



EIH LIMITED

Our Company was incorporated as ‘The East India Hotels Limited’ on May 26, 1949, at Kolkata, as a public limited company under the Companies Act, 1913. The name of our Company was changed to ‘EIH Limited’ with effect from November 1, 1996. For details of changes in our name and the registered office of our Company, see “History and Other Corporate Matters” on page 85.

Registered Office: 4 Mangoe Lane, Kolkata 700 001, West Bengal, India; **Telephone:** +91 33 4000 2200
Corporate Office: 7 Sham Nath Marg, Delhi 110 054, India; **Telephone:** +91 11 2389 0505
Contact Person: S.N. Sridhar, Company Secretary and Compliance Officer
E-mail: isdho@oberoigroup.com; **Website:** www.eihltd.com
Corporate Identity Number: L55101WB1949PLC017981

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OUR PROMOTERS: PRITHVI RAJ SINGH OBEROI, SHIB SANKER MUKHERJI, VIKRAMJIT SINGH OBEROI, ARJUN SINGH OBEROI, DEEPAK MADHOK, ARAVALI POLYMERS LLP, BOMBAY PLAZA PRIVATE LIMITED, OBEROI BUILDINGS AND INVESTMENTS PRIVATE LIMITED, OBEROI HOLDINGS PRIVATE LIMITED, OBEROI HOTELS PRIVATE LIMITED, OBEROI INVESTMENTS PRIVATE LIMITED, OBEROI LEASING AND FINANCE COMPANY PRIVATE LIMITED, OBEROI PLAZA PRIVATE LIMITED AND OBEROI PROPERTIES PRIVATE LIMITED | | |
| FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF EIH LIMITED (OUR “COMPANY”) ONLY | | |
| ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH OF OUR COMPANY (THE “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE) OF OUR COMPANY FOR AN AMOUNT AGGREGATING UP TO ₹ 3,500 MILLION, ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 117. | | |
| GENERAL RISKS | | |
| Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of Investors is invited to “Risk Factors” on page 19 before making an investment in the Issue. | | |
| OUR COMPANY’S ABSOLUTE RESPONSIBILITY | | |
| Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. | | |
| LISTING | | |
| The existing Equity Shares are listed on the BSE Limited (“BSE”), the National Stock Exchange of India Limited (“NSE”) and The Calcutta Stock Exchange Limited (“CSE”, and together with BSE and NSE, the “Stock Exchanges”). Our Company has received in-principle approval from the BSE, the NSE and the CSE for listing the Equity Shares proposed to be issued pursuant to the Issue pursuant to their letters dated [●], [●] and [●] respectively. Our Company will also make applications to the Stock Exchanges to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE. | | |
| LEAD MANAGER TO THE ISSUE | | REGISTRAR TO THE ISSUE |
|  | |  |
| Ambit Capital Private Limited Ambit House 449 Senapati Bapat Marg Lower Parel Mumbai 400 013 Maharashtra, India Telephone: +91 22 6623 3000 E-mail: eih.rights@ambit.co Website: www.ambit.co Investor grievance e-mail: investorgrievance.acpl@ambit.co Contact Person: Miraj Sampat SEBI Registration No: INM000012379 | | Kfin Technologies Private Limited (formerly known as “Karvy Fintech Private Limited”) Selenium, Tower B Plot No 31 and 32, Financial District Nakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India Telephone: +91 40 6716 2222 Email: eihltd.rights@kfintech.com Website: www.kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact Person: M Murali Krishna SEBI Registration No: INR000000221 |
| ISSUE PROGRAMME* | | |
| ISSUE OPENS ON | LAST DATE FOR ON MARKET RENUNCIATIONS** | ISSUE CLOSSES ON# |
| [●] | [●] | [●] |

* Pursuant to the Streamlining of Rights Issue Circular, SEBI has introduced the concept of credit of Rights Entitlements into the demat accounts of the Eligible Equity Shareholders, which can be renounced by them by way of On Market Renunciation or Off Market renunciation. The credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made only in dematerialized form. Further, due to the COVID-2019 pandemic, pursuant to the SEBI Rights Issue Circulars (as defined hereinafter), SEBI has introduced certain relaxations for rights issues which will open prior to December 31, 2020. Investors are encouraged to carefully follow all the necessary requirements under the SEBI Rights Issue Circulars (as defined hereinafter) and ensure completion of all necessary steps in providing/ updating their required details in a timely manner. For details, please see “Terms of the Issue” on page 117.

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Special Tax Benefits” and “Financial Information” on pages 74 and 93, respectively, shall have the meaning given to such terms in such sections.

General terms

| Term | Description |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Our Company”, “the Company” or “the Issuer” | EIH Limited, having its registered office situated at 4 Mangoe Lane, Kolkata 700 001, West Bengal, India and its corporate office situated at 7 Sham Nath Marg, Delhi 110 054, India respectively |
| “We”, “us”, “our” or “Group” | Unless the context otherwise indicates or implies or unless otherwise specified, our Company together with our Subsidiaries, Joint Ventures and Associates, on a consolidated basis |

Company related terms

| Term | Description |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Articles of Association”, “Articles” or “AoA” | The Articles of Association of our Company, as amended |
| “Associates” | Entities which meet the definition of an associate as per Ind AS 28, namely EIH Associated Hotels Limited, La Roseraie De L’Atlas, and Usmart Education Limited |
| “Audited Consolidated Financial Statements” or “Financial Statements” | <p>The audited consolidated financial statements of our Company and its Subsidiaries, and its share of loss in the Associates and Joint Ventures as at and for the year ended March 31, 2020 which comprises of the consolidated balance sheet as at March 31, 2020, the consolidated statement of profit and loss, including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.</p> <p>The audited financial numbers for the year ended March 31, 2019 referred to in this Letter of Offer represent the corresponding previous year numbers as reported in the audited consolidated financial statements for the year ended March 31, 2020</p> |
| “Board of Directors” or “Board” | Board of directors of our Company or a duly constituted committee thereof |
| “Corporate Office” | Corporate office of our Company situated at 7 Sham Nath Marg, Delhi 110 054, India |
| “Director(s)” | Any or all the directors on our Board, as may be appointed from time to time |
| “EIHFSL” | EIH Flight Services Limited |
| “Equity Shareholder” | A holder of Equity Shares, from time to time |
| “Equity Shares” | The equity shares of our Company of face value of ₹ 2 each |
| “Executive Directors” | Executive director(s) of our Company, unless otherwise specified |
| “Independent Director” | A non-executive and independent director of our Company as per the Companies Act, 2013 and the SEBI Listing Regulations |
| “Joint Ventures” | Entities which meet the definition of a joint venture as per Ind AS 28, namely Mercury Car Rentals Private Limited and Oberoi Mauritius Limited |
| “Key Managerial Personnel” | The key managerial personnel of our Company as per the definition provided in Regulation 2(1)(bb) of the SEBI ICDR Regulations |
| “Unaudited Interim Consolidated Financial Results” | Statement of consolidated unaudited financial results of our Company and its Subsidiaries, and its share of the net loss after tax and total comprehensive loss of the Associates and Joint Ventures for the three months ended June 30, 2020, including the notes thereto and the report thereon |
| “Mashobra” | Mashobra Resort Limited |
| “Material Subsidiaries” | Mumtaz Hotels Limited, Mashobra Resort Limited, EIH Holdings Limited and EIH |

| Term | Description |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | International Limited which have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations |
| “Memorandum of Association” or “Memorandum” or “MoA” | The Memorandum of Association of our Company, as amended |
| “Mumtaz” | Mumtaz Hotels Limited |
| “Non-Executive Independent Director” | A Director, not being an Executive Director or an Independent Director of our Company |
| “Promoter Group” | Unless the context requires otherwise, the entities forming part of our promoter group in accordance with the SEBI ICDR Regulations and which are disclosed by the Company to the Stock Exchanges from time to time |
| “Promoters” | The promoters of our Company, namely, Prithvi Raj Singh Oberoi, Shib Sanker Mukherji, Vikramjit Singh Oberoi, Arjun Singh Oberoi, Deepak Madhok, Aravali Polymers LLP, Bombay Plaza Private Limited, Oberoi Buildings and Investments Private Limited, Oberoi Holdings Private Limited, Oberoi Hotels Private Limited, Oberoi Investments Private Limited, Oberoi Leasing and Finance Company Private Limited, Oberoi Plaza Private Limited and Oberoi Properties Private Limited |
| “Registered Office” | Registered office of our Company situated at 4 Mangoe Lane, Kolkata 700 001, West Bengal, India |
| “Registrar of Companies” or “RoC” | Registrar of Companies, West Bengal, located at Kolkata |
| “Rights Issue Committee” | The committee of our Board constituted through the resolution dated September 7, 2020, for purposes of this Issue and incidental matters thereof, consisting of Prithvi Raj Singh Oberoi, Shib Sanker Mukherji, Vikramjit Singh Oberoi, Rajeev Gupta and Kallol Kundu |
| “Statutory Auditors” | The statutory auditors of our Company, namely, Deloitte Haskins & Sells LLP |
| “Subsidiaries” | Subsidiaries of our Company as defined under the Companies Act, 2013 and the applicable accounting standard. For details, see “Financial Statements” on page 93. |
| TOCE | The Oberoi Centre of Excellence |

Issue Related Terms

| Term | Description |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Abridged Letter of Offer” or “ALOF” | Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013 |
| “Allot”, “Allotment” or “Allotted” | Allotment of Rights Equity Shares pursuant to this Issue |
| “Allotment Accounts” | The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013 |
| “Allotment Account Banks” | Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank Limited |
| “Allotment Date” | Date on which the Allotment shall be made pursuant to this Issue |
| “Allottee(s)” | Person(s) who shall be Allotted Rights Equity Shares pursuant to the Allotment |
| “Applicant(s)” or “Investor(s)” | Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Letter of Offer |
| “Application” | Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price |
| “Application Form” | Unless the context otherwise requires, an application form (including online application form available for submission of application at R-WAP facility or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue |
| “Application Money” | Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price |
| “Application Supported by Blocked Amount” or “ASBA” | Application used by an investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB |
| “ASBA Account” | Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application |

| Term | Description |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Basis of Allotment” | The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “ <i>Terms of the Issue</i> ” on page 117 |
| “Banker to the Issue” | Collectively, the Escrow Collection Bank, the Allotment Account Bank and the Refund Account Bank to the Issue |
| “Bankers to the Issue Agreement” | Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for receipt of the Application Money in the Escrow Account from Applicants making an Application through R-WAP facility, including for the purposes of refunding the surplus funds remitted by such Applicants after Basis of Allotment, remitting funds to the Allotment Accounts from the Escrow Account and SCSBs in case of Allottees, release of funds from Allotment Accounts to our Company and other persons, as applicable and providing such other facilities and services as specified in the agreement |
| “Controlling Branches” or “Controlling Branches of the SCSBs” | Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time |
| “Designated Branches” | Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, used by the Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI or the Stock Exchange(s), from time to time |
| “Designated Stock Exchange” | BSE |
| “Eligible Equity Shareholders” | Equity Shareholders of our Company on the Record Date |
| “Escrow Account” | One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility |
| “Escrow Collection Bank” | Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, ICICI Bank Limited |
| “Issue” | Issue of up to [●] Rights Equity Shares of face value of ₹ 2 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 3,500 million on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date |
| “Issue Agreement” | Issue agreement dated [●] between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to this Issue |
| “Issue Closing Date” | [●] |
| “Issue Opening Date” | [●] |
| “Issue Period” | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations |
| “Issue Price” | ₹ [●] per Rights Equity Share |
| “Issue Proceeds” / “Gross Proceeds” | Gross proceeds of this Issue |
| “Issue Size” | Amount aggregating to ₹ 3,500 million |
| “Lead Manager” | Ambit Capital Private Limited |
| “Letter of Offer” | This letter of offer dated [●] filed with the Stock Exchanges and SEBI and includes any addenda or corrigenda thereto |
| “Materiality Policy” | ‘Policy for Determination and Disclosure of Material Events’ adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, read with the ‘[●]’ adopted by the Rights Issue Committee through its resolution dated [●] for the purpose of litigation disclosures in this Letter of Offer |
| “MCA Circulars” | General Circular No. 21/2020 dated May 11, 2020 and General Circular No. 27/2020 dated August 27, 2020 issued by the Ministry of Corporate Affairs, Government of India |
| “Monitoring Agency” | ICICI Bank Limited |
| “Monitoring Agency Agreement” | Agreement dated [●] entered into between the Company and the Monitoring Agency in relation to monitoring of Net Proceeds |
| “Net Proceeds” | Issue Proceeds less Issue related expenses. For details, see “ <i>Objects of the Issue</i> ” on page 69 |
| “Off Market Renunciation” | The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws |
| “On Market Renunciation” | The renunciation of Rights Entitlements undertaken by the Investor by trading them over |

| Term | Description |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●] |
| “Record Date” | Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●] |
| “Refund Account Bank” | The Bankers to the Issue with whom the refund account will be opened, in this case being ICICI Bank Limited |
| “Registrar Agreement” | Agreement dated [●] entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility |
| “Registrar to the Issue” or “Registrar” | Kfin Technologies Private Limited |
| “Renouncee(s)” | Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars |
| “Renunciation Period” | The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date |
| “Rights Entitlements” / “REs” | <p>The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, in this case being [●] rights for every [●] Equity Shares held by an Eligible Equity Shareholder.</p> <p>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date. Due to COVID-2019 pandemic, in accordance with the SEBI Rights Issue Circulars, physical shareholders who have not been able to open a demat account or are unable to communicate their demat details to the Company or the Registrar, will not be eligible to renounce their Rights Entitlements</p> |
| “Rights Entitlement Letter” | Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and on the website of our Company |
| “Rights Equity Shareholders” | A holder of the Rights Equity Shares, from time to time |
| “Rights Equity Shares” | Equity shares of our Company to be Allotted pursuant to this Issue |
| “R-WAP” | Registrar’s web based application platform accessible at https://rights.kfintech.com/eih , instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, for accessing/ submitting online Application Forms by resident Investors |
| “SCSB(s)” | Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at website of SEBI and/or such other website(s) as may be prescribed by SEBI from time to time |
| “Stock Exchanges” | Stock exchanges where our Equity Shares are presently listed, being BSE, NSE and CSE |
| “Transfer Date” | The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Accounts in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange |
| “Wilful Defaulter” | Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such |
| “Working Day(s)” | Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI |

Conventional terms or Abbreviations

| Term /Abbreviation | Description / Full Form |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “₹”, “Rs.”, “Rupees” or “INR” | Indian Rupee |
| “AIF(s)” | Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| “Arbitration Act” | Arbitration and Conciliation Act, 1996 |
| “ASBA Circulars” | Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 |
| “BSE” | BSE Limited |
| “CDSL” | Central Depository Services (India) Limited |
| “Central Government”, “Government of India” or “GoI” | Central Government of India |
| “CIN” | Corporate identity number |
| “Companies Act, 1956” | erstwhile Companies Act, 1956 along with the rules made thereunder |
| “Companies Act, 2013” or “Companies Act” | Companies Act, 2013 along with the rules made thereunder |
| “COVID-19” | The coronavirus disease 2019, declared by the World Health Organization as a pandemic on March 11, 2020 |
| “CSE” | The Calcutta Stock Exchange Limited |
| “Depositories Act” | Depositories Act, 1996 |
| “Depository” | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 |
| “DGCA” | Directorate General of Civil Aviation |
| “DIN” | Director identification number |
| “DIPP” | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India |
| “DP” or “Depository Participant” | Depository participant as defined under the Depositories Act |
| “DP ID” | Depository participant identification |
| “DPIT” | Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion |
| “EBITDA” | Profit for the year before finance costs, depreciation, amortisation and depletion expenses, exceptional items and other income as presented in the statement of profit and loss in the Financial Statements |
| “EPS” | Earnings per share |
| “FCNR Account” | Foreign Currency Non-Resident Account |
| “FDI” | Foreign direct investment |
| “FDI Policy” | The consolidated foreign direct investment policy notified by the DIPP (now DPIT) vide circular no. D/o IPP F. No. 5(1)/2017- FC-1 dated August 28, 2017 effective from August 28, 2017 |
| “FEMA” | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| “FEMA Rules” | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| “Financial Year” or “FY” or “Fiscal” | Period of 12 months ended March 31 of that particular year |
| “FPI” | Foreign Portfolio Investor as defined under the SEBI FPI Regulations, registered with SEBI under applicable laws in India |
| “Fugitive Economic Offender” | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| “FUTP Regulations” | Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 |
| “FVCIs” | Foreign venture capital investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations |
| “GDP” | Gross domestic product |
| “Government” | Central Government and/or the State Government, as applicable |
| “GST” | Goods and Services Tax |
| “HUF” | Hindu Undivided Family |
| “ICAI” | Institute of Chartered Accountants of India |
| “IEPF” | Investor Education and Protection Fund |
| “IFRS” | International Financial Reporting Standards |
| “India” | Republic of India |

| Term /Abbreviation | Description / Full Form |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Indian GAAP” | Generally Accepted Accounting Principles followed in India |
| “Ind AS” | Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended |
| “IPC” | Indian Penal Code, 1860 |
| “ISIN” | International securities identification number |
| “Income-tax Act” | Income-tax Act, 1961 |
| “Listing Agreement” | Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 |
| “MCA” | The Ministry of Corporate Affairs, Government of India |
| “MoHFW” | Ministry of Health and Family Welfare |
| “Mutual Fund” | Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| “N.A.” or “N/A” | Not applicable |
| “NACH” | National Automated Clearing House |
| “Net Worth” | The aggregate of total issued and subscribed share capital, securities premium, retained earnings, capital redemption reserve, capital reserve, general reserve, foreign currency translation reserve and non-controlling interest as per the audited consolidated financial statements of respective years. |
| “NEFT” | National Electronic Fund Transfer |
| “NR” or “NRs” | Non-resident(s) or person(s) resident outside India, as defined under the FEMA |
| “NRE Account” | Non-resident external account |
| “NRI” | A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 |
| “NRO Account” | Non-resident ordinary account |
| “NSDL” | National Securities Depository Limited |
| “NSE” | National Stock Exchange of India Limited |
| “OCB” or “Overseas Corporate Body” | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| “p.a.” | <i>Per annum</i> |
| “PAN” | Permanent Account Number |
| “PSC” | Production Sharing Contract |
| “RBI” | Reserve Bank of India |
| “Foreign Portfolio Investors” or “FPIs” | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| “Regulation S” | Regulation S under the U.S. Securities Act |
| “REPO” | Repurchase Agreement |
| “RTGS” | Real Time Gross Settlement |
| “SAT” | Securities Appellate Tribunal |
| “SCN” | Show Cause Notice |
| “SCRA” | Securities Contracts (Regulation) Act, 1956 |
| “SCRR” | Securities Contracts (Regulation) Rules, 1957 |
| “SEBI” | Securities and Exchange Board of India |
| “SEBI Act” | Securities and Exchange Board of India Act, 1992 |
| “SEBI AIF Regulations” | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| “SEBI FPI Regulations” | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| “SEBI FVCI Regulations” | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| “SEBI ICDR Regulations” | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| “SEBI Listing Regulations” | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| “SEBI Rights Issue Circulars” | Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 |
| “SEBI SBEB Regulations” | Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 |
| “SEBI Takeover Regulations” | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |

| Term /Abbreviation | Description / Full Form |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| “SEBI VCF Regulations” | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 |
| “State Government” | Government of a state of India |
| “Streamlining of Rights Issue Circular” | SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 |
| “U.S.”, “USA” or “United States” | United States of America, including the territories or possessions thereof |
| “US\$”, “USD”, “\$” or “U.S. dollars” | United States Dollar |
| “US SEC” | U.S. Securities and Exchange Commission |
| “U.S. Securities Act” | U.S. Securities Act of 1933, as amended |
| “VCFs” | Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be |

Industry Related Terms

| Term | Description |
|-------------|---------------------------------------------------|
| ARR | Average room rate |
| F&B | Food and beverage |
| MICE | Meetings, incentives, conferences and exhibitions |

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. For details, see “*Restrictions on Purchases and Resales*” on page 154.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer, the Application Form and other applicable Issue material only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to e-mail or send a physical copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall not be sent this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Further, this Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges, and on R-WAP.

Our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter and any other offering materials or advertisements in connection with this Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

This Letter of Offer, the Abridged Letter of Offer or the Application Form or the Rights Entitlement Letter may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Application Form or Rights Entitlement Letter is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter.

No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in accordance with the legal requirements applicable in such person’s jurisdiction and India, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in “*Other Regulatory and Statutory*”

Disclosures – Selling Restrictions” and “Restrictions on Purchase and Resales” on pages 112 and 154, respectively.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB in the United States) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the delivery of this Letter of Offer nor any sale or offer of Rights Equity Shares and/or Rights Entitlements hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates is making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE “**UNITED STATES**” OR “**U.S.**”), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT (“**REGULATION S**”) TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME. THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS AND THE RIGHTS ENTITLEMENTS ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN THE SECTION ENTITLED “**RESTRICTIONS ON PURCHASES AND RESALES**” ON PAGE 154.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Rights Equity Shares and/or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to

the e-mail addresses of the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not, and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “**US SEC**”), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise or unless the context requires otherwise, the financial data in this Letter of Offer is derived from the Audited Consolidated Financial Statements. Our Fiscal commences on April 1 and ends on March 31 of the following calendar year. For details, see "*Financial Statements*" on page 93.

We have prepared our Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Our Fiscal commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular "Fiscal Year", "Fiscal", "Financial Year" or "FY" are to the 12 months period ended on March 31 of that year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in million. Please also note that the figures in the Unaudited Interim Consolidated Financial Results included in this Letter of Offer, have been expressed in crore.

Market and Industry Data

Unless stated otherwise, market and industry data used in this Letter of Offer has been obtained or derived from publicly available information, industry publications and sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy, adequacy, completeness, reliability or underlying assumption are not guaranteed. Similarly, internal surveys, industry forecasts, market research and industry and market data used in this Letter of Offer, while believed to be reliable, have not been independently verified by our Company, the Lead Manager or their respective affiliates and neither our Company, the Lead Manager, nor their respective affiliates make any representation as to the accuracy of such information. Accordingly, Investors should not place undue reliance on this information.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like net worth, return on net worth, net asset value per equity share, ratio of non-current borrowings (including current maturities) / total equity, ratio of total borrowings/ total equity and Earnings before interest, tax, depreciation and amortization ("**EBITDA**") have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency of Presentation

Unless otherwise specified or the context otherwise requires, all references to:

- ‘INR’, ‘₹’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India; and
- ‘US\$’, ‘USD’, ‘\$’ and ‘U.S. Dollars’ are to the legal currency of the United States of America.

This Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the United States Dollar (“USD”):

| Sr. No. | Name of the Currency | Exchange rates as on | | |
|---------|------------------------|----------------------|-----------------------|-----------------------|
| | | June 30, 2020 (in ₹) | March 31, 2020 (in ₹) | March 31, 2019 (in ₹) |
| 1. | 1 United States Dollar | 75.53 | 75.39 | 69.17 |

Source: www.fbiil.org.in for June 30, 2020, March 31, 2020 and March 31, 2019.

Note: In the event that any of the abovementioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees (₹) at any particular rate, the rates stated above or at all.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- The ongoing COVID-19 pandemic has had an adverse impact on our business, cash flows, results of operations and financial condition and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted.
- Our primary business is the ownership and management of hotels, and therefore we are subject to the general risks encountered in the hotel and travel industry.
- A large portion of our revenue is realised from certain of our hotels operating in key geographies and any adverse development affecting these hotels or the regions in which they operate, may adversely affect our business.
- We derive a significant portion of our revenue from corporate customers, and the loss of such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our services, including for rooms in our hotels or our conferencing and meeting facilities owing to the increased use of business communication technology, could adversely affect our business, results of operations and financial condition.
- Inability to successfully expand our business in Indian and international markets may affect our growth which may adversely affect our business and results of operations. We may also be unable to expand our managerial, financial, operational and other resources in order to cope with our expansion plans and ensure our hotels are operated to consistent and high standards expected by our customers.
- A prolonged slowdown in economic growth in India or financial instability in other countries, particularly in light of the COVID-19 pandemic, could cause our business to suffer.
- We are exposed to risks associated with the development of our hotel properties. Delays in the construction of new buildings or improvements on our properties may have an adverse effect on our business, results of operations and financial condition.
- Our revenue significantly depends on our food and beverage business. The success of our food and beverages business is dependent on our ability to anticipate and respond to customers and their changing requirements and may be affected if we are unable to do so. Further, a failure to identify and understand contemporary and evolving customer preferences for our hospitality services may adversely affect our business and reputation.

- Our operations are dependent on our ability to attract and retain qualified personnel, including our senior management and any inability on our part to do so, could adversely affect our business, results of operations and financial condition.
- Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations and cash flows.
- Operational risks are inherent to our business, as it includes rendering services at high quality standards at our hotels. Our inability to provide required quality of service or a failure of quality control systems at our hotels may lead to an adverse impact on the reputation of our hotels, which could adversely affect our business, results of operations, financial condition and cash flows.
- We have incurred indebtedness and are required to service this debt and comply with covenants based on documentation with the lenders. Certain of our unsecured borrowings availed by us may be recalled by the lenders at any time. Our inability to meet our obligations, conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section “*Risk Factors*” on page 19.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Letter of Offer are based on the beliefs of, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer and neither our Company nor the Lead Manager undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the sections, “Objects of the Issue”, “Outstanding Litigation and Defaults” and “Risk Factors” on pages 69, 100 and 19 respectively.

Summary of Primary Business

We are engaged in the business of ownership and management of hotels, within and outside India. We also provide airline and airport services, car rentals and charter flights services. In Fiscal 2020, our total income was ₹ 16,746.94 million whereas our profit for the year was ₹ 1,651.43 million.

Objects of the Issue

The Net Proceeds are proposed to be utilised by our Company in accordance with the details set forth below:

| (In ₹ million) | |
|--------------------------------------------------------------------------------|------------|
| Particulars | Amount |
| Repayment/ prepayment in full or in part, of borrowings availed by our Company | [●] |
| General corporate purposes* | [●] |
| Total Net Proceeds** | [●] |

* Subject to the finalization of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. In case subscription received in the Issue is less than 100% of the Issue but equal to or more 90% of the Issue, the amounts to be utilized towards each of the objects above would be subject to proportionate reduction to the extent of the reduction in the Net Proceeds. However, in case, subscription received is less than 90% of the Issue but equal to or more than 75% of the Issue, then our Company shall utilise the amount allocated for repayment of certain borrowings of our Company in its entirety and the remaining Net Proceeds, if any, shall be utilised towards general corporate purposes.

** Assuming full subscription and Allotment of the Rights Equity Shares.

For details, see “Objects of the Issue” on page 69.

Subscription to the Issue by our Promoter and Promoter Group

Our Promoter and Promoter Group, have confirmed to subscribe, to the full extent of their Rights Entitlements, as applicable, and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of any other member(s) of the Promoter and Promoter Group, and in compliance with applicable laws). Our Promoters have also confirmed their intention to apply for, and subscribe to, additional Rights Entitlements, and to any unsubscribed portion in this Issue, as may be required, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations, SEBI Takeover Regulations such that our Company receives at least the Minimum Subscription required for the Issue Size under applicable laws.

The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of Financial Information

A summary of the consolidated financial information of our Company as at and for Fiscals 2020, 2019 and 2018, derived from audited consolidated financial statements of each of the respective years, is set out below.

| (In ₹ million, unless otherwise specified) | | | |
|--------------------------------------------|--------------------------|-----------|-----------|
| Particulars | As at and for the Fiscal | | |
| | 2020 | 2019 | 2018 |
| Equity share capital | 1,143.14 | 1,143.14 | 1,143.14 |
| Net worth* | 32,362.75 | 30,820.11 | 29,529.39 |
| Total income | 16,746.94 | 18,796.07 | 17,048.30 |
| Profit for the year** | 1,651.43 | 1,489.57 | 1,958.06 |

| Particulars | As at and for the Fiscal | | |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------|----------|
| | 2020 | 2019 | 2018 |
| Basic earnings per Equity Share of ₹ 2 each (in ₹) | 2.60 | 2.30 | 3.14 |
| Diluted earnings per Equity Share of ₹ 2 each (in ₹) | 2.60 | 2.30 | 3.14 |
| Net asset value per Equity Share of ₹ 2 each (in ₹) | 56.62 | 53.92 | 51.66 |
| Total borrowings (sum of current borrowings, non-current borrowings and current maturities of non-current borrowings) [#] | 4,761.26 | 5,405.17 | 4,910.48 |

* Net worth is the aggregate of total issued and subscribed share capital, securities premium, retained earnings, capital redemption reserve, capital reserve, general reserve, foreign currency translation reserve and non-controlling interest as per the audited consolidated financial statements of respective years.

** Represents profit after tax.

[#] Does not include finance lease obligations

Calculation of Net worth (on a consolidated basis)

(In ₹ million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------------------------|----------------------|----------------------|----------------------|
| Equity attributable to owners of EIH Limited (A) | 31,365.44 | 29,933.94 | 28,827.92 |
| Non-controlling Interest (B) | 997.31 | 886.17 | 701.47 |
| Net worth (A+B) | 32,362.75 | 30,820.11 | 29,529.39 |

Calculation of Net asset value per Equity Share (on a consolidated basis)

(In ₹ million, unless otherwise specified)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|------------------------------------------------------------|----------------------|----------------------|----------------------|
| Net worth (A) | 32,362.75 | 30,820.11 | 29,529.39 |
| Issued, subscribed and paid-up equity shares (B) (in nos.) | 571,569,414 | 571,569,414 | 571,569,414 |
| Net asset value per Equity Share (in ₹) [(A)/(B)] | 56.62 | 53.92 | 51.66 |

Details of total borrowings (on a consolidated basis)

(In ₹ million, unless otherwise specified)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|-----------------------------------------------------------|----------------------|----------------------|----------------------|
| Current Borrowings | 1,874.14 | 2,246.57 | 1,399.72 |
| Non-current Borrowings (except finance lease obligations) | 2,337.51 | 2,683.45 | 2,852.35 |
| Current maturities of long-term debt | 549.61 | 475.15 | 658.41 |
| Total borrowings (A)+(B)+(C) | 4,761.26 | 5,405.17 | 4,910.48 |

Qualifications of the Auditors

There are no Auditor's qualifications in the auditors' report on the Audited Consolidated Financial Statements.

Summary of Outstanding Litigation and Material Developments

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries, as on the date of this Letter of Offer, is set out below.

(in ₹ million, unless otherwise specified)

| Sr. No. | Type of Proceedings | Number of cases | Amount to the extent quantifiable |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------|
| I. | Litigation involving our Company | | |
| A. | Proceedings involving moral turpitude or criminal liability on our Company | - | - |
| B. | Proceedings involving material violations of statutory regulations by our Company | - | - |
| C. | Matters involving economic offences where proceedings have been initiated against our Company | - | - |
| D. | Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company | 5 | 748.72 |
| | Total | 5 | 748.72 |
| II. | Litigation involving our Subsidiaries | | |
| A. | Proceedings involving moral turpitude or criminal liability on our Subsidiaries | - | - |
| B. | Proceedings involving material violations of statutory regulations by our Subsidiaries | - | - |
| C. | Matters involving economic offences where proceedings have been initiated against our Subsidiaries | - | - |
| D. | Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company | 1 | - |
| | Total | 1 | - |

For details, see “*Outstanding Litigation and Defaults*” on page 100.

Risk Factors

Specific attention of the Investors is invited to the section “*Risk Factors*” on page 19. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent Liabilities and Commitments of our Company

Contingent liabilities and commitments of our Company and our Subsidiaries, on a consolidated basis, as of March 31, 2020, as per Ind AS 37 is set out below.

| (In ₹ million) | |
|---------------------------------------------------------------------------------------------------|----------------------|
| Particulars | As at March 31, 2020 |
| a) Contingent Liabilities | |
| (i) Claims against the Group pending appellate/judicial decision not acknowledged as debts | |
| Value Added Tax | 37.36 |
| Income Tax | 297.75 |
| Service Tax | 15.89 |
| Property Tax | 236.43 |
| Customs Duty | 429.66 |
| Luxury Tax | 13.62 |
| Expenditure Tax | 0.10 |
| Stamp Duty | 10.23 |
| Sales Tax | 0.19 |
| Others | 7.05 |
| Total | 1,048.28 |
| (ii) Guarantees | |
| Counter guarantees issued to banks and remaining outstanding | 36.98 |
| Total | 36.98 |
| Commitments | |

| Particulars | As at March 31, 2020 |
|----------------------------------------------------------------------------------------------------------------|----------------------|
| Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities | |
| Property, Plant and Equipment | 349.87 |
| Total | 349.87 |

Further, the contingent liabilities and commitments in respect of our Associates and our Joint Ventures, as of March 31, 2020, as per Ind AS 37 is set out below.

| (In ₹ million) | |
|---------------------------------------------------------------------------------------------------------|----------------------|
| Particulars | As at March 31, 2020 |
| Commitments - Joint Ventures | |
| Commitment to provide funding for joint venture's capital commitments, if called | - |
| Commitments – Associates | |
| Commitment to provide funding for associates capital commitments, if called | - |
| Contingent liabilities - Associates | |
| Share of contingent liabilities incurred jointly with other investors of the associate | 75.42 |
| Contingent liabilities relating to liabilities of the associate for which the group is severally liable | 27.76 |
| Contingent liabilities - Joint Ventures | |
| Share of joint venture's contingent liabilities in respect of a legal claim lodged against the entity | 11.00 |
| Total commitments and contingent liabilities | 114.18 |

For details of contingent liabilities and commitments as per Ind AS 37, see “*Financial Statements*” on page 93.

Related Party Transactions

For details of our related party transactions as per Ind AS 24 during Fiscal 2020, as disclosed in the Financial Statements, see “*Financial Statements*” on page 93.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, directors of our Promoters, our Directors or their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity, during the period of six months immediately preceding the date of this Letter of Offer.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Letter of Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read together with the Financial Statements and other financial information included elsewhere in this Letter of Offer.

The risks and uncertainties described below are not the only risks that we currently face, or which are relevant to our Equity Shares or the industry or the regions in which we operate. Additional risks and uncertainties not presently known to us, or that we currently believe to be immaterial, may also adversely affect our business, prospects, financial condition and results of operations and cash flow. If any or some combination of the following risks, or other risks that are not currently known or believed to be material, actually occur, our business, financial condition and results of operations and cash flow could suffer, the trading price of, and the value of your investment in, Equity Shares could decline and you may lose all or part of your investment. In making an investment decision you must rely on your own examination of us and the terms of this Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue.

Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Letter of Offer.

Unless otherwise stated or unless the context suggests otherwise, references to “we”, “us”, “our” and similar terms are to EIH Limited on a consolidated basis and references to “the Company” are to EIH Limited on a standalone basis.

INTERNAL RISKS

1. ***The ongoing COVID-19 pandemic has had an adverse impact on our business, cash flows, results of operations and financial condition and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted.***

The recent coronavirus disease 2019 (“COVID-19”), which has been declared a pandemic by the World Health Organization, has severely impacted international and domestic tourism. In response to the COVID-19 pandemic, across the world, advisories and mandates from national, federal and local authorities have recommended that people avoid all non-essential travel or gatherings of people and maintain social isolation to the extent possible. The COVID-19 pandemic has also resulted in a general risk aversion to travel, particularly to unfamiliar locations, and many of our guests may consider deferring discretionary expenditure to a later time. Further, the Indian government imposed a nation-wide lock-down between March 24, 2020 and June 1, 2020, pursuant to which, *inter alia*, all commercial and private establishments were closed, and all hospitality services were suspended (subject to certain exceptions). In addition, various state and local governments have taken and continue to take several localised measures to limit the spread of COVID-19. Our operations during this period have been limited primarily to catering to stranded guests, essential service providers and those who use our hotels as permanent residence, besides new avenues such as food delivery to guests at home. Further, our flight services business was limited to cargo and repatriation flights through much of this time. Our printing press was also closed for operations until May 4, 2020, and was allowed to reopen on May 5, 2020 for services rendered to customers falling under the essential category.

Further, the impact of the COVID-19 pandemic on our business will depend on a range of factors which we are not able to accurately predict, including the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the nature and severity of measures adopted by governments, and the timeliness and effectiveness of such measures in containing and mitigating the effects of the COVID-19 pandemic. These factors include, but are not limited to:

- Travel restrictions being continued to be imposed by India and other countries even after lifting of the lockdown, including continued restrictions on the operations of domestic and international flights, among others. Countries and states within India may, from time to time, issue requirements, including

but not limited to COVID-19 tests, self or institutional quarantine.

- The deterioration of socio-economic conditions and consequent decline in the spending power of our guests, as we are heavily dependent on discretionary consumer spending, particularly by leisure travellers and patrons to our food and beverage (“**F&B**”) offerings
- Increased reliance on business communication technology could impact meetings, incentives, conferences and exhibitions (“**MICE**”) travellers
- Disruptions to our operations, or to those of our partners, such as third party owners of the properties we manage, travel agencies, online intermediaries, suppliers and other vendors, on whom we are reliant for the success of our operations
- Our ability to take additional measures to further enhance our standards of hygiene and cleanliness
- Any outbreak of the COVID-19 pandemic amongst our employees, including our management team, which may impact our operations significantly, including causing a temporary suspension of operations at our hotels
- Financial stresses, which may force us to take measures to reduce our operating costs with an adverse long-term impact on our Company, such as laying off or furloughing our workers, which may result in operational difficulties once we resume large-scale operations
- Significant volatility in financial markets, including exchange rate volatility, and measures adopted by governments and central banks that further restrict liquidity, which may limit our access to funds, lead to shortages of cash or increase the cost of raising such funds
- An adverse impact on our ability to engage in new, or consummate pending expansion projects
- Abilities of the Central and State Governments to be able to contain the spread of the pandemic and thereby enabling economic activity and accordingly enable us to continue with the construction of our projects under development
- Abilities of countries other than India where we have set up our hotels to contain the spread of the pandemic, or retain their attractiveness as tourist destinations in the aftermath of the pandemic
- Our ability to ensure the safety of our workforce and continuity of operations while conforming with measures implemented by the Central and State Government in relation to health and safety of our employees, which may result in increased costs
- Our ability to hire professional agencies and doctors for sanitization of all areas and to provide medical help
- Limited operations to comply with lock-down guidelines prescribed by Central and State Governments; and
- Modify our growth strategy and increase focus on newer customers or business segments

While, the process of lifting of lockdown in various states has started in phases, effective June 1, 2020, prolonged lock-down situation, travel restrictions being continued to be imposed by India and other countries even after lifting of the lockdown, and guests postponing their discretionary spending could impact our business, cash flows, results of operations and financial condition. Further, while we have attempted to develop new revenue streams over this period, such as the home delivery of food, we cannot assure you that we will be able to maintain historic levels of business or that these measures will help us mitigate the impact of COVID-19 pandemic. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted. A rapid increase in severe

cases and deaths where measures taken by governments fail or are lifted prematurely, may cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this “*Risk Factors*” section.

2. *Our primary business is the ownership and management of hotels, and therefore we are subject to the general risks encountered in the hotel and travel industry.*

The primary business of our Company is the ownership and management of hotels, within and outside India. In addition, we provide airline and airport services, car rentals and charter flights services. A number of factors, many of which are common to the hotel and travel industries and are beyond our control, could affect our business, including the following:

- adverse effects of international market conditions may diminish the need for business travel or the demand for first-class and luxury leisure travel, as well as national, regional and local political, economic and market conditions where our hotels operate and where our customers live, could adversely affect travel related businesses;
- increased competition and periodic over-supply of guest accommodation, which may adversely affect occupancy percentages and room rates;
- increases in operating costs due to the escalation of labour costs, utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs owing to acts of nature;
- inflation, particularly in India, which could increase our costs and decrease our operating margins;
- increases in transportation and fuel costs for sustained periods and impediments to means of transportation that could adversely affect domestic and international travel;
- the impact of acts of war or increased tensions between certain countries, natural disasters, outbreaks of diseases and health concerns that may adversely affect travel patterns and reduce the number of business and leisure travellers;
- dependence on information technology systems and electronic booking / reservation systems which could fail;
- changes in interest rates and in the availability, cost and terms of financing; and
- changes in governmental laws and regulations, fiscal policies and incentives and the costs of compliance.

In the event any one or more of these risks were to materialise in the future, our business, financial condition and results of operations would be adversely affected.

3. *A large portion of our revenue is realised from certain of our hotels operating in key geographies and any adverse development affecting these hotels or the regions in which they operate, may adversely affect our business.*

A large portion of our revenue has historically been derived from our hotels in Mumbai and New Delhi and these hotels are likely to continue to account for a large portion of our business in future. During the fiscal ended March 31, 2020, the revenue generated by our hotels in Mumbai and New Delhi was ₹ 5,686.82 million and ₹ 2,477.38 million, contributing 39.65% and 17.27% of our total income, respectively. We are subject to risks inherent in concentrating our operations in certain geographic locations. These risks include, among other things, changes in local regulations and policies, inconsistency between demand and supply for hotels in such geographies, reduction in the number of tourists or business travellers visiting the location on account of, acts of terrorism or any pandemic, among others, natural calamities such as floods or earthquakes, or civil disruptions, increase in costs locally, resulting in a requirement of higher capital and other expenditures and funding; and increased competition from other hotels which may come up in such areas.

We cannot assure you that we will be able to address our reliance on these few hotels in the future. We compete with global hotel chains, which may face less of a risk of geographic concentration and may be in a position to mitigate these risks better than us. Any decrease in revenues from these hotels, including due to increased competition or supply, or reduction in demand, in the markets in which these hotels operate, may have an adverse effect on our business, results of operations and financial condition.

4. ***We derive a significant portion of our revenue from corporate customers, and the loss of such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our services, including for rooms in our hotels or our conferencing and meeting facilities owing to the increased use of business communication technology, could adversely affect our business, results of operations and financial condition.***

We derive a significant portion of our revenue from international and domestic business customers, including large corporate key accounts such as information technology companies, airlines, multinational corporations, consultancy firms and banks. Any reduction in growth or a slowdown in the business of our corporate customers could result in a reduction of their requirement for our services. Similarly, changes in business spending and preferences of our customers due to evolving cost of travel, spending habits and budgeting patterns may lead to a change in the perceived attractiveness of our hotels and services. We cannot assure you that we will be able to maintain historic levels of business from business travellers and corporate customers in the future. Further, many of our hotels are located at important business and financial hubs of India. In the event such business hubs shift, whether within a city or inter-state, our hotel locations may not be as attractive to business travellers and corporate customers.

In addition to this, the social-distancing and isolation requirements brought about by the COVID-19 pandemic has resulted in a significant acceleration in the adoption of business communication technology. The increased use of teleconference and video-conference technology by businesses could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without travelling to a centralized meeting location, such as our hotels. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, demand for our hotel rooms or our conferencing and meeting facilities may decrease from business travellers and corporate customers. There is no assurance that the use of such technology shall reduce to the levels at which it was previously, or at all, once the COVID-19 pandemic subsides. We derive a significant portion of our revenue from business travellers and corporate customers, and the loss of such customers, coupled with our inability to acquire any such new customers, or a reduction in their demand for our services could adversely affect our business, results of operations, financial condition and cash flows.

5. ***Inability to successfully expand our business in Indian and international markets may affect our growth which may adversely affect our business and results of operations. We may also be unable to expand our managerial, financial, operational and other resources in order to cope with our expansion plans and ensure our hotels are operated to consistent and high standards expected by our customers.***

We intend to diversify our geographical footprint, both globally and in India, to reduce our exposure to local, seasonal and cyclical fluctuations and to access a more diversified guest base across geographies. We intend to increase the number of hotels under our ownership or management through development of new properties, upgrading existing properties and securing new management contracts. For instance, we are currently in the process of developing new projects as set out hereunder:

- The Oberoi, Doha, Qatar, which is under construction;
- The Oberoi, Koh Tan, Koh Samui, Thailand, where we are awaiting environmental approvals;
- Trident, Koh Tan, Koh Samui, Thailand, where we are awaiting environmental approvals;
- The Oberoi, Kathmandu, Nepal, which is in planning stage;
- The Oberoi, Bardiya Wildlife Resort, Bardiya National Park, Nepal, which is in planning stage;
- The Oberoi Rajgarh Palace, Madhya Pradesh, India which is under construction;
- The Oberoi Vindhyavilas Wildlife Resort, Bandhavgarh National Park, Madhya Pradesh, India which is under construction;
- The Oberoi, Bengaluru, Karnataka, where we awaiting approval of new planning guidelines; and
- The Oberoi, Goa, where we are awaiting environmental approvals.

We may also consider other opportunities to expand our business or streamline / integrate our business and may undertake any scheme of arrangement or re-organisation to the best interest of our shareholders. We cannot assure you that we will be able to identify suitable hotels or properties, consummate transactions on terms that are favourable to us, or achieve expected returns and other benefits. Further, it may not be possible to achieve the expected level of synergies after integration and the actual cost of delivering such benefits may exceed our anticipated costs.

We cannot assure you that we will be able to grow our business in these newer markets or that our management, operational and financial systems, procedures and controls will be adequate to support future operations. In order to manage and support our growth, we may be required to implement, upgrade and improve our operational, administrative and technological systems, procedures and internal financial and management controls with a view to effectively manage our hotel portfolio. Further, we may be unable to compete effectively with the services of our competitors who are already established in these regions. Our expansion plans may also result in increased advertising and marketing expenditure and challenges caused by distance, language and cultural differences. As a result, demand for our services may not grow as anticipated in certain newer markets. If we are unable to successfully manage our planned future growth, we may be unable to recoup costs spent developing and initiating such growth, which may have a material adverse effect on our financial conditions and results of operations.

6. ***We are exposed to risks associated with the development of our hotel properties. Delays in the construction of new buildings or improvements on our properties may have an adverse effect on our business, results of operations and financial condition.***

In the past, we have acquired land and made investments for setting up certain hotels, which may not have been operationalized as yet due to a number of reasons, such as pending environmental or any other government approvals. There is no assurance that we shall not face such challenges in operationalising such or other new hotels in the future.

