auction rate has been brought down

The government of India has announced a scheme of granting tourist visa on arrival (T-VoA) for the citizens of Finland, Japan, Luxembourg, New Zealand and Singapore.

Future trends

The Travel & Tourism sector's contribution to world economy has grown for the fourth consecutive year, and is expected to show even stronger growth in 2014.

UNWTO forecasts international arrivals to increase by 4% to 4.5% in 2014 due to the positive results of 2013 and the expected global economic improvement in 2014, which sets the stage for another positive year for international tourism. The outlook for the Travel & Tourism sector in 2014 is even stronger than 2013, with the sector's contribution to GDP expected to grow by 4.3% this year, again stronger than the wider economy and many of the other major industries, as per WTTC.

Travel & Tourism growth is expected to outpace growth in the whole economy (4.3% vs. 2.8%), Travel & Tourism investment is forecast to increase by 5.6%, and the sector is expected to generate around 6.5 million new jobs worldwide.

India is gifted with three important assets such as human, natural and cultural resources, but this competitive advantage is not translated into economic gains owing to regulatory framework and poor infrastructure. In India, there are a number of different travel formats that have emerged over time, and the concept of Eco- Tourism in India is still at a very nascent stage.

Annual Economic Impact Report 2014 for India shows that Travel & Tourism sector's economic contribution is expected to grow by 7.3% this year, outperforming the general economy by 2.5 percentage points. Revenues gained from domestic tourism rose by 5.1% in 2013 and is expected to increase by 8.2% in 2014, the amount that International visitors spent in India rose by 6.2% in 2013 but is forecast to slow to a 2.9% growth rate in 2014.

According to WTTC, 2014 is expected to be a year of above-average growth for Travel & Tourism in India to counteract a weak performance for domestic travel in 2013. Annual Economic Impact Report 2014 for India shows Travel & Tourism's economic contribution is expected to grow by 7.3% this year, outperforming the general economy by 2.5 percentage points. Revenues gained from domestic tourism rose by 5.1% in 2013 and is expected to increase by 8.2% in 2014, the amount that International visitors spent in India rose by 6.2% in 2013 but is forecast to slow to a 2.9% growth rate in 2014.

India is projected to hold a key position in the future of this market and is in a continual process of upgrading its MICE facilities. There are multiple plans to develop more world-class convention centers, airports that meet international standards and customize services as per visitors' requirements. Apart from this, the government is focusing on the Public Private Partnership (PPP) and is looking beyond the traditional tourism avenues and on to new initiatives – sports

and adventure tourism, religious circuits, wildlife safaris, rural tourism, electoral campaign circuits, cruise tourism and wellness tourism.

According to the STR Global Construction Pipeline Report as of March 2014, the Asia/Pacific hotel development pipeline comprises over 2,312 hotels and over 5.1 lakhs rooms.

As per Cushman & Wakefield (C&W) reports, hospitality sector of India is expecting to witness better infrastructure growth. Approximately 4,304 new hotel rooms are expected to open in 2014, of which 37 percent will be in the mid-scale segment, 13 percent in the upscale segment, 17 percent is expected for the budget segment, 13 percent in the upper upscale, and 20 percent in the luxury segment.

The Taj Group is well poised to capture the growing demand from domestic markets with the largest presence in India, with over 100 hotels in key corporate and leisure destinations across brands suiting the requirements of such travellers. Our brands – Taj, Vivanta and Gateway - continue to command a premium in the marketplace.

Guest experience

Your company continues its quest for excellence for consistent policy(s) enhancement of guest experiences through personalized customer services and offer of product upgrades.

HR Initiatives

Your company undertakes many initiatives to enhance competence of the associates and focused on the training engagement process by the Learning & Development Department as a continual process. The training focuses on improving high quality services, based on the concept of 'Customer Delight' than customer satisfaction.

Internal roll changes, re-deployment, transfers, promotions and recognition/awarding policies were used as effective tools by HR for improving employee productivity by way of cost conscious and such other policies.

During the year company adopted a comprehensive policy namely POSH (Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace) based on this policy your Company constituted an Apex Committee and committees at each of its units.

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 on the travel and affecting business. 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: All major cities especially Chennai saw an unprecedented growth in Supply with many new players entering the market. However, not equally compensated by demand growth of 0-5% thus putting pressure on both occupancy and rates.

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 mitigating 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 guest 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 Liability:

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.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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.

Operating Results & Financial Performance

The Annual Report contains Financial Statement of your Company, both on standalone and consolidated basis. An analysis of the financial performance is discussed hereunder:

₹ in lakhs

Particulars	Standalone		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Revenue from operations	29,766	29,003	35,538	34,464
Other Income	468	659	329	414
Total Expenditure	25,542	24,317	30,099	28,190
Gross Profit	4,692	5,345	5,768	6,688
Less:				
Finance Cost	2,942	2,774	3,116	2,938
Depreciation	2,794	2,617	3,506	3,159
Profit/(Loss) before exceptional Items and tax	(1,044)	(46)	(854)	591
Exceptional Items	-	1,436	(1,751)	1,252
Profit Before Tax	(1,044)	1,390	(2,605)	1,843
Provision for Taxation (Net)	(325)	(40)	(150)	(87)
Profit for the year	(719)	1,430	(2,455)	1,930
Share of Profit/(Loss) of Associates	-	-	7	(248)
Profit after tax before Minority interest	-	-	(2448)	1,682
Less- Minority Interest	-	-	187	(120)
Profit after tax after Minority Interest	(719)	1,430	(2,261)	1,562

A summary of standalone and consolidated Cash flow statement for the period ended March 31, 2014 is provided hereunder:

₹ in lakhs

Particulars	Standalone		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Net cash from operating activities	4587	4,997	5683	7,617
Net cash used for investing activities	(2540)	(1,432)	(4479)	(1,941)
Net cash from financing activities	(2072)	(4,385)	(1504)	(6,370)
Net increase/(Decrease) cash & cash equivalents.	(25)	(820)	(300)	(694)

ORIENTAL HOTELS LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS

Particulars	March 31, 2014	March 31, 2013	% of Change
Sale of products	13,888	12,578	10.42
Sale of services	15,878	16,426	(3.34)
Other income	468	659	28.98)
Total Income	30,234	29,663	1.92
Statistical Information			
- Average Room Rate (₹)	5,647	6,050	(6.66)
- Percentage of Occupancy (%)	65	64	1.56

Overall revenue increased by 1.93% and the occupancy percentage of the Company increased to 65% from 64% 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.

During the period under review, many prudent cost management processes and measures were positioned, constantly monitored and updated. Further, cost management is not a policy of cost reduction, whereas it strides to achieve absolute balance amongst cost and quality.

Finance Cost

The financing cost was ₹2,942 lakhs for the year ended March 31, 2014 as compared to ₹2,774lakhs in the previous year consequent to funds borrowed for renovation activities and increase in interest rates.

Profit/Loss

The Company has reported a loss of ₹1,044 lakhs during the financial year ended as at March 31, 2014.

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 believe in 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 complied with the requirements of Listing Agreement of the Stock Exchanges and various regulations issued by SEBI / MCA, 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, 2014 the Company has twelve (12) Directors with a Non – Executive Chairman. Of the twelve Directors eleven (11) are Non – Executive Directors with 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 shall mean a non-executive director, other than nominee director of the company.
- During the year under review, the Board of Directors of the Company met (4) times and the dates of the Board meetings are as follows:

Meeting Dates of Board of Directors, Audit Committee and other Committees:

Board / Audit Committee	Remuneration	Name of the Committees		
		Share Transfer	Investor & Shareholder's Grievance	Ethics
16.05.2013 – 1st Quarter	16.05.2013	02.08.2013	19.03.2014	19.03.2014
06.08.2013 – 2nd Quarter				
28.10.2013 – 3rd Quarter				
23.01.2014 – 4th Quarter				

Name of the Director	DIN No.	Category	No. of Meetings attended							Other Companies					
			Board Meeting	Audit Committee	Investors Grievance Committee	Remuneratio Committee	Ethics Committee	Share Transfe Committee	Whether attended last AGM on August 6, 2013	Director ship	Committee Membership				
									Indian		Foreign	Chairman	Member		
Mr. R.K.Krishna Kumar**	00027941	NN	1	-	-	1	-	-	-	-	-	-	-	-	-
Mr. Raymond.N.Bickson	00050664	NN	4	4	-	-	-	-	-	-	Yes	10	7	2	4
Mr. D. Varada Reddy	00052200	MD	4	4	1	-	-	1	1	1	Yes	-	3	-	-
Mr. S.B.PV.Ramamohana Rao	00051157	NI	3	3	1	-	-	-	-	1	Yes	1	-	-	-
Dr. G.Sundaram	00051093	NI	4	4	1	1	1	1	-	-	Yes	-	1	-	-
Mr. Anil P Goel**	00050690	NN	2	-	-	-	-	-	-	-	Yes	8	11	-	1
Mr. D.Vijayagopal Reddy	00051554	NP	4	-	-	-	-	-	1	1	Yes	4	-	-	-
Mr. S.Y.Syed Meeran	00547775	NI	4	-	-	-	-	-	-	-	Yes	4	-	-	-
Mr. Pramod Rajan	00887569	NP	4	-	-	-	-	-	-	-	Yes	6	1	-	-
Mr. D.R.Kaarthikayan	00327907	NI	4	4	1	1	1	-	-	-	Yes	12	-	-	5
Diwan Arun Nanda	00034744	NI	1	-	-	-	-	-	-	-	-	9	1	-	1
Mr. Venu Srinivasan	00051523	NI	1	-	-	-	-	-	-	-	-	13	2	2	4
Mr. Ramesh D Hariani	00131240	NP	3	-	-	-	-	-	-	-	Yes	7	-	-	-

NI → Non Executive – Independent NI → Non Executive – Non Independent NP → Non Executive – Promoter MD → Managing Director

*Mr.R.K.Krishna Kumar, Chairman resigned from the Board as per the Retirement Policy with effect from July 18, 2013.

** Mr.Anil.P.Goel was appointed in the casual vacancy with effect from August 6, 2013.

The Board expressed its appreciation for the support and guidance rendered by Mr.R.K.Krishna Kumar during his tenure of 16 years as Chairman of the Company. During that period the company has doubled its capacity, entered in new markets, transform itself into a multi brand player. The Board articulated its gratitude and wished Mr.R.K.Krishna Kumar the very best in all his future endeavors.

The Board of Directors of the Company elected Mr.Raymond.N.Bickson, Director as the Chairman of the Company at its meeting held on August 6, 2013.

ORIENTAL HOTELS LIMITED
CORPORATE GOVERNANCE

Committees (Composition) Membership details:

Name of the Member(s)	Name of the Committees of the Board						
	Audit	Nomination & Remuneration	Stakeholders Relationship	Share Transfer	Ethics	Property Acquisition	Approval
Mr.Raymond.N.Bickson	M	M	-	-	-	-	C
Mr.D.Varda Reddy	M	-	M	C	M	C	M
Dr.G.Sundaram	C	C	C	-	C	M	-
Mr.S.B.P.V.Ramamohana Rao	M	M	M	M	-	M	M
Mr.D.R.Kaarthikeyan	M	-	M	-	-	-	-
Mr.D.Vijayagopal Reddy	-	-	-	M	-	M	M
Mr.Pramod Ranjan	-	-	-	M	-	-	-

C – Chairman M - Member

C) Mandatory 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.

The Companies Act 2013 & Clause 49 of the Listing Agreement enhanced and expanded the existing role of Audit Committee as detailed hereunder:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Approval or any subsequent modification of transactions of the company with related parties
4. Scrutiny of inter-corporate loans and investments
5. Evaluation of internal financial controls and risk management systems.

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 existing Role of Audit Committee as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, 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 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 the management, the quarterly financial statements before submission to the Board. 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. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing; with management, performance of statutory and internal auditors, adequacy of the internal control systems.
12. 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.
13. Discussion with internal auditors for any significant findings and follow up there on: Reviewing the findings by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
14. 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.

15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividend(s) and creditors.
16. To review the functioning of the Whistle Blower mechanism.
17. 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.
18. Carrying out any other functions 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 conditions and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by 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 chief internal auditor shall be subject to review of the Audit Committee;

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.

2.0 Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act 2013 the Investor and Shareholders Grievances Committee has been nomenclature into Stakeholders Relationship Committee.

This amendment includes shareholders, debenture holders, deposit holders and any other security holder at any time during the year.

The Committee is headed by Dr. G. Sundaram, an Independent Director and was present at the previous Annual General Meeting. The Committee met on March 21, 2014 during the year.

The Stakeholders Relationship Committee's roles and powers:

- a. Shall consider and resolve grievances of all classes of investors of the company;\
- b. The chairperson of the committee by himself or any person authorized by him shall attend the general meetings of the company;
- c. Ensure proper controls at Registrar and Share Transfer Agent;
- d. Look into the redressing of the shareholders complaints and queries;
- e. Review movement in shareholdings and ownership structure;

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.

Status of Request/Complaints during the period April 01,2013 to March 31, 2014			
Sl. No.	Subject	Received	Replied/ Resolved
A. Requests			
1.	Change/Correction of Address	18	18
2.	Receipt of Dividend Warrant Order for Revalidation	-	-
3.	Change/Correction of Bank Mandate	13	13
4.	Change/Correction of Bank Mandate/Name/Damage-DW	4	4
5.	Request for issue of Duplicate Dividend Warrant	-	-
6.	Receipt of IB For issue of Duplicate Dividend Warrant	-	-
7.	Query Regarding Payment of Dividend Warrant	2	2
8.	Receipt of DD(s) Against DW From Company/Bank	-	-
9.	Request for ECS Facility	-	-
10.	Letters from Clients Regarding Bills/Payments	-	-
11.	Letter from SEBI/Stock Exchange/Acknowledgement	1	1
12.	Registration of Power of Attorney	-	-
13.	Loss of Securities and Request for Issue of Duplicate	-	-
14.	Receipt of IB and Affidavit for issue of Duplicate Securities	2	2
15.	Request for Consolidation/Split of Securities	-	-
16.	Deletion of Joint Name Due to Death	-	-
17.	Request for Transfer/Transmission of Securities	475	475
18.	DD Received from Banks Against ECS Rejections	215	215
19.	Change & Correction of Name on Securities	5	5
20.	Specimen Sign Change / Not mentioned in Application	-	-
21.	Change & Correction of Name on Dividend Warrant	-	-
22.	Request for Demat/ Remat	81	81
23.	Clarification Regarding Shares	1	1
24.	Request for Exchange of Securities	23	23
25.	Others (Clarification / Acknowledgement / NSD Operation)	17	17
26.	Non-Receipt of Annual Report	8	8
27.	Non-Receipt of Fresh/ New Securities	-	-
28.	Non-Receipt of Refund Orders	-	-
Total (A)		865	865
B. Complaints			
1.	Non-Receipt of Dividend Warrants	1	1
2.	Non-Receipt of Securities	14	14
Total (B)		15	15

3.0 Nomination and Remuneration Committee:

Pursuant to Section 178 of the Companies Act 2013 and clause 49 of the Listing Agreement, the existing Remuneration Committee nomenclature has been changed into Nomination and Remuneration Committee.

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 16, 2013 during the year.

The Committee reviews the Company's policy on specific remuneration package to 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.

Enhanced Scope:

- a. To formulate a policy for evaluation of directors performance.
- b. To recommend the board about remuneration policy for directors and key managerial personnel on the basis of their positive attributes and qualifications.

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 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. The Company has no Employee Stock Options scheme.

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 43rd 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, 2013. 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) Non Mandatory Other Committees of the Board:**1. Share Transfer Committee**

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

2. Approval Committee

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

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

3. Ethics Committee

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

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

4. 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

5. POSH Committee:

The Board at its meeting held on January 23, 2014 had adopted the Policy on Prevention, Prohibition & Redressal of Sexual Harassment at the Workplace (POSH) as per TATA policies and constituted a POSH Committee to provide protection against sexual harassment of women at workplace and redressal of complaints of sexual harassment and for the matters connected or incidental thereto.

E) Subsidiary Company

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

F) Details of General Body Meeting

Particulars of the Annual General Meeting of the Company of the Past 3 years are as follows:

Location	Date & time	Resolutions passed
Narada Gana Sabha, Chennai 600 018	July 28, 2011 at 2.45 PM	Ordinary Resolution: - Adoption of accounts - Declaration of Dividends - 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 Resolution: - Adoption of accounts - Declaration of Dividends - Appointment of Directors retiring by rotation - Appointment of Auditors
The Music Academy, Chennai 600014	August 6, 2013 at 2.45 P.M	Ordinary Resolution: - Adoption of accounts - Declaration of Dividends - Appointment of Directors retiring by rotation - Appointment of Auditors Special Resolution: - Payment of commission to Non-Executive Directors

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

G) Postal Ballot:

Particulars of resolution passed through Postal Ballot vide notice dated: May 16, 2013

Sl. No.	Resolutions Passed	Type
1	Payment of minimum remuneration to the Managing Director of the Company for the financial year 2012-2013 in case of loss or inadequacy of profits.	Special Resolution
2	Payment of minimum remuneration to the Managing Director of the Company for the financial years 2013-2014 & 2014-2015 in case of loss or inadequacy of profits.	Special Resolution

Dr.G.Sundaram, Director announced the results of the aforementioned postal ballots on July 8, 2013 based on the report of the scrutinizers M/S. S. Srinivasan & Co., Practicing Company Secretaries, Chennai.

Particulars	Resolution No.1		Resolution No.2	
	No. of Shares	% to the votes received	No. of Shares	% to the votes received
Valid Votes Received	88580640	99.99	88581565	99.99
Votes in favour of the Resolution	73216871	82.65	73186620	82.61
Votes against the Resolution	15363769	17.34	15394945	17.38
Invalid Votes	7805	-	6880	-

H) Compliance with Non-Mandatory requirements

Code of Conduct:

1. The Company has adopted insider trading policy as per Tata Code of Conduct for prevention of insider trading. 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.
2. The Company receives continuous disclosure of holdings by the Directors in accordance with Clause 13 (4) of SEBI (Prohibition of Insider Trading) Regulations, 1992. Further, the Company makes regular disclosure to all the Stock Exchange(s) in which the Company is listed the information received under the said clause in compliance with clause 13 (6) of the Regulations

Whistle-blower Policy:

Pursuant to Listing Agreement vigil mechanism should be established for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

The Company has adopted the Whistle Blower Policy as per listing agreement pursuant to which employees of the Company can raise their concerns relating to fraud, malpractice or any other activities or event detrimental to the interest of the Company.

I) Means of Communication

- The Company ensures adequate measures are 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 etc.,

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](mailto:ohlshares.mad@tajhotels.com) for investor correspondence.

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

ORIENTAL HOTELS LIMITED
CORPORATE GOVERNANCE

J) General Shareholder Information

Company Identification Number	L55101TN1970PLC005897
Registered office	Taj Coromandel 37, Mahatma Gandhi Road Chennai – 600 034 Tel.no.- 044 66002827 Facsimile no.- 044 66002089
Name, Contact details of Company Secretary & Compliance officer's Office	Mr.K.C.Raman Paramount Plaza, 47, Mahatma Gandhi Road Chennai – 600 034 Tel.no.- 044 28222827 Facsimile no.- 044 28254447 / 044 28278138 Website: www.orientalhotels.co.in E-mail: ohlshares.mad@tajhotels.com
Registrar and Share Transfer Agent	M/S Integrated Enterprise (India) Limited Kences Towers, 1 Ramakrishna Street North Usman Road, T Nagar, Chennai 600 017 Facsimile no.- 044 28140801 - 803 E-mail: corpserv@integratedindia.com
Date, Time and venue of AGM	July 31, 2014 @ 3:00 pm Sathguru Sri Ganananda Hall, Narada Gana Sabha, Alwarpet, Chennai 600018
Financial Calendar	
Financial year	1st April 2013 – 31st March 2014
Financial Report for:	
Quarter ending 30th June Quarter ending 31st December	Quarter ending 30th September Quarter ending 31st March
Cutoff Date for eVoting	June 27, 2014
eVoting window dates / time	July 25, 2014, 9.00 a.m. to July 27, 2014 6.00 p.m.
Date of book closure	July 4, 2014 to July 31, 2014 (both days inclusive)
Dividend payment date	August 5, 2014
Equity Shares	
Stock Exchanges	Stock Code
The National Stock Exchange Ltd	ORIENTHOT EQ
Bombay Stock Exchange Ltd Madras Stock Exchange Ltd	500314 ORIENTHOT EQ
Listing Fees were paid for the year 2014 – 2015.	
ISIN No.	INE750A01020
Global Depository Receipts	Luxembourg Stock Exchange, Luxembourg

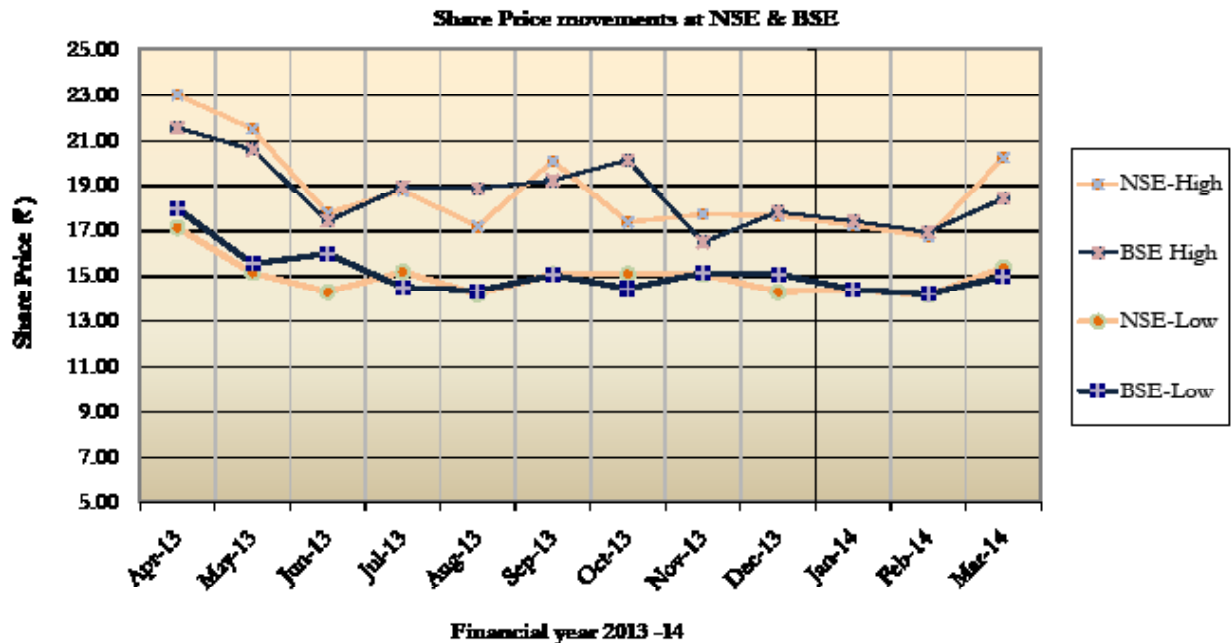
Shareholders are requested to send all their communications to the Company Secretary to the above given address.

Electronic Voting:

Pursuant to Section 108, Companies (Management and Administration) Rules, 2014 and as per Listing Agreement the e-voting facility will be provided to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings or through Postal Ballot. The company shall utilize the service of National Securities Depository Services Limited to provide e-voting platform, which is in compliance with conditions specified by the Ministry of Corporate Affairs, Government of India, from time to time. And also mention the Internet link of such e-voting platform in the notice to the shareholders.

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
Apr-13	23.00	17.15	5962	5477	21.55	18.00	19622	18144
May-13	21.50	15.15	6229	5910	20.60	15.55	20443	19451
Jun-13	17.80	14.30	6011	5566	17.45	16.00	19860	18467
Jul-13	18.80	15.20	6093	5675	18.95	14.50	20351	19126
Aug-13	17.20	14.20	5808	5118	18.90	14.35	19569	17448
Sep-13	20.10	15.10	6142	5318	19.25	15.05	20739	18166
Oct-13	17.40	15.10	6309	5700	20.15	14.45	21205	19264
Nov-13	17.75	15.10	6342	5972	16.50	15.15	21321	20137
Dec-13	17.70	14.30	6415	6129	17.85	15.10	21483	20568
Jan-14	17.25	14.40	6358	6027	17.45	14.40	21409	20343
Feb-14	16.75	14.15	6282	5933	16.95	14.20	21140	19963
Mar-14	20.25	15.40	6730	6212	18.45	15.00	22467	20920



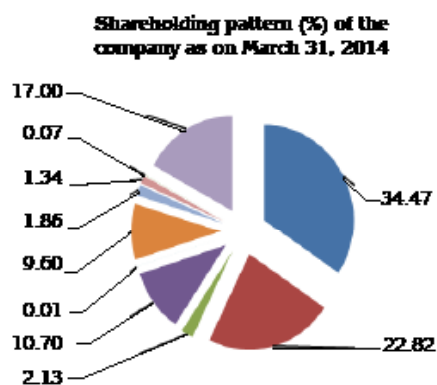
Share Transfer System:

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 Committee. The share transfers in physical form are processed within a period of 15 months 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 the depository participants.

Shareholding pattern as on 31st March 2014

Sl. No	Particulars	No. of shares	% of Shares
A. Promoters			
1.	Taj Group	61561430	34.47
2.	Promoters	40760788	22.82
B. Public			
3.	Corporate Entities	3806710	2.13
4.	Directors	17250	0.01
5.	Financial Institutions	18214471	10.20
6.	Commercial Banks	888400	0.50
7.	Mutual Fund Trust Clearing	103054	0.06
8.	Foreign Financial Institution	10000	0.01
9.	Non – Resident Indian	2393433	1.34
10.	Indian Residents	30367714	17.00
C. GDRs Underlying Equity Shares:			
11.	Promoters and Promoters Group	17145090	9.60
12.	Public	3330840	1.86
	Grand Total	178599180	100.00



Particulars	Percentage
Promoters – Taj Groups	34.47
Promoters - Individual	22.82
Bodies Corporate / Trust	2.13
IFI/Banks / MF	10.70
Directors	0.01
GDR - Promoters	9.60
GDR – Public	1.86
NRIs	1.34
MF Clearing Trust/FFI	0.07
Public	17.00

Dematerialisation of shares

As on March 31, 2014 17,32,35,594 equity shares comprising 97% of equity share capital being held in dematerialised form as detailed below:

Shares held in	No. of Shares	% of holding
NSDL	16,43,40,816	92.02
CDSL	88,94,778	4.98
Physical	53,63,586	3.00
TOTAL	17,85,99,180	100.00

Distribution Schedule of Share Holding as an March 31, 2014

Srl. No.	Category of Shares	No. of Shareholders	% to Total No. of Shareholders	No. of Shares	% to Capital
1	UPTO 500	8932	64.72	914244	0.51
2	501-1000	1224	8.87	1038178	0.58
3	1001-2000	1054	7.64	1635544	0.92
4	2001-3000	645	4.67	1630985	0.91
5	3001-4000	311	2.25	1098169	0.61
6	4001-5000	498	3.61	2264777	1.27
7	5001-10000	575	4.17	4283925	2.40
8	10000 and above	562	4.07	165733358	92.80
	TOTAL	13801	100.00	178599180	100.00

List of persons holding more than 1% of the total number of shares

Sl. No	Name of the Shareholders	No. of shares	% of Share Capital
A. Promoter and Promoter Group			
1	The Indian Hotels Company Ltd	33764550	18.91
2	TIFCO Holdings Ltd	17208360	9.64
3	Mr.Varada Reddy D	6979522	3.91
4	Tata Chemicals Ltd	4123000	2.31
5	PIEM Hotels Ltd	3657170	2.05
6	Mr.Pramod Rajan	2927660	1.64
7	Ms.Girija Gollamudi Reddy	2687630	1.50
8	Mr.Rohit Reddy D	2212500	1.24
9	Mr.Amith Reddy D	2140421	1.20
10	Ms.PShoba Reddy	2081450	1.17
11	Ms.Dodla Premaleela Reddy	2019980	1.13
B. Public			
12	The Oriental Insurance Company Ltd	3167410	1.77
13	Reliance Capital Trustee Co Ltd (Reliance Long term Equity Fund)	15047061	8.43
	Total	98011014	54.88

K) Disclosures and Informations

1. 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.
2. 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.
3. 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 last five years at a glance:

Year of Dividend	Nominal Value ₹	Dividend ₹ per share	per share%
2012 - 2013	1/-	0.55	55%
2011 - 2012	1/-	0.45	45%
2010 - 2011	1/-	0.80	80%
2009 - 2010	10/-	7.50	75%
2008 - 2009	10/-	9.00	90%

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 mature deposits 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 the Government of India.

The table below gives the dates of dividend declaration since 2006-07 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 (₹)
2006-2007	August 29, 2007	September 27, 2014	8,30,689.50
2007-2008	July 31, 2008	August 29, 2015	9,69,349.50
2008-2009	July 23, 2009	August 21, 2016	11,66,373.00
2009-2010	July 27, 2010	August 25, 2017	8,73,847.50
2010-2011	July 28, 2011	August 26, 2018	9,81,752.80
2011-2012	July 17, 2012	August 16, 2019	6,21,099.45
2012-2013	August 6, 2013	August 5, 2020	13,68,279.00

* Indicative/probable dates.

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

During the year the Company made renewed attempts to establish contact with those members/depositors who have not claimed the dividend. Special mailers were sent by different modes to reach the members/depositors. As a result, the Company was able to pay a sum of ₹4.44 lakhs. The following amounts were transferred to the IEPF.

Particulars	Amount in ₹
Amounts transferred to IEPF up to March 31, 2013	35,82,478.00
Unclaimed Dividend transferred during the year pertaining to Dividend 2005 - 2006	5,82,570.00
Unclaimed Fixed deposit transferred during the year	1,55,000.00
Amounts transferred to IEPF up to March 31, 2014	43,20,048.00

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. 22,77,850 equity shares remain unclaimed as on March 31, 2014.

Opening Balance		No. of shareholders claimed / transferred	No. of shares transferred	Closing Balance	
No. of holders	No. of Shares			No. of holders	No. of Shares
1411	24,71,730	88	1,93,880	1323	22,77,850

P) Remuneration paid to Mr.D.Varada Reddy, Managing Director for the year 2013 – 14:

Amount in ₹

Salary, Incentive and perquisites	1,14,38,080
Contribution to Provident and Gratuity Fund	11,12,041
Performance Incentive Payable	30,00,000
As on March 31, 2014 holding 69,79, 522 number of equity shares of the Company	

* The Company had applied to the Ministry of Corporate Affairs, Central Government for requisite approval to comply the payment of minimum remuneration as approved by the shareholders.