The development and construction of hotel projects are subject to inherent development risks, including:

- the identification of, conducting diligence on and ascertaining title rights associated with suitable properties and the acquisition of such properties on favourable terms
- competition from other hotel owner and developers, which may increase the purchase price of a desired property
- insufficient cash from operations, or an inability to obtain the necessary debt or equity financing on satisfactory terms, to consummate an acquisition or a development project
- availability, terms and conditions associated with and timely receipt of zoning and other regulatory approvals, denial of which could delay or prevent placing a hotel into operation
- changes in laws and rules with respect to hotel development
- inability to meet time and cost targets in the completion of construction (including unanticipated risks beyond our control, such as weather conditions or labour suspension, shortages of materials or labour and construction cost overruns)
- inability to meet construction timing, quality and budget expectations due to our dependency on third parties, such as building contractors, interior contractors and designers, whom we contract to construct our hotels or commercial projects; and
- design or construction defects that could result in additional costs associated with repair, delay or the closing of part or all of a property during such repair period, and the resulting lack of capitalization on any alternative investments or development opportunities which we abandon

In the event that we experience delays in the delivery of the construction works and design and engineering services for our new buildings or improvements for our existing buildings, or if our contractors fail to comply

with their obligations under their respective agreements, we will not be able to start operations at such hotels, until such construction is completed.

Further, the consents and approvals which we may require for the development and construction of our hotels may impose conditions with respect to the height, number of rooms or leasable area, security features and other operational aspects of our hotels. These risks could result in substantial unanticipated delays or expenses as well alteration to the design and operational parameters of our properties. Under certain circumstances, these risks could prevent completion of development or redevelopment projects once undertaken, resulting in capital expenditure incurred and investments which may make the project less profitable than originally estimated, or not profitable at all, and therefore have an adverse effect on our business, results of operations, financial condition and cash flows.

7. ***Our revenue significantly depends on our F&B business. The success of our F&B business is dependent on our ability to anticipate and respond to customers and their changing requirements and may be affected if we are unable to do so. Further, a failure to identify and understand contemporary and evolving customer preferences for our hospitality services may adversely affect our business and reputation.***

In Fiscal 2019 and 2020, our revenue from our F&B offerings contributed towards 41.36% and 38.86% of our consolidated revenues from operations, respectively. Our competitive position, for this business, is sensitive to changing consumer preferences, including changes in consumer tastes and dining habits and consumer acceptance of our restaurant and banqueting formats. We plan our menus and dishes based on guest consumption patterns as well as on anticipated trends and guest preferences in the forthcoming periods. Guest preferences in the markets we operate in are difficult to predict and changes in those preferences or the introduction of new dishes by our competitors could put our dishes at a competitive disadvantage. The dining preferences of our guests may change due to shifts in consumer demographics, national, regional or local economic conditions, consumer tastes, dietary habits and trends in food sourcing or food preparation. The markets where we operate may also demand frequent change in the future, including the introduction of new dishes, cuisines and concepts. Our success in responding to such demands depends in part on our ability to anticipate guest preferences and introduce new menu items to address these preferences in a timely fashion. In the event we are not able to adapt our menu or customer offering to account for these changes, or if there is a mismatch in our planning and the actual demand of our guests, the patronage of our restaurants and banqueting facilities may be impacted, and our consumers may begin to seek alternative options or eat at home, which would adversely affect our financial results. Further, in adapting to guest preferences, we are required to adapt our infrastructure networks to increase or change the nature of our raw material requirements, and there is no assurance that we shall be able to do so in a cost effective manner.

In addition, the hospitality industry depends on the quality of service we provide and the expectations of our customers, including customers belonging to a younger demographic with rising disposable incomes. Changes in tourism patterns or the preferences of our guests due to evolving cost of travel, spending habits and consumption patterns may lead to a change in the perceived attractiveness of our hotels, services, and the locations at which our hotels are situated. Such changes may impact the demand for our hotel rooms, and our business may be adversely affected. Accordingly, we need to evolve our product offerings in order to compete with popular new hospitality services, operation formats, concepts or trends that emerge from time to time. Any inability to identify, anticipate, understand and address such preferences and requirements on our part or to deliver quality service as compared to our competitors could materially and adversely affect our business.

8. ***Any failure to maintain quality and hygiene standards for the F&B that we serve may lead to negative publicity which may adversely affect our reputation, business and results of operations. We are also dependent on a constant flow of key supplies and any disruption to supply could affect our business and results of operations.***

It is essential that the quality of F&B products we serve be consistent, and are prepared hygienically and are thus safe for consumption. Any decline in the standards of hygiene or the consistency in the quality of our food products may result in customers' dissatisfaction and hence a decrease in their patronage of our restaurants, banqueting facilities and/or cafes. A risk of contamination or deterioration exists during each stage of the production cycle. For instance, we may not be able to ensure that our third-party suppliers maintain the quality of the materials they supply to us, which may in turn affect the quality of our food products. Any such contamination or deterioration could result in criminal or civil liability, and may harm our reputation, which, in turn, could have a material adverse effect on our business, financial condition,

results of operations and prospects. In addition, from time to time, we may be subject to false claims of contamination which could create negative publicity that could adversely affect our reputation and sales. Further, high staff turnover, shortage of staff or the lack of proper supervision may also affect the consistency and quality of the food products served, the standard of hygiene in the preparation of the food products and the services at our restaurants, banqueting facilities and/or cafes. This will in turn adversely affect our business, prospects, profitability, financial condition and results of operations.

Further, our F&B offerings are highly dependent on a consistent and sufficient supply of ingredients that meet our quality standards. Shortages of key food products may lead to price increases for those ingredients. Further, supply and prices of ingredients are subject to various factors beyond our control, including climate, seasonality, exchange rates, import tariffs and applicable laws, rules, regulations and policies in relation to the sale and/or import of these ingredients. Any such increase in costs will adversely affect our profitability and financial performance as we purchase key ingredients such as fresh seafood, meat and vegetables, sauces, marinades, beverages and semi-finished food products on a daily or weekly basis from our suppliers. While in order to meet market demands, we typically maintain some inventory for our products, ranging from raw materials to semi-processed and finished products, if our suppliers are unable to supply us with sufficient key ingredients or we are unable to secure a supply of alternative ingredients that comply with our stringent standards, we may be adversely affected by delays or lost deliveries resulting in a shortage of ingredients, interruptions to our business and are susceptible to increases in the cost of ingredients. On the other hand, the maintenance of our inventory levels exposes us to the risk of product wastage as some of our products may be perishable. In the event that products cannot be sold, these products will have to be disposed of, and this may result in losses to our Company and adversely affect our results of operations.

There may also be instances where the conditions of our food ingredients and beverages deteriorate due to delivery delays, malfunctioning of refrigeration facilities or poor handling during transportation by our logistics staff or suppliers. This may result in a failure of our Company to provide quality food and services to our customers, thereby damaging our reputation, which may materially and adversely affect our business, financial condition, results of operations and/or prospects.

9. ***Our operations are dependent on our ability to attract and retain qualified personnel, including our senior management and any inability on our part to do so, could adversely affect our business, results of operations and financial condition.***

Our managerial and other employees manage our hotels and interact with our guests on a daily basis as we strive to provide our guests with high levels of service and personal attention. We therefore, are required to maintain a large, well trained service staff to be successful and this requires us to attract, train and retain employees qualified to provide the standard of service we have been known for. Competition for qualified personnel with relevant industry expertise in India is intense and there may be a limited number of such qualified individuals in the cities in which we operate or where we intend to expand. While we believe that we currently have adequate qualified personnel for our operations, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

Further, our success depends significantly on the skills, experience and performance of key members of our senior management team. We are led by Prithvi Raj Singh Oberoi, the Executive Chairman of the Company, Shib Sanker Mukherji, the Executive Vice Chairman of our Company, Vikramjit Singh Oberoi, our Managing Director and Chief Executive Officer, and Arjun Singh Oberoi, our Managing Director – Development, who provide strategic directions to our Company. They are supported by an experienced management team with demonstrated execution capabilities. We believe our core management team possesses the relevant mix of multi-disciplinary skills and experience, particularly in areas of product innovation, branding, and hotel design and construction, as well as hotel operations. However, there is no assurance that we will continue to have the service of the key members of our senior management team or our Key Managerial Personnel, or that we will find adequate replacements in a timely manner, or at all. Any inability on our part to attract and retain our senior management could adversely affect our business, results of operations, financial condition and cash flows.

10. ***Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations and cash flows.***

The hotel and hospitality industry in India is subject to seasonal variations. The periods during which our hotel properties experience higher revenues vary from property to property, depending principally upon location and the guests served. Seasonality, particularly in terms of summer and winter variations, can be expected to cause quarterly fluctuations in our revenue, profit margins and net earnings. Specifically, seasonality affects leisure travel and the MICE sector (meetings, incentives, conferences and events), as well as weddings. Inbound foreign leisure travel varies with climatic factors, such that it mainly occurs between October and March, and occurs to a lesser extent during the summer and monsoon seasons, with lower visitor profile and travel budgets. For instance, while the occupancy rate at our hotels for the first half of Fiscal 2020 was 65.76% and for the second half of Fiscal 2020 our occupancy rate increased to 70.11%, resulting in an increase in room revenue by 49.55% in the second half as compared to the first half of Fiscal 2020. Similarly, the average room rate of hotels vary considerably between summer and winter. As a consequence of such variations, the timing of opening of newly constructed hotels may cause a variation in our revenue and earnings. Our F&B offerings are also subject to seasonal fluctuations as a result of increased demand during festive seasons.

Further, the hospitality industry is cyclical, and demand generally follows key macroeconomic indicators. Specifically, we operate in the luxury and business hotel segments in India, where consumer demand from business, leisure and MICE (meetings, incentives, conferences and events) travellers for our services is highly dependent on the general economic performance in India and globally. Changes in economic conditions and in the supply of hotel rooms, including periods of excess supply, can result in significant volatility in our results, and lead to a reduction in revenue derived from our hotels. During periods of such economic contraction, we may also have to delay or cancel our ongoing or proposed investments in new projects or our ongoing investments in developing new properties may not yield results that we anticipated. As a result of such seasonal and cyclical fluctuations, our room rates, sales and results of operations of a given period of the financial year may not be reliable indicators of the sales or results of operations of the remaining period of the financial year. We cannot assure you that such macroeconomic and other factors, which are beyond our control would not significantly affect demand for our services. Consequently, the occurrence of such events could have an adverse effect on our business, results of operations and financial condition.

11. ***Certain of our hotels, as well as facilities that we use for providing flight catering services and for operating executive lounge services are situated on lands which have been leased to us by third parties. If we are unable to comply with the terms of the lease agreements, renew our agreements or enter into new agreements, our business, results of operations and financial condition may be adversely affected.***

As of June 30, 2020, 15 of the hotels that were owned or operated by us either directly or through our subsidiaries, and four of the facilities that we use for providing flight catering services and for operating executive lounge services, were located on leased or licensed land. While certain of such lease agreements are valid in perpetuity, others are valid for a period ranging from 60 to 99 years. We also lease premises for our Registered Office in Kolkata. We cannot assure you that we will be able to fully comply with all the terms of the lease deeds or license agreements which we have entered into in relation to such hotels, renew such agreements or enter into new agreements in the future, on terms favorable to us, or at all.

Accordingly, there can be no assurance that our lease deeds shall be renewed or will not be terminated, which could have an adverse effect on our business, results of operations and financial condition. In the event that any lease deed or license agreement to which we are a party is terminated due to our non-compliance with its terms, or is not renewed, we will be unable to utilise such hotels or facilities and we may be unable to benefit from the existing capital expenditure and investments made by us in such hotels and facilities. Further, we may be required to expend time and financial resources to locate suitable land to set up alternate hotels and facilities, as applicable. Additionally, if the vacated hotel property or facility is leased or sold to a competitor, we may also face increased competition in that geographic area, which could adversely affect our market share.

12. ***Our business depends heavily on the reputation of “Oberoi” and “Trident” brands and is reliant on effective marketing and branding strategies and any negative publicity on these brands, may adversely affect our reputation, business, results of operation and financial condition.***

Our business depends on the widely recognised “Oberoi” and “Trident” brand names. The brand recognition of these brands is crucial to our operations. However, we do not own the trademark and logo associated with “Oberoi” and “Trident” brands, which are registered with Oberoi Hotels Private Limited, which is controlled by our Promoters. We have entered into two royalty agreements with Oberoi Hotels Private Limited dated October 31, 2002 and April 22, 1994, for licensed use of the trademarks, logos and insignia, associated with the brand “Oberoi” and “Trident”, respectively. Our royalty agreement for usage of “Oberoi” brand, which was valid for an initial period of twenty years, was further renewed for a period of ten years with effect from April 1, 2014.

We enjoy limited legal protection and ability to use the trademark, and any claims by third parties relating to such trademark may affect our ability to use such trademark. Further, in the event that these royalty agreements are terminated or are not renewed or extended in the future, we may not be entitled to use the brand names “Oberoi” and “Trident” and the associated marks and insignia in connection with our business operations. In such an event, in addition to not being able to derive the goodwill that we have been enjoying under the “Oberoi” and “Trident” brands, if we are not able to rebrand our hotels successfully, we could experience a material adverse effect on our business, financial condition and results of operations. Further, as per the terms of some of the management agreements we enter with hotel owners for the management of such hotels, such agreements may be terminated in the event that our arrangement with Oberoi Hotels Private Limited comes to an end, or if we lose the right to use the trademark “Oberoi” or “Trident”. Accordingly, if the agreements in relation to our brands are terminated or not renewed, our management agreements may be terminated as a consequence, which shall adversely affect our business and financial condition. Additionally, if our licensor or any third party uses the trade name in ways that adversely affect such trade name or trademark, our reputation could suffer damage, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We rely on the brand recognition of these brands, as well as our marketing and branding strategies, to expand our customer base and increase our market share in the cities which we operate. We believe that brand awareness, image and loyalty are critical to our ability to achieve and maintain high average occupancy and average room rates (“ARR”), and to support the larger number of hotels that we intend to operate and manage. We believe that continuing to develop awareness of these brands, through focused and consistent branding and marketing initiatives is important to increase our revenues, grow our existing market share and expand into new markets. We may not be able to successfully formulate and implement strategies to promote these brands in the future. If we fail to implement our marketing and branding strategies, it could have a material adverse effect on our business, financial condition and results of operations. Further, in the event that we fail to provide the service levels, the facilities and the experience of our hotels promised by our marketing programmes or maintain the quality of our F&B offerings, the value of our brands could be diminished. Any such degradation or adverse market developments relating to these brand names or any negative publicity affecting one or more of our properties could adversely affect our results of operations.

13. *The hospitality industry and F&B industry are intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition.*

The hospitality industry is intensely competitive. Our hotels situated in India compete with large multinational and Indian companies in each of the regions that we operate. Similarly, our hotels located outside India compete with global players who need not have operations in India, as well as other local hotels that may be prominent in such regions. Some of our competitors may develop alliances to compete against us or have more financial and other resources. We cannot assure you that new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or significantly expand or improve facilities in a market in which we operate.

Some of our competitors may have greater name recognition and financial resources than we do. Our hotels are often located in areas where competition is intense. Competitive factors at each hotel destination include room rates, quality of accommodation, name recognition, service levels and convenience of location, and to a lesser extent, the quality and scope of other amenities, including F&B facilities. As a hotel operator, our continued success is dependent, to a large extent, on our ability to provide consistent and high quality accommodation and services across our hotel portfolio, and design and introduce new accommodation and services to meet customer demands, as well as our ability to respond to competitive pressures. In order to effectively compete, we must ensure that our hotels are in good condition and attractively maintained. If we are unable to maintain and enhance brand recognition, our occupancy and room rates may decline, which would adversely affect our business and results of operations.

Our competitors may also significantly increase their marketing expenses to promote their hotels, which may require us to similarly increase our advertising and marketing expenses and change our pricing strategies, which may result in a decline in our revenues. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. Competition also exists between each city that we operate and is affected by factors such as market perception, local culture, the ability of the location to successfully promote itself as a tourist destination, accessibility, infrastructure and other macro-level factors. There can be no assurance that new or existing competitors will not offer significantly lower rates than our rates or offer greater convenience, services or amenities or significantly expand or improve facilities in the locations in which we operate, thereby adversely affecting our results of operations. There also can be no assurance that demographic, geographic or other changes in markets will not adversely affect the accessibility or attractiveness of our hotel properties.

Our F&B offerings also face significant competition, and the F&B industry, as a whole, has low barriers to entry. Our competitors, in this segment, include other hotels with F&B offerings, as well as large and diverse groups of bakery chains, restaurants, cafes, coffee establishments and individual operators. Some of our competitors are established in the F&B industry and operate in similar business segments as us and may have substantially greater financial and marketing resources. There can also be no assurance that new competitors, some of which may have greater brand recognition and financial resources than us, will not compete with us. The entry of new competitors into our industry, or our inability to compete effectively with existing competitors, could adversely affect our business, prospects, profitability, financial condition and results of operations.

14. ***Any failure of our information technology systems or failure to stay current with developments in technology could adversely affect our business and our operations. Further, failure to maintain the integrity of internal or customer data could result in harm to our reputation or subject us to costs, liabilities, fines or lawsuits.***

We utilize information technology systems to support our business processes, including centralized software and systems for reservations, property management, procurement and administration and financial management of our hotels. These systems may be susceptible and vulnerable to damage or interruption from:

- events beyond our control, such as war, terrorist attacks and *force majeure* events, including earthquakes, tornados, hurricanes, fires or floods or break-ins
- power losses, computer systems failures, internet and telecommunications or data network failures, service provider negligence, improper operation by or supervision of employees, user error, physical and electronic losses of data and similar events; and
- computer viruses, cyber-attacks, penetration by individuals seeking to disrupt operations or misappropriate information and other breaches of security.

Effective response to such disruptions will require effort and diligence on our part, on part of our third-party vendors and our employees to avoid any adverse effect to our information technology systems. In addition, our systems and data stored electronically, including our guests' sensitive personal information, may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. Such technology systems may also be vulnerable to ransomware attacks, which may block or restrict access to these systems and impair their functionality, unless certain ransom money is paid. If such unauthorized use of our systems were to occur, data related to our customers and other proprietary information could be compromised. The integrity and protection of our customer, employee and company data is critical to our business. Our customers expect that we will adequately protect their personal information. A theft, loss, fraudulent or unlawful use of customer, employee or company data could harm our reputation or result in remedial and other costs, liabilities, fines or lawsuits.

If such unauthorized use of our systems were to occur, data related to our guests and other information could be compromised. As a result, we are also susceptible to risks that may arise from such disruptions and from the unauthorized use or access of the technology systems of our hotel operators. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation. We are also dependent on third party vendors for providing some of the services to our guests such as internet and television, among others, and any failure or deficiency on the part of such vendors may adversely affect our reputation.

In addition, we are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur increased expense and devote considerable time to compliance efforts. The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain and are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2019 (“**PDP Bill**”) applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill.

Further, the hotel industry demands use of sophisticated technology and systems that may require refinements and upgrades. The development and maintenance of these technologies may require significant investment by us. For instance, during Fiscal 2020, our Company initiated major process improvement initiatives through ‘The Oberoi Centre of Excellence’ (“**TOCE**”), a centralized facility to ensure process excellence for all business units, offering services in finance, procurement, data management, taxation, business transformation and budgeting to our owned and managed hotels. Our over-reliance on such a system may cause disruptions to the business in an instance of failure of such system. We also cannot assure you that as various systems and technologies become outdated or new technology is required, we will be able to replace or introduce them as quickly as required or in a cost-effective and timely manner.

15. ***Operational risks are inherent to our business, as it includes rendering services and high quality standards at our hotels. Our inability to provide the required quality of service or a failure of quality control systems at our hotels may lead to an adverse impact on the reputation of our hotels, which could adversely affect our business, results of operations, financial condition and cash flows.***

The performance and quality of services at our hotels are instrumental to the success of our business and brand name. As we operate in the luxury and business hotel segments, we are expected to provide high levels of service quality which our customers tend to associate with our brands. In addition, we also exhibit paramount commitment towards physical safety and hygiene of our customers. However, certain operational risks are inherent in our businesses due to the nature of the industry in which we operate. Any incident where our hotels lack, or are perceived to lack, such standards may adversely affect our reputation. Our quality standards depend significantly on the effectiveness of quality control systems and standard operating procedures, which in turn, depend on the skills and experience of our hospitality personnel, the quality training program, and our ability to ensure that such personnel adhere to our policies and guidelines. We provide hospitality services, including F&B, cleaning and housekeeping, and security services, at our hotels. In rendering such services our personnel are required to adhere to regulatory requirements and standard operating procedures with regard to health, safety and hygiene and in their interaction with our guests and other members of the public. F&B services require proper packaging and labelling and the careful and hygienic handling of food products, which if improperly packaged or handled may have an adverse impact on the health of our guests. Similarly, cleaning and housekeeping services involve the handling of chemicals such as cleaning solutions, which if handled improperly may have an adverse impact on the health of our employees, guests and on the environment. Consequently, our business is associated with certain safety, privacy and public health concerns.

While we rely on our highly trained personnel to meet these operational challenges, there is no assurance that we shall continue to be able to retain such personnel in adequate numbers, or train new personnel to a sufficient degree of skill. We may not be able to adhere to these quality standards, including for reasons beyond our control. For details, see “- *Our operations are dependent on our ability to attract and retain qualified personnel, including our senior management and any inability on our part to do so, could adversely affect our business, results of operations and financial condition.*” on page 25.

Accordingly, any failure to effectively implement corporate, crisis response, training and management policies and protocols and to adequately address and manage risks inherent in our business, to meet the requirements of our guests, or to develop effective risk mitigation measures could have an adverse effect on our hotels’ reputation and guest loyalty, and dilute the impact of our branding and marketing initiatives and consequently, our business, results of operations and financial condition.

16. ***The success of our business is dependent on our ability to anticipate and respond to customers and their changing requirements. Our business may be affected if we are unable to identify and understand contemporary and evolving customer preferences.***

We are engaged in the hospitality industry and are driven by the quality of service we provide and the expectations of our customers, including customers belonging to the younger population group with rising disposable incomes. The hospitality industry is affected by changes in consumer preferences, national, regional and local economic conditions and demographic trends. Our continued success depends, in general, on disposable consumer income and consumer confidence, all of which can affect discretionary consumer spending. Such discretionary spending may be impacted by a variety of factors, some of which may lie outside our control. Changes in tourism patterns or the preferences of our guests due to evolving cost of travel, spending habits and consumption patterns may lead to a change in the perceived attractiveness of our hotels, services, and the locations at which our hotels are situated. Such changes may impact the demand for our hotel rooms from domestic and international tourists and guests at our leisure and business hotels, and our business may be adversely affected.

Accordingly, we need to evolve our product offerings in order to compete with popular new hospitality services, operation formats, concepts or trends that emerge from time to time. We strive to keep up with the newer generation and their evolving requirements to enhance our existing business and level of customer service and satisfaction. We are also required to anticipate and adapt to consumer preferences in relation to our F&B offerings. The emergence of new lifestyle and dining trends or any change in existing lifestyle and dining trends could result in a change in consumer preferences. Any inability to identify, anticipate, understand and address such preferences and requirements on our part or to deliver quality service as compared to our competitors could materially and adversely affect our business.

17. ***We are exposed to a variety of risks associated with safety, security and crisis management.***

We are committed to ensuring the safety and security of our guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cybercrime, pandemics, fire and day-to-day accidents, incidents, health crises of guests and petty crime.

For instance, in November 2008, there were major terrorist attacks on The Oberoi and Trident hotels in Mumbai. Subsequently, Trident, Mumbai was closed for business until December 2008 and The Oberoi, Mumbai was closed until April 2010, resulting in a substantial loss of revenues. The attacks resulted in a significant decline in bookings at hotels in India in the ensuing months. Similarly, in the aftermath of the COVID-19 pandemic, all hotels in India, including those owned or operated by us have faced various restrictions, including a complete suspension of their operations. For details, see “- *The ongoing COVID-19 pandemic has had an adverse impact on our business, cash flows, results of operations and financial condition and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted.*” on page 19. In the event that we face a similar incident in the future, our operations may be disrupted in a similar manner, which may result in a major loss of revenues.

Any accidents or any criminal activity at our hotel properties may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. The damage that a major incident or crisis causes may be exacerbated in the event of inadequate planning, preparation, response or recovery in relation to such an incident or crisis. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and may result in compensation claims, fines from regulatory bodies and litigation. Such incidents could also adversely affect our reputation and cause a loss of consumer confidence in our business, and events occurring at any one of our hotel properties may also have an adverse effect on our reputation and may also adversely affect operations of our other properties.

18. ***Our Company is engaged in flight catering services and any uncertainty over domestic and international flight operations may have an adverse impact on our business, results of operations and financial condition.***

Our flight catering services are dependent on the airline industry, as it is directly affected by the number of passengers flying on commercial aircrafts, the financial condition of the airlines and other economic factors. If consumer demand for air travel declines, including due to increased use of technology such as

videoconferencing for business travellers, or the number of aircraft and flights shrinks due to, among other reasons, reductions in capacity by airlines, the number of passengers available to purchase our in-flight offerings will be reduced, which would have a material adverse effect on our business and results of operations. In addition to this, a general reduction or shift in discretionary spending could also result in decreased demand for leisure and business travel and lead to a reduction in flights services and the number of passengers flying, which could in turn lead to a reduction of the requirement of our flight catering services.

Additionally, certain of our domestic airline partners may reduce capacity in anticipation of decreased customer demand, which could have a significant negative impact on our business for an extended period of time. For instance, on account of the lock-down imposed by the Indian government between March 24, 2020 and June 1, 2020, and owing to the measures taken by the local governments to limit the spread of COVID-19, flight operations were mandated to remain non-operational. During this period, our flight services business was limited to cargo and repatriation flights. The revenue generated by our flight catering business during the fiscal year ended March 31, 2020 was ₹ 1,094.75 million, whereas such revenue during the fiscal year ended March 31, 2019 was ₹ 2,310.38 million. While we expect domestic and international travel to gradually rise, the limited nature of our operations over the lock-down has resulted in an adverse impact on our business, cash flows, results of operations and financial condition.

19. *Our Statutory Auditors have included certain emphasis of matter and key audit matters in their report on our Audited Consolidated Financial Statements included in the Letter of Offer.*

Our Statutory Auditors have included an emphasis of matter in their audit report for the Consolidated Financial Statements for the year ended March 31, 2020 and have stated in the emphasis of matter that the statutory auditors of EIH Flight Services Limited (“**EIHFSL**”), Mauritius, one of our Subsidiaries, have indicated that material uncertainty exists that may cast significant doubt on the EIHFSL’s ability to continue as going concern.

Further, as a part of the key audit matters to be communicated in the audit report, our Statutory Auditors have stated that the Management of our Company has carried out a valuation considering various factors and assumptions through an external specialist, and our Management has concluded that the recoverable value of goodwill of EIH International Limited was higher than the carrying value.

20. *We have incurred indebtedness, and are required to service this debt and comply with covenants based on documentation with the lenders. Certain of the unsecured borrowings availed by us may be recalled by the lenders at any time. Our inability to meet our obligations, conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations*

As at August 31, 2020, our total borrowings (current and non-current borrowings including current maturities of non-current borrowings, excluding lease liability as per Ind AS 116) amounted to ₹ 5,395.82 million, constituting secured borrowings amounting to ₹ 3,246.50 million and unsecured borrowings amounting to ₹ 2,149.32 million, each on a consolidated basis. We have availed and may continue to avail unsecured borrowings that may be repayable on demand by the relevant lenders. In the event such lenders seek repayment of any of these loans, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Any such unexpected demand for repayment may have an adverse effect on our business, cash flows and financial condition.

Given the nature of our business, we will continue to incur indebtedness even after the Issue, and we cannot assure you that the aforementioned risks will not have an adverse effect on our cash flows, results of operations and financial condition. In addition to this, certain of our financing agreements also include various conditions and covenants that require us to intimate the lenders prior to carrying out certain activities such as, effecting any change in our capital structure, altering our Memorandum of Association and Articles of Association, undertaking any scheme of amalgamation or re-construction, among others.

Our financing arrangements also require us to maintain certain financial ratios. If we are in breach of any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay the outstanding borrowings either in whole or in part, together with any related costs. If we fail to meet our debt service obligations or comply with the covenants provided under our financing arrangements, the relevant lenders could declare us to be in default under the terms of our arrangements or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings and consequently, may also be subject to demands

for the payment of penal interest. Any action initiated by a lender may result in the price of the Equity Shares being adversely affected along with our ability to obtain further financing from banks and financial institutions. The occurrence of any such event could have an adverse effect on our business, results of operations and financial condition.

21. ***We have a large workforce deployed across our hotels and consequently, we may be exposed to service related claims and losses or employee disruptions that could have an adverse effect on our reputation, business, results of operations and financial condition. We also rely on various contractors or third parties in developing or renovating our hotels, and an inability to procure the services of such third parties, or any failure on their part to perform their obligations could adversely affect such projects.***

We deploy a large workforce across our hotels. As of June 30, 2020, we had 3,827 permanent employees across our operations. In addition to our permanent employees, we utilize 1,124 personnel engaged on a fixed term contractual basis and 510 persons hired through third party contractors. The risks associated with the utilization of a large number of personnel include possible claims relating to:

- actions, inactions, errors or malicious acts by our personnel, including matters for which we may have to indemnify the guests at our hotels
- failure of our personnel to adequately perform their duties, including rendering deficient services, shortage in shift, absenteeism or lateness
- violation by personnel of security, privacy, health and safety regulations and procedures
- any failure to adequately verify personnel backgrounds and qualifications resulting in deficient services
- injury or damages to any guest's person or property due to negligence of our personnel
- criminal acts including sexual harassment, torts or other negligent acts by our personnel; and
- use of third-party vehicles, which result in accidents.

These claims may give rise to litigation and claims for damages, which could be time-consuming, and could take up the time and attention of our management. These claims may also result in negative publicity and adversely impact the reputation of our hotels. Any losses that we incur in this regard may have an adverse effect on our reputation, business, results of operations and financial condition.

Further, in developing or renovating our hotels, we ordinarily require the services of contractors (who in turn engage on-site contract labour) and various other parties, including architects, engineers, consultants and suppliers of labour and materials. The timing and quality of construction of these projects depends on the availability and skill of these parties, as well as contingencies affecting them, including labour and construction material shortages, and industrial action, such as strikes and lockouts. Although we do not engage the labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations, financial condition and cash flows. Further, in the event of any delay in project execution, our profitability could be adversely affected. If the contractors do not complete our orders in a timely manner or match our requirements on quality, our reputation and financial condition could be adversely affected.

22. ***We intend to refurbish, renovate, maintain, repair or further develop our existing hotel properties and resorts, which could result in cost and time overruns or disruptions of our operations.***

In order to improve and maintain the conditions of our hotels, we conduct regular refurbishments of hotels that we own and operate. These refurbishments may be more costly than expected, and there can be no assurance that the capital investments we make in this regard will generate the level of return initially anticipated, due to changes in market environment and other factors. In particular, if unforeseen market changes and corresponding declines in demand result in mismatch between the actual and anticipated demand from consumers, we may not be able to recover our capital expenditures or investments, in part or in full, or the recovery of such capital expenditures or investments may take longer than expected.

In addition, we may have made capital investments in the past that may still have a continuing impact on our operating results. While we evaluate each investment decision carefully, there is no assurance that its capital investments will generate the expected returns and if the expected returns are not generated, this may adversely affect our business, results of operations, financial condition and cash flows.

In addition, such refurbishment or further development may subject our hotels to the risk of delays, disruption to operations and cost or time overruns. The costs of maintaining the hotels and the risk of unforeseen maintenance or repair requirements tend to increase over time as the hotel properties age. In addition, even though the operations of hotels under refurbishment or development may continue, there may be instances where maintenance, renovation, refurbishment or development would result in significant disruption to hotel operations and adversely affect the revenues of the relevant hotels. Such disruptions and other risks associated with refurbishments and further development, or our failure to improve and maintain the conditions of the hotels could have an adverse effect on our business, results of operations, financial condition and cash flows.

23. ***We are subject to extensive government regulation with respect to safety, health, environmental, real estate, excise and labour laws. Any non-compliance with, or changes in, regulations applicable to us, or any failure on our part to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, may adversely affect our business, results of operations and financial condition.***

We provide hospitality services, including the sale of F&B (including wine and liquor), cleaning and housekeeping, and security services at our hotels. In rendering such services, we are subject to a broad range of safety, health, environmental, real estate, taxation, excise, star classifications, property tax and related laws and regulations, among others, at a central and state level. In addition, we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our hotel assets including, without limitation, sanction of building plans, occupancy certificates, trade licenses, FSSAI licenses, shops and establishments registrations, licenses to sell liquor and environmental approvals and clearances.

Our properties are subject to laws governing our relationship with our employees in such areas as minimum wage, maximum working hours, overtime, working conditions, hiring and redundancy of employees, contract labour, pension and employment termination benefits and work permits. In connection with ownership of our hotels and development of properties, we are required to obtain various environment related approvals and consents to operate under the Air Act and Water Act and authorisation for the collection, storage and disposal of hazardous waste under the Hazardous Waste Rules with respect to our owned, leased and a select number of managed hotels, as applicable. Our properties are subject to laws governing property tax matters, including the municipal and local laws which vary depending on the State in which the property is situated. Further, we are also subject to regulations relating to the sale and service of food, alcoholic and non-alcoholic beverages and hosting of events at our hotel properties. As a result of non-compliance with, or changes in, the applicable regulations, such as changes in excise policy, property tax and building regulations, we may incur increased costs, be subject to penalties, have our approvals and permits revoked, suffer enforced shutdowns, disruptions in our operations or other sanctions imposed by the regulatory authorities.

The laws applicable to us and the approvals we are required to obtain differ on the basis of the location in which a hotel is located, as well as the nature of operations carried out at such locations. While we have obtained a number of approvals required for our operations, certain key approvals for which we have submitted applications for renewal are currently pending. For further details on pending approvals, see “Government Approvals” on page 104. In addition, we may need to apply for more approvals, including the renewal of approvals which may expire from time to time, and approvals in the ordinary course of business. Any inability to renew or failure to obtain any of these approvals in a timely manner, or at all, may have an adverse effect on the operations of our hotels. We cannot assure you that such approvals will be issued or granted to us in a timely manner or at all. If we fail to obtain or retain any of these approvals or licenses or renewals thereof, our business may be adversely affected. In addition, in relation to the hotels owned by third parties which are managed by us, the duty to obtain licenses and approvals ordinarily lies with the owners of such hotels. Any failure on the part of the owners of such hotels to obtain and renew such approvals, may adversely impact the operations of the hotels we manage.

Further, the regulations and policies applicable to us may also increase the expenses of our hotel services and rooms, and F&B operations, resulting in a decline in demand. The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Further,

monitoring legal developments and maintaining internal standards and controls in order to abide by rules and regulations applicable to us can be costly and may detract management's attention, which could adversely affect our operations.

24. ***We enter into hotel management agreements to render operation and marketing services in relation to our managed hotels and are subject to risks and limitations related to such hotel management agreements, including our non-compete obligations that we have agreed to under such agreements.***

As of June 30, 2020, 30 of our hotels, including seven hotels outside India, as well as two luxury cruisers, representing an aggregate of 4,572 rooms, were operated by us either directly or through our subsidiaries pursuant to hotel management agreements. We enter into hotel management agreements with third party hotel owners or with entities in which we have a partial equity interest or, in some cases, no equity interest. The term of such agreements typically ranges from 15 to 30 years. Such management agreements may not be renewed when they expire, and in some events, can be terminated prior to their expiry.

Further, for our managed hotels, we have the responsibility to manage each hotel at a level consistent with the standard required for its brand in the relevant management agreement. Such provisions vary in scope and may be subject to differing interpretations. In the ordinary course of business, we may encounter disagreements with the owners of our managed hotels as to whether the duties in our management agreements have been satisfied. To the extent that such conflicts arise, we seek to resolve them by negotiation with the relevant parties. In the event that such resolution cannot be achieved, litigation may arise, resulting in damages or other remedies against us. Such remedies could include termination of the right to manage the relevant property. We may not be able to negotiate successfully or otherwise resolve such conflicts in each instance.

Further, under certain management agreements, we have agreed to non-compete obligations. As of result of restrictions such as these, we may be unable to pursue development or acquisition opportunities that could be beneficial to us, which could, in turn, have an adverse effect on our business, financial condition and results of operations.

25. ***Our operations entail certain fixed and recurring costs, and our inability to effectively manage such costs may have an adverse effect on our business, results of operations and financial condition.***

Our operations entail certain fixed costs such as costs incurred towards the maintenance of our hotel properties, employee related costs, property taxes as well as certain significant recurring costs such as utility expenses and insurance payments. The costs of running a hotel tend to be more fixed than variable. Further, our hotel properties may be subject to an increase in operating expenses and other expenses in the event of increases in property and other tax rates, increase in utility costs due to increase in electricity or water supply charges, insurance costs, repairs and maintenance and administrative expenses.

The hotel industry experiences changes in demand, which we may not be able to predict accurately. Consequently, we may be unable to reduce fixed and recurring costs in a timely manner, or at all, in response to a reduction in the demand for our services. For the purpose of funding these fixed and recurring costs, we may be required to obtain additional debt facilities. Additional debt financing may increase our financing costs. If we are unable to raise additional funds on favourable terms or at all as and when required, our business, financial condition, results of operations and prospects could be adversely affected.

26. ***Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own or intend to acquire in connection with the development or acquisition of new hotels or properties.***

There is no central title registry for real property in India and the documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and in local languages, and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In addition, there may be a discrepancy between the duration of the principal lease under different orders issued by state governments in respect of a particular parcel of revenue land. Furthermore, title to land in India is often fragmented, and in many cases, land may have multiple owners. Accordingly, while we obtain title opinions and titles search reports from

local counsel and relevant experts on the properties over which our hotels are located, we may not be able to assess, identify or address all the risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession right.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented and the land may have multiple owners. In addition, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance, coupled with the difficulties in verifying title to land, may increase our exposure to third party claims to the property. Title may also suffer from irregularities, such as non-execution or non-registration of conveyance deeds and inadequate stamping, and may be subjected to encumbrances that we are unaware of. Any defects in, or irregularities of, title that we enjoy may prejudice our ability to continue to operate our hotels on such land and require us to write off substantial expenditures in respect of establishing such properties.

Further, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. Consequently, any acquisition of the land made by us is subject to risks and potential liabilities arising from inaccuracy of such information. Such inaccurate information and any defects or irregularities of title may result in the loss of title or development rights over the land, and the cancellation of our development plan in respect of such land.

As a result, potential disputes or claims over title to the land on which our hotels are or will be situated may arise. Such disputes, whether resolved in our favour or not, may divert management's attention, harm our reputation or otherwise disrupt our business.

27. *We are subject to risks relating to owning real estate assets, including changes in local markets or neighbourhoods, lack of liquidity of real estate assets and uncertainty of market conditions.*

We are subject to risks that generally relate to real estate assets due to the hotel properties we own. Regulations and interest rates can make it more expensive and time-consuming to develop real property or expand, modify or renovate our hotels. Changes in local markets or neighbourhoods may diminish the value of the real estate assets we hold, and since hotels compete on convenience of location, make our hotels less competitive in relation to those of our competitors. Real estate assets may not be as liquid as certain other types of assets, and this lack of liquidity may limit our ability to react promptly to changes in economic, market or other conditions. Our ability to dispose of real estate assets, if required, on advantageous terms depends on factors beyond our control, including competition from other sellers, demand from potential buyers and the availability of attractive financing for potential buyers. We cannot predict the various market conditions affecting real estate assets that may exist at any particular time in the future. Due to the uncertainty of market conditions that may affect the future disposition of our real estate assets, we cannot assure you that we will be able to sell our real estate assets at a profit in the future, if required.

28. *Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees. We may also face legal liability in relation to the contract labour we employ.*

While we believe our relations with employees are currently good, relations with employees could deteriorate due to disputes related to, among other things, wage or benefit levels. As on date, a certain portion of our employees are members of unions and we have entered into wage settlement agreements with them. If we are unable to renew these wage settlement agreements or negotiate favourable terms, we could experience a material adverse effect on our business, financial condition and results of operations. We cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. In the event our employee relationships deteriorate or we experience significant labour unrest, strikes and other labour action, work stoppages could occur and there could be an adverse impact on our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

29. *We may have entered into, and will continue to enter into, related party transactions.*

In our ordinary course of business, we have entered into and continue to enter into transactions with certain related parties, including our Promoter and members of our Promoter Group, Associates, Joint Ventures, among others. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms, had such transactions been entered into with non-related parties. We cannot assure you that such transactions, individually or in the aggregate, will not materially and adversely affect our business, financial condition, results of operations and prospects. For more information regarding related party transactions, see "*Financial Statements*" on page 93.

30. ***Our ability to invest in our overseas Subsidiaries may be constrained by Indian and foreign laws, which could adversely affect our growth strategy and business prospects.***

We currently have subsidiaries incorporated in Mauritius, the British Virgin Islands, Netherlands and Indonesia. Under Indian foreign investment laws, an Indian company is permitted to invest in, or provide financial commitment to overseas wholly owned subsidiaries, not exceeding 400% of the Indian company's net worth as at the date of its last audited balance sheet (subject to certain exceptions), and any financial commitment exceeding USD 1.00 billion (or its equivalent) in a Fiscal will require prior approval of the RBI. This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee or counter guarantee issued by such Indian company. Further, there may be limitations stipulated in the host country for foreign investment. Investment or financial commitment not complying with the stipulated requirements is only permitted with prior approval of the RBI. Additionally, there are further requirements specified under the Companies Act and Indian foreign exchange laws in relation to any acquisition that we may propose to undertake in the future. These limitations on overseas direct investment could constrain our ability to invest in our existing overseas entities or acquire overseas entities or provide other forms of financial assistance or support to such entities, which may adversely affect our growth strategy and business prospects.

31. ***A portion of our hotel bookings originate from online aggregators and intermediaries. In the event such companies continue to gain market share compared to direct booking channels or our competitors are able to negotiate more favourable terms with such online aggregators and intermediaries, our business and results of operations may be adversely affected.***

Many of our hotels have contracts with operators of third-party websites and other hotel reservation intermediaries, such as online aggregators, and travel agents, to whom we pay commissions for such services, either directly (in the form of a percentage of the sale price of a room) or indirectly (by means of offering them a lower room rate that they can then on-sell at a higher rate to their customers). These third parties, including online travel agents, offer a wide breadth of services, often across multiple brands, have growing booking and review capabilities, and may create the perception that they offer the lowest prices when compared to our direct booking channels. Some of these online aggregators and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers and may seek to commoditize hotel brands through price and attribute comparison. If these intermediaries continue to develop their customer bases and the percentage of bookings at our hotels made through their systems becomes even more significant, they may be able to negotiate higher commissions, reduced room rates, or extract other significant concessions from us, which could adversely affect our margins and profitability.

In addition, due to our reliance on these online aggregators and other intermediaries, any changes to the terms and conditions of our contractual agreements with them could affect our operation and business. Further, our competitors may be able to negotiate better or more favourable terms with such online travel agents and intermediaries, impacting our hotel bookings from these channels, which in turn may adversely affect our business and results of operations.

In addition, many online intermediaries allow customers to rate and review our hotels. Any negative reviews and feedback that our hotels receive therein, including allegations of deficiencies in our services, even when false, may impact our reputation, and cause guests to choose the services of our competitors over us. Further, any incorrect information uploaded about our hotels by such intermediaries, or any failure or delay on our part in scrutinizing and rectifying, the correctness of details of our hotels posted on their platform, may adversely affect the reputation of our hotels and cause negative publicity.

32. ***There is outstanding litigation against our Company and our Subsidiaries which if determined adversely, could affect our business and results of operations.***

As on the date of this Letter of Offer, our Company and our Subsidiaries are involved in certain outstanding litigation which is pending at different levels of adjudication before various courts, tribunals, forums and appellate authorities. We cannot assure you that these legal proceedings will be decided in our favour. Decisions in proceedings adverse to our interests may have a significant, adverse effect on our business, management, financial condition, results of operations and cash flows. In the event of any adverse outcome in a tax proceeding, moreover, we may be required to pay the disputed amounts along with applicable interest and penalty and may also incur additional tax incidence going forward.

A summary of pending material proceedings involving our Company and our Subsidiaries involving moral turpitude or criminal liability, material violations of statutory regulations, economic offences where proceedings have been initiated, as well as other material proceedings, as identified by our Company pursuant to the materiality policy adopted by our Board is provided below:

(in ₹ million, unless otherwise specified)

| Sr. No. | Type of Proceedings | Number of cases | Amount to the extent quantifiable |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------|
| I. | Litigation involving our Company | | |
| A. | Proceedings involving moral turpitude or criminal liability on our Company | - | - |
| B. | Proceedings involving material violations of statutory regulations by our Company | - | - |
| C. | Matters involving economic offences where proceedings have been initiated against our Company | - | - |
| D. | Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company | 5 | 748.72 |
| | Total | 5 | 748.72 |
| II. | Litigation involving our Subsidiaries | | |
| A. | Proceedings involving moral turpitude or criminal liability on our Subsidiaries | - | - |
| B. | Proceedings involving material violations of statutory regulations by our Subsidiaries | - | - |
| C. | Matters involving economic offences where proceedings have been initiated against our Subsidiaries | - | - |
| D. | Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company | 1 | - |
| | Total | 1 | - |

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. We cannot assure you that in matters where orders have been passed in our favour, there will be no appeal from the other parties involved or whether we can ascertain the liabilities involved in such matters at this stage unless we are impleaded in such proceedings. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long term liabilities or reduce our cash and bank balance. For further details, see section “*Outstanding Litigation and Material Developments*” on page 100.

33. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows.***

We maintain insurance policies in respect of the hotels that we own and operate, covering losses, including those arising from fire, accidents, calamities and acts of terrorism. Our properties are insured with independent third parties covering various aspects such as earthquake, fire and shock, terrorism, theft, risks to electronic equipment, losses of profit due to fire and breakdown of machinery, among others.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. It may be difficult and may take time to recover such losses from insurers. Additionally, we may not be able to recover the full amount from the insurer. There can be no assurance that our policies would be sufficient to cover all potential losses, regardless of the cause, or whether we can recover for such losses.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

34. *We face foreign exchange risks that could adversely affect our results of operations.*

Although we report our results of operations in the Indian Rupee, the foreign exchange risk arises from future commercial transactions and recognized assets or liabilities denominated in a foreign currency. We also earn foreign exchange through transactions made by our guests who arrive from overseas. As a result, we are exposed to various foreign currencies, including the US Dollar, the Euro, the Mauritius Rupee and the Australian Dollar, among others. Any fluctuation of the Indian Rupee against such foreign currencies may have a negative impact on our results of operations, as the revenue that we make may be lower in Rupee terms or the expenses that we have to incur may be higher in Rupee terms.

35. *We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.*

As of March 31, 2020, we had certain contingent liabilities not provided for, amounting to ₹ 349.87 million determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts. Further, the contingent liability of amounts disclosed in our Audited Consolidated Financial Statements represents estimates and assumptions of our management. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further information on such contingent liabilities, see “*Summary of this Letter of Offer – Contingent Liabilities*” and “*Financial Statements*” on pages 17 and 93, respectively.

EXTERNAL RISK FACTORS

Risks Relating to India

36. *A prolonged slowdown in economic growth in India or financial instability in other countries, particularly in light of the COVID-19 pandemic, could cause our business to suffer.*

The current contraction of the Indian economy could adversely affect our business, our lenders and contractual counterparties, especially if such a contraction were to be prolonged. Prior to the outbreak of the COVID-19 pandemic, the Indian economy was widely acknowledged as being in a state of slowdown, due to the high rate of inflation, the increase in the fiscal deficit and the Government’s borrowing program. The COVID-19 pandemic, along with mandatory lockdowns and other restrictions put in place by state and central Governments in response, have since had a severe disruptive impact on the Indian economy. In the aftermath of the pandemic, it is widely believed that the Indian GDP is likely to see a negative growth rate in Fiscal 2021. This is compounded by a sharp spike in unemployment rates and a widespread drop in household incomes. The pandemic has also brought severe stress into supply chains. Accordingly, the long-term impact of the pandemic is currently unclear. While the Government and the Reserve Bank of India have announced several measures to stimulate the Indian economy, there is no assurance that the Indian economy shall return to its earlier growth trajectory once the pandemic subsides, or at all.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. The COVID-19 pandemic has severely impacted the global economy, and as per the International Monetary Fund, may result in the most severe global economic downturn since the “Great Depression” in the 1930s. Across countries, various

industries have been impacted sharply, including the tourism and hospitality industries, consumer spending has shrunk sharply, and stock markets across the world have experienced unprecedented uncertainty and volatility. Major global economic centres, including the United States and the Eurozone are in recession as a result of the pandemic. While the long-term global economic impact of the COVID-19 pandemic is unclear, it is likely that there shall be a material impact on global financial markets, including reduced liquidity, significant volatility, widening of credit spreads and a lack of price transparency. In addition, investors' reactions to developments in one country may also have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Such worldwide financial instability could influence the Indian economy and could have a material adverse effect on our business, cash flows, financial condition and results of operations.

37. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease, with the most recent example being the global outbreak of COVID-19, or man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

38. ***Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects.***

The Central Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the Indian economy. Further, our business is also impacted by regulation and conditions in the various states in India where we operate. Our business, and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in central or state Government policies, taxation and other political, economic or other developments in or affecting India. Since 1991, successive Central Governments have pursued policies of economic liberalisation and financial sector reforms. Any slowdown in these demand drivers or change in Government policies may adversely impact our business and operations. Generally, a significant adverse change in the Central Government's policies could adversely affect our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline.

39. ***If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.***

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations. We cannot assure you as to what action current or future Governments will implement regarding tax incentives or excise duty benefits. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

40. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act regulates practices having an appreciable adverse effect on competition in any relevant market in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and may result in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination

of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

All agreements entered into by us could be within the purview of the Competition Act. We cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

41. ***It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.***

We are incorporated under the laws of India and a majority of our Directors and executive officers reside in India. A substantial portion of our assets, and the assets of our Directors and officers, are also located in India. As a result, you may be unable to:

- effect service of process outside of India upon us and such other persons or entities; or
- enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, United Arab Emirates, Republic of Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the USA has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

42. ***Our Company has prepared financial statements under Ind AS. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP.***

Our Financial Statements have been prepared under Ind-AS, notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies Act, 2013. No attempt has been made to reconcile any information given in this Letter of Offer to any other accounting principles or to base the information on any other accounting standards. Ind-AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Statements included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS.

43. ***Any downgrading of India's debt rating by an international rating agency could adversely affect our business and the price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

Risks Relating to the Equity Shares and this Issue

44. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of the Equity Shares are generally taxable in India. Any gain realized on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction (subject to section 112A of the Income Tax Act, 1961). The securities transaction tax will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realized on the sale of the Equity Shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of the Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long term capital gains at the rate of 10%, where the long term capital gains exceed ₹ 100,000, subject to certain exceptions in case of a resident individuals and HUF. Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019 and have come into effect from July 1, 2020.

45. ***Investors will not have the option of getting the allotment of Equity Shares in physical form.***

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see "Terms of the Issue" on page 117. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

46. ***We will not distribute the Letter of Offer, Abridged Letter of Offer and Application Form to overseas Shareholders who have not provided an address in India for service of documents.***

We will dispatch the Letter of Offer, Abridged Letter of Offer and Application Form (the “**Issue Materials**”) to shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

47. ***Fluctuations in the exchange rate between the Rupee and the U.S. dollar could have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees and subsequently converted into U.S. dollars for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The exchange rate between the Indian Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares, independent of our operating results.

48. ***You may not receive the Equity Shares that you subscribe in the Issue until 15 days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you may be allotted in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

49. ***There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on a Stock Exchange.***

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the NSE, BSE and CSE, which would adversely affect your ability to sell our Equity Shares.

50. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government’s approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities.

There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

51. ***Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.***

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

52. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is [●]), such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

53. ***There may be less information available in the Indian securities markets than in more developed securities markets in other countries.***

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be, however, less publicly available information about Indian companies than is regularly made available by public companies in more developed countries, which could adversely affect the market for our Equity Shares. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operation, on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

54. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see “Objects of the Issue” on page 69.

55. ***Our Promoter and Promoter Group may not have the ability to control or influence the outcome of matters submitted to shareholders for approval.***

As at June 30, 2020, our Promoter and the Promoter Group collectively hold 35.25% of the total share capital of our Company. As long as our Promoter and the Promoter Group do not hold the majority stake in the Company, they may not have the ability to control or influence the outcome of matters submitted to shareholders for approval, including (i) matters relating to sale of all or part of our business; (ii) mergers, acquisitions or disposals of assets; (iii) the distribution of dividends; (iv) appointment or removal of our

directors or officers; and (v) our capital structure or financing. This could materially and adversely affect our results of operations, financial condition, and cash flows.

56. ***We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.***

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

57. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company.

58. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

59. ***The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.***

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://rights.kfintech.com/eih>), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "*Terms of the Issue – Procedure for Application through the R-WAP*" on page 130. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;

- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

60. ***SEBI has recently, by way of circulars dated January 22, 2020 and May 6, 2020, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 117. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) demat suspense escrow account (namely, [●]) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

61. ***The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Rights Equity Shares until they provide details of their demat account and Rights Equity Shares are transferred to such demat account from the demat suspense account thereafter.***

The Rights Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, among others, details of their demat accounts to our Company or the Registrar within six months from the Allotment Date. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Rights Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Rights Equity Shares. For details, see “*Terms of the Issue*” on page 117.

62. ***The Eligible Equity Shareholders holding Equity Shares in physical form and who do not provide details of their demat accounts within six months of Allotment Date, may suffer loss in case of sale of their Rights Equity Shares by our Company at the prevailing market price.***

The Rights Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, among others, details of their demat accounts to our Company or the Registrar within six months from the Allotment Date. For details, see “*Terms of the Issue*” on page 117.

Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. In case of non-receipt of such details of demat account, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. Proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) may be higher or lower than the Application Money paid by such Eligible Equity Shareholders. We cannot assure you that such proceeds by way of sale of such Rights Equity Shares will be higher than the Application Money paid by you, and that you shall not suffer a loss in this regard.

Further, in case, bank accounts of the aforesaid Eligible Equity Shareholders cannot be identified due to any reason or bounce back from such bank accounts, our Company may use payment mechanisms such as cheques, demand drafts etc. to remit the proceeds of sale of the Rights Equity Shares to such Eligible Equity Shareholders. If such bank account from which Application Money was received is closed or non-operational, the sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.

63. ***Investors will be subject to market risks until our Equity Shares credited to the investor’s demat account are listed and permitted to trade.***

Investors can start trading our Equity Shares Allotted to them only after they have been credited to an investor’s demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for our Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that our Equity Shares allocated to an investor will be credited to the investor’s demat account or that trading in such Equity Shares will commence in a timely manner.

64. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in our sector, subject to satisfaction of certain conditions. Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

65. ***Overseas shareholders may not be able to participate in the Company’s future rights offerings or certain other equity issues.***

If the Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, the Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, the Company

may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless:

- a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or
- the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act.

The Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

66. *Holders of our Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

67. *Your ability to acquire and sell the Rights Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Letter of Offer.*

No actions have been taken to permit a public offering of the Rights Equity Shares offered in the Issue in any jurisdiction except India. As such, our Rights Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Rights Equity Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, see “*Notice to Investors*” and “*Other Regulatory and Statutory Disclosures – Selling Restrictions*” and “*Restrictions on Purchases and Sales*” on pages 8, 106 and 154 respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Rights Equity Shares made other than in compliance with applicable law.

SECTION III: INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution dated September 7, 2020, passed by our Board, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The following is a summary of the Issue and should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section “*Terms of the Issue*” on page 117.

| | |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rights Equity Shares being offered by our Company | Up to [●] Rights Equity Shares |
| Rights Entitlements* | [●] Rights Equity Share for every [●] Equity Shares held on the Record Date |
| Record Date | [●] |
| Issue Price | ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) |
| Face Value per Rights Equity Share | ₹ 2 |
| Dividend | Such dividend, in proportion to the amount paid-up on the Rights Equity Shares, as may be recommended by our Board and declared by our Shareholders, as per applicable law. |
| Issue Size | Up to ₹ 3,500 million [#] |
| Equity Shares subscribed, paid-up and outstanding prior to the Issue | 57,15,69,414 Equity Shares |
| Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares) | [●] Equity Shares |
| Security Codes for our Equity Shares, Rights Equity Shares and Rights Entitlements | ISIN: INE 230A01023 BSE: 500840 NSE: EIHOTEL CSE: 05 ISIN for Rights Entitlements: [●] |
| Terms of the Issue | See “ <i>Terms of the Issue</i> ” on page 117 |
| Use of Issue Proceeds | See “ <i>Objects of the Issue</i> ” on page 69 |
| Terms of Payment | The full amount of the Issue Price is payable on application |

* For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.

[#] Assuming full subscription and Allotment of the Rights Equity Shares.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Audited Consolidated Financial Statements. Our summary financial information presented below, is in ₹/ ₹ million and should be read in conjunction with the Audited Consolidated Financial Statements and the notes thereto included in the section, “Financial Information” on page 93.

SUMMARY OF CONSOLIDATED BALANCE SHEET AS AT THE YEAR ENDED MARCH 31, 2020

| (In ₹ million) | | |
|----------------------------------------------------|------------------------------------|------------------------------------|
| Particulars | As at year ended March 31, 2020 | As at year ended March 31, 2019 |
| ASSETS | | |
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 20,822.65 | 21,700.84 |
| Right-of-use-asset | 4,380.90 | - |
| Capital work-in-progress | 1,304.41 | 786.11 |
| Goodwill on consolidation | 3,701.05 | 3,398.75 |
| Other intangible assets | 80.09 | 75.58 |
| Investment property | 1,084.83 | 1,106.88 |
| Financial assets | | |
| Investments accounted for using equity method | 3,812.45 | 3,440.10 |
| Other investments | 392.92 | 362.02 |
| Other non-current financial assets | 455.07 | 407.33 |
| Tax assets (Net) | 618.15 | 787.21 |
| Deferred tax assets (Net) | 98.31 | 98.57 |
| Other non-current assets | 1,495.80 | 3,675.59 |
| Current assets | | |
| Inventories | 609.55 | 597.85 |
| Financial assets | | |
| Investments | 384.47 | 481.99 |
| Trade receivables | 2,057.27 | 2,480.58 |
| Cash and cash equivalents | 678.76 | 984.12 |
| Other bank balances | 1,612.30 | 1,425.83 |
| Other current financial assets | 76.59 | 66.69 |
| Other current assets | 853.75 | 642.03 |
| Total assets | 44,519.32 | 42,518.07 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 1,143.14 | 1,143.14 |
| Other equity | 30,222.30 | 28,790.80 |
| Total equity attributable to owners of the Company | 31,365.44 | 29,933.94 |
| Non-controlling interest | 997.31 | 886.17 |
| Total equity | 32,362.75 | 30,820.11 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Financial liabilities | | |
| Borrowings | 2,337.51 | 2,751.23 |
| Lease liabilities | 1,672.24 | - |
| Other non-current financial liabilities | 319.14 | 311.96 |
| Provisions -non-current | 330.81 | 251.03 |
| Other non-current liabilities | 11.22 | 21.54 |
| Deferred tax liabilities (Net) | 1,477.90 | 1,848.30 |
| Current liabilities | | |
| Financial liabilities | | |
| Borrowings | 1,874.14 | 2,246.57 |
| Trade payables | | |

| Particulars | As at year ended March 31, 2020 | As at year ended March 31, 2019 |
|----------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 15.32 | 0.95 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,062.37 | 2,298.18 |
| Lease liabilities | 41.17 | - |
| Other current financial liabilities | 842.63 | 761.56 |
| Tax liabilities (Net) | - | 17.22 |
| Provisions – current | 191.55 | 240.97 |
| Other current liabilities | 980.57 | 948.45 |
| Total liabilities | 12,156.57 | 11,697.96 |
| | | |
| Total equity and liabilities | 44,519.32 | 42,518.07 |

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

| (In ₹ million) | | |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Revenue from Operations | 15,962.53 | 18,108.20 |
| Other income | 784.41 | 687.87 |
| Total income | 16,746.94 | 18,796.07 |
| EXPENSES | | |
| Consumption of provisions, wines and others | 1,994.16 | 2,444.84 |
| Employee benefits expense | 4,692.18 | 4,806.93 |
| Finance costs | 556.05 | 504.41 |
| Depreciation and amortisation expense | 1,464.61 | 1,325.57 |
| Other expenses | 6,373.62 | 6,797.25 |
| Total expenses | 15,080.62 | 15,879.00 |
| PROFIT BEFORE EXCEPTIONAL ITEMS, SHARE OF NET PROFITS OF ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD AND TAX | 1,666.32 | 2,917.07 |
| Share of net profit / (loss) of associates and joint ventures accounted for using equity method | (1.44) | 122.96 |
| PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX | 1,664.88 | 3,040.03 |
| Exceptional items - profit / (loss) | (4.67) | (730.66) |
| PROFIT BEFORE TAX | 1,660.21 | 2,309.37 |
| Tax expense | | |
| Current tax | 372.39 | 862.25 |
| Deferred tax | (363.61) | (42.45) |
| PROFIT FOR THE YEAR | 1,651.43 | 1,489.57 |
| Profit attributable to: | | |
| Owners of EIH Limited | 1,488.17 | 1,315.41 |
| Non-controlling interest | 163.26 | 174.16 |
| OTHER COMPREHENSIVE INCOME / (LOSS) | | |
| A. Items that may not be reclassified to Profit or Loss | | |
| Remeasurement of Defined benefit obligations | (31.14) | (16.42) |
| Share of other comprehensive income of associate and joint ventures accounted for using the equity method | (3.35) | 0.52 |
| Recycling of foreign currency translation reserve | (28.06) | - |
| Tax relating to these Items | 9.71 | 5.01 |
| B. Items that may be reclassified to Profit or Loss | | |
| Exchange differences on translation of foreign operation | 603.66 | (5.43) |
| TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX | 550.82 | (16.32) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 2,202.25 | 1,473.25 |
| (Comprising profit and other comprehensive income for the year) | | |
| Other comprehensive income attributable to: | | |
| Owners of EIH Limited | 540.99 | (13.02) |
| Non-controlling interest | 9.83 | (3.30) |
| Total comprehensive income attributable to: | | |
| Owners of EIH Limited | 2,029.16 | 1,302.39 |
| Non-controlling interest | 173.09 | 170.86 |
| Earnings per Equity Share of ₹ 2 each (In ₹) | | |
| Basic | 2.60 | 2.30 |
| Diluted | 2.60 | 2.30 |

SUMMARY OF CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(In ₹ million)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Profit before tax | 1,660.21 | 2,309.37 |
| Adjustments for: | | |
| Share of profit of associate and joint venture | 1.44 | (122.96) |
| Depreciation and amortisation expense | 1,464.61 | 1,325.57 |
| (Gain)/loss on disposal of property, plant and equipment (net) | 47.19 | 2.67 |
| Bad debts and advances written off | 0.88 | 41.30 |
| Provision for doubtful debts / advances | 24.32 | 856.67 |
| Provisions and liabilities written back | (29.39) | (49.50) |
| (Gain)/loss on sale of investment | - | (116.83) |
| Fair value changes on equity investments measured at fair value through profit or loss | 2.13 | 0.84 |
| Dividend income classified as investing cash flows | (19.54) | (20.01) |
| Interest income classified as investing cash flows | (250.74) | (200.22) |
| Rental income from investment properties | (170.56) | (88.01) |
| Finance costs | 556.05 | 504.41 |
| Effect of exchange rate difference | 50.42 | 103.38 |
| Change in operating assets and liabilities | | |
| (Increase)/Decrease in trade receivables | 397.39 | (1,125.59) |
| (Increase)/Decrease in inventories | (10.93) | (84.56) |
| Increase/(Decrease) in trade payables | (196.38) | 417.53 |
| Increase/(Decrease) in employee benefit obligations | (8.30) | (55.51) |
| (Increase)/ Decrease in other current /non-current financial assets | (19.77) | (81.63) |
| (Increase)/Decrease in other current /non-current assets | (177.71) | 15.23 |
| Increase/(Decrease) in other current /non-current financial liabilities | 37.94 | 37.59 |
| Increase/(Decrease) in other current /non-current liabilities | 18.17 | 37.89 |
| Cash generated from operations | | |
| Income taxes paid (net of refund) | (207.07) | (883.07) |
| Net cash inflow from operating activities | 3,170.36 | 2,824.56 |
| B. Cash flow from investing activities | | |
| Payments for property, plant and equipment | (1,745.63) | (1,572.91) |
| Payments for investment property | (4.07) | - |
| Payments for intangible assets | (45.33) | (26.71) |
| Purchase of investments | (521.84) | (897.70) |
| Sale of investments | 352.55 | 181.94 |
| Proceeds from sale of property, plant and equipment | 88.17 | 20.77 |
| Changes in other bank balances | (182.53) | (338.64) |
| Dividend received | 68.16 | 56.57 |
| Interest received | 186.38 | 164.75 |
| Rental income from investment properties | 170.56 | 88.01 |
| Net cash (outflow) used in investing activities | (1,633.58) | (2,323.92) |
| C. Cash flow from financing activities | | |
| Proceeds from borrowings | | |
| Non-current borrowings | 250.00 | 0.26 |
| Current borrowings | 8.86 | 847.31 |
| Repayment of borrowings | | |
| Non-current borrowings | (472.49) | (438.81) |
| Current borrowings | (381.36) | (4.25) |
| Refund of given loan to related parties | - | 633.76 |
| Interest paid | (430.09) | (505.43) |
| Repayment of lease liabilities | (133.89) | - |
| Dividends paid | (579.08) | (584.75) |

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Tax on dividend | (104.09) | (137.58) |
| Net cash (outflow) from financing activities | (1,842.14) | (189.49) |
| Net (decrease) / increase in cash and cash equivalents | (305.36) | 311.15 |
| Cash and cash equivalents as at the beginning of the year | 984.12 | 672.97 |
| Cash and cash equivalents as at the end of the year | 678.76 | 984.12 |

GENERAL INFORMATION

Our Company was incorporated as ‘The East India Hotels Limited’ on May 26, 1949, at Kolkata, as a public limited company under the Companies Act, 1913. The name of our Company was changed to ‘EIH Limited’ with effect from November 1, 1996. For details of changes in our name and changes in the registered office of our Company, see “*History and Certain Corporate Matters*” on page 85.

Registered Office

4 Mangoe Lane
Kolkata 700 001
West Bengal, India

Corporate Office

7 Sham Nath Marg
Delhi 110 054
India

Corporate Identity Number and Registration Number of our Company

CIN: L55101WB1949PLC017981

Registration Number: 17981

Address of the Registrar of Companies

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies

234/4, 2nd Floor, 2nd MSO Building
Nizam Palace
A.J.C.B. Road,
Kolkata – 700020
West Bengal, India

Board of Directors

The following table sets out the details of our Board as of the date of this Letter of Offer:

| Name | Designation | DIN | Address |
|--------------------------|---------------------------------------------|----------|-----------------------------------------------------------------------------------|
| Prithvi Raj Singh Oberoi | Executive Chairman | 00051894 | Villa Aashiana, Kapashera, Bijwasan, Delhi – 110 037, India |
| Shib Sanker Mukherji | Executive Vice Chairman | 00103770 | 6, Landowne Place, P. O. Sarat Bose Road, Kolkata – 700 029, India |
| Vikramjit Singh Oberoi | Managing Director & Chief Executive Officer | 00052014 | Oberoi Farm, Bijwasan, Kapashera, Gurgaon Road, Delhi – 110 037, India |
| Arjun Singh Oberoi | Managing Director - Development | 00052106 | Khasra No. 160 / 2 / 1, Oberoi Farm, Bijwasan, Delhi – 110 037, India |
| Manoj Harjivandas Modi | Non-Executive Non-Independent Director | 00056207 | 26, Narayan Dabholkar Road, Mumbai, Maharashtra – 400 006, India |
| Nita Mukesh Ambani | Non-Executive Non-Independent Director | 03115198 | 39, Altamount Road, Mumbai, Maharashtra – 400 026, India |
| Anil Kumar Nehru | Independent Director | 00038849 | H. No. 71, Sector 9, Chandigarh – 160 009, India |
| Dr. Chhavi Rajawat | Independent Director | 06752959 | Kailrugji, 22-C, Gopal Bari, Off Ajmer Road, Jaipur – 302 001, India |
| Ganesh Lakshminarayan | Independent Director | 00012583 | Lakshmi Nivas, Plot No. 14C, Boat Club Road, Chennai, Tamil Nadu – 600 018, India |

| Name | Designation | DIN | Address |
|------------------------|----------------------|----------|------------------------------------------------------------------------------------|
| Rajeev Gupta | Independent Director | 00241501 | Krishna Kutir, 28 Union Park, Bandra (W), Mumbai, Maharashtra – 400 050, India |
| Sanjay Gopal Bhatnagar | Independent Director | 00867848 | 101 West 79th Street Apartment 24A, New York, NY – 10024, United States of America |
| Sudipto Sarkar | Independent Director | 00048279 | 31 Broad Street, Karaya, Kolkata, West Bengal – 700 019, India |

For further details in respect of our Directors, see “*Management - Board of Directors*” on page 88.

Company Secretary and Compliance Officer

S.N. Sridhar

7 Sham Nath Marg

Delhi 110 054

India

Telephone: +91 11 2389 0505

E-mail: sn.sridhar@oberoigroup.com

Lead Manager to the Issue

Ambit Capital Private Limited

Ambit House

449 Senapati Bapat Marg

Lower Parel

Mumbai 400 013

Maharashtra, India

Telephone: +91 22 6623 3000

E-mail: eih.rights@ambit.co

Website: www.ambit.co

Investor grievance e-mail: investorgrievance.acpl@ambit.co

Contact Person: Miraj Sampat

SEBI Registration No: INM000012379

Statement of responsibilities of the Lead Manager

Ambit Capital Private Limited is the sole Lead Manager to the Issue, and accordingly, there is no inter se allocation of responsibilities in the Issue. The details of responsibilities of the Lead Manager are as follows:

| S. No. | Activity |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc. |
| 2. | Coordination for drafting and design of the Letter of Offer as per the SEBI ICDR Regulations and SEBI Listing Regulations and completion of filings with the Stock Exchanges and SEBI. |
| 3. | Drafting and design and distribution of the Abridged Letter of Offer and Application Form. |
| 4. | Drafting, design and distribution of the Rights Entitlement Intimation. |
| 5. | Selection of various agencies connected with the Issue, namely Registrar to the Issue, Escrow Collection Bank/ Banker to the Issue, Advertising Agency, Monitoring Agency and coordination of execution of related agreements. |
| 7. | Drafting and approval of all publicity material including statutory advertisements, corporate advertisement, brochure, corporate films, etc. |
| 8. | Formulating and co-ordinating marketing strategy including, inter alia, distribution of publicity and Issue materials including application form, brochure and Letter of Offer and coordination for queries related to retail investors. |
| 9. | Submission of 1% security deposit, co-ordination with stock exchanges and formalities for use of online software, bidding terminal, mock trading etc. |
| 10. | Post-Issue activities, which shall involve essential follow-up steps including follow-up with Banker to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, finalization of the Basis of Allotment, technical rejections, listing of instruments, demat credit and |

| S. No. | Activity |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Banker to the Issue, SCSBs, etc., release of 1% security deposit |

Indian Legal Counsel to the Issue

Khaitan & Co

12th Floor, Ashoka Estate
24 Barakhamba Road
New Delhi 110 001
India

Telephone: +91 11 4151 5454

Special Purpose International Legal Counsel to the Lead Manager

Squire Patton Boggs Singapore LLP

1 Marina Boulevard
#21-01 One Marina Boulevard
Singapore 018989
Republic of Singapore

Telephone: +65 6922 8668

Registrar to the Issue

Kfin Technologies Private Limited

(formerly known as “Karvy Fintech Private Limited”)

Selenium, Tower B
Plot No 31 and 32, Financial District
Nakramguda, Serilingampally
Hyderabad, Rangareddi 500 032
Telangana, India

Telephone: +91 40 6716 2222

Email: eihltd.rights@kfintech.com

Website: www.kfintech.com

Investor grievance e-mail: einward.ris@kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No: INR000000221

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, see “*Terms of the Issue*” on page 117.

Statutory Auditors of our Company

Deloitte Haskins & Sells LLP, Chartered Accountants

7th Floor, Tower B, Building 10
DLF Cyber City, DLF Phase 2
Gurugram 122 002
Haryana, India

Telephone: +91 124 679 2000

E-mail: alchadha@deloitte.com

Firm's Registration Number: 117366W/W-100018

Peer Review Certificate Number: 009919

Experts

Our Company has received consent from its Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants through its letter dated [●], 2020 to include its name, as required under the provisions of the Companies Act, in this Letter of Offer in respect of (i) the reports issued by them, included in this Letter of Offer; and (ii) the statement of special tax benefits available to our Company, Mumtaz, Mashobra and shareholders, dated [●], 2020 in accordance with the SEBI ICDR Regulations, as an “expert” as defined under Section 2(38) of the Companies Act and such consent has not been withdrawn as of the date of this Letter of Offer. However, the term “expert” and the “consent” thereof shall not be construed to mean an “expert” and “consent”, as defined under the U.S. Securities Act.

Bankers to our Company

The Federal Bank Limited

Corporate & Institutional Banking
2nd Floor, Federal Tower, 2/2
West Patel Nagar
New Delhi 110 008
India

Telephone: +91 11 4073 3943 / +91 9819912810

E-mail: ashishkumar@federalbank.co.in

Contact Person: Ashish Kumar

Website: www.federalbank.co.in

HDFC Bank Limited

Vatika Atrium, ‘A’ Block
Golf Course Road
Sector 53
Gurugram 122 002
Haryana, India

Telephone: +91 124 466 4311

E-mail: raveesh.bhatia@hdfcbank.com

Contact Person: Raveesh Bhatia

Website: www.hdfcbank.com

The Hongkong and Shanghai Banking Corporation Limited

Institutional Plot No. 68
Sector 44
Gurugram 122 002
Haryana, India

Telephone: +91 95825 00430

E-mail: anuragpandey@hsbc.co.in

Contact Person: Anurag Pandey

Website: www.hsbc.co.in

ICICI Bank Limited

3A, Gurusaday Road
Kolkata 700 019
West Bengal, India

Telephone: +91 33 4424 8519

E-mail: prakash.bagla@icicibank.com

Contact Person: Prakash Bagla

Website: www.icicibank.com

Bankers to the Issue

ICICI Bank Limited

Capital Market Division, 1st Floor
122, Mistry Bhavan, Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai – 400 020
Maharashtra, India

Telephone: +91 22 6681 8933 / 23 / 24

E-mail: kmr.saurabh@icicibank.com

Contact Person: Saurabh Kumar

Website: www.icicibank.com

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes> as updated from time to time or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA applications from the Designated Intermediaries and updated from time to time, please refer to the above mentioned link or any such other website as may be prescribed by SEBI from time to time.

Issue Schedule

| | | |
|----------------------------------------------------------|--|-----|
| Issue Opening Date: | | [●] |
| Last Date for On Market Renunciation#: | | [●] |
| Issue Closing Date*: | | [●] |
| Finalisation of Basis of Allotment (on or about): | | [●] |
| Date of Allotment (on or about): | | [●] |
| Date of credit (on or about): | | [●] |
| Date of listing (on or about): | | [●] |

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts at least one day before the Issue Closing Date, i.e., [●]. Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. For details, see “*Terms of the Issue*” on page 117.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application, see “*Terms of the Issue*” on page 117.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at <https://rights.kfintech.com/eih> after keying in their respective details along with other security control measures implemented thereat. For details, see “*Terms of the Issue*” on page 117.

Credit Rating

As this Issue is of Equity Shares, there is no requirement of credit rating for this Issue.

Debenture Trustee

As this Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed ICICI Bank Limited as the monitoring agency, in accordance with Regulation 82 of the SEBI ICDR Regulations, to monitor the utilisation of Net Proceeds. The details of the Monitoring Agency are as follows:

ICICI Bank Limited

Capital Market Division, 1st Floor
122, Mistry Bhavan, Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai 400 020
Maharashtra, India

Telephone: +91 22 6681 8933 / 23 / 24

E-mail: kmr.saurabh@icicibank.com

Contact Person: Saurabh Kumar

Website: www.icicibank.com

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any banks or financial institution or any other independent agency.

Minimum Subscription

Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 75% of the Issue Size, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. However, if our Company receives subscription between 75% to 90% of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purposes. If there is delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are “officers in default” will pay interest for the delayed period, as prescribed under applicable laws.

Our Promoter and Promoter Group, have confirmed to subscribe to the full extent of their Rights Entitlements, as applicable, and their intention to apply for, and subscribe to, additional Rights Entitlements, and to any unsubscribed portion in this Issue, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Underwriting

This Issue is not underwritten.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange, SEBI, CSE and the NSE, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the email address: cfdil@sebi.gov.in.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Letter of Offer is as provided below:

| <i>(in ₹ million, except share data)</i> | | | |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------|
| | | Aggregate value at face value | Aggregate value at Issue Price |
| 1 | AUTHORISED SHARE CAPITAL | | |
| | 1,50,00,00,000 Equity Shares of ₹ 2 each | 3,000.00 | Not applicable |
| 2 | ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THIS ISSUE | | |
| | 57,15,69,414 Equity Shares of ₹ 2 each | 1,143.14 | Not applicable |
| 3 | PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽¹⁾ | | |
| | [•] Rights Equity Shares, each at a premium of ₹ [•] per Rights Equity Share, i.e., at a price of ₹ [•] per Rights Equity Share | [•] | 3,500 |
| 4 | ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THIS ISSUE⁽²⁾ | | |
| | [•] Equity Shares of ₹ 2 each | [•] | Not applicable |
| SECURITIES PREMIUM ACCOUNT | | | |
| Before this Issue | | 12,373.41 | |
| After this Issue | | [•]* | |

⁽¹⁾ This Issue has been authorised by a resolution passed by our Board at its meeting held on September 7, 2020, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

⁽²⁾ Assuming full subscription for and Allotment of the Rights Equity Shares.

* Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue expenses.

Notes to the Capital Structure

1. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

(i) The shareholding pattern of our Company as on June 30, 2020, is as follows:

| Category (I) | Category of shareholder (II) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Deposit Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|-----------------|-----------------------------------------|----------------------------------|----------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|---------------|--------------|-----------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of (A+B+C) | | | | | No (a) | As a % of total Share s held (b) | No (a) | As a % of total Share s held (b) | |
| | | | | | | | | Class eg: X | Class eg:y | Total | | | | | | | | | | |
| (A) | Promoter & Promoter Group | 14 | 20,14,58,239 | - | - | 20,14,58,239 | 35.25 | 20,14,58,239 | | 20,14,58,239 | 35.25 | - | - | - | 35.25 | - | - | - | - | 20,14,58,239 |
| (B) | Public | 60,566 | 37,01,11,175 | - | - | 37,01,11,175 | 64.75 | 37,01,11,175 | | 37,01,11,175 | 64.75 | - | - | - | 64.75 | - | - | - | - | 36,47,09,050 |
| (C) | Non Promoter- Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 60,580 | 57,15,69,414 | - | - | 57,15,69,414 | 100 | 57,15,69,414 | | 57,15,69,414 | 100.00 | - | - | - | 100 | - | - | - | - | 56,61,67,289 |

(ii) Statement showing shareholding pattern of the Promoters and Promoter Group as on June 30, 2020 is as follows:

| Sr. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|------------------|------------------------------------------------------------|----------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------|--------------|-------------------------------------|-----------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|---------------------------------------------------------|---------------------------------|-----------------------------------------------------------|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of Total Voting rights | | | | | No. | As a % of total Shares held (b) | No. | As a % of total Shares held (b) | |
| | | | | | | | | Class eg: X | Class eg : y | Total | | | | | | | | | | |
| (1) | Indian | | | | | | | | | | | | | | | | | | | |
| (a) | Individuals/Hindu undivided Family | 5 | 2,99,89,233 | - | - | 2,99,89,233 | 5.25 | 2,99,89,233 | | 2,99,89,233 | 5.25 | - | - | - | 5.25 | - | - | - | - | 2,99,89,233 |
| | Vikrmajit Singh Oberoi | | 51,27,325 | - | - | 51,27,325 | 0.90 | 51,27,325 | | 51,27,325 | 0.90 | - | - | - | 0.90 | - | - | - | - | 51,27,325 |
| | P R S Oberoi | | 3,07,610 | - | - | 3,07,610 | 0.05 | 3,07,610 | | 3,07,610 | 0.05 | - | - | - | 0.05 | - | - | - | - | 3,07,610 |
| | Arjun Singh Oberoi | | 64,50,258 | - | - | 64,50,258 | 1.13 | 64,50,258 | | 64,50,258 | 1.13 | - | - | - | 1.13 | - | - | - | - | 64,50,258 |
| | Deepak Madhok | | 90,11,677 | - | - | 90,11,677 | 1.58 | 90,11,677 | | 90,11,677 | 1.58 | - | - | - | 1.58 | - | - | - | - | 90,11,677 |
| | Shib Sanker Mukherji | | 90,92,363 | - | - | 90,92,363 | 1.59 | 90,92,363 | | 90,92,363 | 1.59 | - | - | - | 1.59 | - | - | - | - | 90,92,363 |
| (b) | Central Government/ State Government(s) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Financial Institutions/ Banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Any Other (specify) | 9 | 17,14,69,006 | - | - | 17,14,69,006 | 30.00 | 17,14,69,006 | | 17,14,69,006 | 30.00 | - | - | - | 30.00 | - | - | - | - | 17,14,69,006 |
| | Oberoi Buildings & Investments Private Limited | | 1,80,61,376 | - | - | 1,80,61,376 | 3.16 | 1,80,61,376 | | 1,80,61,376 | 3.16 | - | - | - | 3.16 | - | - | - | - | 1,80,61,376 |
| | Oberoi Investments Private Limited | | 2,81,50,008 | - | - | 2,81,50,008 | 4.93 | 2,81,50,008 | | 2,81,50,008 | 4.93 | - | - | - | 4.93 | - | - | - | - | 2,81,50,008 |
| | Oberoi Hotels Private Limited | | 8,36,46,328 | - | - | 8,36,46,328 | 14.63 | 8,36,46,328 | | 8,36,46,328 | 14.63 | - | - | - | 14.63 | - | - | - | - | 8,36,46,328 |
| | Bombay Plaza Private Limited | | 19,13,190 | - | - | 19,13,190 | 0.33 | 19,13,190 | | 19,13,190 | 0.33 | - | - | - | 0.33 | - | - | - | - | 19,13,190 |
| | Oberoi Properties Private Limited | | 31,14,340 | - | - | 31,14,340 | 0.54 | 31,14,340 | | 31,14,340 | 0.54 | - | - | - | 0.54 | - | - | - | - | 31,14,340 |
| | Oberoi Holdings Private Limited | | 3,34,38,993 | - | - | 3,34,38,993 | 5.85 | 3,34,38,993 | | 3,34,38,993 | 5.85 | - | - | - | 5.85 | - | - | - | - | 3,34,38,993 |
| | Oberoi Leasing & Finance Company Pvt Ltd | | 21,52,365 | - | - | 21,52,365 | 0.38 | 21,52,365 | | 21,52,365 | 0.38 | - | - | - | 0.38 | - | - | - | - | 21,52,365 |
| | Aravali Polymers LLP | | 2,82,015 | - | - | 2,82,015 | 0.05 | 2,82,015 | | 2,82,015 | 0.05 | - | - | - | 0.05 | - | - | - | - | 2,82,015 |
| | Oberoi Plaza Private Ltd | | 7,10,391 | - | - | 7,10,391 | 0.12 | 7,10,391 | | 7,10,391 | 0.12 | - | - | - | 0.12 | - | - | - | - | 7,10,391 |
| Sub-Total (A)(1) | | 14 | 20,14,58,239 | - | - | 20,14,58,239 | 35.25 | 20,14,58,239 | | 20,14,58,239 | 35.25 | - | - | - | 35.25 | - | - | - | - | 20,14,58,239 |
| (2) | Foreign | | | | | | | | | | | | | | | | | | | |
| (a) | Individuals (NonResident Individuals/ Foreign Individuals) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (b) | Government | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Foreign Portfolio Investor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------------------------------------|---------------------|----|--------------|---|---|--------------|-------|--------------|---|--------------|-------|---|---|---|-------|---|---|---|---|--------------|
| (e) | Any Other (specify) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(2) | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2) | | 14 | 20,14,58,239 | | | 20,14,58,239 | 35.25 | 20,14,58,239 | | 20,14,58,239 | 35.25 | | | | 35.25 | | | | | 20,14,58,239 |

(iii) Statement showing shareholding pattern of the public shareholders of our Company as on June 30, 2020 is as follows:

| Sr. No. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlyin g Depositor y Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Sharehold ing as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+ C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underly ing Outstan ding converti ble securiti es (X) | No. of Share s Underlyin g Outst andin g Warran ts (Xi) (a) | No. Of Shares Underly ing Outstan ding converti ble securiti es and No. Of Warran ts (Xi) (a) | Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialize d form (XIV) |
|---------|----------------------------------------------------------------|----------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------------------|----------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------|--------------|--------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|---------------------------------------------------------|----------------------------------|------------------------------------------------------------|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of Total Votin g rights | | | | | N o. (a) | As a % of total Sha res held (b) | N o. (a) | As a % of total Shar es held (b) | |
| | | | | | | | | Class eg: X | Cla ss eg : y | Total | | | | | | | | | | |
| (1) | Institutions | | | | | | | | | | | | | | | - | - | - | | |
| (a) | Mutual Funds | 11 | 6,10,19,000 | - | - | 6,10,19,000 | 10.68 | 6,10,19,000 | | 6,10,19,000 | 10.68 | - | - | - | 10.68 | - | - | - | - | 6,10,19,000 |
| | Reliance Capital Trustee Co. Ltd - A/c Nippon India Value fund | | 2,25,83,055 | - | - | 2,25,83,055 | 3.95 | 2,25,83,055 | | 2,25,83,055 | 3.95 | - | - | - | 3.95 | - | - | - | - | 2,25,83,055 |
| | L&T Mutual Fund Trustee Limited - L&T Emerging Business | | 1,47,51,534 | - | - | 1,47,51,534 | 2.58 | 1,47,51,534 | | 1,47,51,534 | 2.58 | - | - | - | 2.58 | - | - | - | - | 1,47,51,534 |
| | HDFC Trustee Company Ltd A/C - HDFC Children's Gift Fund | | 1,10,76,400 | - | - | 1,10,76,400 | 1.94 | 1,10,76,400 | | 1,10,76,400 | 1.94 | - | - | - | 1.94 | - | - | - | - | 1,10,76,400 |
| | Sundaram Mutual Fund A/C Sundaram Service Fund | | 77,31,246 | - | - | 77,31,246 | 1.35 | 77,31,246 | | 77,31,246 | 1.35 | - | - | - | 1.35 | - | - | - | - | 77,31,246 |
| (b) | Venture Capital Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Alternate Investment Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (e) | Foreign Portfolio Investors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (f) | Financial Institutions/ Banks | 13 | 1,60,527 | - | - | 1,60,527 | 0.03 | 1,60,527 | | 1,60,527 | 0.03 | - | - | - | 0.03 | - | - | - | - | 1,51,667 |
| (g) | Insurance Companies | 8 | 2,83,90,434 | - | - | 2,83,90,434 | 4.97 | 2,83,90,434 | | 2,83,90,434 | 4.97 | - | - | - | 4.97 | - | - | - | - | 2,83,90,434 |
| | Life Insurance Corporation of India | | 89,41,332 | - | - | 89,41,332 | 1.56 | 89,41,332 | | 89,41,332 | 1.56 | - | - | - | 1.56 | - | - | - | - | 89,41,332 |
| | General Insurance Corporation of India | | 88,15,795 | - | - | 88,15,795 | 1.54 | 88,15,795 | | 88,15,795 | 1.54 | - | - | - | 1.54 | - | - | - | - | 88,15,795 |
| | The New India Assurance Company Limited | | 58,84,279 | - | - | 58,84,279 | 1.03 | 58,84,279 | | 58,84,279 | 1.03 | - | - | - | 1.03 | - | - | - | - | 58,84,279 |
| (h) | Provident Funds/ Pension Funds | | | - | - | | | | | | | - | - | - | | - | - | - | - | - |
| (i) | Any Other (specify) | 74 | 1,96,13,429 | - | - | 1,96,13,429 | 3.43 | 1,96,13,429 | | 1,96,13,429 | 3.43 | - | - | - | 3.43 | - | - | - | - | 1,96,13,429 |
| | Sub-Total (B)(1) | 106 | 10,91,83,390 | - | - | - | 19.10 | 10,91,83,390 | | 10,91,83,390 | 19.10 | - | - | - | - | - | - | - | - | 10,91,37,105 |
| (2) | Central Government/ State Government(s)/ President of India | | | | | | | | | | | | | | | | | | | |
| | Sub-Total (B)(2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (3) | Non-institutions | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------|---------------------|---|---|--------------|--------------|---------------------|---|---------------------|--------------|---|---|---|--------------|---|---|---|---|---------------------|
| (a(i)) | Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | 58,583 | 4,67,95,042 | - | - | 4,67,95,042 | 8.19 | 4,67,95,042 | - | 4,67,95,042 | 8.19 | - | - | - | 8.19 | - | - | - | - | 4,15,46,583 |
| (a(ii)) | Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | 17 | 62,35,567 | - | - | 62,35,567 | 1.09 | 62,35,567 | - | 62,35,567 | 1.09 | - | - | - | 1.09 | - | - | - | - | 62,35,567 |
| (b) | NBFCs registered with RBI | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (e) | Any Other (specify) | 1,860 | 20,78,97,176 | - | - | 20,78,97,176 | 36.37 | 20,78,97,176 | - | 20,78,97,176 | 36.37 | - | - | - | 36.37 | - | - | - | - | 20,77,89,795 |
| | Reliance Strategic Business Ventures Limited | | 10,59,07,273 | - | - | 10,59,07,273 | 18.53 | 10,59,07,273 | - | 10,59,07,273 | 18.53 | - | - | - | 18.53 | - | - | - | - | 10,59,07,273 |
| | ITC Limited | | 8,56,21,473 | - | - | 8,56,21,473 | 14.98 | 8,56,21,473 | - | 8,56,21,473 | 14.98 | - | - | - | 14.98 | - | - | - | - | 8,56,21,473 |
| | Russel Credit Limited | | 65,56,551 | - | - | 65,56,551 | 1.15 | 65,56,551 | - | 65,56,551 | 1.15 | - | - | - | 1.15 | - | - | - | - | 65,56,551 |
| Sub-Total (B)(3) | | 6,0460 | 26,09,27,785 | | - | - | 45.65 | 26,09,27,785 | - | 26,09,27,785 | 45.65 | - | - | - | 45.65 | - | - | - | - | 25,55,71,945 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B)(3) | | 6,0566 | 37,01,11,175 | | - | - | 64.75 | 37,01,11,175 | - | 37,01,11,175 | 64.75 | - | - | - | 64.75 | - | - | - | - | 36,47,09,050 |

(iv) Statement showing shareholding pattern of the non-Promoter and non-public shareholder of our Company as on June 30, 2020 is as follows:

| Sr. No. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------|-------|-----------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------|---------------------------------------------------------|-----------|-----------------------------------------------------------|---------------------------------|
| | | | | | | | | No of Voting (XIV) Rights | | | | | | | Total as a % of Total Voting rights | N o. (a) | As a % of total Shares held (b) | N o. (a) | | As a % of total Shares held (b) |
| | | | | | | | | Class eg: X | Class eg : y | Total | | | | | | | | | | |
| (1) | Custodian/DR Holder - Name of DR Holders (If Available) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (2) | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Non Promoter- Non Public Shareholding (C)= (1)+ (2) | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

2. No Equity Shares have been acquired by our Promoters or member of the Promoter Group in the last one year immediately preceding the date of this Letter of Offer.