Q) Remuneration paid to non-executive Directors and the details of share held by them as on March 31, 2014

Name of Director	Sitting fees paid 2013-2014 amount in (₹)	No of Shares held
Mr. R.K.Krishna Kumar	20,000	-
Mr. SBPV.Ramamohana Rao	80,000	6750
Dr G Sundaram	1,10,000	-
Mr. D.Vijayagopal Reddy	50,000	15,02,070
Mr. S Y Syed Meeran	40,000	10,500
Mr. Pramod Ranjan	40,000	29,27,660
Mr. D.R.Kaarthikeyan	1,00,000	-
Diwan Arun Nanda	10,000	-
Mr. Venu Srinivasan	10,000	-
Mr. Ramesh.D.Hariani	30,000	11,30,710

* No Commission was paid for the financial years 2012-2013 and 2013-2014.

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, Kochi
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-section 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, 2014.

Place: Chennai
Date: May 13, 2014

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, 2014, 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 compliances 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

R.SRIDHAR
Partner
Membership No.028317

Place : Chennai
Date : May 13, 2014

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 31st March 2014, Statement of Profit and Loss for the year ended on that date Cash flow statement and a summary of significant accounting policies and other explanatory information These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 auditor's 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
 - (b) in the case of the Profit and Loss Account, of the Loss 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.

ORIENTAL HOTELS LIMITED
INDEPENDENT AUDITORS' REPORT

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 ₹.66 Lakhs, which has been approved by the shareholders by a special resolution and the approval of the Central Government is awaited. 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:
- a. 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;
 - b. 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;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 : Chennai
Date : May 13, 2014

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

R.SRIDHAR
Partner
Membership No.028317

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 31st March 2014 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, sales tax, luxury 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
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 1993-94 to 1996-97	17.58	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	3.41	The Assistant Commissioner (Commercial Taxes), Special Circle, Thiruvananthapuram
Sales Tax Demand for the Financial Years 2010-11 to 2012-13	2.27	Sales Tax Appellate Tribunal, Visakhapatnam
Luxury Tax		
Luxury tax demands for the Financial Years 2004-05 and 2005-06	28.15	Hon'ble Kerala High court, Ernakulum
Luxury tax demands for the Financial Years 2006-07, 2010-11 and 2011-12	9.65	Deputy Commissioner (Appeals), Ernakulum
Service tax		
Service Tax Demand for the Financial Years 2004-05 and 2005-06	8.79	Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
Service Tax Demand for the Financial Years 2006-07 to 2010-11	124.88	Commissioner of Central excise (Appeals), Kochi
Service Tax Demand for the Financial Years 2004-05 to 2008-2009	315.30	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 2009-10	38.11	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Service Tax Demand for the Financial Years 2005-06 to 2010-11	88.74	Commissioner of Central excise (Appeals), Mangalore

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.

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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 prima face, have not been used during the year for long term investment, other than temporary deployment pending application.
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 : Chennai
Date : May 13, 2014

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

R.SRIDHAR
Partner
Membership No.028317

ORIENTAL HOTELS LIMITED

BALANCE SHEET

Balance Sheet as at 31st March 2014

₹ in lakhs

Particulars	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	1,785.99	1,785.99
(b) Reserves and surplus	3	26,114.76	27,983.56
		27,900.75	29,769.55
Non-current liabilities			
(a) Long-term borrowings	4	14,739.36	18,869.73
(b) Deferred tax liabilities (Net)	5	1,140.94	1,531.38
(c) Other Long term liabilities	6	233.48	242.54
(d) Long-term provisions	7	416.47	407.37
		16,530.25	21,051.02
Current liabilities			
(a) Short-term borrowings	8	1,700.00	3,149.39
(b) Trade payables	9	2,988.54	2,694.35
(c) Other current liabilities	10	16,958.39	9,146.09
(d) Short-term provisions	11	1,217.87	1,228.10
		22,864.80	16,217.93
TOTAL		67,295.80	67,038.50
ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		44,423.27	44,349.89
(ii) Intangible assets		255.29	103.90
(iii) Capital work-in-progress		1,625.54	1,811.27
(b) Non-current investments	13	6,583.64	6,583.64
(c) Long-term loans and advances	14	8,403.05	8,684.74
(d) Other non-current assets	15	33.87	-
		61,324.66	61,533.44
Current assets			
(a) Inventories	16	644.29	712.27
(b) Trade receivables	17	1,553.88	1,639.42
(c) Cash and bank balances	18	719.38	734.83
(d) Short-term loans and advances	19	1,484.25	1,548.60
(e) Other current assets	20	1,569.34	869.94
		5,971.14	5,505.06
TOTAL		67,295.80	67,038.50
Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements 1-48			

As per our Report attached

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

Place: Chennai
Date: May 13, 2014

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

R. SRIDHAR
Partner
Membership No.028317

P. Parameshwaran
General Manager-Finance

For and on behalf of the Board

Raymond N Bickson
Chairman

D. Varada Reddy
Managing Director

Dr. G. Sundaram
Director

K.C. Raman
Company Secretary

FORTY FOURTH ANNUAL REPORT 2013-14

PROFIT AND LOSS STATEMENT

Profit and Loss Statement for the year ended 31st March 2014

₹ in lakhs

Particulars	Note	March 31, 2014	March 31, 2013
INCOME			
Revenue from operations	21	29,766.03	29,003.50
Other income	21	467.99	659.12
Total Revenue		30,234.02	29,662.62
EXPENSES			
Cost of materials Consumed	22	3,997.67	3,665.27
Employee Benefit Expense	23	7,464.26	7,158.89
Finance Costs	24	2,941.77	2,774.35
Depreciation and amortization	12	2,794.43	2,616.79
Other expenses	25	14,080.02	13,493.55
Total Expenses		31,278.15	29,708.85
Profit/ (Loss) before exceptional item and tax		(1,044.13)	(46.23)
Exceptional items (Refer Note No. 44)		-	1,436.24
Profit/ (Loss) before tax		(1,044.13)	1,390.01
Tax expense:			
(1) Current tax		65.88	276.25
(2) Minimum Alternate Tax(MAT) Credit entitlement		-	(184.62)
(3) Deferred tax		(390.45)	(224.46)
(4) Tax relating to earlier years		-	93.03
Total Taxes		(324.57)	(39.80)
Profit/ (Loss) for the year		(719.56)	1,429.81
Earnings per equity share:			
Basic & Diluted (Face value ₹1/- per share) (Refer Note: 41)		(0.40)	0.80
Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements 1-48			

As per our Report attached

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
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Place: Chennai
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Raymond N Bickson
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

K.C. Raman
Company Secretary

ORIENTAL HOTELS LIMITED

CASHFLOW STATEMENT

Cashflow Statement for the year ended March 31, 2014

₹ in lakhs

Particulars	March 31, 2014	March 31, 2013
A. Cashflow from Operating Activities		
Net profit before tax and extraordinary items	(1,044.13)	1,390.01
a) Depreciation	2,794.43	2,616.79
b) Loss/(Profit) on sale of assets	24.99	(110.37)
c) Profit on sale of investments	-	(1,217.96)
d) Assets Written off	34.16	-
e) Bad Debts / Advances Written Off	6.46	19.92
f) Provision for Doubtful Debts and Advances	28.17	14.85
g) Provision and Balances Written Back	(98.33)	(94.13)
h) Interest	(110.91)	(145.39)
i) Dividend Income	(209.38)	(298.15)
j) Interest paid	2,941.77	2,774.35
	5,411.36	3,559.91
Operating profits before working capital changes	4,367.23	4,949.92
Adjustments for		
a) Increase in Trade and other receivables	75.33	(28.20)
b) Decrease in Inventories	67.98	117.03
c) Increase in Trade payables and Other liabilities	412.49	159.22
	555.80	248.05
Cash generated from operations	4,923.03	5,197.97
Adjustments for Direct taxes paid (net)	(336.38)	(201.27)
Net Cashflow from operating activities (A)	4,586.65	4,996.70
B. Cash flow from investing activities		
Purchase of fixed assets	(2,900.81)	(5,706.90)
Sale of fixed assets	6.06	28.54
Sale/(Purchase) of Investments	-	1,850.12
Share holders deposit Placed with Joint Venture received	-	424.52
Interest received	145.25	96.26
Dividend received	209.38	425.25
Deposits with other companies	-	1,450.00
Exchange Gain Realised on Funds Invested	0.03	0.01
Net cashflow from investing activities (B)	(2,540.09)	(1,432.20)
Carried Forward	2,046.56	3,564.50

CASHFLOW STATEMENT

Cashflow Statement for the year ended March 31, 2014

₹ in lakhs

Particulars	March 31, 2014	March 31, 2013
Brought Forward	2,046.56	3,564.50
C. Cashflow from financing activities		
Net Increase in borrowings	2,075.97	(1,175.70)
Interest Paid	(3,001.68)	(2,275.55)
Dividend paid	(1,145.82)	(934.08)
Net cash flow from financing activities (C)	(2,071.53)	(4,385.33)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(24.97)	(820.83)
Cash as per books		
Cash as on Opening 01st April	645.06	1,465.89
Cash as on Closing 31st March	620.09	645.06
Net Increase / (Decrease) in cash and cash equivalents	(24.97)	(820.83)
NOTES TO THE CASH FLOW STATEMENT :	As at	As at
	31-03-2014	31-03-2013
	₹ in lakhs	₹ in lakhs
i) Cash and Cash Equivalents		
Cash on hand and balances with banks	719.38	734.83
Bank balances and Deposits Not Considered as Cash	(99.31)	(89.74)
Unrealised Exchange Loss/ (Gain)	0.02	(0.03)
Cash and Cash Equivalents as restated	620.09	645.06

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

The accompanying notes form an integral part of the financial statements 1-48

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

R. SRIDHAR
Partner
Membership No.028317

For and on behalf of the Board
Raymond N Bickson
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Chennai
Date: May 13, 2014

P. Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

Notes to Financial Statements for the year ended 31st March, 2014**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) Revenue Recognition

Revenue comprises sale of rooms, food and beverages, allied services relating to hotel operations, including net income from telecommunication services and management and operating fees. Revenue is recognised upon rendering of the service.

b) Export Benefit Entitlement

Benefits arising in the nature of Duty Free Scrips are recognised upon the actual utilisation of Duty credit Scrips for the purchase of Fixed Assets and Inventories and are adjusted against the cost of the related assets.

c) Fixed Assets

Fixed Assets are carried at cost less depreciation.

d) 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.

e) 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.

f) Inventories

Inventories are valued at cost on weighted average basis.

g) 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 date. 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.

h) 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".

i) 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. All other borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

j) 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.

k) 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.

l) 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.

m) 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, 2014	As at March 31, 2013
	₹ in lakhs	₹ in lakhs
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)	2450.00	2450.0
2 Issued, Subscribed and Paid up		
50,50,000 - Redeemable Cumulative Preference Shares of ₹100 each	5050.00	5050.00
Total	7500.00	7500.00
3 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)	1785.99	1785.99
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 13th May, 2014 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	As at March 31, 2014		As at March 31, 2013	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Shares outstanding at the beginning of the year	178,599,180	1,785.99	178,599,180	1,785.99
Add : Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	178,599,180	1,785.99	178,599,180	1785.99

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

Name of the Shareholder(s)	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% holding	No. of Shares	% holding
The Indian Hotels Company Limited	33,764,550	18.91%	33,764,550	18.91%
TIFCO Holdings Limited	17,208,360	9.64%	17,208,360	9.64%
Reliance Long Term Equity Fund	15,047,061	8.43%	15,047,061	8.43%

Note 3 : Reserves and Surplus

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in lakhs	₹ in akhs
Securities Premium Reserve	11,009.40	11,009.40
Debenture Redemption Reserve		
Opening Balance	1,019.00	185.00
Add: Transfer from Surplus in Statement of Profit & Loss	834.00	834.00
Closing Balance	1,853.00	1,019.00
Investment allowance utilised reserve	45.74	45.74
Export profits reserve	0.43	0.43
General reserve		
Opening Balance	10,061.47	9,911.47
Add: Transfer from Surplus in Statement of Profit & Loss	-	150.00
Closing Balance	10,061.47	10,061.47
Surplus in Statement of profit and loss		
Opening Balance	5,847.52	6,550.95
Add : Net profit / (Net loss) from Statement of Profit & Loss	(719.56)	1,429.81
Less : Transfer to Debenture Redemption Reserve	834.00	834.00
Less : Transfer to General Reserves	-	150.00
Less : Proposed Dividend	982.30	982.30
Less : Tax on Proposed Dividend	166.94	166.94
	3,144.72	5,847.52
Total	26,114.76	27,983.56

Note 4 : Long Term Borrowings

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in lakhs	₹ in lakhs
Secured (Refer Footnote (i) and (ii))		
-10.40% Non- Convertible Redeemable Debentures	-	10,000.00
	-	10,000.00
Term Loans - From Banks (refer Footnote iii)	14,739.36	8,869.73
Total	14,739.36	8,869.73

Footnotes :

i) Details of Borrowings as at:	March 31, 2014		March 31, 2013	
	₹ in lakhs Non - Current	₹ in lakhs Current	₹ in lakhs Non - Current	₹ in lakhs Current
Particulars				
Debentures	-	10,000.00	10,000.00	-
Term Loans from Banks	14,739.36	4,316.46	8,869.73	6,321.32
Total	14,739.36	14,316.46	18,869.73	6,321.32

ii) Terms

Particulars	Loan Outstanding in ₹ lakhs	No. of Installments	Security	Repayment Terms
Rupee Term Loan - I	1,538.46	2	Rupee Term Loan are secured by way of mortgage by deposit of title deeds in respect of immovable properties of Fisherman's Cove and Coonoor Hotel & additionally secured by way of exclusive first charge of credit card receivables of the Company.	13 equated Quarterly Installments of ₹769.23 lakhs, commencing from July 2011 carrying interest rate of 11.55%
Rupee Term Loan - II	5,730.00	15		19 Quarterly Installments of ₹382 lakhs commencing from April 2013 carrying interest rate of 11.4%
Rupee Term Loan - III	9,750.00	19	Rupee Term loan secured by way of exclusive EM/RM of the entire movable and immovable fixed assets of the Taj Coromandel, Hotel Property of the Company with minimum FACR of 1.00X on book value of the property or minimum FACR of 1.5x on Market Value of the property	20 Quarterly Installments commencing from January 2014 carrying interest rate of 11.65%
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%

iii) Includes Exchange Loss in currency swap of the term loan ₹2,037.36 lakhs (Previses year ₹1601.27 lakhs).

Note 5 : Deferred Tax Liability (Net)

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Deferred tax liability:		
Depreciation on fixed assets	5,906.70	5,979.17
Total (A)	5,906.70	5,979.17
Deferred Tax Assets:		
Provision for doubtful debts	35.54	35.30
Provision for Employee Benefits	87.48	87.37
Loss u/s 35AD of Income Tax Act, 1961 (Refer Footnote)	4,638.73	4,310.56
Others	4.01	14.56
Total (B)	4,765.76	4,447.79
Net Deferred Tax Liabilities (A-B)	1,140.94	1,531.38

Footnote : Deferred tax asset on loss U/s 35AD of the Income Tax Act, 1961 has been recognised as equivalent deferred tax liability has been created on Depreciation on Fixed Assets.

Note 6 : Other Long Term Liabilities

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Deposit from others		
Unsecured		
- Deposit - Sublease	200.00	200.00
- Shop Security Deposits	33.48	42.54
Total	233.48	242.54

Note 7 : Long Term Provisions

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Provision for Employee Benefits	334.05	314.12
Provision for Pension liability for retired Directors & their relatives	82.42	93.25
Total	416.47	407.37

Note 8 : Short Term Borrowings

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
From Bank :		
Secured		
Loan repayable on demand		
From Banks (Refer Footnote (i))	700.00	150.00
	700.00	150.00
From Others:		
Unsecured		
Commercial Papers (Refer Footnote (ii))	-	749.39
	-	749.39
	700.00	899.39
Unsecured		
Inter Corporate Deposits -From Related party	-	2,250.00
- From others	1,000.00	-
	1,000.00	2,250.00
Total	1,700.00	3,149.39

Footnote :

- (i) Secured loans from banks represents short term loan secured by way of mortgage by deposit of title deeds in respect of immovable properties of Fisherman's Cove and Coonor Hotel & additionally secured by way of exclusive first charge of credit card receivables of the Company.
- (ii) The Company had issued 150 Commercial Paper of ₹5 lakhs each aggregating to ₹750 lakhs on March 28,2013 (net proceeds ₹748.59 lakhs and interest accrued of ₹0.81 lakhs). The Commercial Paper carries interest @ 9.8% and was repayable at par 7days from the date of allotment.

Note 9 : Trade Payables

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Trade payables		
Total Outstanding dues of micro and small enterprises (Refer Footnote Below)	62.09	63.96
Trade Payable	2,926.45	2,630.39
Total	2,988.54	2,694.35

Footnote : 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.

ORIENTAL HOTELS LIMITED

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	62.09	63.96
(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	-	-

Note 10: Other Current Liabilities

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Current maturities of Long-term borrowings		
Debentures	10,000.00	-
Term loans	4,316.46	6,321.32
	14,316.46	6,321.32
Payables on Current Account dues		
Related Parties	13.88	83.96
Others	82.55	70.73
	96.43	154.69
Deposits	9.96	1.65
Interest accrued but not due on borrowings	692.39	694.62
Advance collection from customers	245.33	162.42
Creditors for capital goods and services		
- Retention Money	166.75	276.12
- Others	47.32	152.14
Unclaimed dividends (Refer Footnote (i))	68.11	64.69
Unclaimed matured deposits & interest accrued thereon	4.26	6.11
Other liabilities		
- Employee Related Dues (Refer Footnote (ii))	652.05	599.88
- Statutory Dues	613.90	666.43
- Others	45.43	46.02
Total	16,958.39	9,146.09

Footnotes:

- (i) The amount reflects the position as on 31st March 2014, 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.
- (ii) Includes ₹60 lakhs due to Directors(Previous Year ₹30 lakhs)

Note 11 : Short Term Provisions

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Provision for employee benefits	55.90	66.13
Provision for pension liability for retired Directors and their relatives	12.73	12.73
Proposed dividend	982.30	982.30
Tax on dividend	166.94	166.94
Total	1,217.87	1,228.10

NOTE 12: FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block			
	At Cost as at 01.04.13	Additions	Deduction	At Cost as at 31.03.14	Up to 01.04.2013	Depreciation for the year	Withdrawals during the year	Up to 31.03.2014	At at 31.03.2014	At at 31.03.2013
Tangible Assets										
Freehold Land *	8,669.15 (8,062.43)	219.67 (606.83)	- (.11)	8,888.82 (8,669.15)	- -	- -	- -	- -	8,888.82 (8,669.15)	8,669.15 (8,062.43)
Leasehold Land #	33.76 (33.76)	- -	- -	33.76 (33.76)	17.85 (16.71)	1.14 (1.14)	- -	18.99 (17.85)	14.77 (15.91)	15.91 (17.05)
Buildings	8,863.92 (7,598.13)	897.89 (1,350.03)	12.45 (84.24)	9,749.36 (8,863.92)	1,061.65 (922.99)	167.64 (157.84)	0.33 (19.18)	1,228.96 (1,061.65)	8,520.40 (7,802.27)	7,802.27 (6,675.14)
Improvements to Lease Buildings	9,007.98 (8,948.27)	60.13 (59.93)	14.60 (.22)	9,053.51 (9,007.98)	997.68 (820.23)	190.95 (177.45)	4.98 0.00	1,183.65 (997.68)	7,869.86 (8,010.30)	8,010.30 (8,128.04)
Plant and Machinery	21,256.59 (19,992.34)	1,391.67 (1,711.46)	179.42 (447.21)	22,468.84 (21,256.59)	8,265.03 (7,355.60)	1,390.63 (1,283.59)	157.66 (374.16)	9,498.00 (8,265.03)	12,970.84 (12,991.56)	12,991.56 (12,636.74)
Furniture & Fixtures	11,636.00 (11,018.11)	265.86 (826.19)	33.64 (208.30)	11,868.22 (11,636.00)	5,564.56 (4,987.46)	811.36 (773.32)	29.25 (196.22)	6,346.67 (5,564.56)	5,521.55 (6,071.44)	6,071.44 (6,030.65)
Office Equipment	1,734.42 (1,629.78)	31.97 (104.78)	18.08 (.14)	1,748.31 (1,734.42)	1,139.22 (976.18)	149.79 (163.09)	16.54 (.05)	1,272.47 (1,139.22)	475.84 (595.20)	595.20 (653.60)
Vehicles	505.26 (463.15)	8.93 (52.95)	16.53 (10.84)	497.66 (505.26)	311.20 (283.93)	36.67 (35.33)	11.40 (8.06)	336.47 (311.20)	161.19 (194.06)	194.06 (179.22)
Total Tangible Assets	61,707.08 (57,745.97)	2,876.12 (4,712.17)	274.72 (751.06)	64,308.48 (61,707.08)	17,357.19 (15,363.10)	2,748.18 (2,591.76)	220.16 (597.67)	19,885.21 (17,357.19)	44,423.27 (44,349.89)	44,349.89 (42,382.87)
Intangible Assets										
Computer Software	353.99 (337.52)	197.88 (16.47)	4.96 -	546.91 (353.99)	250.09 (225.06)	46.25 (25.03)	4.72 -	291.62 (250.09)	255.29 (103.90)	103.90 (112.46)
Total Intangible Assets	353.99 (337.52)	197.88 (16.47)	4.96 -	546.91 (353.99)	250.09 (225.06)	46.25 (25.03)	4.72 -	291.62 (250.09)	255.29 (103.90)	103.90 (112.46)

Footnotes

* 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, 2014.

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

Fixed Assets includes Interest Capitalised ₹57.68 lakhs (Previous Year - ₹35.78 lakhs)

Fixed Assets include exchange fluctuation capitalised of which Buildings ₹451.67 lakhs (Previous Year ₹418.53 lakhs), Plant and Machinery ₹351.79 lakhs (Previous Year ₹283.04 lakhs), Furniture and Fixtures ₹165.42 lakhs (Previous Year ₹120.96 lakhs) and Vehicles ₹1.46 lakhs (Previous Year ₹1.01 lakhs) and Depreciation of which Buildings ₹34.24 lakhs (Previous Year ₹24.64 lakhs), Plant and Machinery ₹109.36 lakhs (Previous Year ₹68.85 lakhs), Furniture and Fixtures ₹49.15 lakhs (Previous Year ₹30.80 lakhs) and Vehicles ₹.42 Lakhs (Previous Year ₹.26 lakhs)

Figures have been regrouped.

Figures in brackets are in respect of previous year.

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 13 : Non Current Investments

Particulars	Face Value	Holdings As at 31st March, 2014	As at 31 March, 2014 ₹ in lakhs	As at 31 March, 2013 ₹ in lakhs
TRADE INVESTMENTS:				
Investment in Subsidiaries- (Unquoted)				
OHL International (HK) Limited-Equity Shares (Refer Footnote (iii))	US\$10	1,500,000	4,683.00	4,683.00
Investment in Joint Ventures (Unquoted)				
TAL Hotels & Resorts Limited-Equity Shares (Refer Footnote iv)	US\$1	919,104	437.68	437.68
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
Taj Air Limited (Refer Footnote v)	₹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	-	-
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
Asian Hotels West Limited	₹10	70	0.08	0.08
Asian Hotels East Limited	₹10	70	0.08	0.08
Asian Hotels North Limited	₹10	70	0.07	0.07
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.	₹5	200	0.08	0.08
NON-TRADE INVESTMENT, UNQUOTED				
Chennai Willingdon Corporate Foundation	₹10	5	-	-
Indian Dairy Entrepreneurs Agricultural Company Limited. (Refer footnote (vi))	₹1	86,302	-	-
TOTAL			6,583.64	6,583.64

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Footnotes :		
i) Aggregate of quoted investments - Shares		
Cost	312.21	312.21
Market value	421.72	337.85
ii) Aggregate of unquoted investments - Shares		
Cost	6,271.43	6271.43
(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) In terms of an undertaking, transfer of this shareholding is restricted to Taj / TATA group Companies.		
(vi) Equity Shares of ₹10/- each have been reduced to ₹1 /- each as confirmed by the order of the court and provision for dimunition in value has been made in the earlier years.		

Note 14 : Long Term Loans and Advances

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Capital advances	222.18	565.50
Long term security deposits placed for Hotel Properties		
with related parties (Refer Footnote (i))	4,750.00	4,750.00
with Others	468.62	718.62
	5,218.62	5,468.62
Long Term Deposits		
Deposits with public bodies and others	509.82	425.74
	509.82	425.74
Other Loans and advances (including Advance Tax)		
Advance Income Tax Paid (Net of provisions) (Refer Footnote ii & iii)	1,874.82	1,538.44
MAT Credit Entitlement	409.36	474.86
Prepaid Expenses	3.99	2.92
Secured Loans - Mortgage loans to employees	164.26	208.66
	2,452.43	2,224.88
Total	8,403.05	8,684.74

Footnotes :

- (i) The related party under Long Term Deposits placed for hotel properties represent enterprises influenced by relatives of key management personnel.
- (ii) Advance Tax and Tax deducted at Source is net of Provision for Income tax amounting to ₹16,833.79 lakhs (previous year ₹16,833.79 lakhs).
- (iii) Provision for income tax considered above is net of MAT credit utilised of ₹65.88 lakhs (Previous year Nil)

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 15 : Other Non-Current Assets

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Unamortised Borrowing Costs	33.87	-
Total	33.87	-

Footnote : Represents expenses on loans

Note 16 : Inventories

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
(valued at cost)		
Food and beverages	351.24	355.17
Stores and operating supplies	293.05	357.10
Total	644.29	712.27

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

Note 17 : Trade Receivables

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Unsecured		
Outstanding over six months :		
Considered good	65.31	52.15
Considered doubtful	96.72	93.07
	162.03	145.22
Less : Provision for Doubtful Trade Receivable Over Six Month	96.72	93.07
	65.31	52.15
Others :		
Considered good	1,488.57	1,587.27
Considered doubtful	-	-
	1,488.57	1,587.27
Less : Provision for Doubtful Trade Receivable Others	-	-
	1488.57	1587.27
Total	1,553.88	1,639.42

Note 18 : Cash and Bank balances

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Cash and cash equivalents		
Cash on hand	17.36	56.40
Cheques, drafts on hands	112.02	163.21
Current accounts	490.69	425.48
	620.07	645.09
Other Balances with Banks		
Margin money deposits	28.79	22.64
Earmarked balances (Refer Footnote i)	70.52	67.10
	99.31	89.74
Total	719.38	734.83

Footnote : (i) Include amounts in unpaid dividend accounts ₹68.11 lakhs (Previous year ₹64.69 lakhs)

Note 19 : Short Term Loans and Advances

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
(Unsecured, considered good unless stated otherwise)		
Inter Corporate Deposits		
Related Party	-	-
Others	560.00	560.00
	560.00	560.00
Deposits with Public Bodies & Others	77.12	163.28
Other advances		
Considered good		
Staff Advances (Refer Footnote)	120.31	120.48
Prepaid Expenses	303.99	267.69
Indirect Tax Recoverable	121.96	118.14
Supplier Advances	50.85	93.93
Claims Receivables	186.23	73.59
Others	71.63	162.28
	854.97	836.11
	854.97	836.11
Provision for doubtful advances	7.84	10.79
Total	1484.25	1548.60
Footnote		
	As at March 31, 2014	As at March 31, 2013
	₹ in lakhs	₹ in lakhs
Staff Advances:		
Secured -Mortgage loans	37.64	31.44
Unsecured	82.67	89.04
Total	120.31	120.48

Note 20 : Other Current Assets

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Interest receivable	119.92	154.26
Amounts recoverable (Refer Footnote (i) & (ii))	1,151.79	385.57
Other Receivables		
Related party	245.35	251.17
Others	37.35	78.94
Unamortised Borrowing costs (Refer Footnote (iii))	14.93	-
Total	1,569.34	869.94

Footnotes :

- (i) 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 ₹374.25 lakhs.
- (ii) The company entered into a long term agreement for development of hotel at Bannerghatta in Bengaluru in the year 2007. During the current year the Company decided to terminate the lease agreement and recover the amount spent on the project along with the deposit made. As per the agreement the termination will take effect when the lessor fulfills the conditions laid in the termination agreement. In view of the above agreement an amount of ₹777.54 lakhs lying in long term deposits placed for hotel properties and capital work in progress have been transferred to amounts recoverable.

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

(iii) Unamortised Borrowing Costs:

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Opening balance:		
Add: Additions during the year	50.00	-
Less: Amortised during the year	1.20	-
	48.80	-
Less: Unamortised borrowing costs- Non-current	33.87	-
Total	14.93	-

Note 21 : Rooms, restaurants, banquets and other income

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
(i) Operating Income		
Rooms, Restaurants, Banquets and Other Services		
Sale of products	13,896.82	12,587.45
Less: Excise duty	8.35	9.79
	13,888.47	12,577.66
Sale of Services (Refer Note 47)	15,877.56	16,425.84
	29,766.03	29,003.50
(ii) Other Income		
Interest Income	110.91	145.39
Dividend Income		
- From a Subsidiary	184.26	274.00
- From Other Long Term Investments	25.12	24.15
Exchange Gain	6.03	101.77
Miscellaneous Income	141.67	113.81
	467.99	659.12
Total	30,234.02	29,662.62

Note 22: Cost of materials consumed

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) Food & beverages consumed (Including smokes)		
i. Opening stock	355.17	456.60
ii. Add Purchases	3,993.74	3,563.84
iii. Less: Closing stock	351.24	355.17
Food & Beverages Consumed	3997.67	3665.27

Note 23 : Employee benefits Expenses and Payment to Contractors

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
Salaries, Wages, Bonus etc.	4006.91	3561.14
Company's Contribution to Retirement Funds & Other Funds	298.94	295.15
Retiring Gratuity	60.14	116.50
Deputed Staff Salaries	1362.60	1486.12
Payment for contracted services	881.49	854.56
Workmen / Staff Welfare Expenses	854.18	845.42
Total	7464.26	7158.89

Note 24 : Finance Costs

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
Interest expense		
Interest Expenses on Borrowings	2,996.73	2,809.66
Interest on others	2.72	0.47
	2,999.45	2,810.13
Less : Interest capitalised	57.68	35.78
Total	2,941.77	2774.35

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 25 : Other Expenses

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
i. Operating expenses consist of the following :		
Linen and room supplies	490.81	467.19
Catering supplies	304.75	367.95
Other supplies	82.10	67.73
Fuel, power and light	3,776.19	3,638.03
Banquet expenses	510.57	452.82
Repairs to buildings	452.76	432.66
Repairs to machinery	861.87	604.77
Repairs to others	221.64	394.03
Linen and uniform washing and laundry expenses	292.29	254.07
Payment to orchestra staff, artistes and others	54.82	51.19
Communication charges	157.72	142.82
Guest transportation	189.13	162.26
Travel agents' commission	236.82	210.73
Collecting Agents Commission	267.96	287.50
Fees to Consultants	1,195.34	1,195.54
Other operating expenses	207.96	225.03
Sub - Total	9,302.73	8,954.32
ii) General Expenses consist of the following:		
Rent	361.58	353.03
Licence fees	1,001.63	926.93
Rates and taxes	702.83	630.21
Insurance	92.54	106.30
Advertising and publicity	1,026.65	927.51
Reservation & Other Services	548.44	554.16
Printing and stationery	145.62	145.11
Passage and travelling	61.10	68.07
Bad Debts & Advances Written off	6.46	1.62
Provision for doubtful debts	28.17	14.85
Provision for doubtful advances	-	6.00
Professional fees	284.00	244.67
Loss on sale of fixed assets (net)	24.99	107.91
Assets Written Off	34.16	-
Donations	2.64	-
Other expenses	388.15	386.80
Directors' fees and commission	4.42	6.20
Payment made to statutory auditors :		
i. As auditors	25.74	23.40
ii. For taxation matters	9.65	8.78
iii. For other services	24.11	14.89
iv. For reimbursement of expenses & service tax	4.41	12.79
Sub - Total	4,777.29	4,539.23
TOTAL	14,080.02	13,493.55