3. No Equity Shares held by our Promoters or members of our Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

4. **Details of options and convertible securities outstanding as on the date of this Letter of Offer**

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.

5. **Subscription to this Issue by our Promoters and Promoter Group**

Our Promoter and Promoter Group, have confirmed to subscribe, to the full extent of their Rights Entitlements, as applicable, and have also confirmed that they shall not renounce their Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of any other member(s) of the Promoter and Promoter Group, and in compliance with applicable laws). Our Promoters have also confirmed their intention to apply for, and subscribe to, additional Rights Entitlements, and to any unsubscribed portion in this Issue, as may be required, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations, SEBI Takeover Regulations such that our Company receives at least the Minimum Subscription required for the Issue Size under applicable laws.

The acquisition of Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

6. The ex-rights price of the Rights Equity Shares, as computed in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations, is ₹ [●] per Equity Share.

7. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up. For details on the terms of this Issue, see “*Terms of the Issue*” on page 117.

8. At any given time, there shall be only one denomination of the Equity Shares.

9. **Details of the Shareholders holding more than 1% of the issued and paid-up Equity Share capital**

The table below sets forth details of shareholders of our Company holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on June 30, 2020:

| Sr. No | Name of Shareholder | Number of Equity Shares held | Percentage of Equity Shares held (%) |
|-------------------------------------------------|------------------------------------------------|------------------------------|--------------------------------------|
| Promoter and Promoter Group Shareholders | | | |
| 1 | Oberoi Hotels Private Limited | 8,36,46,328 | 14.63 |
| 2 | Oberoi Holdings Private Limited | 3,34,38,993 | 5.85 |
| 3 | Oberoi Investments Private Limited | 2,81,50,008 | 4.93 |
| 4 | Oberoi Buildings & Investments Private Limited | 1,80,61,376 | 3.16 |
| 5 | Shib Sanker Mukherji | 90,92,363 | 1.59 |
| 6 | Deepak Madhok | 90,11,677 | 1.58 |
| 7 | Arjun Singh Oberoi | 64,50,258 | 1.13 |
| Public Shareholders | | | |
| 1 | Reliance Strategic Business Ventures Limited | 10,59,07,273 | 18.53 |

| Sr. No | Name of Shareholder | Number of Equity Shares held | Percentage of Equity Shares held (%) |
|--------------|----------------------------------------------------------------|------------------------------|--------------------------------------|
| 2 | ITC Limited | 8,56,21,473 | 14.98 |
| 3 | Reliance Capital Trustee Co Limited - Nippon India Value Fund | 2,25,83,055 | 3.95 |
| 4 | L&T Mutual Fund Trustee Limited - L&T Emerging Businesses Fund | 1,47,51,534 | 2.58 |
| 5 | HDFC Trustee Company Limited - HDFC Children's Gift Fund – I | 1,10,76,400 | 1.94 |
| 6 | Life Insurance Corporation of India | 89,41,332 | 1.56 |
| 7 | General Insurance Corporation of India | 88,15,795 | 1.54 |
| 8 | Sundaram Mutual Fund - Sundaram Services Fund | 77,31,246 | 1.35 |
| 9 | Russell Credit Limited | 65,56,551 | 1.15 |
| 10 | The New India Assurance Company Limited | 58,84,279 | 1.03 |
| Total | | 47,08,47,266 | 83.16 |

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from this Issue towards the following objects:

1. Repayment/ prepayment in full or in part, of borrowings availed by our Company; and
2. General corporate purposes.

(Collectively, referred to herein as the “**Objects of the Issue**”)

The objects, as stated in our Memorandum of Association, enables our Company to undertake (i) our existing activities; (ii) the activities for which the funds are being raised by our Company through this Issue; and (iii) the activities for which the borrowings proposed to be repaid/ prepaid from the Net Proceeds, were utilized.

Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

| (In ₹ million) | |
|----------------------------------------|--------|
| Particulars | Amount |
| Gross Proceeds from this Issue* | 3,500 |
| Less: Estimated Issue related expenses | [●] |
| Net Proceeds | [●] |

*Assuming full subscription and Allotment of the Rights Equity Shares.

Requirement of funds and utilisation of Net Proceeds

The proposed utilization of the Net Proceeds by our Company is set forth in the table below:

| (In ₹ million) | |
|--------------------------------------------------------------------------------|------------|
| Particulars | Amount |
| Repayment/ prepayment in full or in part, of borrowings availed by our Company | [●] |
| General corporate purposes* | [●] |
| Total Net Proceeds** | [●] |

* Subject to the finalization of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds. In case subscription received in the Issue is less than 100% of the Issue but equal to or more 90% of the Issue, the amounts to be utilized towards each of the objects above would be subject to proportionate reduction to the extent of the reduction in the Net Proceeds. However, in case, subscription received is less than 90% of the Issue but equal to or more than 75% of the Issue, then our Company shall utilise the amount allocated for repayment of certain borrowings of our Company in its entirety and the remaining Net Proceeds, if any, shall be utilised towards general corporate purposes.

** Assuming full subscription and Allotment of the Rights Equity Shares.

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, Promoter Group, Directors, Key Managerial Personnel, as identified by our Company or group companies.

Means of Finance

The funding requirements mentioned above are based on our Company’s internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment or interest rate fluctuations. We intend to finance the Objects of the Issue from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Further, our Company’s funding requirements and deployment schedules for the reduction of outstanding borrowings as stated hereinabove, are subject to revision in the future at the discretion of our management. If additional funds are required for the purposes mentioned above, such requirement may be met through various options including through internal accruals of our Company, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, our

Company may reallocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws.

Details of the Objects of the Issue

The details in relation to Objects of the Issue are set forth herein below.

1. Repayment/ prepayment in full or in part, of borrowings availed by our Company

Our Company has entered into various financing arrangements including borrowings in the form of short term loans, long term loans and working capital demand loans, among others. These arrangements include a mix of secured and unsecured loans.

As at August 31, 2020, our total borrowings (current and non-current borrowings including current maturities of non-current borrowings, excluding lease liability as per Ind AS 116) amounted to ₹ 5,395.82 million. For details of the total borrowings in the last three fiscals, see “*Summary of Letter of Offer – Summary of Financial Information*” on page 15. Our Company proposes to utilize an aggregate amount of ₹ [●] million from the Net Proceeds towards full or partial repayment/ prepayment of certain borrowings availed by our Company.

The selection of borrowings proposed to be prepaid, repaid (earlier or scheduled) out of the borrowings provided below, shall be based on various factors including (i) cost of the borrowings to our Company, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements; (iii) intimating the lenders prior to undertaking the Issue, wherever necessary; (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. Payment of interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the Net Proceeds.

The repayment/ prepayment of loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness, debt-servicing costs and improve our debt to equity ratio. In addition, we believe that the improved debt to equity ratio will enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business.

The amounts outstanding against the loans disclosed below may vary from time to time, in accordance with the amounts drawn down, repayment, pre-payment and the prevailing interest rates. In addition to the above, we may, from time to time, enter into fresh financing arrangements with banks and financial institutions. In such cases or in case any of the borrowings proposed to be repaid/ pre-paid out of Net Proceeds, are repaid, refinanced or pre-paid or further drawn-down or freshly drawn-down, within existing limits or enhanced limits, prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment or pre-payment of the additional borrowings. Some of the below mentioned working capital facilities can be re-borrowed / rolled over. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional borrowings availed, if any or otherwise), in part or full, would not exceed ₹ [●] million. The amounts proposed to be prepaid and / or repaid against each borrowing facility below is indicative and our Company may utilize the Net Proceeds to prepay and / or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and / or repayment. The following table provides details of certain borrowings availed by our Company as on August 31, 2020, out of which we propose to prepay or repay, in full or in part, from the Net Proceeds:

| (₹ in million) | | | | | |
|----------------------|---------------------------------------------------------------|-------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------|
| Name of the Lender | Nature of the borrowing | Sanctioned amount | Principal amount outstanding as at August 31, 2020* | Repayment Date / Schedule | Purpose for which the loan was sanctioned* |
| Federal Bank Limited | Working capital demand loan | 1,500.00 | 1,250.00 | A maximum of 12 months from the date of drawal. | Meeting working capital requirements. |
| HDFC Bank Limited | Cash credit (with a working capital demand loan as sub-limit) | 500.00 | 150.00 | (For working capital demand loan sub-limit) November 27, 2020 | Meeting working capital requirements. |
| | Dropline Overdraft | 1,000.00 | 399.31 | 30% at the end of the 13 th month from the first date of disbursement, 30% at the end | Meeting working capital requirements. |

| Name of the Lender | Nature of the borrowing | Sanctioned amount | Principal amount outstanding as at August 31, 2020* | Repayment Date / Schedule | Purpose for which the loan was sanctioned* |
|---------------------------------------------------|------------------------------------------------------------------|-------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | of the 14 th month from the first date of disbursement, and the balance at the end of the 15 th month from the first date of disbursement. | |
| Hongkong and Shanghai Banking Corporation Limited | Various (including a working capital demand loan as a sub-limit) | 300.00 | 271.68 | (For working capital demand loan sub-limit) December 23, 2020 | Meeting working capital requirements. |
| ICICI Bank Limited | Short term loan | 1,000.00 | 500.00 | Within 365 days of the date of drawal of each tranche. | Meeting working capital requirements. |
| | Rupee term loan | 2,035.70 | 2,035.70 | To be repaid within 66 months from the date of first drawdown, through 18 equal quarterly instalments, starting from the end of 15 months from the first drawdown date. | Takeover of a term loan facility availed from HSBC Bank, normal capital expenditure and reimbursement of normal capital expenditure incurred in the last 6 months prior to the date of sanction of the term loan. |
| | Overdraft facility (with a short term loan as sub-limit) | 400.00 | 278.76 | (For short term loan sub-limit) To be repaid within a period of 180 days from the date of disbursement. | Meeting working capital requirements. |
| | Rupee term loan | 750.00 | 500.00 | To be repaid within 5.25 years from the date of first drawdown, through 19 equal quarterly instalments, starting from the end of the third quarter from the first drawdown date. | Takeover of a term loan facility availed from RBL Bank and/or capital expenditure and reimbursement of capital expenditure incurred in the last six months prior to the date of sanction of the loan. |
| Punjab National Bank [^] | Working capital demand loan | 800.00 | 10.37 | A maximum of 180 days from the date of drawal. | Meeting working capital requirements. |

* Ray & Ray, Chartered Accountants, pursuant to their certificate dated [●], 2020 have confirmed that these borrowings have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.

MCLR: Marginal cost of funds-based lending rate.

[^] Formerly United Bank of India.

2. General corporate purposes

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (i) funding growth opportunities, including strategic initiatives; (ii) acquiring assets, such as furniture and fixtures, vehicles, and intangibles; (iii) meeting any expenses incurred in the ordinary course of business by the Company, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (iv) working capital requirement (v) repair, maintenance, renovation and upgradation of our existing hotels; (vi) servicing of borrowings including payment of interest; (vii) brand building and other marketing expenses; (viii) meeting of exigencies which our Company may face in the course of any business; and (ix) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling

the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Deployment of funds

The following table provides for the proposed deployment of funds to be raised at Application after deducting Issue related expenses.

(In ₹ million)

| Particulars | Proposed schedule for deployment of the Net Proceeds in Fiscal 2021 |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Repayment/ prepayment in full or in part, of borrowings availed by our Company | [●] |
| General corporate purposes | [●] |
| Total | [●] |

The above-stated proposed deployment of funds from the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, interest or exchange rate fluctuations. In the event, our Company does not utilize the monies stated herein above in the current Fiscal, the same would be utilized in the next Fiscal.

Estimated Issue Related Expenses

The total expenses of this Issue are estimated to be ₹ [●] million. The break-up of the Issue expenses is as follows:

(unless otherwise specified, in ₹ million)

| Sr. No. | Particulars | Amount | Percentage of total estimated Issue expenditure (%) | Percentage of Issue Size (%) |
|------------------------------------------------|-----------------------------------------------------------------------------------|------------|-----------------------------------------------------|------------------------------|
| 1. | Fee of the Lead Manager | [●] | [●] | [●] |
| 2. | Fee of the Registrar to the Issue | [●] | [●] | [●] |
| 3. | Fee to the legal advisors, other professional service providers and statutory fee | [●] | [●] | [●] |
| 4. | Advertising, marketing expenses, shareholder outreach, etc. | [●] | [●] | [●] |
| 5. | Fees payable to regulators, including depositories, Stock Exchanges and SEBI | [●] | [●] | [●] |
| 6. | Other expenses (including miscellaneous expenses and stamp duty) | [●] | [●] | [●] |
| Total estimated Issue related expenses* | | [●] | [●] | [●] |

** Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue received at the time of receipt of Application Money.*

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends and will deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board.

Monitoring utilization of funds from the Issue

Our Company has appointed ICICI Bank Limited as the Monitoring Agency for this Issue. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds and the Monitoring Agency will submit its report to our Board in terms of Regulation 82 of the SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) along with relevant details for all the amounts that have not been utilized and will indicate instances, if any, of unutilized Net Proceeds in our balance sheet for the relevant Fiscals post receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 82(4) of the SEBI ICDR Regulations and Regulation 32 of the SEBI Listing Regulations, our Company shall, within 45 days from the end of each quarter, publicly disseminate the report of the Monitoring Agency on our website as well as submit the same to the Stock Exchanges, including the statement indicating deviations, if any, in the use of proceeds from the Objects of the Issue stated above. Such statement of deviation shall be placed before our Audit Committee for review, before its submission to Stock Exchanges. The Monitoring Agency shall submit its report to our Company, on a quarterly basis, until at least 95% of the proceeds of this Issue, excluding the proceeds raised for general corporate purposes, have been utilized.

Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated above and place it before our Audit Committee, until such time the full money raised through this Issue has been fully utilized. The statement shall be certified by the Statutory Auditors of our Company. Our Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate

Appraising entity

None of the Objects of the Issue, for which the Net Proceeds will be utilized, have been appraised.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Interest of Promoter, Promoter Group and Directors, as applicable to the Objects of the Issue

No part of the proceeds of this Issue will be paid by our Company to our Promoter, our Promoter Group or our Directors.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO EIH LIMITED (“THE COMPANY”), ITS CERTAIN MATERIAL SUBSIDIARIES (NAMESLY, “MUMTAZ HOTELS LIMITED AND MASHOBRA RESORT LIMITED”) AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA

September XX, 2020

To
The Board of Directors
EIH Limited,
4, Mangoe Lane
Kolkata - 700 001
West Bengal, India

Subject: Statement of Special tax benefits (“the Statement”) available to EIH LIMITED (“the Company”), its certain Material Subsidiaries (Namely, “MUMTAZ HOTELS LIMITED and MASHOBRA RESORT LIMITED”) and the shareholders of the Company in connection with the proposed rights issue of equity shares of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 2018, as amended (“Regulations”)

Dear Sirs,

We have been requested by the Company to issue a report on the special tax benefits available to the Company, its certain material subsidiaries (as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended) namely, (i) MUMTAZ HOTELS LIMITED and (ii) MASHOBRA RESORT LIMITED (collectively, “Certain Material Subsidiaries”) and its shareholders attached for inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company (the “Issue”). The Statement has been prepared by the management of the Company and stamped by us for identification purpose only.

The statement showing the current position of special tax benefits available to the Company, its Certain Material Subsidiaries and the shareholders of the Company as per the provisions of Income-tax Act 1961 (“IT Act”) and Indirect Tax Regulations (which are defined in Annexure I, together, the “Tax laws”) as amended by Finance Act, 2020, i.e. applicable for the assessment year AY 2021-22 relevant to the financial year 2020-21 for inclusion in the Letter of Offer (“LOF”) for the proposed issue of rights shares is annexed herewith.

These possible special tax benefits are dependent on the Company, its Certain Material Subsidiaries and the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding Tax laws. Hence, the ability of the Company, its Certain Material Subsidiaries and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company and its Certain Material Subsidiaries may face in the future and accordingly, the Company, its Certain Material Subsidiaries and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or its Certain Material Subsidiaries or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure II are based on the information and explanations obtained from the Company and its Certain Material Subsidiaries. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- (i) The Company or its Certain Material Subsidiaries or the shareholders of the Company will continue to obtain these benefits in future;
- (ii) The conditions prescribed for availing the benefits have been/would be met;
- (iii) The revenue authorities/courts will concur with the views expressed herein.

The statement is intended solely for information and the inclusion in the Letter of Offer in connection with the proposed rights issue of equity shares of the Company and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Offer Letter.

Limitation

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company and/or its certain material subsidiaries for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company, its Certain Material Subsidiaries and any other person in respect of this Statement, except as per applicable law.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha
Partner
(Membership No. 93474)
(UDIN : _____)

Place:

Date:

ANNEXURE I

LIST OF INDIRECT TAX REGULATIONS

| S. No. | Details of Tax Laws |
|--------|-------------------------------------------------------------------------|
| 1. | Central Goods and Services Tax Act, 2017 and Rules framed thereunder |
| 2. | Integrated Goods and Services Tax Act, 2017 and Rules framed thereunder |
| 3. | Foreign Trade Policy and Handbook of Procedures |
| 4. | Customs Act, 1962 |
| 5. | State Industrial Incentive Policies |

ANNEXURE – II

STATEMENT OF TAX

The information provided below sets out the possible direct and indirect tax benefits in the hands of EIH Limited (“EIH” or “the Company”), its certain material subsidiaries namely, (i) MUMTAZ HOTELS LIMITED and (ii) MASHOBRA RESORT LIMITED (collectively, “Certain Material Subsidiaries”) and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current tax laws presently in force in India. Several of these benefits are dependent upon their fulfilling the conditions prescribed under the relevant direct and indirect tax laws. Hence, the ability of the Company, its Certain Material Subsidiaries and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company or its Certain Material Subsidiaries may face in the future and accordingly, the Company, its Certain Material Subsidiaries and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or its certain material subsidiaries or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

The tax benefits stated below are as per the Income-tax Act, 1961 (“IT Act”) as amended from time to time and applicable for financial year 2020-21 relevant to assessment year 2021-22 (AY 2021-22) and Indirect Tax Regulations as amended from time to time and applicable for financial year 2020-21.

A. SPECIAL TAX BENEFITS UNDER THE IT ACT IN THE HANDS OF EIH LIMITED, ITS CERTAIN MATERIAL SUBSIDIARIES AND THE SHAREHOLDERS OF THE COMPANY

Special tax benefits available to the Company and its Certain Material Subsidiaries under IT Act

(i) Lower corporate tax rate under section 115BAA

A new section 115BAA has been inserted in the IT Act by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their ‘book profits’ under section 115JB of the IT Act.

However, such a company will no longer be eligible to avail specified exemptions/ incentives under the IT Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The tax expenses are recognised in the Statement of Profit and Loss of EIH Limited and Mumtaz Hotels Limited, for the year ended March 2020 by applying the tax rate as prescribed in section 115BAA of the IT Act.

Mashobra Resort Limited, can, at its discretion, opt to be governed by the concessional tax regime under section 115BBA in the future.

(ii) Donation to Prime Minister’s Citizens Assistance and Relief in Emergency Situations Fund (“PM CARES Fund”)

Deduction to the extent of 100% of the donation amount is allowed for certain specified contributions/ donations under section 80G.

Keeping in mind the need for having a dedicated national fund with the primary objective of dealing with any kind of emergency or distress situation, like the one posed by the COVID-19 pandemic and to provide relief to the affected,

a public charitable trust under the name of 'Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES FUND)' has been set up.

Donations to PM CARES Fund would qualify for 100% deduction under section 80G, subject to other conditions. The Central Board of Direct Taxes vide notification 35/2020 dated 24-06-2020 has extended the 'due date' for making donations to claim deduction under section 80G to 31st July, 2020 for FY 2019-20 (A.Y. 2020-21).

(iii) CSR expenditure claimed as deduction u/s 80G

The expenditure incurred on account of Corporate Social Responsibility ("CSR") under the mandatory requirement of the Companies Act, 2013 fulfilling the conditions for deduction under section 80G of IT Act is an allowable deduction.

The Company is eligible to exercise the above option.

Special tax benefits available to the shareholders under IT Act

Up to 31st March, 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax, and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, dividend received by a shareholder on or after 1st April, 2020 is liable to tax in the hands of the shareholder.

There are no special tax benefits available to the shareholders (other than resident corporate shareholder) of the Company under the provisions of the Act.

With respect to a resident corporate shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

B. SPECIAL TAX BENEFITS UNDER THE INDIRECT TAX REGULATIONS IN THE HANDS OF EIH LIMITED AND ITS SHAREHOLDERS

Special tax benefits available to the Company and its subsidiaries under Indirect tax regulations

(i) Export Promotion Capital Goods (EPCG) Scheme

Under the EPCG scheme of the Central Government, a service provider or a manufacturer may import capital goods without payment of Customs duty, subject to the condition that such person fulfills an export obligation equivalent to 6 times of the duties, taxes and cess saved on capital goods, which is to be fulfilled in 6 years from the date of issue of authorisation. Capital goods include any plant, machinery, equipment or accessories required directly or indirectly for rendering of services.

The Company and its subsidiaries, as a service provider of hotel accommodation may avail and enjoy the benefits under this scheme by importing capital goods without payment of duty subject to fulfillment of export obligations.

(ii) Input tax credit availment for restaurant or outdoor catering services:

Under the Central Goods and Services Tax Act, 2017 and Rules framed thereunder and Integrated Goods and Services Tax Act, 2017 and Rules framed thereunder (collectively, "GST regime"), a service provider supplying Restaurant or Outdoor catering services has to charge GST at the rate of 5% on the consideration charged for provision of such services, with the condition that no Input tax credit of GST paid on procurement of goods (including capital goods) and services is allowed, even though such goods or services are used for providing the said services. Accordingly, the GST paid on procurement becomes a cost to the business of such service providers.

On the other hand, special dispensation with respect to availment of input tax credit has been provided for hotels where declared tariff of any unit (room) is equal to or more than INR 7500. Under GST law, a service provider supplying restaurant or outdoor catering services at such hotels have to charge GST @ 18%, however, the service provider is allowed to take input tax credit of GST paid on procurement of goods (including capital goods) and services used for provision of such services.

Since the hotels of the Company and its subsidiaries are engaged in providing restaurant and outdoor catering services and the declared tariff of any of its unit is more than INR 7,500, the hotels are allowed to avail input tax credit of GST paid on procurement of goods (including capital goods) and services used for provision of their services. Therefore, the cost of procurement for such hotels is relatively lesser, as the GST paid on procurement is available as input tax credit.

(iii) State Industrial Incentive Policies

Various State Governments including Rajasthan, Uttar Pradesh, Odisha, Karnataka, etc. to generate economic growth and revenue in their state, have issued State Industrial policies, which provide special incentives and benefits to manufacturers and service sector enterprises, investing in their state. Tourism and hospitality sector, is also one of the service sectors which has been covered under these industrial policies or through a separate tourism policy which provides fiscal incentives to such enterprises making investments in the respective state. The fiscal incentives generally include:

- Capital investment subsidy capped at a certain limit is provided by the State Government to the concerned enterprises providing hotel accommodation services
- Interest subsidy on loans
- Exemption/ concession from payment of stamp duty on sale/lease/ transfer of land
- Employment generation subsidy in the form of reimbursement of employers' contribution towards employees Employee's provident fund (EPF) and Employee's State insurance (ESI)
- Waiver of land conversion charges
- Allotment of land at concessional rates for setting up tourism units
- Subsidy in payment of state taxes
- Other benefits linked to employment generation

The State incentives mentioned above vary from state to state and also depend upon various factors such as the value of investments made by an enterprise as a new unit or expansion of the existing unit, area of establishment etc. The Company and its subsidiaries, running and operating hotels, may avail and enjoy the fiscal incentives provided in the state policies if it plans for setting up a new unit or expanding an existing unit, subject to the conditions specified in the incentive policies of the respective states.

Special Tax benefits to the Shareholders under the Indirect Tax Regulations

No special tax benefits are available to the Shareholders of the Company under the Indirect Tax regulations.

Note: For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the Indirect Tax Regulations.

Note:

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

For and on behalf of the Board of Directors

EIH Limited

Name: Kallol Kundu

Designation: Chief Financial Officer

Date:

Place:

9 September 2020

To:
The Board of Directors
EIH Holdings Limited
Commerce House, Wickhams Cay 1,
Road Town, Tortola, British Virgin Islands.

SUB: STATEMENT OF POSSIBLE SPECIAL TAX BENEFIT (THE “STATEMENT”) AVAILABLE TO EIH HOLDINGS LTD PREPARED TO COMPLY WITH THE REQUIREMENTS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).

We have performed the procedures agreed with you and as set forth below with respect to the Statement of Special Tax Benefits Available to EIH Holdings Ltd (the “**Company**”) under laws in relation to direct and indirect taxes as set out in attached Annexure.

Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Statement as at 31 March 2020.

Had we performed additional procedures or had we performed an audit or review of the special direct tax benefits in accordance with International Standards on Auditing or International Standards on Review Engagements or had we performed assurance procedures in accordance with International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

We hereby give consent to include this Statement in the Letter of Offer to be filed with the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited by EIH Limited in relation to the proposed rights issue of its equity shares, and in any other material used in connection with the rights issue. Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to items specified above and do not extend to any financial statements of the Company, taken as a whole.

Public Accountants and Chartered Accountants

[•] July 2020

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO EIH HOLDINGS LTD. (THE “COMPANY”) PREPARED BY THE COMPANY

1. Special tax benefits available to the Company

All Business Companies are statutorily exempt from taxes in British Virgin Islands. Accordingly, the income of the Company is exempt from taxes.

Bill Bailey
Tax Partner
EY/BB

NOTES:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. This statement is intended only to provide general information and is neither designed nor intended to be a substitute for professional tax advice.

Our views are based on the existing provisions of law in British Virgin Islands and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

9 September, 2020

To:
The Board of Directors
EIH International Ltd.
Commerce House, Wickhams Cay 1,
Road Town, Tortola, British Virgin Islands.

SUB: STATEMENT OF POSSIBLE SPECIAL TAX BENEFIT (THE “STATEMENT”) AVAILABLE TO EIH INTERNATIONAL LTD PREPARED TO COMPLY WITH THE REQUIREMENTS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).

We have performed the procedures agreed with you and as set forth below with respect to the Statement of Special Tax Benefits Available to EIH International Ltd (the “**Company**”) under laws in relation to direct and indirect taxes as set out in attached Annexure.

Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Statement as at 31 March 2020.

Had we performed additional procedures or had we performed an audit or review of the special direct tax benefits in accordance with International Standards on Auditing or International Standards on Review Engagements or had we performed assurance procedures in accordance with International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

We hereby give consent to include this Statement in the Letter of Offer to be filed with the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited by EIH Limited in relation to the proposed rights issue of its equity shares, and in any other material used in connection with the rights issue. Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to items specified above and do not extend to any financial statements of the Company, taken as a whole.

Public Accountants and Chartered Accountants

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO EIH INTERNATIONAL LTD. (THE “COMPANY”) PREPARED BY THE COMPANY

1. Special tax benefits available to the Company

All Business Companies are statutorily exempt from taxes in British Virgin Islands. Accordingly, the income of the Company is exempt from taxes.

Bill Bailey
Tax Partner
EY/BB

NOTES:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. This statement is intended only to provide general information and is neither designed nor intended to be a substitute for professional tax advice.

Our views are based on the existing provisions of law in British Virgin Islands and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV: ABOUT OUR COMPANY

HISTORY AND CORPORATE STRUCTURE

Brief history of our Company

Our Company was originally incorporated as 'The East India Hotels Limited' on May 26, 1949, at Kolkata, as a public limited company under the Companies Act, 1913 and a certificate of incorporation was granted to our Company by the Registrar of Joint Stock Companies, West Bengal. Our Company obtained the certificate of commencement of business on May 26, 1949. The name of our Company was changed to 'EIH Limited' pursuant to a resolution of our Shareholders dated November 1, 1996 and a fresh certificate of incorporation consequent upon such change of name was issued by the RoC on November 1, 1996.

The Equity Shares of our Company were listed on the CSE on March 3, 1957. Subsequently, the Equity Shares of our Company were listed on the BSE and NSE on May 11, 1966 and February 8, 1995, respectively.

Changes to the address of our registered office

The details of changes in the registered office of our Company are set forth below:

| Date of Change of Registered Office | Details of the Address of Registered Office | Reason(s) for Change |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| September 20, 1970 | Registered office of our Company was changed from 17 Jawaharlal Nehru Road, Calcutta 700 013, West Bengal, India to 4 Mangoe Lane, Calcutta 700 001, West Bengal, India | To assist our Company in mechanising its accounting system and tightening various controls. |

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are as follows:

- (1) To acquire by purchase, lease, exchange or otherwise, land, buildings and hereditaments of any tenure or description situate in any place in India or outside India and any estate or interest therein, and any rights over or connected with land so situate and to turn the same to account as may seem expedient and in particular by preparing building sites and by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining office, flats, houses, hotels, restaurants, shops, factories, warehouses, wharves, buildings, works and conveniences of all kinds and by consolidating or connecting or subdividing properties and by leasing and disposing of same.
- (2) To carry on the business of hotel, restaurant, cafe, tavern, beer house, restaurant room and lodging house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, maltsters, distillers and manufacturers of aerated, mineral and artificial waters and other drinks, purveyors, caterers for public amusements generally, coach, cab, carriage and motor car proprietors, livery, stable and garage keeper, jobmasters, farmers, dairy-men, ice merchants, importers and brokers of food live and dead stock colonial and foreign produce of all descriptions, hairdressers, perfumers, chemists, proprietor of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusement, recreation, sport, entertainment and instruction of all kinds, tobacco and cigar merchants, agents for railway and shipping companies, and carriers, theatrical and opera-box office proprietors and general agents, and any other business which can be conveniently carried on in connection therewith.
- (3) To manage land, buildings and other properties situate as aforesaid, whether belonging to the Company or not and to collect rents and income, and to supply tenants and occupiers and others, refreshments, attendance, messages, light, waiting rooms, reading rooms, meeting rooms, lavatories, laundry conveniences, electric conveniences, stables and other advantages.
- (4) To carry on business of advisers and/or consultants on problems and matters relating to the planning, construction, reconstruction, development, improvement, operation, management, administration, organisation, finance, quality control, personnel, patent, invention, model, design, secret formula or process

or similar property right or information concerning any (ii) hotel or hotels, trade or business and other relative business and all systems or process relating to production, storage, distribution, sale of goods and/or relating to rendering specialised services including technical know-how and services, to engage in and carry on research into all matters, and methods, techniques relating to manufacture, finance, personnel and industrial and business management and distribution, marketing and selling, to collect, prepare and distribute information and statistics relating to any type of hotel or hotels as may be considered desirable for or beneficial to all or any of the Company's objects or any person or body corporate having objects similar to those of the Company and to render all such other services as may be ancillary or incidental to any of the foregoing matters and problems but as do not fall within the scope of the office of managing agents or secretaries and treasurers of a company as defined by the Companies Act, 2013.

- (5) To carry on the trades or business of manufacturers, importers, exporters of and dealers in chemicals, minerals, mineral oils, gases, including petroleum and petroleum products.
- (6) To carry on the trades or business of manufacturers, importers and exporters of all types of containers of plastic, glass, stainless steel, copper, aluminium and steel containers and also to manufacture, export, import and deal in chinaware, glassware, ceramic tiles and porcelainware.
- (7) To prospect, examine, search for explore, develop, maintain, process, make and conduct all kinds of studies, researches, reports, tests, drilling and exploration, to sink shafts or wells, mines, raise, dig, pump out, crush, win, get, open, work, quarry, extract mineral oils, ores, gases, chemicals, other mineral properties, substances in all their branches, to produce, treat, manipulate, refine, dress, amalgamate and to purchase, sell, import, export and otherwise deal in or with mineral oils, mineral ores, gases, chemicals, mineral properties, works or other substances and properties from time to time in the possession of the Company, in any manner deemed desirable; to erect, all necessary or convenient refineries, mills, machinery, laboratories, workshops, dwelling-houses for workmen and others, and other buildings, works and appliances, and to aid in or subscribe towards or subsidise any such objects, either jointly or solely with others and either absolutely or conditionally.
- (8) To carry on the business of oil, mechanical and water supply and general engineers and contractors, smiths, millwrights, mechanists, manufacturers and converters of iron, steels and other ferrous and non-ferrous metals, foundry products, metal castings, equipments, machinery, implements, tools, accessories, components, spare parts, apparatus and other articles and things and as merchants and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in or with machinery, implements, rolling stock and hardware.
- (9) To carry on the business of rendering or providing technical and managerial know-how, consultancy services and to assist in and to render any other services including for and in connection with planning, developing, constructing, working, maintaining, modernising, improving, developing and/or managing industrial factories and other allied business in India and abroad.
- (10) To organize, sponsor, promote, establish, conduct and undertake and carry on scientific and industrial research and development in any manner whatsoever in any area or field and to encourage and foster education of persons in pure and applied science, to carry out the above objects to establish and maintain laboratories, pilot plants, workshops and libraries.
- (11) To purchase or acquire either by lease or otherwise and lease and/or let out on lease, hire, or otherwise, grant licences over, sell, exchange, surrender, mortgage, charge, turn to account, hold, dispose of, and deal with, property, rights, interests, and privileges of all kinds and descriptions and in particular concessions, options, contracts, patents, annuities, plant, machinery, tools, implements, equipment, apparatus, accessories, furniture, fixtures, raw material, goods, articles, commodities and merchandise of all kinds, business concerns, undertakings and claims of all kinds and to provide such facilities for the occupiers, or users thereof as are commonly used by any manufacturing, industrial or non-industrial or trading and service unit or units and in that connection to import and purchase any machinery, implements, materials, articles and stores and to do all things for developing the resources of the property, estates and lands by clearing, draining, fencing, cultivating, planning, manuring, farming or by any other manner as the Company may think best.
- (12) To engage in the business of consultants, architects, scientific advisers, technical collaborations, designers, Contract and Project Management Consultancy and as Contractors in construction projects in India and

abroad and to render all services to the Construction Industry such as project management, computer aided design, cost and time control systems, project finance services, procurement services and the various time control systems, and the various technologies and expertise relating to the Construction Industry, and to carry out in India or outside India contract and project management of complex projects in all fields such as hotels, housing, hospitals, office buildings, holiday resorts, amusement parks, various industrial projects, pipelines, transmission lines, water supply and sewage treatment plants, thermal energy and energy saving, pollution control and other projects by making the design and supervising the construction process by integrating the various functions and activities on turnkey or any other basis as desired by the clients; and also to buy and sell designs, plans and specifications of the Construction Industry, buildings, works, plants, machinery, tools, appliances, apparatus and equipment to buy and sell the know-how of the process of manufacture, particularly in relation to building and construction industry and for water supply, waste management, urban maintenance, pollution control, thermal energy and energy saving and related business activities.

The main objects as contained in our Memorandum of Association enable our Company to carry on our existing businesses.

Major events and milestones

The table below sets forth some of the major events and milestones of our Company:

| Fiscal | Particulars |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1949 | Our Company was promoted and incorporated by Rai Bahadur Mohan Singh Oberoi and Oberoi Hotels (India) Limited |
| 1968 | By a scheme of merger approved by the Calcutta High Court, The Associated Hotels of India Limited and, Hotels (1938) Private Limited merged into our Company. By virtue of the merger, our Company acquired The Oberoi Grand, Kolkata, Maidens Hotel, Delhi and The Oberoi Cecil, Shimla, among others. |
| 1957 | The equity shares of our Company were first listed on the CSE. |
| 1979 | Bonus issue of equity shares of our Company of ₹ 10 each in the ratio of one new equity shares for every five equity shares held by our Shareholders. |
| 1984 | Bonus issue of equity shares of our Company of ₹ 10 each in the ratio of two new equity shares for every five equity shares held by our Shareholders. |
| 1992 | Bonus issue of equity shares of our Company of ₹ 10 each in the ratio of one new equity shares for every five equity shares held by our Shareholders. |
| 1996 | Change of name of our Company from 'The East India Hotels Limited' to 'EIH Limited'. Bonus issue of equity shares of our Company of ₹ 10 each in the ratio of one new equity share for every two equity shares held by our Shareholders. |
| 1997 | Commencement of operations at The Oberoi, Rajvilas, a hotel managed by our Company. |
| 2006 | Sub-division in the face value of our equity shares from ₹ 10 to ₹ 2 each. Bonus issue of Equity Shares in the ratio of one new equity shares for every two equity shares held by our Shareholders. |
| 2008 | Establishment of EIH Flight Services Limited, Mauritius, as a wholly owned subsidiary of our Company. |
| 2011 | Commencement of operations at The Oberoi, Gurgaon Rights Issue of 17,86,15,442 Equity Shares at a price of ₹ 66 per Equity Shares for an aggregate amount of ₹ 11,788.62 million in the ratio of 5 Equity Shares for every 11 fully paid Equity Shares held for repayment of debt, construction and commissioning of flight kitchen at New Delhi and general corporate purposes. |
| 2016 | Commencement of operations at The Oberoi, Sukhvilas Resort and Spa, a property managed by our Company. |
| 2019 | Commencement of operations at The Oberoi, Marrakech. |

Corporate structure of our Company

As per Ind AS, as of June 30, 2020, our Company has 10 Subsidiaries, three Associates and two Joint Ventures. Our Company does not have a holding company.

OUR MANAGEMENT

Board of Directors

Our Articles of Association provide that the minimum number of Directors shall be three and the maximum number of Directors shall be 12, unless otherwise determined by our Company in a general meeting. The composition of the Board and the various committees of the Board are in conformity with Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations. As of the date of this Letter of Offer, our Board of Directors comprises of 12 Directors including four Executive Directors, two Non-Executive Non-Independent Directors and six Independent Directors (including one woman Independent Director).

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each.

The following table sets forth details regarding our Board of Directors as of the date of this Letter of Offer:

| Sr. No. | Name, designation, date of birth, term, period of directorship, DIN, occupation and address | Age (in years) | Other directorships |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Prithvi Raj Singh Oberoi <i>Designation:</i> Executive Chairman <i>Date of Birth:</i> February 3, 1929 <i>Term:</i> Five years, with effect from June 27, 2017 to June 26, 2022 <i>Period of Directorship:</i> Since March 30, 1961 <i>DIN:</i> 00051894 <i>Occupation:</i> Business <i>Address:</i> Villa Aashiana, Kapashera, Bijwasan, Delhi – 110 037, India | 91 | <i>Indian companies:</i> <ol style="list-style-type: none"> Mumtaz Hotels Limited Bombay Plaza Private Limited Oberoi Leasing and Finance Co Private Limited Oberoi Plaza Private Limited Oberoi Holdings Private Limited Oberoi Properties Private Limited Oberoi Buildings and Investments Private Limited Oberoi Investments Private Limited Oberoi Hotels Private Limited EIH Associated Hotels Limited <i>Foreign companies:</i> <ol style="list-style-type: none"> EIH Holdings Limited EIH International Limited Island Resort Limited Oberoi Holdings Hong Kong Limited Oberoi Mauritius Limited Saudi Oberoi Company Limited EIH Flight Services Limited La Roseaie De L'atlas SA |
| 2. | Shib Sanker Mukherji <i>Designation:</i> Executive Vice Chairman <i>Date of Birth:</i> July 18, 1948 <i>Term:</i> Five years with effect from June 27, 2017 until June 26, 2022 <i>Period of Directorship:</i> Since May 28, 1999 <i>DIN:</i> 00103770 <i>Occupation:</i> Service <i>Address:</i> 6, Landowne Place, P. O. Sarat Bose Road, Kolkata – 700 029, India | 72 | <i>Indian companies:</i> <ol style="list-style-type: none"> Oberoi Properties Private Limited Oberoi Buildings and Investments Private Limited Oberoi Investments Private Limited EIH Associated Hotels Limited <i>Foreign companies:</i> <ol style="list-style-type: none"> EIH Flight Services Limited |

| Sr. No. | Name, designation, date of birth, term, period of directorship, DIN, occupation and address | Age (in years) | Other directorships |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. | <p>Vikramjit Singh Oberoi</p> <p><i>Designation:</i> Managing Director & Chief Executive Officer</p> <p><i>Date of Birth:</i> December 8, 1963</p> <p><i>Term:</i> Five years with effect from July 1, 2019 until June 30, 2024.</p> <p><i>Period of Directorship:</i> Since December 15, 1993</p> <p><i>DIN:</i> 00052014</p> <p><i>Occupation:</i> Business</p> <p><i>Address:</i> Oberoi Farm, Bijwasan, Kapashera, Gurgaon Road, Delhi – 110 037, India</p> | 56 | <ol style="list-style-type: none"> 1. Vikramaditya Exports Private Limited 2. Mumtaz Hotels Limited 3. Mercury Car Rentals Private Limited 4. Bombay Plaza Private Limited 5. Oberoi Leasing and Finance Co Private Limited 6. Oberoi Plaza Private Limited 7. Oberoi Holdings Private Limited 8. Oberoi Properties Private Limited 9. Oberoi Buildings and Investments Private Limited 10. Oberoi Investments Private Limited 11. Oberoi Hotels Private Limited 12. EIH Associated Hotels Limited 13. Oberoi Kerala Hotels and Resorts Limited 14. Mashobra Resort Limited |
| 4. | <p>Arjun Singh Oberoi</p> <p><i>Designation:</i> Managing Director - Development</p> <p><i>Date of Birth:</i> December 21, 1966</p> <p><i>Term:</i> Five years with effect from July 1, 2019 until June 30, 2024.</p> <p><i>Period of Directorship:</i> Since December 5, 1993</p> <p><i>DIN:</i> 00052106</p> <p><i>Occupation:</i> Business</p> <p><i>Address:</i> Khasra No. 160 / 2 / 1, Oberoi Farm, Bijwasan, Delhi – 110 037, India</p> | 53 | <ol style="list-style-type: none"> 1. Mashobra Resort Limited 2. Oberoi Kerala Hotels and Resorts Limited 3. Oberoi Hotels Private Limited 4. Oberoi Investments Private Limited 5. Oberoi Buildings and Investments Private Limited 6. Oberoi Properties Private Limited 7. Oberoi Holdings Private Limited 8. Oberoi Plaza Private Limited 9. Oberoi Leasing and Finance Co Private Limited 10. Bombay Plaza Private Limited 11. Mumtaz Hotels Limited 12. Oberoi Lutyens Private Limited |
| 5. | <p>Manoj Harjivandas Modi</p> <p><i>Designation:</i> Non-Executive Non-Independent Director</p> <p><i>Date of Birth:</i> July 3, 1957</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since October 31, 2011</p> <p><i>DIN:</i> 00056207</p> <p><i>Occupation:</i> Service</p> <p><i>Address:</i> 26, Narayan Dabholkar Road, Mumbai, Maharashtra – 400 006, India</p> | 63 | <ol style="list-style-type: none"> 1. Reliance Jio Infocomm Limited 2. Reliance Retail Ventures Limited 3. Jio Platforms Limited |
| 6. | <p>Nita Mukesh Ambani</p> <p><i>Designation:</i> Non-Executive Non-Independent Director</p> <p><i>Date of Birth:</i> November 1, 1962</p> | 57 | <ol style="list-style-type: none"> 1. Reliance Industries Limited 2. Reliance Foundation 3. Football Sports Development Limited 4. Reliance Foundation Institution of Education and Research |

| Sr. No. | Name, designation, date of birth, term, period of directorship, DIN, occupation and address | Age (in years) | Other directorships |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since October 31, 2011</p> <p><i>DIN:</i> 03115198</p> <p><i>Occupation:</i> Philanthropist</p> <p><i>Address:</i> 39, Altamount Road, Mumbai, Maharashtra – 400 026, India</p> | | |
| 7. | <p>Anil Kumar Nehru</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> May 2, 1941</p> <p><i>Term:</i> Five years with effect from April 1, 2019 until March 31, 2024</p> <p><i>Period of Directorship:</i> Since November 23, 2002</p> <p><i>DIN:</i> 00038849</p> <p><i>Occupation:</i> Service</p> <p><i>Address:</i> H. No. 71, Sector 9, Chandigarh – 160 009, India</p> | 79 | <ol style="list-style-type: none"> 1. EIH Associated Hotels Limited 2. Ayurvet Limited |
| 8. | <p>Dr. Chhavi Rajawat</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> January 4, 1977</p> <p><i>Term:</i> Five years with effect from October 30, 2017 until October 29, 2022</p> <p><i>Period of Directorship:</i> Since October 30, 2017</p> <p><i>DIN:</i> 06752959</p> <p><i>Occupation:</i> Public service</p> <p><i>Address:</i> Kailrugji, 22-C, Gopal Bari, Off Ajmer Road, Jaipur – 302 001, India</p> | 43 | Mumtaz Hotels Limited |
| 9. | <p>Ganesh Lakshminarayan</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> March 18, 1954</p> <p><i>Term:</i> Fixed term of five years with effect from August 6, 2019 until August 5, 2024</p> <p><i>Period of Directorship:</i> Since January 30, 2008</p> <p><i>DIN:</i> 00012583</p> <p><i>Occupation:</i> Business</p> | 66 | <ol style="list-style-type: none"> 1. Rane Brake Lining Limited 2. Rane (Madras) Limited 3. Chennai Heritage 4. Rane NSK Steering Systems Private Limited 5. Rane TRW Steering Systems Private Limited 6. EIH Associated Hotels Limited 7. Rane Engine Valve Limited 8. Rane Holdings Limited 9. Sundaram Finance Limited 10. Chennai Willigdon Corporate Foundation |

| Sr. No. | Name, designation, date of birth, term, period of directorship, DIN, occupation and address | Age (in years) | Other directorships |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Address: Lakshmi Nivas, Plot No. 14C, Boat Club Road, Chennai, Tamil Nadu – 600 028, India | | |
| 10. | <p>Rajeev Gupta</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> March 19, 1958</p> <p><i>Term:</i> Fixed term of five years with effect from August 6, 2019 until August 5, 2024</p> <p><i>Period of Directorship:</i> Since November 1, 2012</p> <p><i>DIN:</i> 00241501</p> <p><i>Occupation:</i> Business</p> <p>Address: Krishna Kutir, 28 Union Park, Bandra (W), Mumbai, Maharashtra – 400 050, India</p> | 62 | <ol style="list-style-type: none"> 1. Arpwood Capital Private Limited 2. Vardhman Special Steels Limited 3. SBFC Finance Private Limited 4. T.V. Today Network Limited 5. United Spirits Limited 6. TVS Capital Funds Private Limited 7. Rane Holdings Limited |
| 11. | <p>Sanjay Gopal Bhatnagar</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> August 29, 1961</p> <p><i>Term:</i> Five years with effect from August 27, 2019 to August 26, 2024</p> <p><i>Period of Directorship:</i> Since August 27, 2019</p> <p><i>DIN:</i> 00867848</p> <p><i>Occupation:</i> Service</p> <p>Address: 101 West 79th Street, Apartment 24A, New York, NY – 10024, United States of America</p> | 59 | <p><i>Indian companies:</i></p> <ol style="list-style-type: none"> 1. Metropolis Healthcare Limited 2. Bhatnagar Estates Limited <p><i>Foreign companies:</i></p> <ol style="list-style-type: none"> 3. Tango Publishing Incorporated |
| 12. | <p>Sudipto Sarkar</p> <p><i>Designation:</i> Independent Director</p> <p><i>Date of Birth:</i> March 21, 1946</p> <p><i>Term:</i> Fixed term of five years with effect from October 30, 2019 until October 29, 2024</p> <p><i>Period of Directorship:</i> Since October 30, 2014</p> <p><i>DIN:</i> 00048279</p> <p><i>Occupation:</i> Professional</p> <p>Address: 31 Broad Street, Karaya, Kolkata, West Bengal – 700 019, India</p> | 74 | <p><i>Indian companies:</i></p> <ol style="list-style-type: none"> 1. Turf Properties Private Limited 2. Vesuvius India Limited 3. Triveni Engineering and Industries Limited 4. Indivar Commercial Private Limited 5. EIH Associated Hotels Limited <p><i>Foreign companies:</i></p> <ol style="list-style-type: none"> 6. EIH International Limited |

Note: While the appointment of Sanjay Gopal Bhatnagar was recommended by the nomination and remuneration committee of our Company on March 28, 2019, in view of a delay in receipt of mandatory security clearance from the DGCA, there was a delay of over five months in his appointment, during which the Company did not have the required number of Independent Directors. Accordingly, the BSE and NSE have imposed a fine of ₹ 0.34 million and ₹ 10,000 respectively on our Company, for non-compliance with the provisions of the SEBI Listing Regulations in relation to the composition of our Board. Subsequently, in terms of the 'Policy for Exemption of Fines Levied as per the Provisions of SEBI SOP Circular' ("Carve Out Policy"), issued by the Stock Exchanges for waiver of such fines, the NSE, vide a letter dated

February 5, 2020, has waived the fine imposed by it. Our Company has represented to the BSE that since such non-compliance by our Company was due to the pending approval of the DGCA, no fine may be levied on our Company, in terms of the Carve Out Policy.