Note 26: Contingent Liabilities and Commitments

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
(i) Contingent Liability not provided for :		
a) Bank Guarantee/Bond executed by the Company	279.10	270.56
b) Letter of credits opened by bankers	-	69.23
c) Appeals filed in respect of disputed demands		
- Income Tax **	1,076.14	1,029.89
- Luxury Tax	40.83	32.16
- Sales Tax	94.79	94.67
- Urban Land Tax	7.30	7.30
- Electricity Tax and Adjustment Charges	139.34	139.34
- Service Tax	584.03	879.41

** 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, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	675.43	407.37

Note 27: 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, 2014	March 31, 2013
i) Derivative instruments that are outstanding		
- Interest Swaps with embedded options - in US\$	-	40.00
- in ₹	-	1,974.40
- Principle only swaps- in US\$	129.52	158.20
- in ₹	5,730.00	7,000.00
ii) Unhedged Foreign Currency Exposure/the Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise		
Receivables Outstanding - in US\$	0.72	0.60
- in ₹	43.34	32.60

Note 28: Income from Rooms, Restaurants, Banquets and other services

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
Room Revenues	14,070.48	14,789.93
Sale of food and Beverages	13,888.46	12,577.66
Other Services Income	1,807.07	1,635.91

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

29 Bad debts and Advances written off is after adjusting the provision made in the earlier years amounting to ₹5.38 lakhs (Previous Year ₹25.33 lakhs)

30 Earnings in Foreign Exchange :

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) On account of Rooms, Restaurants etc.,	10,181.16	10,938.55
b) Operating and Management Fees	407.85	316.16
c) Dividend	184.26	274.00

31 Value of Imports (CIF Value)

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) Raw Material - Food and Beverages	6.31	-
b) Stores & Spares	46.13	59.69
c) Capital Goods	293.62	715.68

32 Expenditure in Foreign Currencies :

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) Consultancy Fees	59.00	86.64
b) Interest	46.21	96.73
c) Commission	137.86	77.86
d) Payment on other accounts	181.05	101.93

33 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) ₹162.57 lakhs (Previous Year ₹44.64 lakhs), (ii) ₹85.94 lakhs (Previous Year ₹55.83 lakhs), (iii) ₹5.15 lakhs (Previous Year ₹3.23 lakhs) and (iv) ₹65.16 lakhs (Previous Year ₹74.62 lakhs) respectively recovered from outside parties.

34 Passage & travelling includes travelling expenses of Auditors ₹2.12 lakhs (Previous Year ₹2.67 lakhs).

35 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	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) Number of Non-resident Shareholders	139	127
b) Number of Equity Shares held by them.	32,911,535	31,160,413
c) Gross amount of Dividend (₹ in Lakhs)	181.01	140.22

36 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.

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

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
Staff Costs include the following		
Defined Contribution Schemes		
Company's contribution to Provident Fund	298.94	295.15
Defined Benefit Schemes (Gratuity - Funded Scheme)		
i) Liability Recognised in the Balance Sheet		
i) Present value of Obligation -		
As at 1st April, 2013	1,347.06	1,156.73
Interest cost	103.83	98.42
Service Cost	101.68	81.79
Liabilities Assumed on Acquisition / (Settled on Divestiture)	(4.42)	-
Benefits Paid	(91.74)	(73.84)
Actuarial (gain) /loss on obligations	(56.65)	83.96
As at 31st March, 2014	1,399.76	1,347.06
Less:		
Fair Value of Assets		
As at 1st April, 2013	1,431.49	1,278.64
Expected return on plan assets less loss on investments	102.04	100.87
Actuarial gain /(loss) on Investments	(19.14)	42.16
Employers' Contribution	(19.35)	73.84
Benefits Paid	(91.74)	(73.84)
As at 31st March, 2014	1,403.30	1,421.67
ii) Expense during the year		
Interest Cost	103.83	98.42
Service Cost	101.68	81.79
Liabilities Assumed on Acquisition / (Settled on Divestiture)	(4.42)	(5.00)
Expected Return on Plan assets	(102.04)	(100.87)
Actuarial (Gain) /Loss	(37.51)	41.79
Expense recognised in the profit and loss account * Total	61.54	116.13
iii) Principal Actuarial Assumptions		
Discount Rate	8% / 9.05%	8% / 8.05%
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, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
iv) Amount to be recognised in the Balance Sheet		
Present Value of Funded Obligations	1,399.76	1,347.06
Fair Value of Plan Assets	1,403.30	1,421.69
Net Liability	(3.54)	(74.63)
Amount in Balance Sheet		
Asset	(3.54)	(74.63)
Defined Benefit Schemes (Pension - Non Funded Scheme)		
i) Liability Recognised in the Balance Sheet		
i) Present value of Obligation		
As at 1st April, 2013	105.98	120.18
Interest cost	8.02	9.43
Service Cost	-	-
Benefits Paid	(14.18)	(21.76)
Actuarial (gain) /loss on obligations	(4.66)	(1.87)
As at 31st March, 2014	95.16	105.98
ii) Expense during the year		
Interest Cost	8.02	9.43
Actuarial (Gain) /Loss	(4.66)	(1.87)
Expense recognised in the profit and loss account *	3.36	7.56
iii) Principal Actuarial Assumptions		
Discount Rate	9.05%	8.05%
Pension Increase rate	5%	5%
Medical Inflation Rate	6.5%	6.5%
iv) Amount to be recognised in the Balance Sheet		
Present Value of Funded Obligations	95.15	105.98
Fair Value of Plan Assets	-	-
Net Liability	95.15	105.98
Amount in Balance Sheet		
Liability	95.15	105.98

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

38 The Company during the year has provided to Managing Director an amount of ₹125.50 lakhs (Previous Year ₹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 ₹66.38 lakhs (Previous Year ₹ 58 lakhs). The amount paid for the period 1st April 2012 to 31st March 2014 in excess of limits has been approved by the Shareholders by a special resolution and approval of Central Government is awaited.

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 with whom transactions have taken place during the year:

- | | |
|---|--|
| A. Subsidiary Companies | OHL International (HK) Limited |
| B. Associate Companies | Taj Madurai Limited
Lanka Island Resorts Limited |
| C. Joint Ventures | TAL Hotels & Resorts Limited |
| 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 - Taj International (HK) 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 |

II. 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 *				
	- The Indian Hotels Co Limited		418.70 (389.61)		418.70 (389.61)
	- Roots Corp Limited		6.10		6.10
	- PIEM Hotels Limited		-		-
	- Taj Trade & Transport Company Limited		22.78		22.78
	- United Hotels Limited		-		-
	- Inditravel Limited		16.63		16.63
	- Benaras Hotels Limited		-		-
			3.39		3.39
			-		-
			28.79 (33.36)		28.79 (33.36)
			5.28		5.28
			-		-

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
B.	Purchase of Goods / Services *				
	- The Indian Hotels Co Limited		1,125.14 (1,046.30)		1,125.14 (1,046.30)
	- PIEM Hotels Limited		9.41		9.41
	- Inditravel Limited		-		-
	- Inditravel Limited		6.88		6.88
	- Benaras Hotels Limited		-		-
	- Benaras Hotels Limited		8.18 (4.65)		8.18 (4.65)
	- Dodla International Limited			-	-
				(13.05)	(13.05)
C.	Interest Paid				
	- TIFCO Holdings Limited		35.28 (25.07)		35.28 (25.07)
	- PIEM Hotels Limited		111.94		111.94
	- United Hotels Limited		-		-
	- United Hotels Limited		16.27 (46.12)		16.27 (46.12)
	- Inditravel Limited		18.32 (69.13)		18.32 (69.13)
D.	Interest Received				
	- Roots Corp Limited		-		-
			(22.45)		(22.45)
E.	Dividend Received				
	- Taj Madurai Limited	14.59 (13.68)			14.59 (13.68)
	- The Indian Hotels Co Limited		4.09 (5.12)		4.09 (5.12)
	- Taj Trade & Transport Company Limited		3.02		3.02
	- Benaras Hotels Limited		-		-
	- Benaras Hotels Limited		0.01 (0.01)		0.01 (0.01)
F.	Dividend Paid				
	- Taj Madurai Limited	0.38 (0.31)			0.38 (0.31)
	- The Indian Hotels Co Limited		185.71 (115.94)		185.71 (115.94)
	- TIFCO Holdings Limited		94.65 (77.44)		94.65 (77.44)
	- PIEM Hotels Limited		20.11 (16.46)		20.11 (16.46)

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
	- Taj Trade & Transport Company Limited		9.15 (7.49)		9.15 (7.49)
G.	Operating/License Fees Paid/ Provided				
	- The Indian Hotels Co Limited		1,195.34 (1,195.54)		1,195.34 (1,195.54)
H.	Lease Rentals for Hotel Premises				
	- Taj Madurai Limited	137.90 (132.97)			137.90 (132.97)
	- Dodla International Limited			282.98 (245.94)	282.98 (245.94)
I.	Sale & Marketing, Reservation & Other Service Costs				
	- The Indian Hotels Co Limited		1,216.47 (1,232.63)		1,216.47 (1,232.63)
J.	Operating/Management/License Fees Received/Accrued				
	- TAL Hotels & Resorts Ltd	407.85 (316.16)			407.85 (316.16)
K.	Intercorporate Deposits Raised During the Year				
	- TIFCO Holdings Limited		2,150.00		2,150.00
	- PIEM Hotels Limited		-		-
	- United Hotels Limited		8,150.00		8,150.00
	- Inditravel Limited		-		-
	- United Hotels Limited		1,000.00 (800.00)		1,000.00 (800.00)
	- Inditravel Limited		1,500.00 (1,450.00)		1,500.00 (1,450.00)
L.	Loans outstanding as on 31st March 2014				
	- United Hotels Limited		-		-
	- Inditravel Limited		(800.00)		(800.00)
	- Inditravel Limited		-		-
	- Inditravel Limited		(1,450.00)		(1,450.00)
M.	Intercorporate Deposits Repaid During the year				
	- TIFCO Holdings Limited		2,150.00 (725.00)		2,150.00 (725.00)
	- PIEM Hotels Limited		8,150.00		8,150.00
	- United Hotels Limited		-		-
	- United Hotels Limited		1,800.00		1,800.00
	- Inditravel Limited		-		-
	- Inditravel Limited		2,950.00		2,950.00
			-		-

ORIENTAL HOTELS LIMITED
NOTES TO FINANCIAL STATEMENTS

S.No.	Particulars	₹ in lakhs			
		Associate Companies /Joint Venture	Significant Influence	Enterprises influenced by Relatives of Key Management Personnel	Total
N.	Receivables				
	- TAL Hotels & Resorts Ltd	43.34			43.34
		(32.65)			(32.65)
	- The Indian Hotels Co Limited		170.37		170.37
			(226.96)		(226.96)
	- Roots Corp Limited		1.75		1.75
			(0.72)		(0.72)
	- PIEM Hotels Limited		8.81		8.81
			(15.57)		(15.57)
	- Taj Trade & Transport Company Limited		-		-
			(1.10)		(1.10)
	- Benaras Hotels Limited		-		-
			(0.43)		(0.43)
O.	Payables				
	- Taj Madurai Limited	74.75			74.75
		(64.32)			(64.32)
	- The Indian Hotels Co Limited		785.33		785.33
			(837.62)		(837.62)
	- Taj Trade & Transport Company Limited		1.45		1.45
			-		-
	- United Hotels Limited		0.62		0.62
			(14.93)		(14.93)
	- Inditravel Limited		11.78		11.78
			(49.44)		(49.44)
	- Benaras Hotels Limited		0.88		0.88
			-		-
	- Dodla International Limited			111.83	111.83
				(74.81)	(74.81)
P.	Long Term Licence Deposit Receivable				
	- Dodla International Limited			4,750.00	4,750.00
				(4,750.00)	(4,750.00)

* Includes Reimbursement of deputed staff salaries and other expenses.

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 ₹125.50 lakhs (Previous Year ₹115.63 lakhs). An amount of ₹60 lakhs is payable as on 31st March 2014 (previous year ₹30 lakhs).

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

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

- a) The company has entered into a licensing arrangement in the year 2009 to operate a hotel for a period of 40 years and thereafter renewable for a further period of 30 years for a 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, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) The total of future minimum license payments under non cancellable operating license for each of the following periods		
i. not later than one year	175.00	175.00
ii. later than one year and not later than five years	700.00	700.00
iii. later than five years	5,308.33	5,483.33
b) License payments recognized in the profit and loss account	258.75	245.94

- b) The company has entered into a licensing arrangement in the year 2005 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 lakhs 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, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) The total of future minimum license payments under non cancellable operating license for each of the following periods		
i. not later than one year	63.00	60.00
ii. later than one year and not later than five years	273.90	263.25
iii. later than five years	1,561.82	1,707.54
b) License payments recognized in the profit and loss account	151.64	151.60

- c) The company has taken certain vehicles on operating lease. The total lease rent paid on the same amounting to ₹22.81 lakhs (Previous Year ₹14.65 lakhs) have been recognised in profit and loss account.

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) The total of future minimum license payments under non cancellable operating license for each of the following periods		
i. not later than one year	22.81	14.66
ii. later than one year and not later than five years	15.81	31.47

41 Earning Per Share :

Earning per share is computed based on the following :

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
Profit after Tax (₹ in Lakhs)	(719.56)	1,429.81
Nominal Value of share (₹)	1.00	1.00
Number of Equity Shares	178599180	178599180
Earning Per Share ₹ (Basic and Diluted)	(0.40)	0.80

NOTES TO FINANCIAL STATEMENTS

- 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 The license granted by Airport Authority of India (AAI) for operation of restaurant and snack bar at Airport has ceased to be in operation with effect from 31st March, 2014. Consequently, the Company has terminated Long Term Food Supply agreement with Taj Madras Flight Kitchen Limited (TMFKL) who are operating the above facility. As mutually agreed upon between the Company and TMFKL all assets and liabilities relating to that business will be transferred to TMFKL and there will be no financial impact on such transfer.
- 44 Exceptional Items in respect of previous year represents (i) Profit on sale of investment in a Joint Venture Company of ₹1,217.96 lakhs and (ii) Profit on transfer of immovable property of ₹218.28 lakhs.
- 45 Disclosure of Company's Interest in Joint Ventures:

Name of the Company	TAL Hotels & Resorts Limited	
% of Interest	21.7360%	
Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
Proportionate Share of Assets	12,663.55	12,592.00
Proportionate Share of Liabilities	5,220.21	3,880.56
Proportionate Share in Income	5,775.62	5,438.98
Proportionate Share in Expenses	5,526.07	4,642.28

- 46 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.
- 47 Sale of services include Operating Fee received accounted for net of foreign Withholding Taxes of ₹44.24 lakhs, since the Company will not be eligible to take credit for Withholding Taxes in view of no taxable profits as per Income Tax Act, 1961.
- 48 Previous year's figures have been re-grouped, reclassified wherever necessary so as to make them comparable with 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
R. SRIDHAR
Partner
Membership No.028317

For and on behalf of the Board
Raymond N Bickson
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Chennai
Date: May 13, 2014

P. Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

(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
2013-14	1785.99	26114.76	30755.82	66480.93	46304.41	6583.64	30234.02	28483.72	2794.43	-1044.13	(324.57)	-719.56	0.00	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.

ORIENTAL HOTELS LIMITED
STATEMENT PURSUANT TO SECTION 212

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

Relating to the Subsidiary Company Named Below:

	OHL International (HK) Limited 31st March, 2014
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 :	15,00,000 ordinary shares of US\$ 10/- each fully paid-up 100%
a) Number of Shares	
b) Extent of Holding	Does not arise
3. Changes in the interest of Oriental Hotels Limited between the end of the subsidiary's financial year and 31st March, 2014	
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, 2014	-
b) Not dealt with in the Accounts of Oriental Hotels Limited for the year ended 31st March, 2014	USD 231327
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, 2014	USD 38,12,500
b) Not dealt with in the Accounts of Oriental hotels Limited for the year ended 31st March, 2014	USD 21,42,828
6. Material changes between the end of the Subsidiary's financial year and 31st March, 2014	
a) Fixed Assets	-
b) Investments	-
c) Moneys lent by the Subsidiary Company	-
d) Moneys borrowed by the Subsidiary Company other than for meeting Current Liabilities.	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, 2014. 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

Raymond N Bickson
Chairman

D. Varada Reddy
Managing Director

Dr. G. Sundaram
Director

Place: Chennai
Date: May 13, 2014

P.Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANY

Name of the Subsidiary	OHL International (H.K) Limited
	INR (₹ in lakhs)
Funds Employed	
Capital	4683.00
Reserve	5523.00
Total Funds Employed	10206.00
Applications of Funds	
Assets	
Investments	9566.00
Net Current Assets	640.00
Total Assets (Net)	1026.00
Total Income	144.79
Profit before Taxation	139.44
Profit after Taxation and share of associates	123.19

ORIENTAL HOTELS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS 2013 - 2014

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, 2014, and the consolidated Statement of Profit and Loss 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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, 2014;
 - (b) In the case of the consolidated Profit and Loss Account, of the Loss 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 ₹.16905.78 lakhs as at March 31, 2014, total revenues of ₹. 5904.14 lakhs including the share of Loss of an associate company of the subsidiary company for the year and net cash outflows amounting to ₹. 275.41 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

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

R.NAGENDRA PRASAD
Partner
Membership No.203377

R. SRIDHAR
Partner
Membership No.28317

Place : Chennai
Date : May 13, 2014

ORIENTAL HOTELS LIMITED
CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet as at 31st March 2014

₹ in lakhs

Particulars	Note	As at March 31, 2014	As as March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	1,785.99	1,785.99
(b) Reserves and surplus	3	36,459.74	38,928.97
		38,245.73	40,714.96
Minority Interest			
		743.50	908.34
Non-current liabilities			
(a) Long-term borrowings	4	17,620.73	20,880.58
(b) Deferred tax liabilities (Net)	5	1,315.68	1,667.20
(c) Other Long term liabilities	7	259.93	255.97
(d) Long-term provisions	8	498.29	469.12
		19,694.63	23,272.87
Current liabilities			
(a) Short-term borrowings	9	1,899.48	3,352.16
(b) Trade payables	10	3,467.75	3,030.04
(c) Other current liabilities	11	18,230.94	10,306.25
(d) Short-term provisions	12	1,316.31	1,347.14
		24,914.48	18,035.59
TOTAL		83,598.34	82,931.76
ASSETS			
Non-current assets			
(a) Fixed assets	13		
(i) Tangible assets		51,980.84	50,343.21
(ii) Intangible assets		255.31	103.92
(iii) Capital work-in-progress		1,656.62	1,930.43
(b) Goodwill on Consolidation		1,035.96	938.43
(c) Non-current investments	14	9,603.26	9,122.87
(d) Deferred tax assets (net)	6	101.68	164.12
(e) Long-term loans and advances	15	10,211.07	12,305.93
(f) Other non-current assets	16	34.48	1.24
		74,879.22	74,910.15
Current assets			
(a) Inventories	17	965.95	995.17
(b) Trade receivables	18	2,223.71	2,158.09
(c) Cash and bank balances	19	1,823.34	1,999.25
(d) Short-term loans and advances	20	2,010.19	1,962.86
(e) Other current assets	21	1,695.93	906.24
		8,719.12	8,021.61
TOTAL		83,598.34	82,931.76
Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements 1-37			

As per our Report attached

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

Place: Chennai
Date: May 13, 2014

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

R. SRIDHAR
Partner
Membership No.028317

P. Parameshwaran
General Manager-Finance

For and on behalf of the Board

Raymond N Bickson
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

K.C. Raman
Company Secretary

FORTY FOURTH ANNUAL REPORT 2013-14

CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated Profit and Loss Statement for the year ended 31st March 2014

₹ in lakhs

Particulars	Note	31st March 2014	31st March 2013
INCOME			
Revenue from operations	22	35,538.31	34,463.99
Other income	22	328.64	413.94
Total		35,866.95	34,877.93
EXPENSES			
Cost of materials Consumed	23	4,613.97	4,223.19
Employee Benefit Expense	24	8,780.45	8,244.77
Finance Costs	25	3,115.75	2,938.38
Depreciation and amortization	13	3,505.62	3,158.70
Other expenses	26	16,705.14	15,722.20
Total		36,720.93	34,287.24
Profit before exceptional items and tax		(853.98)	590.69
Exceptional items (Refer Note No.31)		(1,751.16)	1,252.35
Profit before tax		(2,605.14)	1,843.04
Tax expense:			
(1) Current tax		127.80	370.89
(2) Minimum Alternate Tax(MAT) Credit entitlement		-	(184.62)
(3) Deferred tax		(269.65)	(340.18)
(4) Tax relating to earlier years		(8.30)	66.96
Total Taxes		(150.15)	(86.95)
Profit / Loss for the year		(2,454.99)	1,929.99
Share of Profits/(Losses) of Associates		7.27	(247.78)
(Profit) / Loss attributable to Minority Interest		186.31	(119.89)
Net Profit / (Loss) after minority interest & share of associates		(2,261.41)	1,562.32
Earnings per equity share:			
Basic & Diluted (Face value ₹ 1/- per share) (Refer Note: 29)		(1.27)	0.87

Significant Accounting Policies

1

The accompanying notes form an integral part of the financial statements 1-37

As per our Report attached

For BRAHMAYYA & Co
Chartered Accountants
Firm Registration No 000511S

R.NAGENDRA PRASAD
Partner
Membership No.203377

Place: Chennai
Date: May 13, 2014

For SNB ASSOCIATES
Chartered Accountants
Firm Registration No 015682N

R. SRIDHAR
Partner
Membership No.028317

P. Parameshwaran
General Manager-Finance

For and on behalf of the Board

Raymond N Bickson
Chairman

D. Varada Reddy
Managing Director

Dr. G. Sundaram
Director

K.C. Raman
Company Secretary

ORIENTAL HOTELS LIMITED

CONSOLIDATED CASHFLOW STATEMENT

Consolidated Cashflow Statement for the year ended 31 March, 2014

₹ in lakhs

Particulars	March 31, 2014	March 31, 2013
A. Cashflow from Operating Activities		
Net profit before tax and extraordinary items	(2,605.14)	1,843.04
Adjustments for		
a) Depreciation	3,505.62	3,158.70
b) (Profit) / Loss on sale of assets(net)	30.46	(105.59)
c) Profit on sale of investments	-	(1,034.07)
d) Assets Written off	34.16	-
e) Bad Debts / Advances Written Off	6.46	22.14
f) Provision for Doubtful Debts & Advances	1,735.45	16.75
g) Provision and Balances Written Back	(97.30)	(87.92)
h) Interest / Dividend Income	(125.76)	(156.05)
i) Interest	3,115.76	2,928.41
j) Unrealised Foreign Exchange Loss	60.90	(0.88)
Operating profits before working capital changes	5,660.61	6,584.53
Adjustments for		
a) Increase in Trade and other receivables	(126.10)	790.96
b) Increase in Inventories	57.23	131.88
c) Increase in Trade payables	482.79	355.92
	413.92	1,278.76
Cash generated from operations	6,074.53	7,863.29
Adjustments for Direct taxes paid (net)	(391.36)	(246.10)
Net Cashflow from operations	5,683.17	7,617.19
Net Cashflow from operating activities (A)	5,683.17	7,617.19
B. Cash flow from investing activities		
Purchase of fixed assets	(4,669.65)	(6,116.85)
Sale of fixed assets	15.59	29.97
(Purchase) / Sale of Investments	-	1,850.13
Share holders deposit Placed with Joint Venture received	-	419.26
Interest received	149.54	106.51
Dividend received	25.12	24.15
Deposits with other companies	-	1,745.39
Exchange Gain Realised on Funds Invested	0.02	0.01
Net cashflow from investing activities (B)	(4,479.38)	(1,941.43)
Carried over	1,203.79	5,675.76

FORTY FOURTH ANNUAL REPORT 2013-14

CONSOLIDATED CASHFLOW STATEMENT

Consolidated Cashflow Statement for the year ended 31 March, 2014

₹ in lakhs

Particulars	March 31, 2014	March 31, 2013
Brought Forward	1,203.79	5,675.76
C. Cashflow from financing activities		
Net Increase in borrowings	2,818.32	(2,995.36)
Interest Paid	(3,176.61)	(2,440.02)
Dividend paid	(1,145.82)	(934.08)
Net cash flow from financing activities (C)	(1,504.11)	(6,369.46)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(300.32)	(693.70)
Cash as per books (Refer footnote i)		
Cash as on Opening 1st April	1,918.34	2,898.37
Deduction due to sale of stake in Joint venture company	-	(358.61)
Adjustment for translation of foreign Currency balances	106.05	72.28
Cash as on Closing 31st March	1,724.07	1,918.34
Net Increase / (Decrease) in cash and cash equivalents	(300.32)	(693.70)
Footnotes:		
i) Cash and Cash Equivalents		
Cash on hand and balances with banks	1,823.34	1,999.25
Bank balances and Deposits Not Considered as Cash	(99.29)	(89.74)
Unrealised Exchange Gain	0.02	8.83
Cash and Cash Equivalents as restated	1,724.07	1,918.34
ii) Previous year's figures have been regrouped wherever necessary to confirm to current year's classification.		
iii) The accompanying notes form an integral part of the financial statements 1-37		

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

R. SRIDHAR
Partner
Membership No.028317

For and on behalf of the Board

Raymond N Bickson
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Chennai
Date: May 13, 2014

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,2014

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 relate to Oriental Hotels Limited ('the Company'), its wholly owned subsidiary company, Associates and Joint Venture Entities. The consolidated financial statements have been prepared on the following basis:

- i) The Financial statements of the Company, 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 Proportionate 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, 2014
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	21.74%

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

- vi) 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) Revenue Recognition

Revenue comprises sale of rooms, food and beverages, allied services relating to hotel operations, including net income from telecommunication services and management and operating fees. Revenue is recognised upon rendering of the service.

ii) Export Benefit Entitlement

Benefits arising in the nature of Duty Free Scrips are recognised upon the actual utilisation of Duty credit Scrips for the purchase of Fixed Assets and Inventories and are adjusted against the cost of the related assets.

iii) 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.

iv) 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.

v) Investments

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

vi) Inventories

Inventories are valued at cost on weighted average basis.

vii) 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 date. 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 – CLV 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.

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

viii) Employee Benefits

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

ORIENTAL HOTELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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".

ix) 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.

x) 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.

xi) 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.

xii) 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.

xiii) 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.

FORTY FOURTH ANNUAL REPORT 2013-14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 2014	As at March 31, 2013
	₹ 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
Total	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 13th May, 2014 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, 2014		March 31, 2013	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Shares outstanding at the beginning of the year	178,599,180	1,785.99	178,599,180	1,785.99
Add : Shares Issued during the year	-	-	-	-
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 (Excluding GDR Holdings)				
Particulars	March 31, 2014		March 31, 2013	
	No. of shares	% holding	No. of shares	% holding
The Indian Hotels Company Limited	33,764,550	18.91%	33,764,550	18.91%
TIFCO Holdings Limited	17,208,360	9.64%	17,208,360	9.64%
Reliance Long Term Equity Fund	15,047,061	8.43%	15,047,061	8.43%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3 : Reserves and Surplus

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Capital Reserve Account		
Opening and Closing Balance	1.74	1.74
Securities Premium Reserve		
Opening and Closing Balance	11,009.40	11,009.40
Revaluation Reserve		
Opening Balance	922.58	911.78
Additions during the year(net)	4.21	10.80
Closing Balance	926.79	922.58
Debenture redemption reserve		
Opening Balance	1,019.00	185.00
Add: Transferred surplus in statement of Profit and Loss	834.00	834.00
Closing Balance	1,853.00	1,019.00
Investment allowance utilised reserve		
Opening and Closing Balance	45.74	45.74
Export profits reserve		
Opening and Closing Balance	0.43	0.43
Foreign currency translation reserve		
Opening Balance	4,175.05	3,048.27
Add/(Less) Foreign Exchange fluctuation for the year(net)	892.66	1,126.78
Closing Balance	5,067.71	4,175.05
Unamortised Foreign Currency Monetary Item Translation Difference		
Opening Balance	(47.79)	(60.82)
Add/(Less) Transferred to Statement of Profit and Loss on amortisation	44.55	13.03
Closing Balance	(3.24)	(47.79)
General reserve		
Opening Balance	10,543.40	9,911.47
Add/(Less) Transferred from surplus in statement of Profit and Loss	-	631.93
Closing Balance	10,543.40	10,543.40
Surplus in profit and loss account		
Opening Balance	11,259.42	11,830.34
Add : Net profit / (Net loss) for the current year	(2,261.41)	1,562.32
Less : Transfer to Debenture Redemption Reserve	834.00	834.00
Less : Transfer to General Reserves	-	150.00
Less : Proposed Dividend	982.30	982.30
Less : Tax on Proposed Dividend	166.94	166.94
	7,014.77	11,259.42
Total	36,459.74	38,928.97

Note 4 : Long Term Borrowings

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Secured		
10.40% Non- Convertible Redeemable Debentures	-	10,000.00
Term Loans - From Banks	17,413.16	10,583.97
Unsecured from Others	-	67.94
Long term maturities of finance lease obligations	11.92	13.04
Unsecured-Loans and advances from related parties	195.65	215.63
Total	17,620.73	20,880.58

Footnote : Details of Borrowings as at:

Particulars	March 31, 2014		March 31, 2013	
	₹ in lakhs Non - Current	₹ in lakhs Current	₹ in lakhs Non - Current	₹ in lakhs Current
Debentures	-	10,000.00	10,000.00	-
Term Loans from Banks	17,413.16	5,212.14	10,583.97	7,037.98
Term Loans from Others	-	-	67.94	-
Loans and Advances and Others	207.57	1.99	228.67	1.86
	17,620.73	15,214.13	20,880.58	7,039.84

Note 5 : Deferred Tax Liability (Net)

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Deferred Tax Liabilities:		
Depreciation on fixed assets	6,090.92	6,147.54
Total (A)	6,090.92	6,147.54
Deferred Tax Assets:		
Provision for doubtful debts	35.54	35.30
Provision for Employee Benefits	96.96	94.37
Loss u/s 35AD of Income Tax Act, 1961(refer Footnote below)	4,638.73	4,310.56
Business Loss Carry Forward	-	25.55
Others	4.01	14.56
Total (B)	4,775.24	4,480.34
Deferred Tax Liabilities (Net) A - B	1,315.68	1,667.20

Footnote: Deferred tax asset on loss U/s 35AD of the Income Tax Act, 1961 has been recognised as equivalent deferred tax liability has been created on Depreciation on Fixed Assets.