Relationship between Directors

Except than the relationship between Prithvi Raj Singh Oberoi and Vikramjit Singh Oberoi, who are father and son respectively, and between the both of them and Mr. Arjun Singh Oberoi, who is respectively their nephew and cousin, none of our Directors are related to each other.

Confirmations

1. None of our Directors is or was a director of any listed company during the last five years immediately preceding the date of filing of this Letter of Offer, whose shares have been or were suspended from being traded on any stock exchanges, during the term of their directorship in such company.
2. None of our Directors is or was a director of any listed company which has been or was delisted from the stock exchanges, during the term of their directorship in such company, in the last 10 years immediately preceding the date of filing of this Letter of Offer.

Service contracts with our Directors for benefits upon termination

Except as disclosed below, no service contracts have been entered into by any Director with our Company providing for benefits upon their termination of employment as of the date of this Letter of Offer:

1. In terms of an agreement dated March 29, 2017 between our Company and Shib Sanker Mukherji, in the event such agreement is terminated other than for an inability, neglect or refusal by Shib Sanker Mukherji to perform his duties, he shall be entitled to receive payment by way of compensation for loss of office for the remainder of his term, which shall not be less than the maximum sum payable for loss of office in terms of Section 202 of the Companies Act, 2013.
2. In terms of an agreement dated May 30, 2019 between our Company and Arjun Singh Oberoi, in the event such agreement is terminated other than for an inability, neglect or refusal by Arjun Singh Oberoi to perform his duties, or in the event he ceases to be a director other than due to a violation of the eligibility conditions set out under Section 164 of the Companies Act, 2013, he shall be entitled to receive payment by way of compensation for loss of office for the remainder of his term, subject to a cap of thirty six months' remuneration, calculated on the basis of the average remuneration earned by him in the three years preceding the date of termination of the agreement.
3. In terms of an agreement dated May 30, 2019 between our Company and Vikramjit Singh Oberoi, in the event such agreement is terminated other than for an inability, neglect or refusal by Vikramjit Singh Oberoi to perform his duties, or in the event he ceases to be a director other than due to a violation of the eligibility conditions set out under Section 164 of the Companies Act, 2013, he shall be entitled to receive payment by way of compensation for loss of office for the remainder of his term, subject to a cap of thirty six months' remuneration, calculated on the basis of the average remuneration earned by him in the three years preceding the date of termination of the agreement.

Arrangement or understanding with major shareholders, customers, suppliers or others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which our Company has appointed a Director as of the date of this Letter of Offer.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

| Sr. No. | Particulars | Page No. |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 1. | The auditors' report and the audited consolidated financial statements as at and for the year ended March 31, 2020. | F - 1 |
| 2. | The independent auditor's review report and the unaudited interim consolidated financial results for the three months ended June 30, 2020. | F - 79 |

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INDEPENDENT AUDITOR'S REPORT

To
The Members of EIH Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of EIH Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

Material uncertainty related to Going Concern of a Subsidiary Company

With regard to one of the subsidiaries, i.e. EIH Flight Services Limited (EIHFSL), Mauritius, the other audit, as referred to in the Other Matters section below, has in their audit report dated May 06, 2020 on the subsidiary's financial statements for the year ended March 31, 2020 reported a material uncertainty related to going concern, as EIHFSL has incurred a net loss of INR 34.03 million during the year ended March 31, 2020 and, as of that date, has a shareholder's deficit of INR 156.52 million and its total liabilities exceeded total assets. These events or conditions, along with other matters as set forth in Note 54, indicate that a material uncertainty exists that may cast significant doubt on the EIHFSL's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditors' Response |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <p>Impairment of Goodwill relating to EIH International Limited (EIL)</p> <p>EIL, a subsidiary, is audited by component auditors. Note 4B, of the consolidated financial statements includes goodwill amounting to INR 3,577.84 million pertaining to EIL.</p> <p>As detailed in the above note, Management has carried out a valuation considering various factors and assumptions through an external specialist, and concluded that the recoverable value of goodwill was higher than the carrying value.</p> <p>Due to the multitude of factors and assumptions involved in determining the forecasted revenues/ cash flows and discount rate in the projection period, significant judgments are required to estimate the recoverable value.</p> <p>Hence this is considered as a key audit matter</p> | <p>Principal audit procedures performed:</p> <ul style="list-style-type: none">• We have understood and tested the design, implementation and operating effectiveness of the management controls over the assessment and conclusion over the impairment evaluation with regard to the goodwill arising from consolidation.• We had discussions with the component auditors in regard to the impairment evaluation of goodwill pertaining to EIL. Also, we have sent out referral instructions to the component auditors and evaluated the responses received from them. The procedures performed by the component auditors and which were evaluated by us are as follows:• Component audit team have received the external management specialist's valuation report of EIH International Limited (EIL), and considered as part of their impairment testing over the Goodwill and other assets of the EIL and evaluated the professional qualifications of the external specialist as regards their experience, competence and skill in developing the necessary valuation model. |

| | | |
|---|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Impairment of Goodwill relating to EIH International Limited (EIL) | <p>Principal audit procedures performed: Contd.</p> <ul style="list-style-type: none"> • Component audit team have assessed the reasonability of the underlying cash flow forecasts prepared by the Company's management and as considered by the external specialist in their valuation, and compared the same with the Company's internal budgets to assess if the assumptions and growth trends accurately reflect the current market conditions and business strategy. Component audit team have also evaluated how the historical budgeting inaccuracies have been taken into account in the forecasted cash flows. As part of this component audit team have held discussions with the President of International Operations and Vice President of International Finance and considered market data and industry forecasts, in assessing the reasonability of these figures. • Component audit team have also assessed the appropriateness of the assumptions used in the model such as discount rates and terminal growth rates by comparing to third party sources. • The component audit team has tested the mathematical and clerical accuracy of the model to conclude that the model is accurately calculating the value in use using the appropriate methodology. • The component audit team have added additional consideration in light of the COVID 19 pandemic as to the impact on the valuation model, noting that the assumptions made in year 1 of the value in use model, do not have a material impact on the headroom of the model. The audit team's sensitivity analysis considered a slower return to industry 'normality' than that adopted by management, noting that significant headroom remains in the impairment assessment. |
|---|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' report including annexures to the Directors' Report, Report on Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- (a) We did not audit the financial statements of 9 subsidiaries, whose financial statements reflect total assets of INR 8942.38 million as at March 31, 2020, total revenues of INR 1243.45 million and net cash out flows amounting to INR 369.43 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of INR 147.28 million for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 2 associates and 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.
- (b) The Parent's management was able to perform year end physical verification of inventories, only at certain units prior to the year end. We were able to physically observe the physical stock verification at one unit before the year end. On account of COVID-19 related lockdown restrictions, physical verification of inventories was performed by the management at certain units subsequent to the year end. We were not able to physically observe the stock verification. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence. Our report is not modified in respect of this matter

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 44 to the Consolidated Financial Statements.
 - ii) The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 41 to the Consolidated Financial Statements.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India. Refer Note 53 to the Consolidated Financial Statements.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: New Delhi
Date: June 26, 2020

Manjula Banerji
Partner
Membership No. 086423
(UDIN: 20086423AAAAAH5798)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of EIH Limited (hereinafter referred to as “Parent”) and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 3 subsidiary companies, 2 associate companies and 1 joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: New Delhi
Date: June 26, 2020

Manjula Banerji
Partner
Membership No. 086423
(UDIN: 20086423AAAAAH5798)

Balance Sheet as at March 31, 2020

| | Notes | As at March 31, 2020 | Rupees Million As at March 31, 2019 |
|----------------------------------------------------------------------------------------|-------|-------------------------|-------------------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| PROPERTY, PLANT AND EQUIPMENT | 4A | 20,822.65 | 21,700.84 |
| RIGHT-OF- USE- ASSET | 4A | 4,380.90 | - |
| CAPITAL WORK-IN-PROGRESS | | 1,304.41 | 786.11 |
| GOODWILL ON CONSOLIDATION | 4B | 3,701.05 | 3,398.75 |
| OTHER INTANGIBLE ASSETS | 4A | 80.09 | 75.58 |
| INVESTMENT PROPERTY | 4A | 1,084.83 | 1,106.88 |
| FINANCIAL ASSETS | | | |
| (i) Investments Accounted For Using Equity Method | 6 | 3,812.45 | 3,440.10 |
| (ii) Other Investments | 5 | 392.92 | 362.02 |
| (iii) Other non-current Financial Assets | 7 | 455.07 | 407.33 |
| TAX ASSETS (Net) | 8 | 618.15 | 787.21 |
| DEFERRED TAX ASSETS (Net) | 9 | 98.31 | 98.57 |
| OTHER NON-CURRENT ASSETS | 10 | 1,495.80 | 3,675.59 |
| TOTAL NON-CURRENT ASSETS | | 38,246.63 | 35,838.98 |
| CURRENT ASSETS | | | |
| INVENTORIES | 11 | 609.55 | 597.85 |
| FINANCIAL ASSETS | | | |
| (i) Investments | 12 | 384.47 | 481.99 |
| (ii) Trade receivables | 13 | 2,057.27 | 2,480.58 |
| (iii) Cash and cash equivalents | 14 | 678.76 | 984.12 |
| (iv) Other bank balances | 15 | 1,612.30 | 1,425.83 |
| (v) Other current financial assets | 16 | 76.59 | 66.69 |
| OTHER CURRENT ASSETS | 17 | 853.75 | 642.03 |
| TOTAL CURRENT ASSETS | | 6,272.69 | 6,679.09 |
| TOTAL ASSETS | | 44,519.32 | 42,518.07 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| EQUITY SHARE CAPITAL | 18 | 1,143.14 | 1,143.14 |
| OTHER EQUITY | 19 | 30,222.30 | 28,790.80 |
| EQUITY ATTRIBUTABLE TO OWNERS OF EIH LTD | | 31,365.44 | 29,933.94 |
| NON CONTROLLING INTEREST | | 997.31 | 886.17 |
| TOTAL EQUITY | | 32,362.75 | 30,820.11 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| FINANCIAL LIABILITIES | | | |
| (i) Borrowings | 20 | 2,337.51 | 2,751.23 |
| (ii) Lease liabilities | | 1,672.24 | - |
| (iii) Other Non Current Financial Liabilities | 21 | 319.14 | 311.96 |
| PROVISIONS - NON-CURRENT | 22 | 330.81 | 251.03 |
| OTHER NON-CURRENT LIABILITIES | 23 | 11.22 | 21.54 |
| DEFERRED TAX LIABILITIES (Net) | 24 | 1,477.90 | 1,848.30 |
| TOTAL NON-CURRENT LIABILITIES | | 6,148.82 | 5,184.06 |
| CURRENT LIABILITIES | | | |
| FINANCIAL LIABILITIES | | | |
| (i) Borrowings | 25 | 1,874.14 | 2,246.57 |
| (ii) Trade Payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 26A | 15.32 | 0.95 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 26B | 2,062.37 | 2,298.18 |
| (iii) Lease liabilities | | 41.17 | - |
| (iv) Other Current Financial Liabilities | 27 | 842.63 | 761.56 |
| TAX LIABILITIES (Net) | 28 | - | 17.22 |
| PROVISIONS - CURRENT | 29 | 191.55 | 240.97 |
| OTHER CURRENT LIABILITIES | 30 | 980.57 | 948.45 |
| TOTAL CURRENT LIABILITIES | | 6,007.75 | 6,513.90 |
| TOTAL LIABILITIES | | 12,156.57 | 11,697.96 |
| TOTAL EQUITY AND LIABILITIES | | 44,519.32 | 42,518.07 |

See accompanying notes to the Financial Statements

For and on behalf of the Board

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

SUDIPTO SAKRAR
Chairman - Audit Committee
(DIN No. :00048279)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. : 00052014)

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Place : New Delhi
Date : 26th June, 2020

Place : Mumbai
Date : 26th June, 2020

Statement of Profit and Loss for the year ended March 31, 2020

| | Notes | Year ended March 31, 2020 | Rupees Million Year ended March 31, 2019 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------------------------|
| REVENUE FROM OPERATIONS | 31 | 15,962.53 | 18,108.20 |
| OTHER INCOME | 32 | 784.41 | 687.87 |
| TOTAL INCOME | | 16,746.94 | 18,796.07 |
| EXPENSES | | | |
| CONSUMPTION OF PROVISIONS, WINES & OTHERS | 33 | 1,994.16 | 2,444.84 |
| EMPLOYEE BENEFITS EXPENSE | 34 | 4,692.18 | 4,806.93 |
| FINANCE COSTS | 35 | 556.05 | 504.41 |
| DEPRECIATION AND AMORTISATION EXPENSE | 36 | 1,464.61 | 1,325.57 |
| OTHER EXPENSES | 37 | 6,373.62 | 6,797.25 |
| TOTAL EXPENSES | | 15,080.62 | 15,879.00 |
| PROFIT BEFORE EXCEPTIONAL ITEMS, SHARE OF NET PROFITS OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD AND TAX SHARE OF NET PROFIT/(LOSS) OF ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD | | 1,666.32 | 2,917.07 |
| PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX | | 1,664.88 | 3,040.03 |
| EXCEPTIONAL ITEMS - PROFIT / (LOSS) | 38 | (4.67) | (730.66) |
| PROFIT BEFORE TAX | | 1,660.21 | 2,309.37 |
| TAX EXPENSE | | | |
| CURRENT TAX | 39 | 372.39 | 862.25 |
| DEFERRED TAX | 39 | (363.61) | (42.45) |
| PROFIT FOR THE YEAR | | 1,651.43 | 1,489.57 |
| OTHER COMPREHENSIVE INCOME / (LOSS) | | | |
| A ITEMS THAT MAY NOT BE RECLASSIFIED TO PROFIT OR LOSS | | | |
| – Share of other comprehensive income of associate and joint ventures accounted for using the equity method | | (3.35) | 0.52 |
| – Recycling of foreign currency translation reserve | | (28.06) | - |
| – Remeasurement of Defined benefit obligations | | (31.14) | (16.42) |
| – Tax relating to these items | | 9.71 | 5.01 |
| | | (52.84) | (10.89) |
| B ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS | | | |
| – Exchange differences on translation of foreign operations | | 603.66 | (5.43) |
| | | 603.66 | (5.43) |
| TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR, NET OF TAX | | 550.82 | (16.32) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 2,202.25 | 1,473.25 |
| PROFIT ATTRIBUTABLE TO: | | | |
| – Owners of ElH Limited | | 1,488.17 | 1,315.41 |
| – Non-controlling interests | | 163.26 | 174.16 |
| OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | |
| – Owners of ElH Limited | | 540.99 | (13.02) |
| – Non-controlling interests | | 9.83 | (3.30) |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | |
| – Owners of ElH Limited | | 2,029.16 | 1,302.39 |
| – Non-controlling interests | | 173.09 | 170.86 |
| EARNINGS PER EQUITY SHARE (IN INR) FACE VALUE INR 2 | | | |
| (1) Basic | | 2.60 | 2.30 |
| (2) Diluted | | 2.60 | 2.30 |

See accompanying notes to the Financial Statements

For and on behalf of the Board

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

SUDIPTO SAKRAR
Chairman - Audit Committee
(DIN No. :00048279)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

MANJULA BANERJI
Partner

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. : 00052014)

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Place : New Delhi
Date : 26th June, 2020

Place : Mumbai
Date : 26th June, 2020

Statement of Consolidated Cash Flows for the year ended March 31, 2020

| | Year ended March 31, 2020 | Rupees Million Year ended March 31, 2019 |
|----------------------------------------------------------------------------------------|------------------------------|------------------------------------------------|
| Cash Flow From Operating Activities | | |
| Profit before tax | 1,660.21 | 2,309.37 |
| Adjustments for | | |
| Share of Profit of Associate and Joint Venture | 1.44 | (122.96) |
| Depreciation and amortisation expense | 1,464.61 | 1,325.57 |
| Effect of Exchange Rate Difference | 50.42 | 103.38 |
| (Gain)/loss on disposal of property, plant and equipment (net) | 47.19 | 2.67 |
| Bad Debts & Advances Written Off | 0.88 | 41.30 |
| Provision for doubtful debts / advances | 24.32 | 856.67 |
| Rental Income from Investment Properties | (170.56) | (88.01) |
| Fair value changes on equity investments measured at fair value through profit or loss | 2.13 | 0.84 |
| Provisions/Liabilities written back | (29.39) | (49.50) |
| (Gain)/loss on sale of investment | - | (116.83) |
| Dividend income classified as investing cash flows | (19.54) | (20.01) |
| Interest income classified as investing cash flows | (250.74) | (200.22) |
| Finance costs | 556.05 | 504.41 |
| Change in operating assets and liabilities | | - |
| (Increase)/Decrease in trade receivables | 397.39 | (1,125.59) |
| (Increase)/Decrease in inventories | (10.93) | (84.56) |
| Increase/(Decrease) in trade payables | (196.38) | 417.53 |
| (Increase)/ Decrease in other current / non-current financial assets | (19.77) | (81.63) |
| (Increase)/Decrease in other current / non-current assets | (177.71) | 15.23 |
| Increase/(Decrease) in employee benefit obligations | (8.30) | (55.51) |
| Increase/(Decrease) in other current / non-current financial liabilities | 37.94 | 37.59 |
| Increase/(Decrease) in other current / non-current liabilities | 18.17 | 37.89 |
| Cash generated from operations | 3,377.43 | 3,707.63 |
| Income taxes paid (net of refund) | (207.07) | (883.07) |
| Net cash inflow from operating activities | 3,170.36 | 2,824.56 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for property, plant and equipment | (1,745.63) | (1,572.91) |
| Payments for investment property | (4.07) | - |
| Payments for intangible assets | (45.33) | (26.71) |
| Purchase of Investments | (521.84) | (897.70) |
| Sale of Investments | 352.55 | 181.94 |
| Rental Income from Investment Properties | 170.56 | 88.01 |
| Proceeds from sale of property, plant and equipment | 88.17 | 20.77 |
| Changes in Other bank balances | (182.53) | (338.64) |
| Dividends received | 68.16 | 56.57 |
| Interest received | 186.38 | 164.75 |
| Net cash outflow from investing activities | (1,633.58) | (2,323.92) |

Statement of Consolidated Cash Flow

For the year ended March 31, 2020 — *Contd.*

| | Year ended March 31, 2020 | Rupees Million Year ended March 31, 2019 |
|------------------------------------------------------------------|------------------------------|------------------------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | | |
| Non-Current Borrowings | 250.00 | 0.26 |
| Current Borrowings | 8.86 | 847.31 |
| Repayment of borrowings | | |
| Non-Current Borrowings | (472.49) | (438.81) |
| Current Borrowings | (381.36) | (4.25) |
| Refund of given loan to related parties | - | 633.76 |
| Interest paid | (430.09) | (505.43) |
| Repayment of lease liabilities | (133.89) | - |
| Dividends paid | (579.08) | (584.75) |
| Tax on Dividend | (104.09) | (137.58) |
| Net cash outflow from financing activities | (1,842.14) | (189.49) |
| Net increase / (decrease) in cash and cash equivalents | (305.36) | 311.15 |
| Cash and cash equivalents at the beginning of the financial year | 984.12 | 672.97 |
| Cash and cash equivalents at end of the year | 678.76 | 984.12 |

Note :

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows"

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

Place : New Delhi
Date : 26th June, 2020

For and on behalf of the Board

SUDIPTO SAKRAR
Chairman - Audit Committee
(DIN No. :00048279)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. : 00052014)

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

Place : Mumbai
Date : 26th June, 2020

Statement of changes in Equity for the Year ended March 31, 2020

| | Rupees Million | | | | | |
|----------------------------------------------------------------------------------|----------------------------|-------------------------------------------------|----------------------|-------------------------------------------------|-----------------------------|-----------------------------------------------------|
| | A. Equity share capital | | | | | Rupees Million |
| | As at April 1, 2018 | Changes in equity share capital during the year | As at March 31, 2019 | Changes in equity share capital during the year | As at March 31, 2020 | 1,143.14 |
| | | | | | | 1,143.14 |
| | | | | | | 1,143.14 |
| | | | | | | 1,143.14 |
| | Rupees Million | | | | | |
| | B. Other equity | | | | | Total |
| | Capital Redemption Reserve | Capital Reserve | Securities premium | General Reserve | Retained earnings (Surplus) | Other Reserves Foreign currency translation reserve |
| Balance as at April 1, 2018 | 1,024.21 | 25.95 | 12,373.41 | 9,384.83 | 4,910.16 | (33.78) |
| Adjustment of discontinuance of Mercury Travels Limited | - | - | - | - | 0.68 | - |
| Adjustment to opening balance due to change in Minority Interest | - | - | - | - | (82.46) | - |
| Adjustment for new IndAS | - | - | - | - | (112.04) | - |
| Profit for the year | - | - | - | - | 1,315.41 | - |
| Other comprehensive income / (loss) for the year, net of tax | - | - | - | - | (13.02) | - |
| Currency translation difference on foreign operations | - | - | - | - | 617.59 | 617.59 |
| | - | - | - | - | 1,108.57 | 617.59 |
| Allocations/Appropriations: | | | | | | |
| Final dividend paid for the year 2017-18 | - | - | - | - | (514.41) | - |
| Deferred tax liability on proposed dividend | - | - | - | - | - | - |
| Dividend distribution tax | - | - | - | - | (105.73) | - |
| | - | - | - | - | (620.14) | (620.14) |
| Balance as at March 31, 2019 | 1,024.21 | 25.95 | 12,373.41 | 9,384.83 | 5,398.59 | 583.81 |
| Balance at April 1, 2019 | 1,024.21 | 25.95 | 12,373.41 | 9,384.83 | 5,398.59 | 583.81 |
| Adjustment for new IndAS | - | - | - | - | 8.09 | - |
| Profit for the year | - | - | - | - | 1,488.17 | - |
| Other comprehensive income / (loss) for the year, net of tax | - | - | - | - | (52.53) | - |
| Currency translation difference on foreign operations | - | - | - | - | 593.52 | 593.52 |
| | - | - | - | - | 1,443.73 | 593.52 |
| Allocations/Appropriations: | | | | | | |
| Final dividend paid for the year 2018-19 | - | - | - | - | (514.41) | - |
| Reversal of deferred tax liability on proposed dividend created in previous year | - | - | - | - | - | - |
| Dividend distribution tax | - | - | - | - | (91.34) | - |
| | - | - | - | - | (605.75) | (605.75) |
| Balance as at March 31, 2020 | 1,024.21 | 25.95 | 12,373.41 | 9,384.83 | 6,236.57 | 1,177.33 |
| | | | | | | 30,222.30 |
| | | | | | | 997.31 |
| | | | | | | 31,219.61 |

See accompanying notes to the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

MANJULA BANERJI
Partner

Place : New Delhi
Date : 26th June, 2020

SUDIPTO SARKAR
Chairman - Audit Committee
(DIN No. : 00048279)

ARIJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

KALLOL KUNDU
Chief Financial Officer

Place : Mumbai
Date : 26th June, 2020

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. : 00052014)

S.N. SRIDHAR
Company Secretary

Notes to Accounts

General Information

ElH Limited is a Company limited by shares, incorporated and domiciled in India having its Registered Office at 4, Mangoe Lane, Kolkata-700 001. The Company is primarily engaged in owning and managing premium luxury hotels and cruisers under the luxury 'Oberoi' and 'Trident' brands. The Group is also engaged in flight catering, airport restaurants, project management and corporate air charters.

The Consolidated financial statements relate to ElH Limited ('the Company'), its subsidiary companies, jointly controlled entities and associates as referred in Note 50 (collectively referred as "the Group").

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements of ElH Limited. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as a going concern on accrual basis.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- equity investments in entities other than subsidiary, joint ventures and associate which are measured at fair value;
- defined benefit plans – plan assets measured at fair value
- customer loyalty programs

(iii) Use of estimates

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of Financial Statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.

b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control.

This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Joint arrangements

Under Ind AS in Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures.

Notes to Accounts — *Contd.*

Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 6 below.

(v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Revenue recognition

- (i) Performance obligation in contract with customers are met throughout the stay of guest in the hotel or on rendering of services and sale of goods.
- (ii) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates, value added taxes, Goods & Service Tax and amounts collected on behalf of third parties.
- (iii) Interest income from debt instruments is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.
- (iv) Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Notes to Accounts — *Contd.*

Timing of revenue recognition from major business activities

- Hospitality Services: Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable.
- Sale of printed material: Revenue from sale of printed and other materials is recognised when the significant risks and rewards of ownership of the materials have been passed on to the buyer which usually coincides with the dispatch of materials.
- Others: Revenue from Shop License Fee, Management and Marketing Fee included under “Other Services” is recognised on accrual basis as per terms of the contract.
- Revenue in respect of customer loyalty are recognized when loyalty points are redeemed by the customers or on its expiry.

d) Foreign currencies

(i) Presentation Currency

This Financial Statement is presented in INR which is the Functional Currency of the Group.

(ii) Transactions and balances

Effective April 1, 2018, the Group has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment is insignificant.

Sales made in any currency other than the functional currency of the Group are converted at the prevailing applicable exchange rate. Gain/Loss arising out of fluctuations in exchange rate is accounted for on realization or translation into the reporting currency of the corresponding receivables at the year end.

Payments made in foreign currency including for acquiring investments are converted at the applicable rate prevailing on the date of remittance. Liability on account of foreign currency is converted at the exchange rate prevailing at the end of the year. Monetary items denominated in foreign currency are converted at the exchange rate prevailing at the end of the year.

Revenue expenditure of all the overseas sales offices are converted at the average exchange rate for the year. Assets and liabilities other than non-monetary assets are converted at the exchange rate prevailing at the close of the accounting year and Fixed Assets are converted at the month-end exchange rate of the month of acquisition.

Foreign currency loans covered by forward contracts are realigned at the forward contract rates, while those not covered by forward contracts are realigned at the rates ruling at the year end. The differences on realignment is accounted for in the Statement of Profit and Loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the dosing rate.

e) Income tax

Current income tax is recognized based on the amount expected to be paid to the tax authorities, using tax rates and tax laws that have been enacted or substantially enacted on the date of balance sheet.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Effective April 1, 2019, the Company has adopted Appendix C to Ind AS 12 – Income taxes, which clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments

Notes to Accounts — *Contd.*

f) **Deferred Tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements, using tax rates and tax laws that have been enacted or prescribed on the date of balance sheet.

Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax (MAT) is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credit against which future income tax liability is adjusted and is recognised as deferred tax asset in the Balance Sheet.

g) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") of the respective entities.

h) **Leases**

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Accordingly, comparative information as at and for the year ended March 31, 2019 has not been restated. The impact of adoption of the standard on financial statements of the Company has been disclosed in the notes to accounts.

On adoption of Ind AS 116, the Group recognised lease liabilities in relation to certain leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities have been measured at the present value of the remaining lease payments, discounted using the company's incremental borrowing rate as of 1 April 2019.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind AS 116 are only applied after that date.

As a lessee :

The Company's lease asset classes primarily consist of leases for land, building and vehicle leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset throughout the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and estimated restoration costs of the underlying asset where applicable. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Notes to Accounts — Contd.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the practical expedient by the standard allowing not to separate the lease component from other service components included in its lease agreements. Accordingly, all fixed payments provided for in the lease agreement, whatever their nature, are included in the lease liability.

As a lessor :

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

i) **Impairment of tangible and intangible assets**

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

j) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, cash at bank and other deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

l) **Inventories**

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined based on Cumulative Weighted Average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale. Unserviceable/damaged/discarded stocks and shortages are charged to the statement of Profit and Loss.

m) **Investments and other financial assets**

(i) **Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Notes to Accounts — *Contd.*

(ii) **Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain / (losses) in the statement of profit and loss.

(iii) **Impairment of financial assets**

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) **Derecognition of financial assets**

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) **Income recognition**

Interest income: Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses

Dividend income: Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Notes to Accounts — *Contd.*

n) Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

o) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than land and the hotel buildings is provided on 'Straight Line Method' based on useful life.

The hotel buildings are depreciated equally over the balance useful life ascertained by independent technical expert, which ranges between 23 years and 55 years with effect from March 31, 2019 and the total useful life of the buildings are higher than those specified by Schedule II to the Companies Act; 2013. The management believes that the balance useful lives so assessed best represent the periods over which the hotel buildings are expected to be in use. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

p) Intangible assets

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Other Intangible Assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and its cost can be measured reliably. Intangible assets are amortised on straight line basis over their estimated useful lives.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

q) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to Accounts — *Contd.*

s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of respective assets during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

t) Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present legal or statutory obligation or constructive obligation as a result of past events and 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 disclosed 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 Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Group are not recognised but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

u) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The Group operates the following post-employment schemes:

Gratuity obligations –

Maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Leave encashment on termination of service –

The liabilities for earned leave are expected to be settled after the retirement of employee. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Provident Fund –

The Group pays provident fund contributions to a fund administered by Government Provident Fund Authority. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Notes to Accounts — *Contd.*

v) Dividends

Liability is created for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity.

w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity shareholders of the Group
- by the weighted average number of equity shares outstanding during the financial year,

(ii) Diluted earnings per share

Diluted earnings per share adjusts the number of equity shares used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of equity shares including additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares happened.

x) Government grants/incentives

Government grants/incentives that the Group is entitled to on fulfilment of certain conditions, but are available to the Group only on completion of some other conditions, are recognized as income at fair value on completion of such other conditions.

Grants/incentives that the Group is entitled to unconditionally on fulfilment of certain conditions, such grants are recognized at fair value as income when there is reasonable assurance that the grant will be received.

y) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

Notes to Accounts — *Contd.*

2 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 notifies new standard or amendments to the standards. There is no such new notification which would be applicable from April 1, 2020

3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies.

This note provides information about the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Detailed information about each of these estimates or judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the financial statements.

A. Significant estimates :

i) Useful Life of Hotel Buildings

EIH Limited, Mumtaz Hotels Limited and Mashobra Resort Limited have adopted useful life of fixed assets as stipulated by Schedule II to the Companies Act 2013 except for the hotel buildings for computing depreciation. In the case of the hotel buildings of these companies, due to superior structural condition, management decided to assess the balance useful life by independent technical expert. As per the certificates of the technical expert, the balance useful life of the hotel buildings ranges between 23 years and 55 years with effect from March 31, 2020 and the total useful life of the buildings are higher than those specified by Schedule II to the Companies Act, 2013. The carrying amount of the hotel building is being depreciated over its residual life.

ii) Recognition of Revenue (customer loyalty programs)

The group is running certain customer loyalty programs for which revenue is being deferred on the basis of total loyalty points/ complimentary nights outstanding. As required by Ind AS 18, while calculating fair value of the loyalty points/ complimentary nights, expected lapses are also considered by the group (loyalty points/ complimentary nights which will not be redeemed by the customers). On the basis of past trend, a significant portion of the loyalty points/ complimentary nights has been estimated to be lapsed. Estimated lapse ratio is periodically evaluated by the group and in case there is any change in the trend, the deferred revenue is adjusted accordingly. The fair value of loyalty points/ complimentary nights is calculated on the basis of relative benefit passed on to the customers.

B. Judgements :

i) Advance towards Equity Shares

In the case of Mashobra Resort Limited ("MRL"), several disputes with the Government of Himachal Pradesh, the joint venture partner, were referred by the High Court of Himachal Pradesh on 17th December, 2003 to an arbitral tribunal consisting of a single arbitrator whose award has been challenged by both the EIH Ltd. and MRL, amongst others. The operation of the arbitration award was stayed pending substantive hearing of the applications by the High Court. Consequently, the status quo ante of the entire matter was restored to the position as on 17th December, 2003 and the hotel is being operated by MRL accordingly. EIH Ltd. vide its letter dated 4th April, 2012 requested MRL to account for the entire amount of INR 1,361.93 Million provided to MRL upto 31st March, 2012 as 'Advance Towards Equity', including INR 130.00 Million being the opening balance of 'Advance Towards Equity'. In view of the above, EIH Ltd. has shown the said amount of INR 1,361.93 Million as 'Advance Towards Equity' under Other non-current financial assets in its books of account.

The High Court passed an order dated 25th February, 2016 which was made available to the Company in the month of May 2016. The Court has decided not to interfere with the order of the Arbitrator. EIH Ltd. amongst others, preferred an appeal before the Division Bench of the High Court of Himachal Pradesh. By an order dated 27th June, 2016 the Division Bench stayed the Single Judge Order dated 25th February, 2016 and directed the parties to maintain status quo till the matter is finally heard and disposed off. Final hearing is yet to commence.

ii) Claims, Provisions and Contingent Liabilities:

The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

Notes to Accounts — Contd.

4A PROPERTY, PLANT AND EQUIPMENT

| | Gross Carrying Amount | | | | | | Accumulated Depreciation | | | | Carrying Value | |
|--------------------------------------------|-----------------------|---------------------------|------------------------------------------|------------------------|------------------------------|---------------------|--------------------------|--------------------------|------------------------|------------------------------|----------------------|----------------|
| | As at April 1, 2018 | Additions during the year | Less: Sales/ Adjustments during the year | Translation Adjustment | Balance as at March 31, 2019 | As at April 1, 2018 | For the Year | Less: Sales/ Adjustments | Translation Adjustment | Balance as at March 31, 2019 | as at March 31, 2019 | Rupees Million |
| i) PROPERTY PLANT AND EQUIPMENT | | | | | | | | | | | | |
| Freehold Land (including development cost) | 2,108.11 | - | - | 36.26 | 2,144.37 | - | - | - | - | - | - | 2,144.37 |
| Land under finance lease | 641.88 | - | - | - | 641.88 | 14.55 | 4.85 | - | - | 19.40 | 622.48 | |
| Buildings | 14,312.06 | 141.38 | (2.00) | 94.51 | 14,549.95 | 850.63 | 321.92 | 33.94 | 40.06 | 1,178.67 | 13,371.28 | |
| Office Equipment | 36.55 | 6.77 | 5.81 | 0.36 | 37.87 | 9.87 | 6.08 | 5.53 | 0.36 | 10.78 | 27.09 | |
| Plant & Machinery | 6,376.54 | 231.25 | 107.59 | 57.74 | 6,557.94 | 1,923.68 | 651.77 | 97.13 | 55.97 | 2,534.29 | 4,023.65 | |
| Furniture & Fittings | 1,256.34 | 44.18 | (14.91) | 11.85 | 1,327.28 | 381.17 | 129.82 | 5.78 | 11.29 | 516.50 | 810.78 | |
| Vehicles | 550.22 | 81.11 | 71.78 | 7.66 | 567.21 | 156.72 | 88.40 | 66.72 | 7.31 | 185.71 | 381.50 | |
| Vehicles under operating lease | 139.38 | - | 119.11 | - | 20.27 | 58.33 | 3.52 | 47.76 | - | 14.09 | 6.18 | |
| Vehicles under Finance Lease | 3.51 | 19.70 | (102.12) | 1.66 | 126.99 | 1.58 | 30.37 | (33.47) | 1.01 | 66.43 | 60.56 | |
| Boats | 40.23 | 0.59 | - | - | 40.82 | 8.98 | 1.98 | - | - | 10.96 | 29.86 | |
| Aircrafts | 319.29 | - | - | - | 319.29 | 72.15 | 24.05 | - | - | 96.20 | 223.09 | |
| TOTAL | 25,784.11 | 524.98 | 185.26 | 210.04 | 26,333.87 | 3,477.66 | 1,262.76 | 223.39 | 116.00 | 4,633.03 | 21,700.84 | |

Notes to Accounts — Contd.

4 A. PROPERTY, PLANT AND EQUIPMENT – Contd.

| | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | | Rupees Million | | | | |
|--------------------------------------------|-----------------------|------------------------------------------|---------------------------------------|---------------------------|-------------------------------------------|----------------------------|------------------------------|----------------------|------------------------------------------|---------------------------------------|----------------|-----------------------------|----------------------------|------------------------------|-------------------------------------|
| | As at April 01, 2019 | Reclas- sified on adoption of Ind AS 116 | Adjusted Balance as at April 01, 2019 | Additions during the year | Less: Sales/Ad- justments during the year | Transla- tion Ad- justment | Balance as at March 31, 2020 | As at April 01, 2019 | Reclas- sified on adoption of Ind AS 116 | Adjusted Balance as at April 01, 2019 | For the Year | Less: Sales / Adjust- ments | Transla- tion Ad- justment | Balance as at March 31, 2020 | Carrying Value As at March 31, 2020 |
| i) PROPERTY PLANT AND EQUIPMENT | | | | | | | | | | | | | | | |
| Freehold Land (including development cost) | 2,144.37 | - | 2,144.37 | - | - | 31.60 | 2,175.97 | - | - | - | - | - | - | - | 2,175.97 |
| Land under finance lease | 641.88 | (641.88) | - | - | - | - | - | 19.40 | (19.40) | - | - | - | - | - | - |
| Buildings | 14,549.95 | - | 14,549.95 | 406.43 | 142.15 | (5.60) | 14,808.63 | 1,178.67 | - | 1,178.67 | 327.86 | 6.59 | (35.45) | 1,464.49 | 13,344.14 |
| Office Equipment | 37.87 | - | 37.87 | 5.21 | 0.35 | - | 42.73 | 10.78 | - | 10.78 | 7.10 | 0.17 | - | 17.71 | 25.02 |
| Plant & Machinery | 6,557.94 | - | 6,557.94 | 572.03 | 61.64 | (48.25) | 7,020.08 | 2,534.29 | - | 2,534.29 | 634.99 | 31.38 | (46.92) | 3,090.98 | 3,929.10 |
| Furniture & Fittings | 1,327.28 | - | 1,327.28 | 108.43 | 5.10 | (11.30) | 1,419.31 | 516.50 | - | 516.50 | 131.38 | 3.62 | (9.87) | 634.39 | 784.92 |
| Vehicles | 567.21 | - | 567.21 | 30.44 | 7.76 | (9.84) | 580.05 | 185.71 | - | 185.71 | 88.66 | 2.27 | (9.42) | 262.68 | 317.37 |
| Vehicles under operating lease | 20.27 | - | 20.27 | - | - | - | 20.27 | 14.09 | - | 14.09 | 3.53 | - | - | 17.62 | 2.65 |
| Vehicles under Finance Lease | 126.99 | (126.99) | - | - | - | - | - | 66.43 | (66.43) | - | - | - | - | - | - |
| Boats | 40.82 | - | 40.82 | - | 0.17 | - | 40.65 | 10.96 | - | 10.96 | 1.97 | 0.05 | - | 12.88 | 27.77 |
| Aircrafts | 319.29 | - | 319.29 | 20.27 | 5.85 | - | 333.71 | 96.20 | - | 96.20 | 25.35 | 3.55 | - | 118.00 | 215.71 |
| TOTAL | 26,333.87 | (768.87) | 25,565.00 | 1,142.81 | 223.02 | (43.39) | 26,441.40 | 4,633.03 | (85.83) | 4,547.20 | 1,220.84 | 47.63 | (101.66) | 5,618.75 | 20,822.65 |

A. Assets held as security

Refer note 20 & 25 for disclosure of assets held as security

B. Interest capitalised to qualifying assets

Refer note 35 for disclosure of amount capitalised to qualifying assets.

C. Contractual obligations

Refer to note 44(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

ii) RIGHT OF USE ASSETS

| | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | | Carrying Value As at March 31, 2020 | | | | |
|--------------|-----------------------|---------------------------------------------|---------------------------------------|---------------------------|---------------------------------------|----------------------------|------------------------------|----------------------|---------------------------------------------|---------------------------------------|-------------------------------------|--------------|----------------------------|----------------------------|------------------------------|
| | As at April 01, 2019 | Reclas- sified on adoption as of Ind AS 116 | Adjusted Balance as at April 01, 2019 | Additions during the year | Sales / Adjust- ments during the year | Transla- tion Ad- justment | Balance as at March 31, 2020 | As at April 01, 2019 | Reclas- sified on adoption as of Ind AS 116 | Adjusted Balance as at April 01, 2019 | | For the Year | Less: Sales/ Adjust- ments | Transla- tion Ad- justment | Balance as at March 31, 2020 |
| Land | - | 4,535.95 | 4,535.95 | - | - | (35.37) | 4,500.58 | - | 19.40 | 19.40 | 146.74 | - | (0.55) | 165.59 | 4,334.99 |
| Building | - | 0.88 | 0.88 | 1.19 | - | - | 2.07 | - | - | - | 0.64 | - | - | 0.64 | 1.43 |
| Vehicles | - | 126.99 | 126.99 | 14.42 | 21.12 | (1.37) | 118.92 | - | 66.43 | 66.43 | 29.45 | 20.32 | (1.12) | 74.44 | 44.48 |
| TOTAL | - | 4,663.82 | 4,663.82 | 15.61 | 21.12 | (36.74) | 4,621.57 | - | 85.83 | 85.83 | 176.83 | 20.32 | (1.67) | 240.67 | 4,380.90 |

Notes to Accounts — *Contd.*

4A
PROPERTY, PLANT AND EQUIPMENT - Contd...

iii) INTANGIBLE ASSETS

| | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | Carrying Value as at March 31, 2019 | |
|-------------------|-----------------------|---------------------------|------------------------------------------|------------------------|------------------------------|--------------------------|--------------|--------------------------|------------------------|-------------------------------------|----------------------|
| | As at April 1, 2018 | Additions during the year | Less: Sales/ Adjustments during the year | Translation Adjustment | Balance as at 31 March, 2019 | As at April 1, 2018 | For the Year | Less: Sales/ Adjustments | Translation Adjustment | | As at March 31, 2019 |
| Computer Software | 147.11 | 26.71 | - | - | 173.82 | 59.22 | 39.02 | - | - | 98.24 | 75.58 |
| TOTAL | 147.11 | 26.71 | - | - | 173.82 | 59.22 | 39.02 | - | - | 98.24 | 75.58 |

| | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | Carrying Value as at March 31, 2020 | |
|-------------------|-----------------------|---------------------------|------------------------------------|------------------------|------------------------------|--------------------------|--------------|--------------------------|------------------------|-------------------------------------|------------------------------|
| | As at April 1, 2019 | Additions during the year | Sales/ Adjustments during the year | Translation Adjustment | Balance as at 31 March, 2020 | As at April 1, 2019 | For the Year | Less: Sales/ Adjustments | Translation Adjustment | | Balance as at March 31, 2020 |
| Computer Software | 173.82 | 45.33 | - | - | 219.15 | 98.24 | 40.82 | - | - | 139.06 | 80.09 |
| TOTAL | 173.82 | 45.33 | - | - | 219.15 | 98.24 | 40.82 | - | - | 139.06 | 80.09 |

Intangible Assets are amortised on straight line basis over a period of 3 to 5 years

Intangible Assets are amortised on straight line basis over a period of 3 to 5 years

Notes to Accounts — Contd.

4A PROPERTY, PLANT AND EQUIPMENT - Contd...

iv) INVESTMENT PROPERTY

| | Gross Carrying Amount | | | | | | Accumulated Depreciation | | | | Carrying Value | |
|-------------------|-----------------------|---------------------------|------------------------------------|------------------------|------------------------------|---------------------|--------------------------|--------------------------|------------------------|----------------------|----------------------|----------------------|
| | As at April 1, 2018 | Additions during the year | Sales/ Adjustments during the year | Translation Adjustment | Balance as at 31 March, 2019 | As at April 1, 2018 | For the Year | Less: Sales/ Adjustments | Translation Adjustment | As at March 31, 2019 | as at March 31, 2019 | as at March 31, 2020 |
| Buildings | - | 989.66 | - | - | 989.66 | - | 14.43 | - | - | 14.43 | 975.23 | |
| Plant & Equipment | - | 141.01 | - | - | 141.01 | - | 9.36 | - | - | 9.36 | 131.65 | |
| TOTAL | - | 1,130.67 | - | - | 1,130.67 | - | 23.79 | - | - | 23.79 | 1,106.88 | |

| | Gross Carrying Amount | | | | | | Accumulated Depreciation | | | | Carrying Value | |
|-------------------|-----------------------|---------------------------|------------------------------------|------------------------|------------------------------|---------------------|--------------------------|--------------------------|------------------------|----------------------|----------------------|----------------------|
| | As at April 1, 2019 | Additions during the year | Sales/ Adjustments during the year | Translation Adjustment | Balance as at 31 March, 2020 | As at April 1, 2019 | For the Year | Less: Sales/ Adjustments | Translation Adjustment | As at March 31, 2020 | as at March 31, 2020 | as at March 31, 2020 |
| Buildings | 989.66 | 3.47 | | | 993.13 | 14.43 | 15.67 | | | 30.10 | 963.03 | |
| Plant & Equipment | 141.01 | 0.60 | | | 141.61 | 9.36 | 10.45 | | | 19.81 | 121.80 | |
| TOTAL | 1,130.67 | 4.07 | - | - | 1,134.74 | 23.79 | 26.12 | - | - | 49.91 | 1,084.83 | |

The assets relating to The Oberoi Corporate Tower, Gurgaon has been classified as Investment Property as per IndAS 40. The fair value of the same as assessed by the management is INR 2,491.73 million (P.Y. INR 1,726.60 million).

The rental income generated from Investment property is INR 170.56 million (P.Y. INR 88.01 million)

The expenses incurred by investment property are as follows :

- i) Directly relating to rental income - INR 77.64 million (2019: INR 73.39 million)
- ii) Not Directly relating to rental income - INR 30.42 million (2019: INR 26.22 million)

Notes to Accounts — Contd.

4B

GOODWILL ON CONSOLIDATION

| | Rupees Million | |
|--------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| Opening Balance | 3,398.75 | 3,082.50 |
| Add/(less): Foreign Exchange Translation Reserve | 302.30 | 316.25 |
| Closing Balance | 3701.05 | 3,398.75 |

In case of ElH International Ltd

Goodwill acquired through business combinations is attributed to the hotel ownership, operation and management cash-generating unit (CGU) for impairment testing.

Hotel ownership, operation and management cash-generating unit

In 2020, the recoverable amount of the hotel ownership, operation and management CGU was determined using a value-in-use calculation based on cash flow projections and financial budgets approved by senior management.

The key assumptions used in the value-in-use calculation are the forecast earnings, management fees, sales and marketing fees receivable from the CGU, the discount rate applied to the projected cash flows and the growth rate assumption on the value-in-use calculation.

A range of discount rates were considered and applied to the cash flow projections, from 11% to 12.5% and cash flows beyond the five-year period were projected using a terminal growth rate ranging from 3.0% to 3.5%, which is consistent with the long-term average growth rate of the industry.

None of the scenarios tested resulted in an impairment of the carrying value of the assets of the CGU or the Group's intangible assets.

5

NON-CURRENT INVESTMENTS

A. Investments in equity instruments (fully paid)

(i) Quoted - (measured at Fair value through profit & loss)

| | | |
|----------------------------------------------------------------------------------------------------|------|------|
| 25,000 (2019-25,000) Equity Shares of INR 10 each of Tourism Finance Corporation of India Limited | 0.85 | 2.98 |
|----------------------------------------------------------------------------------------------------|------|------|

(ii) Unquoted (measured at Fair value through profit & loss)

| | | |
|----------------------------------------------------------------------------------------------------|--------|--------|
| 41,858,400 (2019-41,858,400) Equity Shares of INR 10 each of Golden Jubilee Hotels Private Limited | 418.58 | 418.58 |
|----------------------------------------------------------------------------------------------------|--------|--------|

| | | |
|------------------------------------------------------------|----------|----------|
| Less: Provision for impairment in the value of Investments | (418.58) | (418.58) |
|------------------------------------------------------------|----------|----------|

| | | |
|--|---|---|
| | - | - |
|--|---|---|

| | | |
|------------------------------------------------------------------------------------------|------|------|
| 13,200 (2019-18,000) Equity Shares of INR 10 each of Green Infra Wind Generation Limited | 0.13 | 0.18 |
|------------------------------------------------------------------------------------------|------|------|

| | | |
|--------------------------------------------------------------------------------------------------------------------|--------|--------|
| 1,078,826 (2019-1,078,826) Equity Shares of Egyptian Pound 10 each of Tourism Investments Company at Sahl Hasheesh | 391.23 | 358.17 |
|--------------------------------------------------------------------------------------------------------------------|--------|--------|

| | | |
|---------------------------------------------------------------------------------------------|------|------|
| 4,200 (2019- 4,200) Equity Shares of INR 10 each of ReNew Wind Energy (Karnataka) Pvt. Ltd. | 0.42 | 0.42 |
|---------------------------------------------------------------------------------------------|------|------|

| | | |
|------------------------------------------------|---------------|---------------|
| Total investments in equity instruments | 392.63 | 361.75 |
|------------------------------------------------|---------------|---------------|

B. Investment in Government Securities

(Unquoted)

| | | |
|---------------------------------------------------------------------------------------|------|------|
| National Savings Certificate (lodged with Government Authorities as Security Deposit) | 0.29 | 0.27 |
|---------------------------------------------------------------------------------------|------|------|

| | | |
|---------------------------------------------------|-------------|-------------|
| Total investments in government securities | 0.29 | 0.27 |
|---------------------------------------------------|-------------|-------------|

| | | |
|--------------------------------------|---------------|---------------|
| Total non-current investments | 392.92 | 362.02 |
|--------------------------------------|---------------|---------------|

| | | |
|-------------------------------------------------|------|------|
| Aggregate carrying amount of quoted investments | 0.85 | 2.98 |
|-------------------------------------------------|------|------|

| | | |
|----------------------------------------------|------|------|
| Aggregate Market value of quoted investments | 0.85 | 2.98 |
|----------------------------------------------|------|------|

| | | |
|---------------------------------------------------|--------|--------|
| Aggregate carrying amount of unquoted investments | 810.65 | 777.62 |
|---------------------------------------------------|--------|--------|

| | | |
|-----------------------------------------------------------|--------|--------|
| Aggregate amount of impairment in the value of investment | 418.58 | 418.58 |
|-----------------------------------------------------------|--------|--------|

Notes to Accounts — Contd.

6 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

| | As at March 31, 2020 | Rupees Million As at March 31, 2019 |
|----------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------|
| (i) Quoted - In Associate entity | | |
| 11,215,118 (2019-11,215,118) Equity Shares of INR 10 each of ElH Associated Hotels Limited | 1,453.04 | 1,373.55 |
| (ii) Unquoted - In Associate entity | | |
| 11,552 (2019 - 9472) Equity Shares of USD 1 each of La Roseaie De L'Atlas | 1,564.29 | 1,249.82 |
| 125,501 (2019 - 125,501) Equity Shares of INR 10 each of Usmart Education Limited fully paid* | - | - |
| (iii) Unquoted - In Joint Venture entity | | |
| 7,375,000 (2019- 7,375,000) Equity Shares of USD 1 each of Oberoi Mauritius Ltd | 310.07 | 331.44 |
| 12,705,884 (2019 - 12,705,884) Equity Shares of INR 10 each of Mercury Car Rentals Private Limited | 485.05 | 485.29 |
| Total | 3,812.45 | 3,440.10 |

*Usmart Education Limited (Usmart) has become an Associate of the Company during the previous year by virtue of acquisition of 25.10% shareholding at a cost of INR 251. The company's share in losses of Usmart is restricted to INR 251 pursuant to the requirements of Para 38 of IndAS 28 on Associates and Joint Ventures. The unrecognised share of losses of associate, for the current year and cumulatively is INR 0.79 million and INR 3.15 million respectively.

7 OTHER NON-CURRENT FINANCIAL ASSETS

| | | |
|-------------------------------------------------|---------------|---------------|
| Security Deposits | 449.88 | 403.40 |
| Long-term bank deposits | - | 3.93 |
| Other recoverable * | 5.19 | - |
| Total other non-current financial assets | 455.07 | 407.33 |

* includes cost of land acquired by Uttar Pradesh Shashan Van Anubhag. The Company's claim for compensation is pending adjudication before the Additional District Judge, Agra, Uttar Pradesh.

8 TAX ASSETS - NET

Income Tax Asset (Net)

| | | |
|---------------------------------------------------|---------------|---------------|
| Opening balance | 782.21 | 726.54 |
| Add/(Less): Tax payable for the year | (378.83) | (798.57) |
| Add: Taxes paid | 641.45 | 829.94 |
| Add/(Less): Refund / adjustment for earlier years | (431.50) | 24.15 |
| Less: Adjustment for prior periods | (0.18) | 0.15 |
| Closing Balance | 613.15 | 782.21 |

Wealth Tax Asset (Net)

| | | |
|------------------------------------|---------------|---------------|
| Opening balance | 5.00 | 5.00 |
| Less: Tax payable for the year | - | - |
| Add: Taxes paid | - | - |
| Less: Adjustment for prior periods | - | - |
| Closing balance | 5.00 | 5.00 |
| Total tax assets | 618.15 | 787.21 |

Notes to Accounts — Contd.

| | Rupees Million | |
|-------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| 9 | | |
| DEFERRED TAX ASSETS - NET | | |
| Deferred Tax Liabilities on account of : | | |
| Depreciation | 91.77 | 90.06 |
| Total Deferred Tax Liabilities (A) | 91.77 | 90.06 |
| Deferred Tax Assets on account of : | | |
| Unabsorbed Depreciation | 17.34 | 41.47 |
| Unabsorbed Carried Forward Loss | 35.42 | 3.19 |
| Accrued Expenses Deductible on Payment | 2.40 | 1.20 |
| Employee Benefit | 15.67 | 14.85 |
| MAT Credit Entitlement | 99.82 | 127.82 |
| Lease Liability | (0.40) | - |
| Interest Expense | 1.58 | - |
| Change in Tax Rates | 18.23 | - |
| Others | 0.02 | 0.10 |
| Total Deferred Tax Assets (B) | 190.08 | 188.63 |
| Deferred Tax Assets (Net B-A) | 98.31 | 98.57 |

Movement in Deferred Tax Assets

| | Rupees Million | | | | | | | | | | |
|---------------------------------|--------------------------|----------------------------------|----------------------------------------|------------------|------------------------------------|------------------------|-----------------|------------------|---------------------|--------|--------|
| Movement in deferred tax assets | Un-absorbed Depreciation | Un-absorbed Carried Forward Loss | Accrued Expenses Deductible on Payment | Employee Benefit | Fair valuation of security deposit | MAT Credit Entitlement | Lease Liability | Interest Expense | Change in Tax Rates | Others | Total |
| As at April 2018 | 19.13 | 8.28 | 1.01 | 12.30 | - | 146.80 | - | - | - | - | 187.52 |
| (Charged)/Credited: | | | | | | | | | | | |
| - to profit and loss | 22.34 | (5.09) | 0.05 | 2.26 | - | (18.98) | - | - | - | 0.10 | 0.68 |
| - to other comprehensive income | - | - | 0.14 | 0.29 | - | - | - | - | - | - | 0.43 |
| As at 31 March, 2019 | 41.47 | 3.19 | 1.20 | 14.85 | - | 127.82 | - | - | - | 0.10 | 188.63 |
| (Charged)/Credited: | | | | | | | | | | | |
| - to profit and loss | (24.13) | 32.23 | 0.97 | 0.78 | - | (28.00) | (0.40) | 1.58 | 18.23 | (0.08) | 1.18 |
| - to other comprehensive income | - | - | 0.23 | 0.04 | - | - | - | - | - | - | 0.27 |
| As at 31 March, 2020 | 17.34 | 35.42 | 2.40 | 15.67 | - | 99.82 | (0.40) | 1.58 | 18.23 | 0.02 | 190.08 |

| Movement in deferred tax liabilities | Depreciation | Deferred Revenue | Total |
|--------------------------------------|--------------|------------------|-------|
| As at April 2018 | 87.87 | - | 87.87 |
| (Charged)/Credited: | | | |
| - to profit and loss | 2.19 | - | 2.19 |
| - to other comprehensive income | - | - | - |
| As at 31 March, 2019 | 90.06 | - | 90.06 |
| (Charged)/Credited: | | | |
| - to profit and loss | 1.71 | - | 1.71 |
| - to other comprehensive income | - | - | - |
| As at 31 March, 2020 | 91.77 | - | 91.77 |

Notes to Accounts — Contd.

| | Rupees Million | |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| 10 | | |
| OTHER NON-CURRENT ASSETS | | |
| Capital Advances | 126.79 | 97.01 |
| Prepaid Expenses | 13.86 | 54.10 |
| Other Advances recoverable considered good - unsecured | 529.53 | 471.16 |
| Other Advances recoverable which have significant increase in credit risk - unsecured | 182.99 | 185.89 |
| Less: Provision for doubtful advances | (182.99) | (185.89) |
| | - | - |
| Advances paid under protest | 243.90 | 218.64 |
| Services Exports Incentive | 178.87 | 199.17 |
| Prepaid rent relating to security deposits (assets) | 402.85 | 663.27 |
| Prepayments for lands on operating leases | - | 1,972.24 |
| Total other non-current assets | 1,495.80 | 3,675.59 |

| | | |
|---------------------------------------|---------------|---------------|
| 11 | | |
| INVENTORIES * | | |
| Provisions, Wines & Others | 293.29 | 298.81 |
| Stores & Operating Supplies | 315.27 | 299.04 |
| Goods-in-transit (Operating Supplies) | 0.99 | - |
| Total inventories | 609.55 | 597.85 |

*Inventories are valued at cost which is based on 'Cumulative Weighted Average Method' or net realisable value, whichever is lower.

The cost of inventories recognised as an expense during the year as consumption of provisions, wines & others INR 1,994.16 Million (2019: INR 2,444.84 Million)

Inventories as at 31.03.2020 is after a write-off amounting to INR 4.47 million owing to the lockdown situation arising due to the global pandemic COVID-19.

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 12 | | |
| INVESTMENTS | | |
| Investment in Mutual Funds (Quoted) | | |
| 2,404,217.230 (2019 - 2,500,168.776) units of Aditya Birla Sun Life Liquid Fund - Daily Dividend - Direct Plan | 240.89 | 250.62 |
| 27,722.584 (2019 - 26,618.248) units of Nippon India Liquid Fund- Daily Dividend option (formerly Reliance Liquid Fund - Daily Dividend Reinvestment) | 42.38 | 40.71 |
| 66,200.060 (2019 - 124,670.735) units of Nippon India Liquid Fund- Direct plan Daily Dividend option (formerly Reliance Liquid Fund - Direct Daily Dividend Reinvestment) | 101.20 | 190.66 |
| Total Investments | 384.47 | 481.99 |

Notes to Accounts — Contd.

| | Rupees Million | |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| 13 | | |
| TRADE RECEIVABLES* | | |
| Unsecured, considered good | | |
| Receivable from related parties | 199.52 | 104.18 |
| Receivable from other than related parties | 1,857.75 | 2,376.40 |
| | <u>2,057.27</u> | <u>2,480.58</u> |
| Unsecured, which have significant increase in credit risk | | |
| Receivable from other than related parties | 894.06 | 999.37 |
| Less: Provision for doubtful debts | (894.06) | (999.37) |
| | <u>-</u> | <u>-</u> |
| Total Trade Receivables | <u>2,057.27</u> | <u>2,480.58</u> |
| * Read with note 41(B) & 52(a) | | |
| 14 | | |
| CASH & CASH EQUIVALENTS | | |
| Balances with Banks: | | |
| - Current Accounts | 613.73 | 933.67 |
| Cash in hand | 11.35 | 16.29 |
| Cheques in hand | 3.50 | 1.68 |
| Fixed Deposits with original maturity of less than three months | 50.18 | 32.48 |
| Total cash and cash equivalents | <u>678.76</u> | <u>984.12</u> |
| 15 | | |
| OTHER BANK BALANCES | | |
| Margin Deposits | 0.64 | 0.30 |
| Unpaid Dividend Accounts | 26.62 | 29.34 |
| Fixed Deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date | 706.25 | 631.54 |
| Earmarked Balances* | 878.79 | 764.65 |
| Total cash and other bank balance | <u>1,612.30</u> | <u>1,425.83</u> |
| *Earmarked Balances represent the deposit maintained by Mashobra Resort Limited as per High Court Order dated 17th December, 2003. | | |
| 16 | | |
| OTHER CURRENT FINANCIAL ASSETS | | |
| Interest Accrued on deposits | 20.77 | 16.46 |
| Other Receivables | 25.16 | 17.25 |
| Security Deposits | 30.66 | 32.98 |
| Total other current financial assets | <u>76.59</u> | <u>66.69</u> |
| 17 | | |
| OTHER CURRENT ASSETS | | |
| Prepaid Expenses | 86.49 | 177.47 |
| Prepayments for lands on operating leases | - | 32.92 |
| Prepaid rent relating to security deposits (assets) | 33.09 | 40.24 |
| Advances recoverable in cash or in kind or for value to be received | 255.19 | 210.70 |
| Service Exports Incentive | 332.66 | 156.69 |
| Balance with government authorities | 146.32 | 24.01 |
| Total other current assets | <u>853.75</u> | <u>642.03</u> |

Notes to Accounts — Contd.

Rupees Million
As at As at
March 31, 2020 March 31, 2019

18

EQUITY SHARE CAPITAL

AUTHORISED

1,500,000,000 Equity Shares of INR 2 each
(2019 -1,500,000,000)

3,000.00 3,000.00
3,000.00 3,000.00

ISSUED, SUBSCRIBED & FULLY PAID UP

571,569,414 Equity Shares of INR 2 each
(2019 -571,569,414)

1,143.14 1,143.14
1,143.14 1,143.14

(i) Reconciliation of equity share capital

| | Number of shares | Equity share capital (par value) |
|-----------------------------|---------------------|----------------------------------------|
| As at April 1, 2018 | 571,569,414 | 1,143.14 |
| Change during the year | - | - |
| As at March 31, 2019 | 571,569,414 | 1,143.14 |
| Change during the year | - | - |
| As at March 31, 2020 | <u>571,569,414</u> | <u>1,143.14</u> |

(ii) Rights and preferences attached to equity shares :

The Parent Company has one class of equity shares having a par value of INR 2 per share. These shares rank pari passu in all respects including voting rights and entitlement to dividend.

(iii) Details of Shareholders holding more than 5 percent shares in the Company :

| | As at March 31 | | | |
|----------------------------------------------------------------------------------------------------------------------|---------------------|-----------|---------------------|-----------|
| | 2020 | | 2019 | |
| | Number of Shares | % holding | Number of Shares | % holding |
| (1) Reliance Strategic Business Ventures Limited (2019 - Reliance Industrial Investments and Holdings Limited) | 105,907,273 | 18.53 | 105,907,273 | 18.53 |
| (2) ITC Limited | 85,621,473 | 14.98 | 85,621,473 | 14.98 |
| (3) Oberoi Hotels Private Limited | 83,646,328 | 14.63 | 83,646,328 | 14.63 |
| (4) Oberoi Holdings Private Limited | 33,438,993 | 5.85 | 33,438,993 | 5.85 |

(iv) Dividends

| | March 31, 2020 | March 31, 2019 |
|------------------------------------------------------------------------------------------|-------------------|-------------------|
| Final dividend for the year ended March 31, 2019 of INR 0.90, March 31, 2018 INR 0.90 | 514.41 | 514.41 |
| Dividend Distribution Tax | 91.34 | 105.74 |
| Dividends not recognised at the end of the reporting period | | |
| Liability for proposed dividend * | - | 514.41 |
| Dividend Distribution Tax on proposed dividend | - | 57.42 |

* In view of lockdown and the present business conditions and to conserve cash and maintain liquidity for future, the Board of Directors of EIH Limited have decided not to recommend dividend for the Financial Year 2019-20. This is subject to the approval of the shareholders in the ensuing annual general meeting.

Notes to Accounts — Contd.

19

OTHER EQUITY

| | As at March 31, 2020 | Rupees Million As at March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------------------------|
| A. RESERVES AND SURPLUS | | |
| Capital Redemption Reserve | 1,024.21 | 1,024.21 |
| Capital Reserve | 25.95 | 25.95 |
| Securities Premium | 12,373.41 | 12,373.41 |
| General Reserve | 9,384.83 | 9,384.83 |
| Retained Earnings | 6,236.57 | 5,398.59 |
| Total reserves and surplus | 29,044.97 | 28,206.99 |
| B. OTHER COMPREHENSIVE INCOME | | |
| Foreign Currency Translation Reserve | 1,177.33 | 583.81 |
| | 1,177.33 | 583.81 |
| Total Other Equity | 30,222.30 | 28,790.80 |
| (i) CAPITAL REDEMPTION RESERVE | | |
| Opening Balance | 1,024.21 | 1,024.21 |
| Adjustment during the year | - | - |
| Closing Balance | 1,024.21 | 1,024.21 |
| (ii) CAPITAL RESERVE | | |
| Opening Balance | 25.95 | 25.95 |
| Adjustment during the year | - | - |
| Closing Balance | 25.95 | 25.95 |
| (iii) SECURITIES PREMIUM | | |
| Opening Balance | 12,373.41 | 12,373.41 |
| Adjustment during the year | - | - |
| Closing Balance | 12,373.41 | 12,373.41 |
| (iv) GENERAL RESERVE | | |
| Opening Balance | 9,384.83 | 9,384.83 |
| Adjustment during the year | - | - |
| Closing Balance | 9,384.83 | 9,384.83 |

Notes to Accounts — Contd.

| | Rupees Million | |
|--------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| (v) RETAINED EARNINGS | | |
| Opening Balance | 5,398.59 | 4,910.16 |
| Adjustment of discontinuance of Mercury Travels Limited | - | 0.68 |
| Adjustment to opening balance due to change in Non Controlling Interest | - | (82.46) |
| Adjustment for new IndAS | 8.09 | (112.04) |
| Add: Profit during the year as per Statement of Profit & Loss | 1,488.17 | 1,315.41 |
| Final dividend for the year | (514.41) | (514.41) |
| Dividend distribution tax | (91.34) | (105.73) |
| Other comprehensive income recognised directly in retained earnings | | |
| - Remeasurements of defined benefit obligations, net of tax | (21.12) | (11.41) |
| - Recycling of foreign currency translation reserve | (28.06) | - |
| - Share of other comprehensive income of associates and joint ventures accounted for using the equity method | (3.35) | (1.61) |
| Closing Balance | 6,236.57 | 5,398.59 |
| (vi) FOREIGN CURRENCY TRANSLATION RESERVE | | |
| Opening Balance | 583.81 | (33.78) |
| Add/(Less): Currency Translation differences arising during the year | 593.52 | 617.59 |
| Closing Balance | 1,177.33 | 583.81 |
| | 30,222.30 | 28,790.80 |

Nature and purpose of Reserves

(i) Capital Redemption Reserve

Capital Redemption Reserve represents the statutory reserve created by the company for the redemption of its preference share capital issued and redeemed under previous GAAP. The same can be utilised by the group for issuing fully paid bonus shares.

(ii) Capital Reserve

Capital reserve represents reserve created on business combination done under previous GAAP in cases where value of net assets acquired exceeds the fair value of the consideration transferred.

(iii) Securities Premium

This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(iv) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Notes to Accounts — Contd.

| | Rupees Million | |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| 20 | | |
| NON-CURRENT BORROWINGS - AT AMORTISED COST | | |
| Term Loans from Banks | | |
| Secured | | |
| The Hong Kong & Shanghai Banking Corporation Limited (HSBC) | 1,607.14 | 2,035.71 |
| RBL Bank Limited (RBL) | 225.00 | - |
| State Bank of Mauritius | 500.37 | 642.74 |
| Unsecured Loans | | |
| From Government Of Himachal Pradesh | 5.00 | 5.00 |
| Long Term maturities of Finance Lease Obligations: | | |
| Secured | | |
| Long Term maturity of Finance Lease Obligations- Vehicles | - | 39.72 |
| Unsecured | | |
| Long Term maturity of Finance Lease Obligations- Land | - | 28.06 |
| Total Non-current borrowings | 2,337.51 | 2,751.23 |
| Current maturities of long-term debt (included in note 27) | 549.61 | 475.15 |
| Current maturities of finance lease obligations (included in note 27) | - | 27.84 |

PARTICULARS OF TERM BORROWINGS :

1.) Security

Term loan from The Hong Kong & Shanghai Banking Corporation Limited (HSBC) relates to ElH Ltd., is secured by way of equitable mortgage by deposit of title deeds in respect of the Company's hotel in Delhi known as The Oberoi, New Delhi.

Term loan from RBL Bank Limited (RBL) relates to ElH Ltd., is secured by first pari passu charge by way of equitable mortgage on immovable fixed assets of the Company's hotel in Delhi known as The Oberoi, New Delhi. Process of creation of security is in progress.

Term Loan from State Bank of Mauritius relates to ElH Flight Services Ltd, Mauritius and is secured by charge on building of that company, floating charge on all assets of the company, assignment of leasehold rights on the leasehold land and a corporate guarantee of ElH limited.

The Finance Lease obligations are secured by hypothecation of vehicles taken under Lease.

2.) Terms of repayment and Interest rate :

- Term Loan From The Hong Kong & Shanghai Banking Corporation Limited (HSBC) is repayable in 28 quarterly installment of INR 107.14 Million starting from February 2018 and ending on November 2024 and carries interest which is linked to banks MCLR, presently effective rate is 8.90%
- Term loan from RBL is repayable in 20 quarterly installments of INR 12.50 Million starting from December 2020 and ending on September 2025 and carries interest which is linked to 12 month T-bill, presently effective rate is 8.50%
- Term Loan from State Bank of Mauritius carries interest at 1% below the SBM prime lending rate(which is currently at 5.85%) with an all-in rate of 4.85% per annum. Loan will be repayable within 6 years in 20 quarterly installments of starting from September 2019 and ending in June 2024 in amounts varying from 7,500,000 MUR to 23,750,000 MUR based on the financial year.
- The Finance Lease obligations are secured by hypothecation of vehicles taken under Lease. Repayments are done by equated monthly installments over 36 to 60 months.
- Unsecured borrowings from Government of Himachal Pradesh is repayable at the option of the group and group does not expect repayment in next one year period.

Notes to Accounts — Contd.

| | Rupees Million | |
|---------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| 21 | | |
| OTHER NON-CURRENT FINANCIAL LIABILITIES | | |
| Lease Rent Equalisation | - | 9.48 |
| Security Deposits | 79.11 | 82.74 |
| Advances from customers | 240.03 | 219.74 |
| Total Other Non-Current Financial Liabilities | 319.14 | 311.96 |
| 22 | | |
| PROVISIONS - NON CURRENT | | |
| Employee Benefit Obligation | | |
| Gratuity 42 (i) (a) | 1.42 | 1.36 |
| Gratuity 42 (i) (b) | 7.02 | 5.73 |
| Leave Obligation 42 (i) (c) | 252.15 | 170.31 |
| Pension Benefits 42 (i) (d) | 70.22 | 73.63 |
| Total employee benefit obligations | 330.81 | 251.03 |
| 23 | | |
| OTHER NON-CURRENT LIABILITIES | | |
| Advance Rent | 11.22 | 21.54 |
| Total Other Non-Current Liabilities | 11.22 | 21.54 |
| 24 | | |
| DEFERRED TAX LIABILITIES - NET | | |
| Deferred Tax Liabilities on account of : | | |
| Depreciation | 1,756.66 | 2,312.33 |
| Outside Basis Taxation | 87.27 | 76.12 |
| Fair Valuation of Security Deposit Liability | 0.03 | 0.03 |
| Restatement of Liability at Fair Value | 0.41 | 0.32 |
| Investment in Associate accounted for using the Equity method | 58.45 | 58.45 |
| Total deferred tax liabilities (A) | 1,902.82 | 2,447.25 |
| Deferred Tax Assets on account of : | | |
| Statutory Expenses claimable on payment | 77.41 | 96.36 |
| Provision For Debts, Advances and Investments | 271.07 | 414.16 |
| Fair Valuation of Security Deposit-Assets | 32.99 | 38.76 |
| Loyalty and Membership fee -IndAS effect | 0.01 | 25.01 |
| Lease Rent Equalisation * | - | 3.60 |
| Others temporary differences | 43.44 | 21.06 |
| Total deferred tax assets (B) | 424.92 | 598.95 |
| Deferred Tax Liabilities - (Net - A-B) | 1,477.90 | 1,848.30 |

* Deferred tax assets decreased by INR 3.60 million on account of transition to Ind AS 116 w.e.f. 01.04.2019

Notes to Accounts — Contd.

Movement in Deferred Tax Assets and Liability

| | Rupees Million | | | | | | |
|----------------------------------------------------|-----------------------------------------|-----------------------------------------------|-------------------------------------------|----------------------------------|-------------------------------------|------------------------------|----------|
| Movement in deferred tax assets | Statutory Expenses claimable on payment | Provision For Debts, Advances and Investments | Fair Valuation of Security Deposit-Assets | Liability for Lease Equalisation | Adjustments on account of IndAS 115 | Others temporary differences | Total |
| As at March 31, 2018 | 89.32 | 129.56 | 31.33 | 3.83 | - | 21.56 | 275.60 |
| IndAS P&L adjustment done through opening reserves | - | - | - | - | 60.23 | - | 60.23 |
| (Charged)/ Credited: | | | | | | | - |
| - to profit and loss | 11.57 | 284.60 | 7.43 | (0.23) | (35.22) | (0.50) | 267.65 |
| - to other comprehensive income | (4.53) | - | - | - | - | - | (4.53) |
| As at March 31, 2019 | 96.36 | 414.16 | 38.76 | 3.60 | 25.01 | 21.06 | 598.95 |
| IndAS P&L adjustment done through opening reserves | - | - | - | (3.60) | - | - | (3.60) |
| (Charged)/ Credited: | | | | | | | |
| - to profit and loss | (21.81) | (143.09) | (5.77) | - | (25.00) | 22.38 | (173.29) |
| - to other comprehensive income | 2.86 | - | - | - | - | - | 2.86 |
| As at March 31, 2020 | 77.41 | 271.07 | 32.99 | - | 0.01 | 43.44 | 424.92 |

| Movement in deferred tax liabilities | WDV of Depreciable Assets | Fair Valuation of Security Deposit | Restatement of liability at fair value | Fair Valuation of Equity Investment -MTL | Investment in Associates using Equity method | Outside Basis Taxation | Total |
|--------------------------------------|---------------------------|------------------------------------|----------------------------------------|------------------------------------------|----------------------------------------------|------------------------|----------|
| As at March 31, 2018 | 2,148.15 | 0.03 | 0.20 | 2.77 | 58.45 | 31.84 | 2,241.44 |
| (Charged)/ Credited: | | | | | | | |
| - to profit and loss | 164.18 | - | 0.12 | (2.77) | - | 44.28 | 205.81 |
| - to other comprehensive income | - | - | - | - | - | - | - |
| - to Non Controlling Interest | - | - | - | - | - | - | - |
| As at March 31, 2019 | 2,312.33 | 0.03 | 0.32 | - | 58.45 | 76.12 | 2,447.25 |
| (Charged)/ Credited: | | | | | | | |
| - to profit and loss | (555.67) | (0.00) | 0.09 | - | - | 25.37 | (530.21) |
| - to other comprehensive income | - | - | - | - | - | (1.48) | (1.48) |
| - to Non Controlling Interest | - | - | - | - | - | (12.74) | (12.74) |
| As at March 31, 2020 | 1,756.66 | 0.03 | 0.41 | - | 58.45 | 87.27 | 1,902.82 |

Notes to Accounts — Contd.

25 CURRENT BORROWINGS

| | Rupees Million | |
|-------------------------------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| SECURED - at amortised cost | | |
| Short Term Loans From Banks | | |
| The Hong Kong & Shanghai Banking Corporation Limited (HSBC) | 180.00 | - |
| ICICI Bank Limited (ICICI) | 240.00 | - |
| HDFC bank limited | 300.00 | - |
| Cash Credit From Banks | | |
| United Bank Of India (UBI) | 186.29 | 67.44 |
| The Hong Kong & Shanghai Banking Corporation Limited (HSBC) | 47.76 | 219.18 |
| ICICI Bank Limited (ICICI) | 95.00 | 10.81 |
| HDFC bank limited | 66.23 | 199.14 |
| State Bank of Mauritius | 8.86 | - |
| UNSECURED - at amortised cost | | |
| Short Term Loans From Banks | | |
| ICICI Bank Limited (ICICI) | - | 750.00 |
| Federal Bank Limited | 750.00 | 1,000.00 |
| Total Current Borrowings | 1,874.14 | 2,246.57 |

PARTICULARS OF SHORT TERM BORROWINGS :

1) Security

Short Term Loans and Cash Credit facilities from banks (other than cash credit from State Bank of Mauritius) related to EIH Ltd. and are secured by way of hypothecation of all stock of inventories, book debts and other current assets of the company, both present and future, ranking pari passu.

Cash Credit with UBI is additionally secured by way of second charge in respect of the Company's hotel in Kolkata known as The Oberoi Grand.

Cash Credit from State Bank of Mauritius relates to EIH Flight Services Ltd, Mauritius and is secured by 1st rank floating charge for INR 25.00 million on all assets of EIH Flight Services Ltd, Mauritius and Corporate guarantee of INR 25.00 million given by EIH Flight Services Ltd, Mauritius shareholder

2) Terms of repayment and Interest rate :

Short term loan from HSBC for INR 180 Million is repayable on June 26, 2020 and carries Interest @ 8.20%

Short term loan from ICICI for INR 240 Million is repayable on September 04, 2020 and carries Interest @ 8.55%

Short term loan from HDFC for INR 300 Million is repayable on May 31, 2020 and carries Interest @ 8.05%

Cash Credit from UBI is repayable on demand and carries Interest at MCLR-Y + 0.55%

Cash Credit from HSBC is repayable on demand and carries Interest at overnight MCLR

Cash Credit from ICICI is repayable on demand and carries Interest at 6 months MCLR + 0.30%

Cash Credit from HDFC is repayable on demand and carries Interest at 1 year MCLR + 0.15%

Cash Credit from State Bank of Mauritius is repayable on demand and carries Interest at SBM PLR + 2.25%.

Short term loan from Federal bank limited INR 500 Million is repayable on September 18, 2020 and carries Interest @ 8.40%.

Short term loan from Federal bank limited INR 250 Million is repayable on March 20, 2021 and carries Interest @ 8.70%.

Notes to Accounts — Contd.

| | As at March 31, 2020 | Rupees Million As at March 31, 2019 |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------|
| 26 | | |
| A. TRADE PAYABLES TO MICRO AND SMALL ENTERPRISES | | |
| (i) Principal amount remaining unpaid at the end of the year * | 15.27 | 0.95 |
| (ii) Interest due thereon remaining unpaid at the end of the year | 0.01 | - |
| (iii) The amount of interest paid along with the amounts of the payment beyond the appointed day. | - | 0.44 |
| (iv) The amount of interest due and payable for the year | 0.05 | 0.03 |
| (v) The amount of interest accrued and remaining unpaid at the end of the year | 0.05 | - |
| (vi) The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid | - | - |
| (vii) Interest remaining disallowable as deductible expenditure under the Income Tax Act, 1961 | - | - |
| Total [(i)+(v)] | 15.32 | 0.95 |

* Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are based on information made available to the companies within the Group.

| | | |
|--------------------------------------------------------------------|-----------------|-----------------|
| B. TRADE PAYABLES TO OTHER THAN MICRO AND SMALL ENTERPRISES | | |
| Trade Payables | 1,988.85 | 2,230.58 |
| Trade Payables to related parties | 73.52 | 67.60 |
| Trade payables to other than micro and small enterprises | 2,062.37 | 2,298.18 |

| | | |
|-----------------------------------------------------------------|---------------|---------------|
| 27 | | |
| OTHER CURRENT FINANCIAL LIABILITIES | | |
| Current Maturities of Long Term Debt (refer note 20) | 549.61 | 475.15 |
| Current Maturities of Finance Lease Obligations (refer note 20) | - | 27.84 |
| Interest accrued but not due on borrowings | 8.67 | 7.99 |
| Unclaimed Dividend | 26.62 | 29.34 |
| Security Deposits | 106.28 | 84.49 |
| Other Payables | | |
| - Liability for Capital Assets | 138.00 | 135.94 |
| - Lease Rent Equalisation | - | 0.81 |
| Payable to related parties | 5.05 | - |
| Other Liabilities | 8.40 | - |
| Total current financial liabilities | 842.63 | 761.56 |

| | | |
|------------------------------------|----------|--------------|
| 28 | | |
| TAX LIABILITIES - NET | | |
| Income Tax Liabilities - Net | - | 17.22 |
| Total tax liabilities - Net | - | 17.22 |

Notes to Accounts — *Contd.*

| | Rupees Million | |
|----------------------------------------|---------------------------------|---------------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| 29 | | |
| PROVISIONS | | |
| Employee Benefit Obligation | | |
| Gratuity | 131.10 | 128.45 |
| Leave Obligation | 60.45 | 112.52 |
| Total provisions | 191.55 | 240.97 |
| 30 | | |
| OTHER CURRENT LIABILITIES | | |
| Advance from Customer | 345.14 | 487.28 |
| Statutory and other dues | 463.01 | 282.16 |
| Advance Rent | 23.34 | 7.91 |
| Deferred Revenue | 149.08 | 171.10 |
| Total other current liabilities | 980.57 | 948.45 |

Notes to Accounts — Contd.

| | Rupees Million | |
|----------------------------------------------------------------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2020 | Year ended March 31, 2019 |
| 31 | | |
| REVENUE FROM OPERATIONS | | |
| Rooms | 7,344.88 | 7,678.09 |
| Food and Beverages | 6,203.49 | 7,490.17 |
| Other Services | 1,975.03 | 2,483.78 |
| Sale of Printed Materials | 439.13 | 456.16 |
| Total revenue from operations | 15,962.53 | 18,108.20 |
| 32 | | |
| OTHER INCOME | | |
| Interest Income : | | |
| Interest income from financial assets at amortised cost | 171.12 | 138.26 |
| Interest income on Income Tax refund | 79.63 | 61.96 |
| Dividend Income : | | |
| Dividend income from equity investments measured at fair value through profit or loss | 19.54 | 20.01 |
| Income on account of Services Exports Incentive | 182.92 | 255.15 |
| Others : | | |
| Fair value changes on equity investments measured at fair value through profit or loss | - | 0.01 |
| Rental Income from Investment Property | 170.56 | 88.01 |
| Net foreign exchange gain | 14.97 | 1.85 |
| Provisions/ Liabilities Written Back | 29.39 | 14.75 |
| Miscellaneous Income | 116.28 | 107.87 |
| Total other income | 784.41 | 687.87 |
| 33 | | |
| CONSUMPTION OF PROVISIONS, WINES & OTHERS | | |
| Opening Stock | 298.81 | 231.72 |
| Add: Purchases | 1,988.64 | 2,511.93 |
| | 2,287.45 | 2,743.65 |
| Less: Closing Stock | 293.29 | 298.81 |
| Total Consumption of provisions, wines & others | 1,994.16 | 2,444.84 |
| 34 | | |
| EMPLOYEE BENEFITS EXPENSE | | |
| Salaries & Wages | 4,033.01 | 4,139.57 |
| Contribution to Provident fund and Other Funds | 233.66 | 211.93 |
| Staff Welfare Expenses | 425.51 | 455.43 |
| Total employee benefits expense | 4,692.18 | 4,806.93 |

Notes to Accounts — Contd.

| | Year ended March 31, 2020 | Rupees Million Year ended March 31, 2019 |
|-------------------------------------------------------------------------|------------------------------|------------------------------------------------|
| 35 | | |
| FINANCE COSTS | | |
| Interest Expense | 436.64 | 483.72 |
| Interest on obligations under finance leases | - | 20.69 |
| Interest on lease liabilities | 130.05 | - |
| | <u>566.69</u> | <u>504.41</u> |
| Less: Amount capitalised to qualifying assets | 10.64 | - |
| Total finance costs | <u>556.05</u> | <u>504.41</u> |
| 36 | | |
| DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation of property, plant and equipment | 1,220.84 | 1,262.76 |
| Depreciation of Right of use asset | 176.83 | - |
| Amortisation of intangible assets | 40.82 | 39.02 |
| Depreciation of investment property | 26.12 | 23.79 |
| Total depreciation and amortisation expense | <u>1,464.61</u> | <u>1,325.57</u> |
| 37 | | |
| OTHER EXPENSES | | |
| Power & Fuel | 1,159.49 | 1,246.52 |
| Rent | 384.65 | 464.70 |
| Repairs and Maintenance: | | |
| - Buildings | 297.04 | 264.24 |
| - Plant & Machinery | 460.11 | 448.30 |
| - Others | 73.76 | 73.48 |
| Insurance | 76.22 | 63.90 |
| Rates & Taxes | 388.62 | 389.10 |
| Expenses on Apartment & Board | 230.23 | 281.29 |
| Royalty | 132.26 | 149.55 |
| Advertisement, Publicity & Other Promotional Expenses | 412.56 | 367.26 |
| Commission to Travel Agents & others | 497.98 | 513.84 |
| Passage & Travelling | 332.67 | 350.48 |
| Postage, Telephone, etc. | 84.17 | 90.32 |
| Professional Charges | 289.96 | 384.95 |
| Linen, Uniform Washing & Laundry Expenses | 53.68 | 58.85 |
| Renewals & Replacement | 155.95 | 155.40 |
| Musical, Banquet & Kitchen Expenses | 108.15 | 104.27 |
| Auditors' Remuneration (Refer 37 (a)) | 40.94 | 34.08 |
| Directors' Fees and Commission | 82.43 | 100.29 |
| Loss on fair valuation of Investment | 2.33 | 0.84 |
| Bad Debts & Advances Written Off | 128.27 | 41.30 |
| Less : Charged off against provisions | (127.39) | (34.75) |
| | 0.88 | 6.55 |
| CSR Expenses (Refer 37(b)) | 41.58 | 45.69 |
| Expenses on Contracts for service | 590.44 | 600.09 |
| Provision for debts & advances with significant increase in credit risk | 19.74 | 9.18 |
| Loss on Sale/Discard of Property, Plant and Equipments (Net) | 47.19 | 2.67 |
| Airport Levy Expenses | 121.37 | 272.41 |
| Loss on exchange | - | 19.09 |
| Miscellaneous Expenses | 289.22 | 299.91 |
| Total other expenses | <u>6,373.62</u> | <u>6,797.25</u> |

Notes to Accounts — Contd.

| | Year ended March 31, 2020 | Rupees Million Year ended March 31, 2019 |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------|
| 37 | | |
| OTHER EXPENSES – Contd. | | |
| (a) | | |
| Details of Auditors' remuneration | | |
| As auditor: | | |
| Audit fee | 31.44 | 25.88 |
| Review of special purpose financial information | 0.20 | |
| Tax audit fee | 1.52 | 1.70 |
| Reimbursement of expenses | 1.22 | 1.22 |
| In other capacity | | |
| For Limited Review of Unaudited Financial Results | 5.40 | 4.20 |
| For verification of statement and other reports | 1.16 | 1.08 |
| Total payments to auditors | 40.94 | 34.08 |
| (b) | | |
| Details Of CSR Expenditure | | |
| SOS Children's Villages of India | 23.98 | 24.78 |
| Helpage India | 7.00 | 7.00 |
| Save the Children | 5.45 | - |
| Expenses for Swachh Bharat Abhiyan | 0.86 | 4.16 |
| Kailash Sathyarthi Children Foundation | - | 5.55 |
| Odisha Relief Fund | 0.10 | - |
| Repair work at school for visually impaired at Dhalli in the District of Shimla, Himachal Pradesh | 1.79 | 2.38 |
| Set up of Vocational Training Centre including teachers and teaching aids at the school for the Hearing and Visually impaired | 1.84 | 1.82 |
| Laundry machine for the school for the hearing and visually impaired at Dhalli, Shimla | 0.56 | - |
| Total CSR Expenditure | 41.58 | 45.69 |
| Amount required to be spent on CSR as per Section 135 of the Companies Act, 2013 | 40.37 | 41.45 |

38 **EXCEPTIONAL ITEMS : PROFIT/ (LOSS)**

| | | |
|----------------------------------------------------------------|---------------|-----------------|
| Profit/(Loss) on sale of Investment in Mercury Travels Limited | - | 116.83 |
| Provision for Doubtful Debts | (4.67) | (847.49) |
| Total Exceptional Items | (4.67) | (730.66) |

Exceptional Items include a) a one-off provision of INR 4.67 million (P.Y. INR 847.49 million) against receivable from a single customer in the flight catering business, due to uncertainty over business continuity of the referred customer and (b) C.Y. Nil (P.Y. Profit of INR 116.83 million on sale of investment in an associate).