Note 6 : Deferred Tax Assets (Net)

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Deferred Tax Assets:		
Depreciation on fixed assets	101.68	164.12
Total (A)	101.68	164.12
Deferred Tax Liabilities:	-	-
Total (B)	-	-
Deferred Tax Assets (Net) A - B	101.68	164.12

ORIENTAL HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 7 : Other Long Term Liabilities

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
From Others- Unsecured		
Creditors for Capital Goods and Services	26.45	13.42
Deposits-Sublease	200.00	200.00
Shop Security Deposits	33.48	42.55
Total	259.93	255.97

Note 8 : Long Term Provisions

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Provision For Employee Benefits (Refer Footnote below)	498.29	469.12
Total	498.29	469.12

Footnote: -Includes pension liability for retired directors and their relatives ₹82.42 (Previous year ₹93.25)

Note 9 : Short Term Borrowings

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Loans repayable on demand		
Secured from Banks-(refer footnote i. below)	700.00	150.00
Unsecured from Banks	199.48	202.76
Un secured Commercial Papers from Banks- (refer Footnote ii. below)	-	749.40
Unsecured-Inter Corporate Deposits from Others	1,000.00	2,250.00
Total	1,899.48	3,352.16

Footnotes:

- i. Secured loans from banks represents short term loan which 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.
- ii. The Company had issued 150 Commercial Paper of ₹5 Lakhs each aggregating ₹750 lakhs on March 28,2013 (net proceeds ₹748.59 lakhs and interest accrued of ₹0.81 lakhs). The Commercial Paper carries interest @9.8% and was repayable at par 7days from the date of allotment.

Note 10 : Trade Payables

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Trade Payables		
Total Outstanding dues of micro and small enterprises	62.09	63.96
Total Outstanding dues of creditors other than micro and small enterprises	3,405.66	2,966.08
Total	3,467.75	3,030.04

Note 11: Other Current Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in lakhs	₹ in lakhs
Current Maturities of long term borrowings		
- Debentures	10,000.00	-
- Term loans	5,212.14	7,037.98
Finance lease obligations	1.99	1.86
Payables on Current Account dues		
- Related Parties	22.79	85.23
- Others	85.88	73.74
Deposits	21.94	13.04
Interest accrued but not due on borrowings	722.01	722.37
Advance collection from customers	429.76	376.23
Creditors for capital goods and services		
- Retention Money	166.74	276.12
- Others	47.31	152.14
Unclaimed dividends(Refer footnote i. below)	68.11	64.69
Unclaimed matured deposits & interest accrued thereon	4.26	6.11
Other liabilities		
- Employee Related Dues-(refer footnote ii below)	767.17	660.57
- Statutory Dues	601.96	731.83
- Others	69.03	61.98
- Paid Outs	9.85	42.36
Total	18,230.94	10,306.25

Footnotes: i) The amount reflects the position as on 31st March 2014, 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.

ii) Includes ₹60 lakhs due to Directors(Previous Year ₹30 lakhs)

Note 12 : Short Term Provision

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in lakhs	₹ in lakhs
Provision for Employee Benefits	68.62	78.86
Provision for Contingent Claims	24.37	20.22
Proposed Dividend	982.30	982.30
Tax on Dividend	166.94	166.94
Provision for Tax (net of advances)	74.08	98.82
Total	1,316.31	1,347.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13: FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block			
	At Cost as at 01.04.13	Translation Adjustment @	Additions	Deduction/ Adjustment	At Cost as at 31.03.14	Up to 01.04.13	Translation Adjustment @	Depriciation for the year	Deduction/ Adjustment	Up to 31.03.14	As at 31.03.14	As at 31.03.13
Tangible Assets												
Freehold Land *	8,669.13 (8,089.15)	-	219.67 (606.83)	-	8,888.80 (8,669.13)	-	-	-	-	-	8,888.80 (8,669.13)	8,669.13 (8,089.15)
Leasehold Land #	1,788.50 (1,681.49)	140.20 (107.01)	0.45	-	1,929.15 (1,788.50)	723.16 (653.60)	62.54 (42.18)	29.90 (27.38)	-	815.60 (723.16)	1,113.55 (1,065.34)	1,065.34 (1,027.89)
Building	8,870.78 (7,811.40)	-	897.88 (1,350.04)	12.45 (290.66)	9,756.21 (8,870.78)	1,053.70 (991.03)	18.35 (157.84)	167.64 (157.84)	0.33 (95.17)	1,202.66 (1,053.70)	8,553.55 (7,817.08)	7,817.08 (6,805.27)
Improvements to Building	15,422.87 (14,889.77)	585.25 (393.02)	890.51 (140.30)	14.60 (.22)	16,884.03 (15,422.87)	3,664.67 (3,041.41)	241.47 (148.45)	556.52 (474.81)	4.98	4,457.68 (3,664.67)	12,426.35 (11,758.20)	11,758.20 (11,863.46)
Plant and Machinery	23,698.42 (22,245.92)	233.36 (150.77)	1,670.87 (1,760.39)	230.89 (458.66)	25,371.76 (23,698.42)	10,079.25 (8,916.81)	180.85 (103.79)	1,558.91 (1,439.77)	204.11 (381.12)	11,614.90 (10,079.25)	13,756.86 (13,619.17)	13,619.17 (13,343.89)
Furniture & Fixtures	12,957.39 (12,210.92)	123.15 (72.45)	867.73 (902.04)	88.35 (228.02)	13,859.92 (12,957.39)	6,636.07 (5,933.82)	116.16 (56.82)	964.06 (861.11)	82.83 (215.68)	7,633.46 (6,636.07)	6,226.46 (6,321.32)	6,321.32 (6,277.10)
Office Equipment	2,333.27 (2,148.18)	50.01 (3.42)	171.74 (192.22)	42.35 (10.55)	2,512.67 (2,333.27)	1,482.21 (1,276.62)	15.31 (9.08)	236.92 (223.68)	36.24 (9.01)	1,698.20 (1,482.21)	814.47 (851.06)	851.06 (856.78)
Vehicles	737.57 (672.13)	23.58 (14.03)	14.27 (62.25)	21.44 (10.84)	753.98 (737.57)	495.66 (450.07)	19.37 (11.26)	50.20 (42.37)	12.05 (8.04)	553.18 (495.66)	200.80 (241.91)	241.91 (222.06)
Total Tangible Assets	74,477.93 (69,748.96)	1,155.55 (740.70)	4,733.12 (5,014.07)	410.08 (1,025.80)	79,956.52 (74,477.93)	24,134.72 (21,263.36)	617.35 (353.42)	3,564.15 (3,226.96)	340.54 (709.02)	27,975.68 (24,134.72)	51,980.84 (50,343.21)	50,343.21 (48,485.60)
Intangible Assets												
Computer Software	364.60 (347.46)	1.10 (.67)	197.90 (16.47)	4.96	558.64 (364.60)	260.68 (233.68)	1.68 (.58)	45.69 (26.42)	4.72	303.33 (260.68)	255.31 (103.92)	103.92 (113.78)
Total Intangible Assets	364.60 (347.46)	1.10 (.67)	197.90 (16.47)	4.96	558.64 (364.60)	260.68 (233.68)	1.68 (.58)	45.69 (26.42)	4.72	303.33 (260.68)	255.31 (103.92)	103.92 (113.78)

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, 2014.

Includes Gross cost ₹33.76 lakhs towards long term Commercial lease rights from Ministry of Defence, Government of India. Lease rights are amortised over the lease period. The land is under sub-lease.

Fixed Assets includes Interest Capitalised ₹57.68 lakhs (Previous Year - ₹35.78 lakhs)

Fixed Assets include exchange fluctuation capitalised of which Buildings ₹451.67 lakhs (Previous Year ₹418.53 lakhs), Plant and Machinery ₹351.79 lakhs (Previous Year ₹283.04 lakhs), Furniture and Fixtures ₹165.42 lakhs (Previous Year ₹120.96 lakhs) and Vehicles ₹1.46 lakhs (Previous Year ₹1.01 lakhs) and Depreciation of which Buildings ₹34.24 lakhs (Previous Year ₹24.64 lakhs), Plant and Machinery ₹109.36 lakhs (Previous Year ₹68.85 lakhs), Furniture and Fixtures ₹49.15 lakhs (Previous Year ₹30.80 lakhs) and Vehicles ₹0.42 lakhs (Previous Year ₹0.26 lakhs)

@ Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "translation adjustment".

Depreciation for the year includes ₹104.22 lakhs on revalued assets adjusted against revaluation reserve (Previous year ₹94.68 lakhs)

Previous year Figures have been regrouped wherever necessary.

Figures in brackets are in respect of previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 14 : NON- CURRENT INVESTMENTS

Particulars	Face Value	Holdings As at 31st March 2014	As at 31st March 2014 ₹ in lakhs	As at 31st March 2013 ₹ in lakhs
Trade Investments				
Investment in Associates (Unquoted) (Includes Goodwill of ₹1246.76 lakhs (Previous year ₹1130.42 lakhs) arising on the acquisition of associates)				
Taj Madurai Ltd.	₹10	912000	246.56	237.62
Lanka Island Resorts Ltd.	LKR 10	18690000	2,111.86	2,195.94
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
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	-	-
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	5,900.48	5,344.95
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
Asian Hotels West Limited	₹10	70	0.08	0.08
Asian Hotels East Limited	₹10	70	0.08	0.08
Asian Hotels North Limited	₹10	70	0.07	0.07
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 Investments, Quoted				
ICICI Bank Limited	₹10	1,546	1.36	1.36
Apollo Hospital Enterprises Limited.	₹5	100	0.08	0.08
Non-Trade Investments, Unquoted				
Chennai Willingdon Corporate Foundation	₹10	5	-	-
Indian Dairy Entrepreneurs Agricultural Company Limited	₹1	86,302	-	-
TOTAL			9,603.26	9,122.87

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 15 : Long Term Loans and Advances

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in lakhs	₹ in lakhs
Unsecured, considered good unless otherwise stated		
Capital advances	222.18	565.50
Long term security deposits placed for Hotel Properties - with related parties-(Refer footnote-i)	4,750.00	4,750.00
- with Others	468.62	718.62
Deposits with public bodies and others	509.83	425.74
Loans and advances to related parties	1,808.01	3,592.70
Other Loans and advances (including Advance Tax)		
Advance Income Tax Paid (Net of provisions) (refer footnote ii.& iii)	1,874.82	1,566.94
MAT Credit Entitlement	409.36	474.86
Prepaid Expenses	3.98	2.92
Loans and Advances to Employee	164.27	208.65
Total	10,211.07	12,305.93

Footnotes:

- The related party under Long Term Deposits placed for hotel properties represent enterprises influenced by relatives of key management personnel
- Advance Tax and Tax deducted at Source is net of Provision for Income tax amounting to ₹16,833.79 lakhs (previous year ₹16,833.79 Lakhs).
- Provision for income tax considered above is net of MAT credit utilised of ₹65.88 Lakhs (Previous year Nil)

Note 16 : Other Non-Current Assets

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in lakhs	₹ in lakhs
Unamortised Borrowing Costs-(refer footnote below)	34.48	1.24
Total	34.48	1.24

Footnote: Represent expenses on loans

Note 17 : Inventories

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in lakhs	₹ in lakhs
(valued at cost)		
Food and Beverages	427.18	417.59
Stores and Operating Supplies	538.77	577.58
Total	965.95	995.17

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 18 : Trade Receivables

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Outstanding over six months :		
Considered good	65.31	52.15
Considered doubtful	96.72	93.07
	162.03	145.22
Less : Provision for Doubtful Trade Receivables Over Six Months	96.72	93.07
	65.31	52.15
Others :		
Considered good	2,158.40	2,119.82
Considered doubtful	27.35	-
	2,185.75	2,119.82
Less : Provision for Doubtful Trade Receivable Others	27.35	13.88
	2,158.40	2,105.94
Total	2,223.71	2,158.09

Note 19 : Cash and Bank balances

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Cash and Cash equivalents:		
Cash on hand	27.49	67.27
Cheques, drafts on hands	164.43	209.48
Current accounts	1,516.21	1,444.64
Call and short term deposit accounts (less than 3 months)	15.89	188.12
	1,724.02	1,909.51
Other Balances with Banks		
Margin money deposits	28.79	22.64
Earmarked balances	70.53	67.10
	99.32	89.74
Total	1,823.34	1,999.25

Note 20 : Short Term Loans and Advances

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
(Unsecured, considered good unless stated otherwise)		
Inter corporate deposits from Others	560.00	560.00
Deposits with Public Bodies & Others	111.37	184.71
Other advances		
Considered good		
Staff Advances	127.45	132.50
Prepaid Expenses	761.77	332.13
Indirect Tax Recoverable	140.28	133.69
Supplier Advances	59.33	395.27
Claims Receivables	186.23	73.59
Others	71.61	161.76
	1,346.67	1,228.94
Less: Provision for doubtful advances	7.85	10.79
Total	2,010.19	1,962.86

ORIENTAL HOTELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 21 : Other Current Assets

Particulars	As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Interest receivable	119.92	155.44
Receivables-Related Party	245.35	251.17
Other recoverables-(Refer footnotes below)	1,314.99	499.63
Unamortised Borrowing costs	15.67	-
Total	1,695.93	906.24

Footnotes:

- (i) 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 ₹374.25 lakhs.
- (ii) The company entered in to a long term agreement for development of hotel at Bannerghatta in Bengaluru in the year 2007. During the current year the Company decided to terminate the lease agreement and recover the amount spent on the project along with the deposit made. As per the agreement the termination will take effect when the lessor fulfills the conditions laid in the termination agreement. In view of the above agreement amount of ₹777.54 lakhs lying in long term deposits placed with hotel properties and capital work in progress are transferred to amounts recoverable.