Notes to Accounts — Contd.

| | Year ended March 31, 2020 | Rupees Million Year ended March 31, 2019 |
|-------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------------|
| 39 | | |
| TAX EXPENSE | | |
| (a) Current tax | | |
| Tax on profits for the year | 360.79 | 852.97 |
| Adjustments for prior periods | 11.60 | 9.28 |
| Total Current tax | 372.39 | 862.25 |
| (b) Deferred tax | | |
| Decrease / (Increase) in deferred tax assets | 189.59 | (255.47) |
| (Decrease) / Increase in deferred tax liabilities | (529.77) | 236.39 |
| | (340.18) | (19.08) |
| Add: MAT credit utilised | (28.00) | (18.98) |
| Add : Recognised in OCI | 4.57 | (4.39) |
| Total deferred tax expense/(benefit) | (363.61) | (42.45) |
| Total tax expense | 8.78 | 819.80 |
| (c) Reconciliation of tax expense and the accounting profit multiplied by tax rate: | | |
| Profit before income tax expense | 1,660.21 | 2,309.37 |
| Tax at the respective countries' tax rates | 479.27 | 778.71 |
| Tax effect of amounts which are not deductible in calculating taxable income: | | |
| Corporate social responsibility expenditure | 10.66 | 15.12 |
| Interest on MSME | - | 0.01 |
| Expenses related to exempted income | 1.01 | 6.23 |
| Donations | 0.10 | 0.08 |
| Tax loss utilized | 31.96 | - |
| Others | 1.01 | (6.18) |
| | 44.74 | 15.26 |
| Adjustments related to property, plant and equipments: | | |
| Depreciation adjustment on account of difference in WDV as per companies Act and Income tax Act | - | (0.02) |
| Adjustment on account of depreciable and leased assets | 4.63 | 20.90 |
| Impact of rate change in deferred tax | (15.54) | - |
| | (10.91) | 20.88 |
| Tax effect of amounts which are not taxable in calculating taxable income: | | |
| Profit on sale of property | - | (34.38) |
| Dividend | (43.27) | (58.06) |
| Others | 25.34 | 74.99 |
| | (17.93) | (17.45) |
| Other differences | | |
| Difference in tax rate on foreign dividend | (5.69) | (24.83) |
| Impact of decrease in tax rate on deferred tax | (448.37) | - |
| Impact of difference in tax rate and method on gains arising on fair value of Investments | 0.53 | 0.22 |
| Deferred tax assets not recognised | (22.64) | 4.98 |
| Deferred tax for earlier year | (10.12) | (12.34) |
| Difference in tax rate of subsidiaries | (11.70) | 45.09 |
| | (497.99) | 13.12 |
| Income tax expense related to prior periods | 11.60 | 9.28 |
| Income tax expense as per Income Tax | 8.78 | 819.80 |

Effective April 1, 2019, companies within the Group has adopted Appendix C to Ind AS 12 – Income taxes retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The effect on account of initial application of this amendment is Nil. The effect of adoption of this amendment in the current year is also Nil.

Notes to Accounts — Contd.

40 FAIR VALUE MEASUREMENTS

Financial instruments by category Rupees Million

| | As at March 31, 2020 | | As at March 31, 2019 | |
|------------------------------------------------------------------------------|----------------------|-----------------|----------------------|-----------------|
| | FVPL | Amortised cost | FVPL | Amortised cost |
| Financial assets | | | | |
| Investments | | | | |
| Equity instruments - Other than Investments in associates and joint ventures | 777.10 | - | 843.74 | - |
| Government securities | - | 0.29 | - | 0.27 |
| Trade Receivables | - | 2,057.27 | - | 2,480.58 |
| Cash and cash equivalents | - | 678.76 | - | 984.12 |
| Other bank balances | - | 1,612.30 | - | 1,425.83 |
| Other receivables | - | 51.12 | - | 37.64 |
| Security deposits | - | 480.54 | - | 436.38 |
| Total financial assets | 777.10 | 4,880.28 | 843.74 | 5,364.82 |
| Financial liabilities | | | | |
| Borrowings | - | 4,761.26 | - | 5,405.17 |
| Security deposits | - | 185.39 | - | 167.23 |
| Finance Lease Obligations | - | - | - | 95.62 |
| Lease Rent equalisation | - | - | - | 10.29 |
| Lease Liabilities | - | 1,713.41 | - | - |
| Trade payables | - | 2,077.69 | - | 2,299.13 |
| Capital creditors | - | 138.00 | - | 135.94 |
| Others | - | 288.77 | - | 257.07 |
| Total financial liabilities | - | 9,164.52 | - | 8,370.45 |

(i) Financial assets and liabilities measured at fair value - recurring fair value measurements

| | As at March 31, 2020 | | As at March 31, 2019 | |
|------------------------------------------------|----------------------|---------------|----------------------|---------------|
| | Level 1 | Level 3 | Level 1 | Level 3 |
| Financial Investments at FVPL | | | | |
| Investment in Equity Shares of (Note 5) | | | | |
| Tourism Finance Corporation of India Limited | 0.85 | - | 2.98 | - |
| Green Infra Wind Generation Limited | - | 0.13 | - | 0.18 |
| ReNew Wind Energy (Karnataka) Pvt. Ltd. | - | 0.42 | - | 0.42 |
| Tourism Investments Company at Sahl Hasheesh | - | 391.23 | - | 358.17 |
| Investment in Mutual fund of (Note 12) | | | | |
| Aditya Birla Sun Life Liquid Fund | 240.89 | - | 250.62 | - |
| Nippon India Liquid Fund | 101.20 | - | 190.66 | - |
| Nippon India Liquid Fund | 42.38 | - | 40.71 | - |
| Total financial assets | 385.32 | 391.78 | 484.97 | 358.77 |

Notes to Accounts — Contd.

(ii) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds, that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, etc.

(iii) Assets and liabilities which are measured at amortised cost for which fair values are disclosed

All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

(iv) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Investment in Green Infra Wind Generation Limited and ReNew Wind Energy (Karnataka) Pvt. Ltd., are made pursuant to the contract for procuring electricity supply at the hotels units. Investment in said companies is not usually traded in market. Considering the terms of the electricity supply contract and best information available in the market, cost of investment is considered as fair value of the investments.
- For the investment in Golden Jubilee Hotels Private Limited (GJHPL), the management was of the view that carrying value of the investment is representative of its fair value as on April 01, 2015. As on April 01, 2015, no indicators of impairment was existing. However, during the financial year 2015-16, due to the non-payment of bank borrowings and other obligation, petition for the winding up has been filed by the creditors and lenders of the GJHPL. Considering the financial position of the GJHPL and legal proceedings initiated by lenders, the management has fully provided for the investment in GJHPL as on March 31, 2016.

(v) Reconciliation of financial assets measured at fair value using significant unobservable inputs (level 3)

| | Rupees Million |
|---------------------------------------------|----------------|
| As at March 31, 2018 | 324.19 |
| Acquisitions | - |
| Gains/(losses) recognised in profit or loss | 34.58 |
| As at March 31, 2019 | 358.77 |
| Acquisitions | - |
| Gains/(losses) recognised in profit or loss | 33.01 |
| As at March 31, 2020 | 391.78 |

Notes to Accounts — Contd.

41 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (i.e., currency risk, interest rate risk and market price risk), liquidity risk and credit risk. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk.

The company's risk management is carried out by a treasury department under policies approved by the Board of Directors. Company Treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

(A) Market risk

(i) Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the respective companies' functional currency.

The exposure of the Group to foreign currency risk is not significant. However, this is closely monitored by the Management to decide on the requirement of hedging. The position of foreign currency exposure to the Group as at the end of the year expressed in INR are as follows :

| Currency | Rupees Million | |
|----------------------------------------------|----------------|-----------------|
| | (Receivables) | (Payables) |
| March 31 2020 | | |
| US Dollar (USD) | 74.88 | 32.73 |
| EURO | 3.73 | 2.12 |
| Great Britain Pound (GBP) | 1.75 | 11.81 |
| Australian Dollar (AUD) | 6.58 | - |
| Mauritius Rupee (MUR) | 51.69 | 1,030.59 |
| UAE Dirham (AED) | 1.84 | 0.19 |
| Hongkong Dollar (HKD) | - | 0.62 |
| Swedish Kroner (SEK) | - | 0.22 |
| Singapore Dollar (SGD) | - | 0.21 |
| Net exposure to foreign currency risk | 140.47 | 1,078.49 |
| March 31 2019 | | |
| US Dollar (USD) | 59.51 | 12.12 |
| EURO | 7.20 | 2.09 |
| Great Britain Pound (GBP) | 1.41 | 5.58 |
| Australian Dollar (AUD) | 24.21 | - |
| Mauritius Rupee (MUR) | 72.37 | 712.20 |
| UAE Dirham (AED) | 1.38 | 0.44 |
| Net exposure to foreign currency risk | 166.08 | 732.43 |

Notes to Accounts — Contd.

Sensitivity

If INR is depreciated or appreciated by 5% vis-a-vis foreign currency, the impact thereof on the profit and loss of the group are given below:

| | Rupees Million | |
|-----------------------------------------------|-------------------|---------------|
| | Impact on profit* | |
| | March 31 2020 | March 31 2019 |
| USD sensitivity | | |
| INR/USD Increases by 5% (March 31 2019 - 5%) | 2.11 | 2.37 |
| INR/USD Decreases by 5% (March 31 2019 - 5%) | (2.11) | (2.37) |
| EURO sensitivity | | |
| INR/EURO Increases by 5% (March 31 2019 - 5%) | 0.08 | 0.26 |
| INR/EURO Decreases by 5% (March 31 2019 - 5%) | (0.08) | (0.26) |
| GBP sensitivity | | |
| INR/GBP Increases by 5% (March 31 2019 - 5%) | (0.50) | (0.21) |
| INR/GBP Decreases by 5% (March 31 2019 - 5%) | 0.50 | 0.21 |
| AED sensitivity | | |
| INR/AED Increases by 5% (March 31 2019 - 5%) | 0.08 | 0.05 |
| INR/AED Decreases by 5% (March 31 2019 - 5%) | (0.08) | (0.05) |
| Mauritius Rupee sensitivity | | |
| INR/MUR Increases by 5% (March 31 2019 - 5%) | (48.95) | (31.99) |
| INR/MUR Decreases by 5% (March 31 2019 - 5%) | 48.95 | 31.99 |
| AUD sensitivity | | |
| INR/AUD Increases by 5% (March 31 2019 - 5%) | 0.33 | 1.21 |
| INR/AUD Decreases by 5% (March 31 2019 - 5%) | (0.33) | (1.21) |
| HKD sensitivity | | |
| INR/HKD Increases by 5% (March 31 2019 - 5%) | (0.03) | - |
| INR/HKD Decreases by 5% (March 31 2019 - 5%) | 0.03 | - |
| SEK sensitivity | | |
| INR/SEK Increases by 5% (March 31 2019 - 5%) | (0.01) | - |
| INR/SEK Decreases by 5% (March 31 2019 - 5%) | 0.01 | - |
| SGD sensitivity | | |
| INR/SGD Increases by 5% (March 31 2019 - 5%) | (0.01) | - |
| INR/SGD Decreases by 5% (March 31 2019 - 5%) | 0.01 | - |

* Holding all other variables constant

(ii) Interest rate risk

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period depends on the mix of fixed rate and floating rate of the borrowings and the expected movement of market interest rate. The status of borrowings in terms of fixed rate and floating rate are as follows:

| | | |
|--------------------------|-----------------|-----------------|
| Variable rate borrowings | 3,286.26 | 4,650.17 |
| Fixed rate borrowings | 1,475.00 | 755.00 |
| Total borrowings | 4,761.26 | 5,405.17 |

As at the end of the reporting period, the group had the following variable rate borrowings outstanding:

| | Weighted average interest rate | Balance | % of total loans |
|-------------------------|--------------------------------|----------|------------------|
| March 31, 2020 | | | |
| Bank loans, Cash Credit | 8.75% | 3,286.26 | 69% |
| March 31, 2019 | | | |
| Bank loans, Cash Credit | 8.67% | 4,650.17 | 86% |

Notes to Accounts — Contd.

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| | Rupees Million | |
|---------------------------------------------------------|-------------------|---------------|
| | Impact on profit* | |
| | March 31 2020 | March 31 2019 |
| Interest rates – increase by 50 basis points (50 bps) * | (16.43) | (23.25) |
| Interest rates – decrease by 50 basis points (50 bps) * | 16.43 | 23.25 |

* Holding all other variables constant

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group in equity securities and classified in the balance sheet as at fair value through profit or loss (Note 5). However, Group does not have a practice of investing in equity securities with a view to earn fair value changes gain. As per the Group policies, whenever any investment is made by the Group company in equity securities, the same is made either with some strategic objective or as a part of contractual arrangement.

(B) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the group.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Group companies has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the Group companies do not allow any credit period and therefore, is not exposed to any credit risk.

The Group does not have any derivative transaction and therefore is not exposed to any credit risk on account of derivatives.

Reconciliation of loss allowance provision – Trade receivables

| | |
|----------------------------------------|---------------|
| Loss allowance on March 31 2018 | 184.34 |
| Changes in loss allowance | 815.03 |
| Loss allowance on March 31 2019 | 999.37 |
| Changes in loss allowance | (105.31) |
| Loss allowance on March 31 2020 | 894.06 |

(C) Liquidity risk

The Group has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely availability of cash and cash equivalents, and available undrawn borrowing facilities.

(i) Financing arrangements: The position of undrawn borrowing facilities at the end of reporting period are as follows:

| | March 31 2020 | March 31 2019 |
|----------------------------------------------------------------------|-----------------|-----------------|
| Floating rate | | |
| Expiring within one year (cash credit facilities and bank overdraft) | | |
| HSBC Cash Credit/WCTL Facility | 72.24 | 80.82 |
| UBI Cash Credit Facility | 613.71 | 732.56 |
| ICICI Cash Credit Facility | 135.00 | 389.11 |
| ICICI Short Term Facility | 1,000.00 | - |
| Federal Bank Short Term Facility | 750.00 | 1,000.00 |
| HDFC Cash Credit Facility | 133.77 | 300.86 |
| | 2,704.72 | 2,503.35 |

The bank overdraft and cash credit facilities may be drawn at any time and may be terminated by the bank without notice.

Notes to Accounts — Contd.

(ii) Maturities of financial liabilities

The table below analyses the group's all non-derivative financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities:

| | Rupees Million | | | |
|-----------------------------------------|--------------------------|--------------------------|-----------------------|------------------|
| | Not later than 1 year | Between 1 and 5 years | Later than 5 years | Total |
| Non-derivatives | | | | |
| March 31 2020 | | | | |
| Borrowings | 2,675.45 | 2,681.83 | 31.68 | 5,388.96 |
| Lease Liabilities | 145.40 | 518.05 | 2,496.49 | 3,159.94 |
| Trade payables | 2,077.69 | - | - | 2,077.69 |
| Other financial liabilities | 249.91 | 98.92 | 0.68 | 349.51 |
| Total non-derivative liabilities | 5,148.45 | 3,298.80 | 2,528.85 | 10,976.10 |
| March 31 2019 | | | | |
| Borrowings | 2,977.66 | 3,199.93 | 20.71 | 6,198.30 |
| Obligations under finance lease | 41.54 | 63.11 | 119.54 | 224.19 |
| Trade payables | 2,570.31 | - | - | 2,570.31 |
| Other financial liabilities | 230.30 | 100.19 | 12.06 | 342.55 |
| Total non-derivative liabilities | 5,819.81 | 3,363.23 | 152.31 | 9,335.35 |

(D) Capital management

(i) Risk management

The group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The group's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

| | Rupees Million | |
|---------------------------------|----------------|---------------|
| | March 31 2020 | March 31 2019 |
| Net debt * | 4,082.50 | 4,421.05 |
| Total equity | 32,362.75 | 30,820.11 |
| Net debt to equity ratio | 13% | 14% |

* Net debt represents borrowings less cash and cash equivalents computed as follows:

| | | |
|---------------------------------|-----------------|-----------------|
| Term Loan from Bank | 2,882.12 | 3,153.60 |
| Loan from Others | 5.00 | 5.00 |
| Cash Credit From Banks | 404.14 | 496.57 |
| Short Term Loan From Banks | 1,470.00 | 1,750.00 |
| Less: cash and cash equivalents | (678.76) | (984.12) |
| Net debt | 4,082.50 | 4,421.05 |

Notes to Accounts — Contd.

42

(i) POST-EMPLOYMENT OBLIGATIONS

a) Gratuity (India)

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a funded plan and the group through Gratuity Trust makes contribution of funds to Life Insurance Corporation of India.

b) Gratuity (Mauritius)

The Group provides for gratuity for employees in Mauritius under the Employment Rights Act, 2008. The gratuity plan is an unfunded defined benefit plan.

c) Leave Obligation (India)

As per the policy of the company, leave obligations can be settled in cash only at the time of separation of employees with the group. The leave obligations cover the company's liability for earned leaves encashable at the time of termination/retirement of employees. It's a unfunded plan.

d) Pension Benefits

The pension benefit plan pertains to two of the foreign subsidiaries PT Waka Oberoi Indonesia and PT Widja Putra Karya.

(ii) DEFINED CONTRIBUTION PLANS

The company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Balance sheet amounts – Gratuity and Leave Obligations (India)- Note (i) (a) and (i) (c)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

| | Rupees Million | | | |
|--------------------------------------------------------------------------------|-----------------------------|---------------------------|------------|-------------------------------------------------------|
| | Gratuity | | | Earned Leave |
| | Present value of obligation | Fair value of plan assets | Net amount | Present value for obligation towards Leave Encashment |
| April 1, 2018 | 649.73 | 474.03 | 175.70 | 279.51 |
| Current service cost | 40.76 | - | 40.76 | 49.24 |
| Interest expense/(income) | 46.26 | 37.55 | 8.71 | 19.25 |
| Total amount recognised in profit or loss | 87.02 | 37.55 | 49.47 | 68.49 |
| Remeasurements | | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | 18.55 | | 18.55 | (17.27) |
| (Gain)/loss from change in financial assumptions | 8.36 | - | 8.36 | 4.26 |
| Experience (gains)/losses | (0.01) | 0.25 | (0.26) | 0.52 |
| Total amount recognised in other comprehensive income | 26.90 | 0.25 | 26.65 | (12.49) |
| Employer contributions | - | 121.58 | (121.58) | - |
| Benefit payments | (82.05) | (81.62) | (0.43) | (52.68) |
| March 31, 2019 | 681.60 | 551.79 | 129.81 | 282.83 |
| April 1, 2019 | 681.60 | 551.79 | 129.81 | 282.83 |
| Current service cost | 42.04 | - | 42.04 | 51.93 |
| Interest expense/(income) | 47.41 | 40.28 | 7.13 | 18.97 |
| Total amount recognised in profit or loss | 89.45 | 40.28 | 49.17 | 70.90 |

Notes to Accounts — Contd.

| <i>Remeasurements</i> | Rupees Million | | | |
|--------------------------------------------------------------|----------------|---------------|---------------|---------------|
| (Gain)/loss from change in demographic assumptions | (0.13) | - | (0.13) | 16.74 |
| Experience (gains)/losses | 4.53 | - | 4.53 | (8.59) |
| (Gain)/loss from change in financial assumptions | 15.97 | - | 15.97 | 4.02 |
| Total amount recognised in other comprehensive income | 20.37 | - | 20.37 | 12.17 |
| Employer contributions | - | 66.55 | (66.55) | - |
| Benefit payments | (81.93) | (81.64) | (0.29) | (53.29) |
| March 31, 2020 | 709.49 | 576.98 | 132.51 | 312.61 |

(iii) POST EMPLOYMENT BENEFITS

The significant actuarial assumptions were as follows:

| Particulars | March 31, 2020 | March 31, 2019 |
|--------------------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Discount rate | 6.50% - 6.66% | 7.40% - 7.69% |
| Salary growth rate | 0%-5% | 5% |
| Mortality | Indian assured lives mortality (2006-08) (modified) Ultimate | Indian assured lives mortality (2006-08) (modified) Ultimate |
| Withdrawal Rate | Age less than 30 years: Management - 20% Non Management - 30% Age Greater than 30 years - Upto 5% | 2%-3% |

(iv) SENSITIVITY ANALYSIS

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| | Change in assumption | | Impact on defined benefit obligation | | | |
|-------------------------|----------------------|----------------|--------------------------------------|----------------|----------------|----------------|
| | | | Increase by 1% | | Decrease by 1% | |
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Gratuity | | | | | | |
| Discount rate | 1% | 1% | (34.18) | (39.99) | 38.10 | 45.43 |
| Salary growth rate | 1% | 1% | 32.12 | 46.10 | (29.36) | (41.24) |
| Leave Encashment | | | | | | |
| Discount rate | 1% | 1% | (17.43) | (19.98) | 19.77 | 23.27 |
| Salary growth rate | 1% | 1% | 17.19 | 23.61 | (15.45) | (20.59) |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Sensitivities due to Demographic and Investment are not material and hence the impact of change due to these is not disclosed

(v) The major categories of plans assets are as follows:

| | March 31, 2020 | | March 31, 2019 | |
|-------------------------------------|----------------|------|----------------|------|
| | Unquoted | in % | Unquoted | in % |
| Investment funds with LIC of India* | 576.98 | 100% | 551.80 | 100% |
| Total | 576.98 | | 551.80 | |

* Gratuity trust pays contribution to LIC which in turn invests the amount in various instruments. As it is done by LIC in totality basis along with contributions from other participants, the Company wise investment in planned assets - category / class wise is not available.

Notes to Accounts — Contd.

(vi) Risk exposure

Through its defined benefit plans, The company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Investment risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. LIC of India primarily invests in debt instruments such as Government securities and highly rated corporate bonds wherein the risk of downward fluctuation in value is minimal.

(vii) Defined benefit liability and employer contributions

Expected contributions to post employment benefit plan for the year ending 31 March 2021 are INR 132.51 million.

The weighted average duration of the defined benefit obligation is between 7-25 years (2019 - 7 years) in case of Gratuity and between 7-18 years (2019- 8 years) in case of Leave encashment.

The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

| | | | | | | | Rupees Million |
|----------------------------|------------------|---------------------|---------------------|---------------------|---------------------|----------------|-----------------|
| Particulars | Less than a year | Between 1 - 2 years | Between 2 - 3 years | Between 3 - 4 years | Between 4 - 5 years | Beyond 5 years | Total |
| March 31, 2020 | | | | | | | |
| Defined benefit obligation | | | | | | | |
| Gratuity | 114.45 | 91.23 | 114.61 | 85.58 | 89.43 | 408.88 | 904.18 |
| Leave Obligation | 62.37 | 47.60 | 53.23 | 44.23 | 44.51 | 218.11 | 470.05 |
| Total | 176.82 | 138.83 | 167.84 | 129.81 | 133.94 | 626.99 | 1,374.23 |
| March 31, 2019 | | | | | | | |
| Defined benefit obligation | | | | | | | |
| Gratuity | 69.49 | 87.81 | 75.32 | 104.24 | 73.48 | 424.88 | 835.22 |
| Leave Obligation | 34.37 | 30.68 | 30.96 | 43.69 | 33.20 | 219.29 | 392.19 |
| Total | 103.86 | 118.49 | 106.28 | 147.93 | 106.68 | 644.17 | 1,227.41 |

Balance sheet amounts – Gratuity (Mauritius)- Note (i) (b)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

| | Gratuity Present value of obligation |
|--------------------------------------------------------------|--------------------------------------------|
| April 1, 2018 | 4.50 |
| Current service cost | 0.96 |
| Interest expense/(income) | 0.26 |
| Translation Adjustment | 0.44 |
| Total amount recognised in profit or loss | 1.66 |
| Remeasurements | |
| (Gain)/loss from change in demographic assumptions | - |
| (Gain)/loss from change in financial assumptions | (0.09) |
| Experience (gains)/losses | (0.32) |
| Total amount recognised in other comprehensive income | (0.41) |

Notes to Accounts — Contd.

| | Rupees Million |
|--------------------------------------------------------------|----------------|
| Employer contributions | - |
| Benefit payments | - |
| March 31, 2019 | 5.75 |
| April 1, 2019 | 5.75 |
| Current service cost | 0.73 |
| Interest expense/(income) | 0.32 |
| Translation Adjustment | (0.46) |
| Total amount recognised in profit or loss | 0.59 |
| Remeasurements | |
| (Gain)/loss from change in demographic assumptions | - |
| (Gain)/loss from change in financial assumptions | (0.12) |
| Experience (gains)/losses | (0.61) |
| Past Service cost | 1.67 |
| Total amount recognised in other comprehensive income | (0.94) |
| Employer contributions | - |
| Benefit payments | (0.26) |
| March 31, 2020 | 7.02 |

The net liability disclosed above relates to funded and unfunded plans are as follows:

| | Gratuity | |
|-------------------------------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Present value of funded obligations | - | - |
| Fair value of plan assets | - | - |
| Deficit of funded plan | - | - |
| Unfunded plans | 7.02 | 5.73 |
| Deficit of Employee Benefit Plans | 7.02 | 5.73 |

(viii) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

| | March 31, 2020 | March 31, 2019 |
|------------------------|----------------|----------------|
| Discount rate | 5.30% | 6.00% |
| Salary growth rate | 2.60% | 3.40% |
| Average Retirement Age | 65 Years | 65 years |

(ix) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| | Impact on defined benefit obligation | | | | | |
|-----------------|--------------------------------------|----------------|------------------------|----------------|------------------------|----------------|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Gratuity | | | | | | |
| Discount rate | 1% | 1% | 1.51 | 1.14 | 1.21 | 1.04 |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Notes to Accounts — Contd.

(x) Risk exposure

Through its defined benefit plans, The group is exposed to a number of risks, the most significant of which are detailed below:

Interest Risk: A decrease in the bond interest rate will increase the plan liability, however, this may be partially offset by a decrease in inflationary pressures on the salary increased.

Salary Risk: The Plan liability is calculated by reference to the future projected salaries of plan participants. As such an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

Balance sheet amounts – Pension Benefits (Indonesia)- Note (i) (d)

Rupees Million

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

| | Pension Benefit Present value of obligation |
|-------------------------------------------------------------------|------------------------------------------------------------|
| April 1, 2018 | 63.36 |
| Current service cost | 4.77 |
| Interest expense/(income) | 4.34 |
| Total amount recognised in profit or loss | 9.11 |
| Remeasurements | |
| (Gain)/loss from change in demographic assumptions | - |
| (Gain)/loss from change in financial assumptions | (2.83) |
| Experience (gains)/losses | 4.23 |
| Translation Adjustment including translation at ElH India Console | 4.46 |
| Total amount recognised in other comprehensive income | 5.86 |
| Employer contributions | - |
| Benefit payments | (4.08) |
| March 31, 2019 | 74.25 |
| April 1, 2019 | 74.25 |
| Current service cost | 6.01 |
| Interest expense/(income) | 4.77 |
| Total amount recognised in profit or loss | 10.78 |
| Remeasurements | |
| (Gain)/loss from change in demographic assumptions | - |
| (Gain)/loss from change in financial assumptions | 0.76 |
| Experience (gains)/losses | (1.39) |
| Translation Adjustment including translation at ElH India Console | (3.56) |
| Total amount recognised in other comprehensive income | (4.19) |
| Employer contributions | - |
| Benefit payments | (10.61) |
| March 31, 2020 | 70.22 |

Notes to Accounts — *Contd.*

(xi) Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

| | Rupees Million | |
|--------------------|-----------------------------------|--------------------------------|
| | March 31, 2020 | March 31, 2019 |
| Discount rate | 8.73% | 8.54% |
| Salary growth rate | 8% - 8.50% | 8.00% |
| Mortality | TMI III | TMI III |
| Retirement Age | 55 Years | 55 Years |
| Disability Rate | 5%-10% of Mortality table TMI III | 10% of Mortality table TMI III |

(xii) Sensitivity analysis (To be included for each defined benefit obligation)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| | Impact on defined benefit obligation | | | | | |
|---------------|--------------------------------------|----------------|------------------------|----------------|------------------------|----------------|
| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Discount rate | 1.00% | 1.00% | (4.71) | (19.38) | 5.42 | 4.72 |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Notes to Accounts — Contd.

RELATED PARTY TRANSACTIONS

43(a)

LIST OF RELATED PARTIES

In accordance with the requirements of Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balance with them in the ordinary course of business and on arms' length basis are given below

| Key Management Personnel of the company and close member of Key Management Personnel of the company | Enterprises in which Key Management Personnel and close member of Key Management Personnel have Joint Control or Significant influence with whom transactions have taken place during the current and previous year |
|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. P.R.S. Oberoi | Oberoi Hotels Private Limited |
| Mr. S.S. Mukherji | Oberoi Holdings Private Limited |
| Mr. Vikram Oberoi | Oberoi Investments Private Limited |
| Mr. Arjun Oberoi | Oberoi Buildings and Investments Private Limited |
| Ms. Nita M. Ambani | Oberoi Plaza Private Limited |
| Ms. Chhavi Rajawat | Bombay Plaza Private Limited |
| Mr. Manoj Harjivandas Modi | Oberoi International LLP |
| Mr. Rajeev Gupta | Oberoi Lutyens Private Limited |
| Mr. S.K. Dasgupta (ceased to be a Director from 29th March, 2019) | Silhouette Beauty Parlour (Upto March 31, 2019) |
| Mr. Anil K. Nehru | Ceres Hospitality Private Limited |
| Mr. Sudipto Sarkar | |
| Mr. L. Ganesh | Enterprises which are post employment benefit plan for the benefit of employees |
| Mr. Sanjay Gopal Bhatnagar (effective August 27, 2019) | EIH Employees' Gratuity Fund |
| Mr. Biswajit Mitra (Chief Financial Officer upto Sep 30,2018) | EIH Executive Superannuation Scheme |
| Mr. Kallol Kundu (Chief Financial Officer effective Oct 1,2018) | |
| Mr. S.N. Sridhar | |
| Ms. Natasha Oberoi (Daughter of Mr. P.R.S. Oberoi) | |
| Ms. Priyanka Mukherjee (Daughter of Mr. S.S. Mukherji) | |

Associates & Joint Ventures

(a) Associates

EIH Associated Hotels Limited
Mercury Travels Limited (Upto Aug 7, 2018)
La Roseaie De L'atlas
Usmart Education Limited (w.e.f July 31,2018)

(b) Joint Ventures

Mercury Car Rentals Private Limited
Oberoi Mauritius Ltd

(c) Subsidiary of Associate

Usmart Education Limited (Upto July 30, 2018)

(d) Subsidiary of Joint Venture

Island Resort Ltd

Notes to Accounts — Contd.

43 (b).

Transactions with Related Parties for the year ended 31st March, 2020

| NATURE OF TRANSACTIONS | Rupees Million | | | | | | | |
|----------------------------------------------|----------------------------|---------------|------------------------------------------------------------------|---------------|----------------------------------------------------------------|---------------|---------------------------------------------------------------------------------|----------|
| | Associate & Joint Ventures | | Enterprises in which Key Management Personnel have Joint Control | | Key Management Personnel/ Relative of Key Management Personnel | | Enterprises which are post employment benefit plan for the benefit of employees | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| PURCHASES | | | | | | | | |
| Purchase of Goods & Services | | | | | | | | |
| Mercury Car Rentals Private Limited | 122.49 | 120.31 | - | - | - | - | - | - |
| Mercury Travels Limited | - | 15.56 | - | - | - | - | - | - |
| EIH Associated Hotels Limited | 14.01 | 12.03 | - | - | - | - | - | - |
| Island Resort Ltd | 3.38 | 4.35 | - | - | - | - | - | - |
| Oberoi Hotels Pvt Ltd | - | - | 0.12 | 0.33 | - | - | - | - |
| Oberoi International LLP | - | - | 3.21 | 1.50 | - | - | - | - |
| Total | 139.88 | 152.25 | 3.33 | 1.83 | - | - | - | - |
| Purchase of Fixed Assets | | | | | | | | |
| EIH Associated Hotels Limited | - | 0.01 | - | - | - | - | - | - |
| Total | - | 0.01 | - | - | - | - | - | - |
| EXPENSES | | | | | | | | |
| Rent | | | | | | | | |
| EIH Associated Hotels Limited | 1.41 | 1.36 | - | - | - | - | - | - |
| Oberoi Hotels Pvt Ltd | - | - | 0.36 | 0.36 | - | - | - | - |
| Ms. Natasha Oberoi ,D/o Mr. P.R.S.Oberoi | - | - | - | - | 0.41 | 0.41 | - | - |
| Total | 1.41 | 1.36 | 0.36 | 0.36 | 0.41 | 0.41 | - | - |
| Royalty | | | | | | | | |
| Oberoi Hotels Pvt Ltd | - | - | 156.07 | 172.98 | - | - | - | - |
| Total | - | - | 156.07 | 172.98 | - | - | - | - |
| Short-term employee benefits | | | | | | | | |
| Mr. P.R.S. Oberoi | - | - | - | - | 28.25 | 33.02 | - | - |
| Mr. S.S. Mukherji | - | - | - | - | 29.40 | 32.94 | - | - |
| Mr. V.S.Oberoi | - | - | - | - | 32.04 | 33.77 | - | - |
| Mr. A.S. Oberoi | - | - | - | - | 28.96 | 31.29 | - | - |
| Mr. Biswajit Mitra | - | - | - | - | - | 15.75 | - | - |
| Mr. Kallol Kundu | - | - | - | - | 13.89 | 10.57 | - | - |
| Mr. S N Sridhar | - | - | - | - | 8.25 | 6.88 | - | - |
| Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji | - | - | - | - | - | 2.27 | - | - |
| Total | - | - | - | - | 140.79 | 166.49 | - | - |
| Post-employment benefits | | | | | | | | |
| Mr. V.S.Oberoi | - | - | - | - | 1.45 | 2.07 | - | - |
| Mr. A.S. Oberoi | - | - | - | - | 1.76 | 2.03 | - | - |
| Mr. Biswajit Mitra | - | - | - | - | - | - | - | - |
| Mr. Kallol Kundu | - | - | - | - | 1.03 | 0.40 | - | - |
| Ms. Priyanka Mukherjee, D/o Mr.S.S. Mukherji | - | - | - | - | - | 0.13 | - | - |
| Total | - | - | - | - | 4.24 | 4.63 | - | - |

Notes to Accounts — Contd.

| NATURE OF TRANSACTIONS | Rupees Million | | | | | | | |
|----------------------------------------------------|----------------------------|---------------|------------------------------------------------------------------|--------------|----------------------------------------------------------------|---------------|---------------------------------------------------------------------------------|------|
| | Associate & Joint Ventures | | Enterprises in which Key Management Personnel have Joint Control | | Key Management Personnel/ Relative of Key Management Personnel | | Enterprises which are post employment benefit plan for the benefit of employees | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Directors' sitting fees | | | | | | | | |
| Mr. P.R.S. Oberoi | - | - | - | - | 0.08 | 0.16 | - | - |
| Mr. V.S.Oberoi | - | - | - | - | 0.48 | 0.32 | - | - |
| Mr. A.S. Oberoi | - | - | - | - | 0.16 | 0.32 | - | - |
| Mrs. Nita M. Ambani | - | - | - | - | 0.20 | 0.30 | - | - |
| Mr. Manoj Harjivandas Modi | - | - | - | - | 0.20 | 0.25 | - | - |
| Mr. Rajeev Gupta | - | - | - | - | 0.15 | 0.90 | - | - |
| Mr. S.K. Dasgupta | - | - | - | - | - | 1.35 | - | - |
| Mr. Anil K. Nehru | - | - | - | - | 1.20 | 0.90 | - | - |
| Mr. Sudipto Sarkar | - | - | - | - | 0.45 | 0.40 | - | - |
| Mr. L. Ganesh | - | - | - | - | 0.60 | 0.75 | - | - |
| Ms. Chhavi Rajawat | - | - | - | - | 0.18 | 0.25 | - | - |
| Mr. S N Sridhar | - | - | - | - | 0.12 | 0.16 | - | - |
| Mr. Sanjay Gopal Bhatnagar | - | - | - | - | 0.10 | - | - | - |
| Total | - | - | - | - | 3.92 | 6.06 | - | - |
| Total Key management personnel compensation | - | - | - | - | 148.95 | 177.18 | - | - |
| SALES | | | | | | | | |
| Sale of Goods and Services | | | | | | | | |
| Mercury Car Rentals Private Limited | 19.24 | 16.03 | - | - | - | - | - | - |
| Mercury Travels limited | - | 4.64 | - | - | - | - | - | - |
| ElH Associated Hotels Limited | 334.87 | 352.81 | - | - | - | - | - | - |
| La Rosario De L'alas | 7.70 | - | - | - | - | - | - | - |
| Island Resort Ltd | 2.40 | 15.52 | - | - | - | - | - | - |
| Oberoi Hotels Pvt Ltd | - | - | 14.06 | 12.23 | - | - | - | - |
| Oberoi Lutyens Private Limited | - | - | - | - | - | 0.01 | - | - |
| Silhouette Beauty Salon | - | - | - | - | - | 0.82 | - | - |
| Ceres Hospitality Private Limited | - | - | - | - | - | 0.11 | - | - |
| Oberoi International LLP | - | - | - | 0.02 | - | - | - | - |
| Total | 364.21 | 389.00 | 14.06 | 12.25 | - | 0.94 | - | - |
| Sale of Fixed Assets | | | | | | | | |
| ElH Associated Hotels Limited | 1.14 | 3.30 | - | - | - | - | - | - |
| Total | 1.14 | 3.30 | - | - | - | - | - | - |
| INCOME | | | | | | | | |
| License Agreement | | | | | | | | |
| Mercury Car Rentals Private Limited | 1.28 | 1.95 | - | - | - | - | - | - |
| Mercury Travels Limited | - | 1.79 | - | - | - | - | - | - |
| ElH Associated Hotels Limited | 1.54 | 1.95 | - | - | - | - | - | - |
| Oberoi Holdings Pvt Ltd | - | - | 1.42 | 1.43 | - | - | - | - |
| Oberoi Investments Pvt Ltd | - | - | 0.61 | 0.73 | - | - | - | - |
| Oberoi Bldgs & Investments Pvt Ltd | - | - | 1.71 | 1.80 | - | - | - | - |
| Oberoi Plaza Pvt Ltd | - | - | 3.05 | 3.26 | - | - | - | - |
| Bombay Plaza Pvt Ltd | - | - | 1.98 | 2.33 | - | - | - | - |
| Silhouette Beauty Salon | - | - | - | - | - | 10.15 | - | - |
| Total | 2.82 | 5.69 | 8.77 | 9.55 | - | 10.15 | - | - |

Notes to Accounts — Contd.

| NATURE OF TRANSACTIONS | Rupees Million | | | | | | | |
|-------------------------------------------------|----------------------------|---------------|------------------------------------------------------------------|-------------|----------------------------------------------------------------|----------|---------------------------------------------------------------------------------|---------------|
| | Associate & Joint Ventures | | Enterprises in which Key Management Personnel have Joint Control | | Key Management Personnel/ Relative of Key Management Personnel | | Enterprises which are post employment benefit plan for the benefit of employees | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Management Contract | | | | | | | | |
| ElH Associated Hotels Limited | 165.52 | 185.37 | - | - | - | - | - | - |
| La Rosario De L'alas | 2.41 | - | - | - | - | - | - | - |
| Island Resort Ltd | 63.45 | 77.57 | - | - | - | - | - | - |
| Total | 231.38 | 262.94 | - | - | - | - | - | - |
| Dividend Received | | | | | | | | |
| Mercury Car Rentals Private Limited | 13.34 | 6.06 | - | - | - | - | - | - |
| ElH Associated Hotels Limited | 50.47 | 50.47 | - | - | - | - | - | - |
| Total | 63.81 | 56.53 | - | - | - | - | - | - |
| PAYMENTS | | | | | | | | |
| Investment in Equity Shares | | | | | | | | |
| Mercury Travels Limited | - | - | - | - | - | - | - | - |
| Mercury Car Rentals Private Limited | - | 40.00 | - | - | - | - | - | - |
| La Roseaie De L'atlas | 282.03 | 897.91 | - | - | - | - | - | - |
| Usmart Education Limited * | - | - | - | - | - | - | - | - |
| Total | 282.03 | 937.91 | - | - | - | - | - | - |
| Refund of Collections to Related Party | | | | | | | | |
| Mercury Travels Limited | - | 0.07 | - | - | - | - | - | - |
| ElH Associated Hotels Limited | 16.62 | 6.13 | - | - | - | - | - | - |
| Oberoi Hotels Pvt Ltd | - | - | - | 0.30 | - | - | - | - |
| Total | 16.62 | 6.20 | - | 0.30 | - | - | - | - |
| Expenses reimbursed to Related Party | | | | | | | | |
| Mercury Car Rentals Limited | 0.01 | 1.71 | - | - | - | - | - | - |
| Island Resort Ltd | - | - | - | - | - | - | - | - |
| ElH Associated Hotels Limited | 14.83 | 7.74 | - | - | - | - | - | - |
| Oberoi Hotels Pvt Ltd | - | - | 0.97 | 0.44 | - | - | - | - |
| Total | 14.84 | 9.45 | 0.97 | 0.44 | - | - | - | - |
| Advance to Related Party | | | | | | | | |
| Island Resort Ltd | - | 31.77 | - | - | - | - | - | - |
| La Roseaie De L'atlas | 282.03 | 3.84 | - | - | - | - | - | - |
| Oberoi Mauritius Ltd | 26.01 | - | - | - | - | - | - | - |
| Total | 308.04 | 35.61 | - | - | - | - | - | - |
| RECEIPTS | | | | | | | | |
| Sale of Equity Shares | | | | | | | | |
| ElH Associated Hotels Limited | 0.05 | - | - | - | - | - | - | - |
| Total | 0.05 | - | - | - | - | - | - | - |
| Recovery of Collections by Related Party | | | | | | | | |
| ElH Associated Hotels Limited | 4.50 | 5.70 | - | - | - | - | - | - |
| Oberoi Hotels Pvt Ltd | - | - | 0.42 | 0.19 | - | - | - | - |
| Total | 4.50 | 5.70 | 0.42 | 0.19 | - | - | - | - |
| Expenses Reimbursed by Related Party | | | | | | | | |
| Mercury Car Rentals Private Limited | 1.30 | 2.18 | - | - | - | - | - | - |
| Mercury Travels Limited | - | - | - | - | - | - | - | - |
| ElH Associated Hotels Limited | 31.12 | 14.51 | - | - | - | - | - | - |
| Oberoi Hotels Pvt Ltd | - | - | 1.86 | 1.20 | - | - | - | - |
| La Roseaie De L'atlas | 8.76 | - | - | - | - | - | - | - |
| Total | 41.18 | 16.69 | 1.86 | 1.20 | - | - | - | - |
| Repayment of Advance to Related Party | | | | | | | | |
| Island Resort Ltd | 282.03 | 288.32 | - | - | - | - | - | - |
| La Roseaie De L'atlas | - | 349.28 | - | - | - | - | - | - |
| Total | 282.03 | 637.60 | - | - | - | - | - | - |
| Contribution of Gratuity Fund | | | | | | | | |
| ElH Employee's Gratuity Fund | - | - | - | - | - | - | 66.55 | 121.60 |
| Total | - | - | - | - | - | - | 66.55 | 121.60 |
| Refund of Gratuity | | | | | | | | |
| ElH Employee's Gratuity Fund | - | - | - | - | - | - | 81.64 | 81.62 |
| Total | - | - | - | - | - | - | 81.64 | 81.62 |

* Investment in Usmart Education Limited is INR 251

Notes to Accounts — Contd.

Outstanding Balances as on 31st March, 2020

| NATURE OF OUTSTANDING | Associate & Joint Ventures | | Enterprises in which Key Management Personnel have Joint Control | | Key Management Personnel/Relative of Key Management Personnel | |
|---------------------------------------------|----------------------------|---------------|------------------------------------------------------------------|--------------|---------------------------------------------------------------|-------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| PAYABLES | | | | | | |
| For Goods & Services | | | | | | |
| Mercury Car Rentals Private Limited | 18.07 | 15.35 | - | - | - | - |
| Mercury Travels Limited | - | - | - | - | - | - |
| EIH Associated Hotels Limited | 18.42 | 5.85 | - | - | - | - |
| Oberoi Hotels Private Limited | - | - | 0.07 | - | - | - |
| Oberoi International LLP | - | - | 0.86 | - | - | - |
| Island Resort Ltd | 0.16 | - | - | - | - | - |
| Mr. V.S.Oberoi | - | - | - | - | 0.04 | - |
| Mrs. Nita M. Ambani | - | - | - | - | 0.05 | - |
| Mr. Manoj Harjivandas Modi | - | - | - | - | 0.05 | - |
| Mr. Anil K. Nehru | - | - | - | - | 0.13 | - |
| Mr. Sudipto Sarkar | - | - | - | - | 0.09 | - |
| Mr. L. Ganesh | - | - | - | - | 0.13 | - |
| Mr. Sanjay Gopal Bhatnagar | - | - | - | - | 0.07 | - |
| Total | 36.65 | 21.20 | 0.93 | - | 0.56 | - |
| Royalty | | | | | | |
| Oberoi Hotels Private Limited | - | - | 36.87 | 46.40 | - | - |
| Total | - | - | 36.87 | 46.40 | - | - |
| Security Deposit | | | | | | |
| Bombay Plaza Private Limited | - | - | 0.50 | 0.50 | - | - |
| Total | - | - | 0.50 | 0.50 | - | - |
| Other Payable | | | | | | |
| EIH Associated Hotels Limited | 5.05 | - | - | - | - | - |
| Total | 5.05 | - | - | - | - | - |
| LOANS & ADVANCES AND RECEIVABLES | | | | | | |
| For Goods & Services | | | | | | |
| Mercury Car Rentals Private Limited | 3.12 | 2.94 | - | - | - | - |
| Mercury Travels Limited | - | - | - | - | - | - |
| EIH Associated Hotels Limited | 72.84 | 31.52 | - | - | - | - |
| Island Resort Ltd | 0.81 | 3.49 | - | - | - | - |
| La Roseaie De L'atlas | 26.18 | - | - | - | - | - |
| Oberoi Hotels Private Limited | - | - | 3.30 | 0.56 | - | - |
| Bombay Plaza Private Limited | - | - | 0.10 | - | - | - |
| Silhouette Beauty Salon | - | - | - | - | - | 1.77 |
| Total | 102.95 | 37.95 | 3.40 | 0.56 | - | 1.77 |
| Management Contract | | | | | | |
| EIH Associated Hotels Limited | 93.17 | 63.90 | - | - | - | - |
| Total | 93.17 | 63.90 | - | - | - | - |
| Advance to Related Party | | | | | | |
| Oberoi Mauritius Ltd | 498.79 | - | - | - | - | - |
| La Roseaie De L'atlas | 5.42 | 4.97 | - | - | - | - |
| Island Resort Ltd | - | 430.80 | - | - | - | - |
| Total | 504.21 | 435.77 | - | - | - | - |

Notes to Accounts — Contd.