Note 22 : ROOMS, RESTAURANTS, BANQUETS AND OTHER INCOME

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
1. Revenue from Operations		
Rooms, Restaurants, Banquets and Other Services		
Sale of products	15,681.03	14,250.05
Less: Excise duty	8.35	9.79
	15,672.68	14,240.26
Sale of Services	19,865.63	20,223.73
	35,538.31	34,463.99
2. Other Income		
Interest Income	115.23	155.55
Dividend Income	10.53	10.47
Profit on sale of Fixed Assets	5.75	-
Exchange Gain / (Loss)	32.88	117.83
Miscellaneous Income	164.25	130.09
	328.64	413.94
Total	35,866.95	34,877.93

Note 23 : Cost of materials consumed

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) Food & Beverages Consumed (Including Smokes)		
1. Opening stock	417.60	456.60
2. Add Purchases	4,623.55	4,184.18
3. Less: Closing stock	427.18	417.59
Total	4,613.97	4,223.19

Note 24 : Employee Benefit expense and Payment to Contractor

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
Salaries, Wages, Bonus etc.	4,889.56	4,283.45
Company's Contribution to Retirement Funds & Other Funds	331.47	277.04
Retiring Gratuity	83.92	126.14
Deputed Staff Salaries	1,362.62	1,486.12
Payment for contracted services	931.53	896.67
Workmen / Staff Welfare Expenses	1,181.35	1,175.35
Total	8,780.45	8,244.77

Note 25 : Finance costs

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
Interest expense	3,173.43	2,974.16
Less : Interest capitalised	57.68	35.78
Total	3,115.75	2,938.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 26 : Other Expenses

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
(i) Operating Expenses consists of the following:		
Linen and room supplies	595.93	539.88
Catering supplies	379.88	433.94
Other supplies	160.05	138.78
Fuel, power and light	4,467.72	4,256.58
Repairs to buildings	551.63	508.01
Repairs to machinery	1,005.97	709.90
Repairs to others	302.53	459.28
Linen and uniform washing and laundry expenses	296.81	260.81
Payment to orchestra staff, artists and others	68.41	72.40
Communication charges	195.01	176.84
Guest transportation	230.16	272.59
Travel agents' commission	383.09	325.79
Collecting Agents Commission	328.58	337.15
Fees to Consultants	1,361.01	808.43
Other operating expenses	826.30	771.29
	11,153.08	10,071.67
(ii) General expenses consists of the following :		
Rent	570.53	469.64
Licence fees	1,001.64	926.93
Rates and taxes	729.04	658.79
Insurance	155.18	161.56
Advertising and publicity	1,195.28	1,077.61
Reservation & Other Services	548.45	554.16
Printing and stationery	186.85	176.75
Passage and travelling	115.44	111.54
Bad Debts & Advances Written off	6.46	1.62
Provision for doubtful debts	40.87	18.97
Provision for doubtful advances	-	6.00
Professional fees	207.16	276.67
Outsourced/Support Services	110.34	-
Exchange Gain Loss	2.30	-
Loss on sale of fixed assets (net)	36.19	112.69
Assets Written Off	34.16	-
Donations	3.00	0.27
Other expenses	531.14	1,023.12
Directors' fees and commission	5.09	6.66
Payment made to statutory auditors :		
i. As auditors	34.71	31.04
ii. For taxation matters	9.65	8.78
iii. Auditors remuneration - Other Services	24.11	14.89
iv. For reimbursement of expenses	4.47	12.84
Sub Total	5,552.06	5,650.53
TOTAL	16,705.14	15,722.20

Note 27 :

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
i.) Contingent Liabilities and Commitments		
Contingent Liability not provided for :		
a) Bank Guarantee/Bond executed by the Company	279.10	270.56
b) Letter of credits opened by bankers	-	69.23
c) Appeals filed in respect of disputed demands		
- Income Tax **	1,076.14	1,029.89
- Luxury Tax	40.83	32.16
- Sales Tax	94.79	94.67
- Urban Land Tax	7.30	7.30
- Electricity Tax and Adjustment Charges	139.34	139.34
- Service Tax	584.03	879.41

** 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, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
ii.) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	675.42	1,399.51
iii.) Other Commitments	0.79	-

28 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.

29 Earning Per Share :

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
Earning per share is computed based on the following :		
Profit after Tax	(2,261.41)	1,562.84
Nominal Value of share (₹)	1.00	1.00
Number of Equity Shares	178,599,180	178,599,180
Earning Per Share ₹ (Basic and Diluted)	(1.27)	0.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

30 Related Party Disclosure :

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
C.	Significant Influence	The Indian Hotels Company Limited
D.	Others	100 % Subsidiaries of The Indian Hotels Company Limited - Roots Corporation Limited - TIFCO Holdings Limited - Taj International (HK) Limited Subsidiaries of The Indian Hotels Company Limited - 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 *				
	- The Indian Hotels Co Limited		418.70 (389.61)		418.70 (389.61)
	- Roots Corp Limited		6.10		6.10
	- PIEM Hotels Limited		22.78		22.78
	- Taj Trade & Transport Company Limited		16.63		16.63
	- United Hotels Limited		3.39		3.39
	- Inditravel Limited		28.79 (33.36)		28.79 (33.36)
	- Benaras Hotels Limited		5.28		5.28
			-		-

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
B.	Purchase of Goods / Services *				
	- The Indian Hotels Co Limited		1,125.14		1,125.14
			(1,046.30)		(1,046.30)
	- PIEM Hotels Limited		9.41		9.41
			-		-
	- Inditravel Limited		6.88		6.88
			-		-
	- Benaras Hotels Limited		8.18		8.18
			(4.65)		(4.65)
	- Dodla International Limited			-	-
				(13.05)	(13.05)
C.	Interest Paid				
	- TIFCO Holdings Limited		35.28		35.28
			(25.07)		(25.07)
	- PIEM Hotels Limited		111.94		111.94
			-		-
	- United Hotels Limited		16.27		16.27
			(46.12)		(46.12)
	- Inditravel Limited		18.32		18.32
			(69.13)		(69.13)
D.	Interest Received				
	- Roots Corp Limited		-		-
			(22.45)		(22.45)
E.	Dividend Received				
	- The Indian Hotels Co Limited		4.09		4.09
			(5.12)		(5.12)
	- Taj Trade & Transport Company Limited		3.02		3.02
			-		-
	- Benaras Hotels Limited		0.01		0.01
			(0.01)		(0.01)

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
F.	Dividend Paid				
	- Taj Madurai Limited	0.38			0.38
		(0.31)			(0.31)
	- The Indian Hotels Co Limited		185.71		185.71
			(115.94)		(115.94)
	- TIFCO Holdings Limited		94.65		94.65
			(77.44)		(77.44)
	- PIEM Hotels Limited		20.11		20.11
			(16.46)		(16.46)
	- Taj Trade & Transport Company Limited		9.15		9.15
			(7.49)		(7.49)
G.	Operating/License Fees Paid/ Provided				
	- The Indian Hotels Co Limited		1,195.34		1,195.34
			(1,195.54)		(1,195.54)
	- Taj International Hotels (H.K.) Limited		96.81		96.81
			(78.66)		(78.66)
B.	Lease Rentals for Hotel Premises				
	- Taj Madurai Limited	137.90			137.90
		(132.97)			(132.97)
	- Dodla International Limited			282.98	282.98
				(245.94)	(245.94)
I.	Sale & Marketing, Reservation & Other Service Costs				
	- The Indian Hotels Co Limited		1,216.47		1,216.47
			(1,232.63)		(1,232.63)
J.	Operating / License Fees Received / Accrued				
	- TAL Hotels & Resorts Ltd	319.20			319.20
		(247.44)			(247.44)
	- Taj International Hotels (H.K.) Limited		115.29		115.29
			(105.87)		(105.87)

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
K.	Intercompany Deposits Raised During the Year				
	- TIFCO Holdings Limited		2,150.00		2,150.00
			-		-
	- PIEM Hotels Limited		8,150.00		8,150.00
			-		-
	- United Hotels Limited		1,000.00		1,000.00
			(800.00)		(800.00)
	- Inditravel Limited		1,500.00		1,500.00
			(1,450.00)		(1,450.00)
L.	Intercompany Deposits/Raised and Repaid During the Year				
	- TIFCO Holdings Limited		2,150.00		2,150.00
			(725.00)		(725.00)
	- PIEM Hotels Limited		8,150.00		8,150.00
			-		-
	- United Hotels Limited		1,800.00		1,800.00
			-		-
	- Inditravel Limited		1,500.00		1,500.00
			-		-
M.	Intercompany Deposits Outstanding at the end of the year				
	- United Hotels Limited		-		-
			(800.00)		(800.00)
N.	Receivables				
	- TAL Hotels & Resorts Ltd	33.92			33.92
		(25.55)			(25.55)
	- The Indian Hotels Co Limited		170.37		170.37
			(226.96)		(226.96)
	- Roots Corp Limited		1.75		1.75
			(0.72)		(0.72)
	- PIEM Hotels Limited		8.81		8.81
			(15.57)		(15.57)
	- Taj Trade & Transport Company Limited		-		-
			(1.10)		(1.10)
	- Benaras Hotels Limited		-		-
			(0.43)		(0.43)
	- Taj International Hotels (H.K.) Limited		402.69		402.69
			(234.20)		(234.20)

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
O.	Payables				
	- Taj Madurai Limited	74.75			74.75
		(64.32)			(64.32)
	- The Indian Hotels Co Limited		785.33		785.33
			(837.62)		(837.62)
	- Taj Trade & Transport Company Limited		1.45		1.45
			-		-
	- United Hotels Limited		0.62		0.62
			(14.93)		(14.93)
	- Inditravel Limited		11.78		11.78
			(49.44)		(49.44)
	- Benaras Hotels Limited		0.88		0.88
			-		-
	- Taj International Hotels (H.K.) Limited		9.44		9.44
			(7.10)		(7.10)
	- Dodla International Limited			111.83	111.83
				(74.81)	(74.81)
P.	Long Term Licence Deposit Receivable				
	- Dodla International Limited			4,750.00	4,750.00
				(4,750.00)	(4,750.00)

* Includes Reimbursement of deputed staff salaries and other expenses.

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 ₹125.50 lakhs (Previous Year ₹115.63 lakhs). An amount of ₹60 lakhs is payable as on 31st March 2014 (previous year ₹30 lakhs).

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- 31 Exceptional Items represents (i) exchange gain/(loss) on revaluation of long term foreign currency monetary items ₹56.57 lakhs (ii) Provisoin for long term loans and advances ₹1694.50 lakhs

Exceptional Items in respect of previous year 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.

32 DISCLOSURE REQUIREMENT UNDER AS-19 - LEASE / LICENSE 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, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) The total of future minimum license payments under non cancellable operating license for each of the following periods		
i. not later than one year	175.00	175.00
ii. later than one year and not later than five years	700.00	700.00
iii. later than five years	5,308.33	5,483.33
b) License payments recognized in the profit and loss account	258.75	245.94

- 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 lakhs 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, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) The total of future minimum license payments under non cancellable operating license for each of the following periods		
i. not later than one year	63.00	60.00
ii. later than one year and not later than five years	273.90	263.25
iii. later than five years	1,561.82	1,707.54
b) License payments recognized in the profit and loss account	151.64	151.60

- c) The company has taken certain vehicles on operating lease. The total lease rent paid on the same amounting to ₹22.81 lakhs (Previous Year ₹14.65 lakhs) have been recognised in profit and loss account

Particulars	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
a) The total of future minimum license payments under non cancellable operating license for each of the following periods		
i. not later than one year	22.81	14.66
ii. later than one year and not later than five years	15.81	31.47
iii. later than five years	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	March 31, 2014	March 31, 2013
	₹ in lakhs	₹ in lakhs
a) The total of future minimum license payments under non cancellable operating license for each of the following periods		
i. not later than one year	180.15	170.42
ii. later than one year and not later than five years	739.23	658.22
iii. later than five years	1,473.62	1,366.82
b) License payments recognized in the profit and loss account	199.00	168.47

33 The Proportionate share of assets, liabilities, income and expenditure in the joint Venture company included in these Consolidated Financial Statements are given below:

Particulars	TAL Hotels & Resorts Ltd 21.736%	
	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
ASSETS:		
Non Current Assets		
Fixed Assets		
- Tangible Assets	7,557.57	5,993.32
- Intangible Assets	0.02	0.02
- Capital Work in Progress	31.08	119.16
Goodwill on Consolidation	1,035.96	938.43
Non-current investments	13.99	13.12
Deferred tax Asset (Net)	101.68	164.12
Long-term loans and advances	1,808.01	3,486.34
Other non-current assets	0.61	1.24
Current Assets		
- Inventories	321.66	282.91
- Trade receivables	276.56	291.56
- Cash and bank balances	863.84	1,014.89
- Short-term loans and advances	525.97	414.79
- Other current assets	126.61	36.21
LIABILITIES :		
Reserves and Surplus	4,692.34	5,795.72
Minority Interest	743.50	908.32
Non Current Liabilities		
- Long Term Borrowings	2,881.37	2,040.39
- Deferred tax liabilities (Net)	174.75	135.82
- Other Long term liabilities	26.45	13.42
- Long-term provisions	81.81	61.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Particulars	TAL Hotels & Resorts Ltd 21.736%	
	March 31, 2014 ₹ in lakhs	March 31, 2013 ₹ in lakhs
Current Liabilities		
Short-term borrowings	199.48	202.76
Trade payables	488.64	342.78
Other current liabilities	1,269.26	1,157.19
Short-term provisions	98.45	90.54
INCOME		
Rooms, Restaurants, Banquets, Other Services and Other Income	5,775.62	5,438.96
EXPENSES		
Food and Beverages Consumed	616.29	557.92
Employee Benefit Expenses and Payment to Contractor	1,316.19	1,085.88
Finance Cost	173.99	164.03
Depreciation, Amortisation & Impairment	711.18	541.91
Operating Expenses	1,647.44	1,397.65
General Expenses	1,060.98	894.54

- 34 The license granted by Airport Authority of India (AAI) for operation of restaurant and snack bar at Airport has ceased to be in operation with effect from 31st March, 2014. Consequently, the Company has terminated Long Term Food Supply agreement with Taj Madras Flight Kitchen Limited (TMFKL) who are operating the above facility. As mutually agreed upon between the Company and TMFKL all assets and liabilities relating to that business will be transferred to TMFKL and there will be no financial impact on such transfer.
- 35 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.
- 36 Sale of services include Operating Fee received accounted for net of foreign Withholding Taxes of ₹44.24 lakhs, since the Company will not be eligible to take credit for Withholding Taxes in view of no taxable profits as per Income Tax Act, 1961
- 37 The previous year's figures have been re-grouped, reclassified wherever necessary so as to make the 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
R. SRIDHAR
Partner
Membership No.028317

For and on behalf of the Board
Raymond N Bickson
Chairman
D. Varada Reddy
Managing Director
Dr. G. Sundaram
Director

Place: Chennai
Date: May 13, 2014

P. Parameshwaran
General Manager-Finance

K.C. Raman
Company Secretary

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

Name of the member(s) :

Registered address :

E-mail ID :

Folio No/Client ID. DP ID :

I/We, being the member(s) of shares, hereby appoint

1. Name Address

Email-Id..... Signature.....

2. Name Address

Email-Id..... Signature.....

3. Name Address

Email-Id..... Signature.....

As my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 44th Annual General Meeting to be held at 3:00 p.m on Thursday, July 31, 2014 at Sathguru Sri Gnanananda Hall, Narada Gana Sabha, 314, T.T.K Road, Chennai 600018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No	Resolution	Optional	
		For	Against
Ordinary Business			
1.	Adoption of the financial statements for the year ended March 31, 2014	OR	
2.	Declaration of dividend, if any	OR	
3.	Appointment of Director in place of Mr.Raymond.N.Bickson (DIN 00050664) who retires by rotation and is eligible for reappointment	OR	
4.	Appointment of Director in place of Mr.D.Vijayagopal Reddy (DIN 00051554) who retires by rotation and is eligible for re-appointment	OR	
5.	Appointment of Auditors and fixing their remuneration	OR	
Special Business			
6.	Authorisation of browing powers of the Board under Section 180(1)(c) of the Companies Act, 2013	SR	
7.	Appointment of Dr.G.Sundaram, (DIN 00051093) as an Independent Director	OR	
8.	Appointment of Mr.S.B.PV.Ramamohana Rao, (DIN 00051157) as an Independent Director	OR	
9.	Appointment of Mr.Venu Srinivasan, (DIN 00051523) as an Independent Director	OR	
10.	Appointment of Mr.D.R.Karthikeyan, (DIN 00327907) as an Independent Director	OR	
11.	Appointment of Mr.S.Syed Meeran, (DIN 00547775) as an Independent Director	OR	
12.	Appointment of Diwan Arun Nanda, (DIN 00034744) as an Independent Director	OR	

Signed this _____ day of _____ 2014

Signature of the Share-holder(s) _____

Signature of the Proxy-holder(s) _____

Affix ₹1 Revenue Stamp

Note:

- The form of proxy in order to be effective should be duly completed and deposited at the Registered Officer of the Company, "Taj Coromandel", No.37 M G Road, Chennai 600034 or at the Company Secretary's Office Paramount Plaza, II Floor, No.47 M G Road, Chennai 600034 not less than 48 hours before the commencement of the Meeting.
- It is optional to put an 'X' in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details of members(s) before submission.
- OR** - Ordinary Resolution / **SR** - Special Resolution



Taj Coromandel, Chennai