44 (a) Contingent liabilities

The Group has contingent liabilities at 31 March 2020 in respect of:

(i) Claims against the Group pending appellate/judicial decision not acknowledged as debts:

| | Rupees Million | |
|----------------------|-------------------|-------------------|
| | March 31, 2020 | March 31, 2019 |
| i. Value Added Tax | 37.36 | 40.38 |
| ii. Income-tax | 297.75 | 311.14 |
| iii. Service Tax | 15.89 | 97.80 |
| iv. Property Tax | 236.43 | 216.91 |
| v. Customs Duty | 429.66 | 429.66 |
| vi. Luxury Tax | 13.62 | 13.62 |
| vii. Expenditure Tax | 0.10 | 0.10 |
| viii. Stamp Duty | 10.23 | 10.23 |
| ix. Sales tax | 0.19 | 0.19 |
| x. Others | 7.05 | 6.62 |

The matters listed above are in the nature of statutory dues, namely, Property Tax, Value Added Tax, Income Tax, Service Tax, Customs Duty, Luxury Tax and other claims, all of which are under litigation, the outcome of which would depend on the merits of facts and law at an uncertain future date. The amounts shown in the items above represent the best possible estimates arrived at, are on the basis of currently available information. The Company engages reputed professional advisors to protect its interests, and cases that are disputed by the company are those where the management has been advised that it has strong legal positions. Hence, the outcomes of the above matters are not envisaged to have any material adverse impact on the company's financial position.

(ii) Guarantees:

| | March 31, 2020 | March 31, 2019 |
|--------------------------------------------------------------|-------------------|-------------------|
| Counter guarantees issued to banks and remaining outstanding | 36.98 | 38.68 |

44 (b) Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

| | March 31, 2020 | March 31, 2019 |
|-------------------------------|-------------------|-------------------|
| Property, plant and equipment | 349.87 | 758.94 |

45 Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method by recognizing a lease liability at the date of initial application at the present value of the remaining lease payments, discounted using the company's incremental borrowing rate and recognizing a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the financial statements for the year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of INR 3,894.95 million from leases that were earlier classified as operating lease and 'Right of Use' asset of INR 683.06 million from leases that were earlier classified as finance lease aggregating to total 'Right of Use' asset of INR 4,578.01 million and a lease liability of INR 1,627.71 million from leases that were earlier classified as operating lease and lease liability of INR 95.63 million from leases that were earlier classified as finance lease aggregating to total lease liability of INR 1,723.34 million. Further the effect of this adoption has also resulted in the following as on 1 April 2019:

- Property, plant and equipment decreased by INR 683.06 million
- Deferred tax liabilities (net) increased by INR 3.60 million
- Prepayments decreased by INR 2,267.24 million
- Borrowings and other financial liabilities decreased by INR 70.38 million and INR 35.54 million respectively.

The cumulative effect of applying the standard resulted in INR 6.69 million (net of tax) being credited to retained earnings as on transition date.

Notes to Accounts — Contd.

45 Leases – Contd.

The nature of expenses in respect of operating leases has changed from lease rent to depreciation and amortisation on right-of-use asset and finance cost for interest accrued on lease liability. Consequently, Finance Costs and Depreciation for the year ended March 31, 2020, are higher by INR 119.68 million and INR 142.17 million respectively and Other Expenses are lower by INR 135.40 million as a result of which, Profit before tax is lower by INR 126.45 million

Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- (b) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1st April 2019
- (c) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- (d) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- (e) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The difference between the operating lease obligation disclosed as of March 31, 2019 under Ind AS 17 disclosed under Note 45 of the financial statements for the year ended March 31, 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of following reasons :

| | Rupees Million |
|----------------------------------------------------------------------------------------------|-----------------|
| Operating lease commitments disclosed as at 31 March 2019 | 3,359.14 |
| Less: Commitment for arrangement not qualified as lease under Ind AS 116 | 1,161.24 |
| Operating lease commitments considered for discounting under Ind AS 116 | 2,197.90 |
| Discounted using the company's incremental borrowing rate at the date of initial application | 1,099.24 |
| Add: finance lease liabilities recognised as at March 31, 2019 | 89.22 |
| Add/(less): contracts reassessed as lease contracts | 534.88 |
| Lease liability recognised as at 1 April 2019 | 1,723.34 |
| of which are: | |
| Current lease liabilities | 132.58 |
| Non-current lease liabilities | 1,590.76 |
| | 1,723.34 |

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.00% based on the remaining lease term.

Amount recognised in profit and loss account

The statement of profit and loss shows the following amount relating to leases for the year ended March 31, 2020

| Particulars | Rupees Million |
|---------------------------------------------------------------------------------------------------------------------------|----------------|
| Depreciation charge for the right-of-use assets | |
| Land leases | 146.74 |
| Building leases | 0.64 |
| Vehicle Leases | 29.45 |
| | 176.83 |
| Interest Expense (included in finance costs) | 136.62 |
| Expense relating to short-term leases (included in other expenses) | 222.06 |
| Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses) | 1.30 |
| Expense relating to variable lease payments not included in lease liabilities | Nil |

The total cash flows for leases for the year ended March 31, 2020 was INR 133.89 million.

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Notes to Accounts — Contd.

45 Leases – Contd.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

| Particulars | Category of ROU Asset | | | Rupees Million |
|-----------------------------------------------------|-----------------------|-------------|----------------|-----------------|
| | Land leases | Building | Vehicle Leases | Total |
| Balance as of April 1, 2019 | - | - | - | - |
| * Reclassified on account of adoption of Ind AS 116 | 4,516.55 | 0.88 | 60.58 | 4,578.01 |
| Additions | - | 1.19 | 14.42 | 15.61 |
| Sales / Adjustments during the year | - | - | 0.80 | 0.80 |
| Translation adjustment | (34.82) | | (0.27) | (35.09) |
| Depreciation | 146.74 | 0.64 | 29.45 | 176.83 |
| Balance as of March 31, 2020 | 4,334.99 | 1.43 | 44.48 | 4,380.90 |

* In the previous year, the Company only recognised lease assets and lease liabilities in relation to leases that were classified as finance leases under Ind AS 17, Leases. The assets were presented in property, plant and equipment and the liabilities as part of the Company's borrowings and other financial liabilities.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

| Particulars | Rupees Million |
|-------------------------------|-----------------|
| Current lease liabilities | 41.16 |
| Non-current lease liabilities | 1,672.25 |
| Total | 1,713.41 |

The following is the movement in lease liabilities during the year ended March 31, 2020:

| Particulars | Rupees Million |
|-----------------------------------------------------|-----------------|
| Balance as of April 1, 2019 | - |
| * Reclassified on account of adoption of Ind AS 116 | 1,723.34 |
| Additions | 15.61 |
| Finance cost accrued during the period | 115.82 |
| Sales / Adjustments during the year | - |
| Translation adjustment | (7.31) |
| Payment of Lease liabilities | 134.05 |
| Balance as of March 31, 2020 | 1,713.41 |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

| Particulars | Rupees Million |
|----------------------|-----------------|
| Less than one year | 151.79 |
| One to five years | 565.31 |
| More than five years | 2,964.50 |
| Total | 3,681.60 |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Non-cancellable operating leases - As a Lessor

The Company gives shops located at various hotels on operating lease arrangements. These leases are generally cancellable in nature and may generally be terminated by either party by serving notice. Some shops have been given under non-cancellable operating lease, for which the future minimum lease payments recoverable by the company are as under :-

| | March 31, 2020 | March 31, 2019 |
|----------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Minimum lease payments in relation to non-cancellable operating leases are receivable as follows: | | |
| Within one year | 257.96 | 213.63 |
| Later than one year but not later than five years | 996.45 | 379.12 |
| Later than five years | 697.91 | 31.83 |
| Contingent rents recognized as an income in the Statement of Profit and Loss for the year. | Nil | Nil |

Notes to Accounts — Contd.

46. Segment reporting

There are no reportable segments other than hotels as per Ind AS 108, "Operating Segment".

The Group does not have transactions of more than 10% of total revenue with any single external customer.

47(A) Earnings per Equity share

| | Year ended March 31, 2020 INR | Year ended March 31, 2019 INR |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| (a) Basic earnings per share | 2.60 | 2.30 |
| (b) Diluted earnings per share | 2.60 | 2.30 |
| (c) Reconciliations of earnings used in calculating earnings per share | | |
| | 31 March 2020 Rupees Million | 31 March 2019 Rupees Million |
| Profit attributable to the equity holders of the company used in calculating basic earnings per share: | 1,488.17 | 1,315.41 |
| Profit attributable to the equity holders of the company used in calculating diluted earnings per share | 1,488.17 | 1,315.41 |
| (d) Weighted average number of shares used as the denominator | | |
| | 31 March 2020 Number of shares | 31 March 2019 Number of shares |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | 571,569,414 | 571,569,414 |
| Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share | 571,569,414 | 571,569,414 |

47(B) Reconciliation of Liabilities arising from financing activities

| | As at March 31, 2020 | Cash flows | Non cash changes | As at March 31, 2019 |
|--------------------------------------------------|----------------------------|-----------------|---------------------|----------------------------|
| Non-current borrowings | 2,887.12 | (222.49) | (144.61) | 3,254.22 |
| Current borrowings | 1,874.14 | (372.43) | - | 2,246.57 |
| Total Liabilities from Financing Activity | 4,761.26 | (594.92) | (144.61) | 5,500.79 |

Notes to Accounts — *Contd.*

48. Interests in other entities

(a) Subsidiaries

The group's subsidiaries at March 31, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| Name of entity | Place of business/ country of incorporation | Ownership interest held by the group | | Ownership interest held by non-controlling interests | | Principal activities |
|------------------------------------|---------------------------------------------------|-----------------------------------------|------------------|---------------------------------------------------------------|------------------|---------------------------------|
| | | March 31,2020 | March 31,2019 | March 31,2020 | March 31,2019 | |
| Mashobra Resort Limited | India | 78.79 | 78.79 | 21.21 | 21.21 | Hotel Ownership |
| Mumtaz Hotels Ltd | India | 60 | 60 | 40 | 40 | Hotel Ownership |
| Oberoi Kerala Hotels & Resorts Ltd | India | 80 | 80 | 20 | 20 | Hotel Ownership |
| EIH International Ltd | British Virgin Island | 100 | 100 | 0 | 0 | Investment |
| EIH Flight Services Ltd | Mauritius | 100 | 100 | 0 | 0 | Flight Catering |
| EIH Holding Ltd | British Virgin Island | 100 | 100 | 0 | 0 | Hotel Investment And Management |
| PT Widja Putra Karya | Indonesia | 70 | 70 | 30 | 30 | Hotel Ownership |
| PT Waka Oberoi Indonesia | Indonesia | 96.33 | 96.33 | 3.67 | 3.67 | Hotel Ownership |
| EIH Investment N.V. | Netherlands Antilles | 100 | 100 | 0 | 0 | Investment And management |
| EIH Management Services B.V. * | Netherlands | 100 | 100 | 0 | 0 | Hotel Investment And Management |
| PT Astina Graha Ubud | Indonesia | 60 | 60 | 40 | 40 | Hotel development |

*EIH Management Services B.V. has been liquidated in 19-20.

Notes to Accounts — Contd.

48. Interests in other entities
(b) Non-controlling interests (NCI)

| Summarised balance sheet | Rupees Million | | | | | | | | | | | |
|-------------------------------|---------------------|-----------------|-------------------|----------------|------------------------------------|----------------|----------------------|----------------|--------------------------|-----------------|----------------------|----------------|
| | Mashobra Resort Ltd | | Mumtaz Hotels Ltd | | Oberoi Kerala Hotels & Resorts Ltd | | PT Widja Putra Karya | | PT Waka Oberoi Indonesia | | PT Astina Graha Ubud | |
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Current assets | 1,518.63 | 1,322.26 | 788.66 | 873.48 | 2.31 | 2.02 | 85.39 | 93.67 | 24.62 | 29.58 | - | - |
| Current liabilities | 53.66 | 44.39 | 195.00 | 158.68 | 2.11 | 1.85 | 128.47 | 121.84 | 223.87 | 161.28 | - | - |
| Net current assets | 1,464.97 | 1,277.87 | 593.66 | 714.80 | 0.20 | 0.17 | (43.08) | (28.17) | (199.25) | (131.70) | - | - |
| Non-current assets | 524.72 | 546.22 | 1,004.97 | 767.36 | 20.33 | 20.33 | 430.04 | 242.28 | 264.64 | 250.03 | 475.43 | 435.26 |
| Non-current liabilities | 9.34 | 8.34 | 101.75 | 119.52 | 1.41 | 1.41 | 247.71 | 50.71 | 23.85 | 22.54 | 275.41 | 252.14 |
| Net non-current assets | 515.38 | 537.88 | 903.22 | 647.84 | 18.92 | 18.92 | 182.33 | 191.57 | 240.79 | 227.49 | 200.02 | 183.12 |
| Net assets | 1,980.35 | 1,815.75 | 1,496.88 | 1,362.64 | 19.12 | 19.09 | 139.25 | 163.40 | 41.54 | 95.79 | 200.02 | 183.12 |
| Accumulated NCI | 131.18 | 96.26 | 598.21 | 532.30 | 3.82 | 3.82 | 61.64 | 43.67 | 122.45 | 80.29 | 80.01 | 73.25 |

| Summarised statement of profit & loss | Mashobra Resort Ltd | | Mumtaz Hotels Ltd | | Oberoi Kerala Hotels & Resorts Ltd | | PT Widja Putra Karya | | PT Waka Oberoi Indonesia | | PT Astina Graha Ubud | |
|---------------------------------------|---------------------|----------------|-------------------|----------------|------------------------------------|----------------|----------------------|----------------|--------------------------|----------------|----------------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Revenue | 500.99 | 497.04 | 1,005.42 | 1,071.29 | 0.86 | 0.84 | 434.49 | 437.51 | 102.77 | 59.41 | - | - |
| Profit for the year | 165.16 | 170.79 | 321.43 | 337.72 | 0.02 | 0.09 | 2.84 | (2.10) | (34.73) | 15.38 | - | - |
| Other comprehensive income | (0.56) | (0.33) | (0.47) | (0.06) | - | - | (38.27) | (7.69) | (23.39) | (2.80) | - | - |
| Total comprehensive income | 164.60 | 170.46 | 320.96 | 337.66 | 0.02 | 0.09 | (35.43) | (9.79) | (58.12) | 12.58 | - | - |
| Profit allocated to NCI | 34.92 | 36.16 | 128.37 | 135.06 | - | 0.02 | 0.71 | (2.94) | (1.42) | 0.46 | - | - |
| Dividends paid to NCI | - | - | 74.69 | 74.69 | - | - | - | 8.39 | - | - | - | - |

| Summarised Cash Flows | Mashobra Resort Ltd | | Mumtaz Hotels Ltd | | Oberoi Kerala Hotels & Resorts Ltd | | PT Widja Putra Karya | | PT Waka Oberoi Indonesia | | PT Astina Graha Ubud | |
|--------------------------------------------------------------|---------------------|----------------|-------------------|----------------|------------------------------------|----------------|----------------------|----------------|--------------------------|----------------|----------------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Cash flows from operating activities | 118.33 | 125.61 | 319.92 | 312.26 | (0.51) | (0.68) | (21.97) | 37.04 | (14.88) | 46.83 | - | - |
| Cash flows from investing activities | (120.00) | (140.49) | (118.23) | (145.51) | 0.74 | 0.70 | (12.05) | (32.85) | (51.74) | (111.13) | - | - |
| Cash flows from financing activities | (1.16) | (1.40) | (187.33) | (187.42) | - | - | (0.71) | (27.96) | 59.54 | 67.79 | - | - |
| Net increase/ (decrease) in cash and cash equivalents | (2.83) | (16.28) | 14.36 | (20.67) | 0.23 | 0.02 | (34.73) | (23.77) | (7.09) | 3.49 | - | - |

Notes to Accounts — Contd.

48. Interests in other entities

(c) Interests in associates and joint ventures

| Name of entity | Place of business | owner-ship interest | Relation-ship | Accounting method | Rupees Million | | |
|-------------------------------------------|------------------------|---------------------|---------------------------|-------------------|----------------------------------------|-------------------|--------------------------------------|
| | | | | | Quoted fair value March 31, 2020 | March 31, 2019 | Carrying amount March 31, 2020 |
| EIH Associated Hotels Ltd | India | 36.81% | Associate | Equity Method | 2,355.17 | 4,312.21 | 1,453.04 |
| Mercury Car Rentals Pvt. Ltd | India | 40% | Jointly Controlled Entity | Equity Method | - | - | 485.05 |
| Oberoi Mauritius Ltd* | British Virgin Islands | 50% | Jointly Controlled Entity | Equity Method | - | - | 310.07 |
| La Roseate De L'Atlas* | Morocco | 47.93% | Associate | Equity Method | - | - | 1,564.29 |
| Usmart Education Ltd** | India | 25.10% | Associate | Equity Method | - | - | - |
| Total equity accounted investments | | | | | 2,355.17 | 4,312.21 | 3,812.45 |
| | | | | | | | 3,440.10 |

Oberoi Mauritius Ltd, Island Resorts Limited, Usmart Education Ltd, La Roseate De L'Atlas & Mercury Car Rentals Pvt. Ltd are unlisted entities. Hence, No quoted price available.

* La Roseate De L'Atlas - The group has acquired a further holding of 1.93%.

**Usmart Education Ltd has become an Associate w.e.f. 31st July, 2018.

Commitments and contingent liabilities in respect of associates and joint ventures

| | March 31, 2020 | March 31, 2019 |
|---------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Commitments - joint ventures | | |
| Commitment to provide funding for joint venture's capital commitments, if called | - | - |
| Commitments - Associates | | |
| Commitment to provide funding for associates capital commitments, if called | - | - |
| Contingent liabilities - associates | | |
| Share of contingent liabilities incurred jointly with other investors of the associate | 75.42 | 89.41 |
| Contingent liabilities relating to liabilities of the associate for which the group is severally liable | 27.76 | 32.91 |
| Contingent liabilities - joint ventures | | |
| Share of joint venture's contingent liabilities in respect of a legal claim lodged against the entity | 11.00 | 11.87 |
| Total commitments and contingent liabilities | 114.18 | 134.19 |

Notes to Accounts — Contd.

| Summarised financial information for associates and joint ventures | | | | | | | | | | Rupees Million | |
|--------------------------------------------------------------------|--|---------------------------|----------------|------------------------------|----------------|-----------------------|----------------|----------------------|----------------|----------------|----------------|
| Summarised balance sheet | | EIH Associated Hotels Ltd | | Mercury Car Rentals Pvt. Ltd | | Oberoi Mauritius Ltd* | | Usmart Education Ltd | | | |
| | | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Current assets | | | | | | | | | | | |
| Cash and cash equivalents | | 105.33 | 55.01 | 175.10 | 68.06 | 258.84 | 220.45 | - | - | 0.43 | 0.43 |
| Other assets (excluding trade receivables) | | 1,042.54 | 851.49 | 478.80 | 610.21 | 63.52 | 61.84 | 0.47 | 0.56 | 0.56 | 0.56 |
| Total current assets | | 1,147.87 | 906.50 | 653.90 | 678.27 | 322.36 | 282.29 | 0.47 | 0.99 | 0.99 | 0.99 |
| Total non-current assets | | 3,075.10 | 2,784.56 | 5,286.73 | 5,273.00 | 701.25 | 1,604.66 | 0.14 | 0.23 | 0.23 | 0.23 |
| Current liabilities | | | | | | | | | | | |
| Financial liabilities (excluding trade payables) | | 87.50 | 39.88 | 1,890.45 | 1,973.09 | 8.27 | - | 54.39 | 51.35 | 51.35 | 51.35 |
| Other liabilities | | 59.14 | 54.07 | 98.35 | 83.46 | 44.47 | - | 0.33 | 0.02 | 0.02 | 0.02 |
| Total current liabilities | | 146.64 | 93.95 | 1,988.80 | 2,056.55 | 52.74 | - | 54.72 | 51.37 | 51.37 | 51.37 |
| Non-current liabilities | | | | | | | | | | | |
| Financial liabilities (excluding trade payables) | | 23.65 | 16.53 | 2,644.60 | 2,941.20 | 208.59 | - | - | - | - | - |
| Other liabilities | | 363.93 | 385.91 | 262.97 | 88.96 | 78.83 | - | - | - | - | - |
| Total non-current liabilities | | 387.58 | 402.44 | 2,907.57 | 3,030.16 | 287.42 | - | - | - | - | - |
| Net assets | | 3,688.75 | 3,194.67 | 1,044.26 | 864.56 | 683.45 | 1,886.95 | (54.11) | (50.15) | (50.15) | (50.15) |
| Reconciliation to carrying amounts | | | | | | | | | | | |
| | | EIH Associated Hotels Ltd | | Mercury Car Rentals Pvt. Ltd | | Oberoi Mauritius Ltd* | | Usmart Education Ltd | | | |
| | | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Opening net assets | | 3,235.84 | 3,022.67 | 1,213.23 | 1,049.96 | 662.89 | 657.49 | - | - | - | - |
| Additional Equity infused | | - | - | - | 100.00 | - | - | - | - | - | - |
| Profit for the year | | 379.64 | 379.35 | 48.03 | 84.46 | (97.42) | (65.40) | (3.15) | (9.39) | (9.39) | (9.39) |
| Other comprehensive income* | | (2.20) | (1.14) | (8.44) | (2.85) | 54.67 | 70.80 | - | - | - | - |
| Dividends paid (including tax) | | (165.29) | (165.04) | (40.21) | (18.34) | - | - | - | - | - | - |
| Closing net assets | | 3,447.99 | 3,235.84 | 1,212.61 | 1,213.23 | 620.14 | 662.89 | (3.15) | (9.39) | (9.39) | (9.39) |
| Group's share in % | | 36.81% | 36.81% | 40% | 40% | 50% | 50% | 25.10% | 25.10% | 25.10% | 25.10% |
| Group's share in INR | | 1,269.18 | 1,191.09 | 485.05 | 485.29 | 310.07 | 331.44 | (0.79) | (2.36) | (2.36) | (2.36) |
| Goodwill | | 182.46 | 182.46 | - | - | - | - | - | - | - | - |
| Impact on retained earnings on adoption of Ind AS 116 | | 1.40 | - | - | - | - | - | - | - | - | - |
| Carrying amount | | 1,453.04 | 1,373.55 | 485.05 | 485.29 | 310.07 | 331.44 | (0.79) | (2.36) | (2.36) | (2.36) |
| * Includes Foreign currency translation adjustments | | | | | | | | | | | |

Notes to Accounts — Contd.

| Summarised statement of profit and loss | EIH Associated Hotels Ltd | | Mercury Car Rentals Pvt. Ltd | | Oberoi Mauritius Ltd* | | Usmart Education Ltd | | Rupees Million |
|------------------------------------------|---------------------------|-----------------|------------------------------|-----------------|-----------------------|----------------|----------------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | |
| Revenue | 2,490.76 | 2,641.82 | 4,456.96 | 4,172.17 | 633.01 | 716.43 | - | 5.63 | |
| Interest income | 22.29 | 95.18 | 5.42 | 56.55 | 37.18 | 46.83 | - | - | |
| Depreciation and amortisation | 159.72 | 142.62 | 1,272.63 | 1,281.19 | 61.89 | 54.30 | 0.09 | 0.16 | |
| Interest expense | 4.46 | 4.34 | 464.34 | 449.12 | 104.96 | 63.60 | - | 5.13 | |
| Income tax expense | 50.37 | 204.08 | 149.68 | 39.70 | 2.88 | 9.15 | - | 0.17 | |
| Profit from continuing operations | 2,298.50 | 2,385.96 | 2,575.73 | 2,458.71 | 500.46 | 636.20 | (0.09) | 0.17 | |
| Profit from discontinued operations | - | - | - | - | - | - | - | - | |
| Profit for the year | 379.64 | 379.35 | 48.03 | 84.46 | (103.81) | (68.49) | (3.15) | (9.39) | |
| Other comprehensive income | (2.20) | (1.14) | (8.44) | (2.85) | 1.83 | 1.83 | | | |
| Total comprehensive income | 377.44 | 378.21 | 39.59 | 81.61 | (101.98) | (66.66) | (3.15) | (9.39) | |

* Oberoi Mauritius Ltd includes its 92.19% subsidiary company Island Resort Limited incorporated in Mauritius and is considered as jointly controlled entity by virtue of being jointly controlled entity of EIH International Ltd, a wholly owned subsidiary of EIH Limited.

Notes to Accounts — Contd.

49(a) Annexure

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary with amounts in INR Million)

| Sl. No. | Name of the subsidiary | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Rupees Million | | |
|---------|-----------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------|---------------------------|------------------|--------------------|----------------------------|----------------------|--------------------------|----------------------|----------------------|-----------------------------|------|
| | | | | | | | | | | | 10 | 11 | |
| 2 | Mashobra Resort limited | Mumtaz Hotels Limited | Oberoi Kerala Resorts Limited | ElH International Limited | ElH Holdings Ltd | ElH Investments NV | ElH Management Services BV | PT Widja Putra Karya | PT Waka Oberoi Indonesia | PT Astina Graha Ubud | PT Astina Graha Ubud | ElH Flight Services Limited | |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 4 | Reporting currency as on the last date of the relevant Financial year in the case of foreign subsidiaries | N/A | N/A | N/A | US\$ | US\$ | US\$ | Euro | US\$ | US\$ | US\$ | Mauritian Rupees | |
| 5 | Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N/A | N/A | N/A | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ | |
| | – Closing rate | N/A | N/A | N/A | 76.93 | 76.93 | 76.93 | 85.29 | 76.93 | 76.93 | 76.93 | 76.93 | 1.95 |
| | – Average rate | N/A | N/A | N/A | 70.88 | 70.88 | 70.88 | 78.85 | 70.88 | 70.88 | 70.88 | 70.88 | 1.92 |
| 6 | Share capital | 330.00 | 206.50 | 27.20 | 8,201.51 | 3,622.63 | 0.77 | 1.71 | 68.47 | 2,884.88 | 200.02 | 1,326.20 | |
| 7 | Reserves & surplus | 288.42 | 1,290.38 | (8.08) | (317.72) | 390.80 | (0.77) | (1.71) | 71.54 | (2,843.33) | - | (1,482.72) | |
| 8 | Total assets | 2,043.35 | 1,793.63 | 22.65 | 7,902.25 | 4,038.83 | - | - | 516.20 | 289.26 | 475.43 | 881.21 | |
| 9 | Total Liabilities | 63.00 | 296.75 | 3.53 | 18.46 | 25.39 | - | - | 376.19 | 247.71 | 275.41 | 1,037.73 | |
| 10 | Investments | - | 384.47 | - | 7,283.73 | 3,433.39 | - | - | - | - | - | - | |
| 11 | Turnover | 500.99 | 1,005.42 | 0.86 | 91.43 | 175.07 | - | - | 434.49 | 102.77 | - | 490.68 | |
| 12 | Profit before taxation | 235.15 | 408.09 | 0.11 | 85.05 | 56.70 | 17.72 | (2.37) | (20.55) | (34.73) | - | (41.97) | |
| 13 | Provision for taxation | 69.99 | 86.66 | 0.09 | - | 12.05 | - | - | (23.39) | (0.18) | - | (7.94) | |
| 14 | Profit after taxation | 165.16 | 321.43 | 0.02 | 85.05 | 44.65 | 17.72 | (2.37) | 2.84 | (34.55) | - | (34.03) | |
| 15 | Proposed Dividend including dividend distribution tax | - | - | - | - | - | - | - | - | - | - | - | |
| 16 | % of shareholding | 78.79% | 60.00% | 80.00% | 100.00% | 100.00% | 100.00% | 100.00% | 70.00% | 96.33% | 60.00% | 100.00% | |

1. Names of subsidiaries which are yet to commence operations :

- Oberoi Kerala Hotels and Resorts Limited
- PT Astina Graha Ubud

2. Names of subsidiaries which have been liquidated or sold during the year :

- ElH Management Services B.V.

Notes to Accounts — Contd.

49(b) Annexure

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Associates/Joint Ventures | Rupees Million | | | | |
|------------------------------------------------------------------------------|-------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------|
| | ElH Associated Hotels Limited | Mercury Car Rentals Pvt Limited | Oberoi Mauritius Limited * | La Roseraie De L'Atlas** | Usmart Education Ltd*** |
| 1. Latest audited Balance Sheet Date | 31.03.2020 | 31.03.2020 | 31.03.2020 | 31.12.2019 | 31.03.2020 |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | | | | | |
| No. | 11.22 | 12.71 | 7.38 | 0.01 | 0.13 |
| Amount of Investment in Associates/ Joint Venture | 1,010.72 | 348.25 | 567.36 | 1,734.81 | - |
| Extent of Holding % | 36.81% | 40% | 50% | 47.93% | 25.10% |
| 3. Description of how there is significant influence | More than 20% Shareholding | N.A. | N.A. | More than 20% Shareholding | More than 20% Shareholding |
| 4. Reason why the associate/joint venture is not consolidated | Consolidated | Consolidated | Consolidated | Consolidated | Consolidated |
| 5. Networth attributable to Shareholding as per latest audited Balance Sheet | 1,270.53 | 485.09 | 419.34 | 1,498.95 | (14.37) |
| 6. Profit / Loss for the year | 379.64 | 48.03 | (97.42) | (205.65) | (3.15) |
| i. Considered in Consolidation | 139.75 | 19.21 | (48.71) | (98.57) | - |
| ii. Not Considered in Consolidation | 239.89 | 28.82 | (48.71) | (107.08) | (3.15) |

* Oberoi Mauritius Ltd includes its 92.19% subsidiary company Island Resort Limited incorporated in Mauritius and is considered as jointly controlled entity by virtue of being jointly controlled entity of ElH International Ltd, a wholly owned subsidiary of ElH Limited.

** La Roseraie De L'Atlas - The group has acquired a further holding of 1.93%.

***Usmart Education Ltd has become an Associate w.e.f. 31st July, 2018.

- Names of associates or joint ventures which are yet to commence operations : None
- Names of associates or joint ventures which have been liquidated or sold during the year : None

Notes to Accounts — Contd.

50. Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

| Rupees Million | | | | | | | | |
|---------------------------------------------------------|-------------------------------------|-----------|-------------------------------------|----------|-------------------------------------------|---------|-------------------------------------------|----------|
| Name of the entity | Share in Net Assets | | Share in profit or loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income (TCI) | |
| | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated TCI | Amount |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Parent | | | | | | | | |
| ElH Limited | 76.66 | 24,808.59 | 71.35 | 1,178.34 | 103.52 | 570.23 | 79.40 | 1,748.56 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| 1 Mumtaz Hotels Limited | 2.78 | 898.67 | 12.84 | 211.97 | (0.05) | (0.28) | 9.61 | 211.69 |
| 2 Mashobra Resort limited | 1.51 | 487.76 | 7.88 | 130.13 | (0.08) | (0.44) | 5.89 | 129.69 |
| 3 Oberoi Kerala Hotels & Resorts Limited | 0.05 | 15.30 | - | 0.02 | - | - | - | 0.02 |
| Foreign | | | | | | | | |
| 1 ElH Flight Services Limited Mauritius | (0.48) | (156.52) | (2.06) | (34.03) | 0.13 | 0.73 | (1.51) | (33.30) |
| 2 ElH International Limited | 2.04 | 658.78 | 0.85 | 13.98 | 3.94 | 21.68 | 1.62 | 35.66 |
| 3 ElH Holdings Limited | 2.24 | 723.62 | 4.13 | 68.24 | - | - | 3.10 | 68.24 |
| 4 ElH Investments N.V. | - | - | (0.12) | (2.04) | - | - | (0.09) | (2.04) |
| 5 ElH Management Services B.V. | - | - | (0.29) | (4.77) | - | (0.01) | (0.22) | (4.78) |
| 6 PT Widja Putra Karya | 0.24 | 78.03 | 0.32 | 5.24 | (4.68) | (25.79) | (0.93) | (20.55) |
| 7 PT Waka Oberoi Indonesia | (0.25) | (81.24) | (2.00) | (33.00) | (4.22) | (23.27) | (2.56) | (56.27) |
| 8 PT Astina Graha Ubud | 0.37 | 120.01 | - | - | - | - | - | - |
| Minority Interests in all subsidiaries | 3.08 | 997.31 | 9.89 | 163.26 | 1.78 | 9.83 | 7.86 | 173.09 |
| Associate (Investment as per equity method) | | | | | | | | |
| Indian | | | | | | | | |
| ElH Associated Hotels Limited | 4.49 | 1,453.04 | 5.59 | 92.27 | (0.08) | (0.44) | 4.17 | 91.83 |
| Joint Ventures (investment as per equity method) | | | | | | | | |
| Indian | | | | | | | | |
| Mercury Car Rentals Pvt Ltd | 1.50 | 485.05 | 0.55 | 9.10 | (0.41) | (2.26) | 0.31 | 6.85 |
| Foreign | | | | | | | | |
| 1 La Rosaie De L'Atlas | 4.83 | 1,564.29 | (5.97) | (98.57) | - | - | (4.48) | (98.57) |
| 2 Oberoi Mauritius Limited | 0.96 | 310.07 | (2.95) | (48.71) | 0.15 | 0.84 | (2.17) | (47.87) |

- 51.** In previous year, the Company had adopted Ind AS 115, Revenue from contract with customers, using the cumulative catch-up transition method, applied to contracts that were not completed as of 1st April 2018. Application of this standard resulted into reduction in opening reserves amounting to INR 112.14 million net of tax (Gross amount - INR 172.36 million) and impact on the previous year income statement amounting to INR 34.82 million net of tax respectively.

Notes to Accounts — Contd.

52. Disclosure on Contract balances :

a) Trade receivable

A trade receivable is recorded when the Company has an unconditional right to receive payment. In respect of revenue from rooms, food and beverages and other services invoice is typically issued as the related performance obligations are satisfied as described in note 1(c) (Refer Note 13).

b) Advance from Customers

Advance from Customers is recognised when payment is received before the related performance obligation is satisfied (Refer Note 30).

| Particulars | Rupees Million | |
|---------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 |
| As at the beginning of the year | 487.29 | 338.30 |
| Recognised as revenue during the year | 463.75 | 319.89 |
| As at the end of the year | 345.14 | 487.29 |

c) Deferred Revenue

Deferred Revenue is recognised when invoice is raised before the related performance obligation is satisfied (Refer Note 30).

| Particulars | Belvedere Membership | | Loyalty program | |
|------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| (i) As at the beginning of the year | 24.38 | - | 146.72 | 56.16 |
| (ii) Revenue recognised during the year out of (i) above | 24.38 | - | 27.90 | 29.38 |
| (iii) Adjustment of revenue recognised in previous year on account of IndAS 115 (refer note 51) | - | 84.63 | - | 87.73 |
| (iv) Revenue recognised during the year out of (iii) above | - | 84.63 | - | 40.55 |
| (v) Revenue recognised during the year out of previous year figure of INR 87.73 Million mentioned in (iii) above | - | - | 47.16 | - |
| (vi) As at the end of the year | - | 24.38 | 149.08 | 146.72 |

53. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by any of the Group Companies.

54. In case of EIH Flight Services Limited, Mauritius (EIHFS)

As at 31 March 2020, EIHFS was in a shareholder's deficit position of INR 156.52 million (2019 - INR 133.36 million), in a net current liability position of INR 131.62 million (2019 - INR 41.47 million) and for the year ended 31 March 2020, EIHFS has incurred a loss of INR 34.03 million (2019- Profit INR 0.08 million). EIHFS has a bank overdraft facility of INR 48.02 million to meet its day-to-day working capital requirements. At 31 March 2020, the overdraft balance was INR 8.86 million (2019 - INR Nil). EIHFS will need to make instalments payments on its borrowings, including interest INR 123.17 million by 31 March 2021. EIHFS has been in discussion with the bank to renegotiate the terms of the loans, including a capital moratorium. However, the final details are expected to be agreed once the confinement period is over. Nevertheless, due to the parent Company (EIH Limited) being the corporate guarantor in the Company's loan contract with the bank, the management of EIHFS is of the view that if they are unable to meet the loan repayment, they will be able to resort to the financial support of the parent. The management of EIHFS has also considered the implications of the global outbreak of the corona virus ("COVID-19") on its activities and financial performance. COVID-19 has raised a number of uncertainties due to the judgement required to estimate the extent to which this pandemic may persist and its related impact on international travel and viability of the Company's main clients, i.e. the airlines. While the management of EIHFS acknowledges that there is a certain degree of uncertainty surrounding COVID-19, the management of EIHFS is comfortable that the Company will continue into operations for at least the next twelve months and as such, the financial statements have been prepared on a going concern basis.

Notes to Accounts — *Contd.*

55. **Impact of COVID-19 on Business Operations**

The World Health Organization declared the COVID-19 outbreak as a pandemic on 11th March 2020, leading to series of measures by countries across the world to contain the spread of the virus. India responded by imposing a nationwide lockdown on 24th March 2020. The process of lifting of lockdown in various states has since started in phases, effective 1st June, 2020, guided by the decision of individual states. During a major part of this period, hotel and flight operations were mandated to remain non-operational, which affected business at our hotels and other operations across India. Similar restrictions in other countries affected business at our hotels from various international markets.

The Management's priority in dealing with the exceptional challenges posed by COVID-19 has been to ensure the safety of its guests and employees, support suppliers, keep the supply chain operational for essential supplies.

The consequence of the COVID-19 outbreak on the Group's business for the financial year ended 31st March, 2020 is limited, as business was impacted only in the latter half of March 2020. Several cost rationalisation measures have been initiated subsequent to the year end and are being monitored.

The Management does not foresee any stress on the Group's liquidity, as Companies within the Group either have access to sufficient unutilised sanctioned borrowing facilities for working capital requirements or have sufficient cash and cash equivalents and other bank balances as on 31st March, 2020, as the case may be.

In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Management has considered the impact from a prolonged lock-down situation; travel restrictions being continued to be imposed by India and other countries even after lifting of the lockdown, guests postponing their discretionary spending, continued restrictions on the number of domestic and international flights, internal and external information available up to the date of approval of these financial statements including credit reports and economic forecasts.

The Management has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investment property, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Group as on 31st March, 2020 and has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, expects to recover the carrying amounts of these assets. The impact of COVID-19 may be different from that estimated on the date of approval of these financial statements and the Management will continue to closely monitor any material changes to future economic conditions.

With respect to business in financial year ending 31st March, 2021, the impact on revenue could come from a prolonged lock-down situation; travel restrictions being continued to be imposed by India and other countries even after lifting of the lockdown and guests postponing their discretionary spending.

Domestic airlines have commenced operations from 25th May, 2020 with one-third capacity approved by the Government which is expected to gradually increase over the months going forward, and the timing of commencement of international airlines is yet to be announced by the Government. Hotels in most locations have been allowed to resume operations effective 8th June, 2020, with the balance expecting to open by 1st July 2020.

Based on enquiries received, assessments performed and analysis of market trends, the Management expects demand to gradually pick for Domestic leisure and business travel, social events within prescribed norms, and limited international travel once international airlines are allowed to commence operations.

The printing press of the parent Company received special permission from the Government to operate amidst the lockdown from 1st May, 2020 as it supports essential services like banks, pharmaceuticals and food.

The revised projections for financial year ending 31st March, 2021 have been prepared taking into account best estimates based on these factors and other variables, although a clearer picture shall emerge only in due course.

56. The financial statements were authorised for issue by the Board of Directors on 26th June, 2020.

For and on behalf of the Board

SUDIPTO SARKAR
Chairman - Audit Committee
(DIN No. : 00048279)

ARJUN OBEROI
Managing Director - Development
(DIN No. : 00052106)

VIKRAM OBEROI
Managing Director and Chief Executive Officer
(DIN No. : 00052014)

Place : Mumbai
Date : 26th June, 2020

KALLOL KUNDU
Chief Financial Officer

S.N. SRIDHAR
Company Secretary

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF EIH LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **EIH LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive loss of its associates and joint ventures for the quarter ended June 30, 2020 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities as listed in Annexure A.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 7 to the Statement, which indicates that EIH Flight Services Limited (EIHFSL), a subsidiary, has incurred a loss of Rs. 2.99 crores during the quarter ended June 30, 2020 and, as of that date, had a shareholder's deficit of Rs. 18.30 crores. These events or conditions, along with other matters as set forth in Note 7, indicate that a material uncertainty exists that may cast significant doubt on EIHFSL's ability to continue as a going concern. Further, the auditors of EIHFSL, without modifying their

conclusion, reported a Material Uncertainty related to going concern vide their report dated August 3, 2020 on the interim financial information of EIHFSL for the quarter ended June 30, 2020.

Our conclusion on the Statement is not modified in respect of this matter.

7. We did not review the interim financial information of seven subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 3.05 crores for the quarter ended June 30, 2020, total net loss after tax of Rs. 12.45 crores for the quarter ended June 30, 2020 and total comprehensive loss of Rs. 12.45 crores for the quarter ended June 30, 2020 as considered in the Statement. This interim financial information has been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

8. The consolidated unaudited financial results includes the interim financial information of one subsidiary, which has not been reviewed by their auditor, whose interim financial information reflects total revenue of Rs. 0.02 crores for the quarter ended June 30, 2020, total loss after tax of Rs. 0.01 crores for the quarter ended June 30, 2020 and total comprehensive loss of Rs. 0.01 crores for the quarter ended June 30, 2020 as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of loss after tax of Rs. 16.32 crores for the quarter ended June 30, 2020 and total comprehensive loss Rs. 16.34 crores for the quarter ended June 30, 2020, as considered in the Statement, in respect of two associates and two joint ventures, based on their interim financial information which has not been reviewed by their auditors. According to the information and explanations given to us by the Management, this interim financial information is not material to the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Alka Chadha
Partner
(Membership No. 93474)
(UDIN : 20093474AAAABM7883)

Place: Gurugram
Date: August 13, 2020

**Annexure A to Independent Auditor's Review Report
(Referred to in paragraph 4 of the Independent Auditor's Review Report of even date)**

List of subsidiaries:

1. Mumtaz Hotels Limited
2. Mashobra Resort Limited
3. Oberoi Kerala Hotels and Resorts Limited
4. EIH Flight Services Limited
5. EIH International Ltd
6. EIH Holdings Ltd
7. EIH Investments N.V.
8. PT Widja Putra Karya
9. PT Waka Oberoi Indonesia
10. PT Astina Graha Ubud

List of Associates

1. EIH Associated Hotels Limited
2. La Roseraie De L'altas
3. Usmart Education Limited

List of Joint Ventures

1. Mercury Car Rentals Private Limited
2. Oberoi Mauritius Ltd (including its subsidiary, Island Resort Limited)

EIH Limited

A MEMBER OF THE OBEROI GROUP

Registered Office : 4, Mangoe Lane, Kolkata - 700 001
 Phone : 91-33-22486751 Fax : 91-33-22486785
 Website: www.eihltd.com Email ID : isdho@oberoigroup.com
 CIN : L55101WB1949PLC017981

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

| (Rs. in Crores) | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------|--------------------------------------------------|--------------------------------------------|
| | Consolidated | | | |
| | 3 months ended 30.06.2020 UNAUDITED | 3 months ended 31.03.2020 (REFER NOTE 10) | 3 months ended 30.06.2019 UNAUDITED | Year ended 31.03.2020 AUDITED |
| Income | | | | |
| a) Revenue from Operations | 29.74 | 410.44 | 340.58 | 1,596.25 |
| b) Other Income | 14.88 | 20.73 | 17.64 | 78.44 |
| Total Income | 44.62 | 431.17 | 358.22 | 1,674.69 |
| Expenses | | | | |
| a) Consumption of Provisions, Wines & Others | 5.26 | 48.22 | 47.96 | 199.41 |
| b) Employee benefits expense | 97.39 | 116.89 | 115.68 | 469.22 |
| c) Finance Costs | 12.63 | 13.28 | 13.51 | 55.61 |
| d) Depreciation and Amortisation expense | 34.19 | 36.32 | 36.31 | 146.46 |
| e) Other Expenses | 67.91 | 160.66 | 144.47 | 637.36 |
| Total Expenses | 217.38 | 375.37 | 357.93 | 1,508.06 |
| Profit/ (loss) Before Exceptional items, Share of net profits of Associates and Joint Ventures accounted for using equity method and Tax | (172.76) | 55.80 | 0.29 | 166.63 |
| Share of net profit / (loss) of Associates and Joint Ventures accounted for using equity method | (21.91) | (10.94) | (1.15) | (0.14) |
| Profit/ (loss) before Exceptional Items and tax | (194.67) | 44.86 | (0.86) | 166.49 |
| Exceptional Items- Profit/(Loss) (note - 3) | - | - | (0.47) | (0.47) |
| Profit/ (loss) before tax | (194.67) | 44.86 | (1.33) | 166.02 |
| Tax Expense | | | | |
| a) Current Tax | (0.11) | 7.03 | 0.12 | 37.24 |
| b) Deferred Tax (note - 4) | (42.50) | 4.67 | (0.32) | (36.36) |
| Profit/ (loss) for the period | (152.06) | 33.16 | (1.13) | 165.14 |
| Other Comprehensive Income/ (Loss) | | | | |
| a) Remeasurement of defined benefit obligations | (0.81) | 5.72 | (0.36) | (3.11) |
| b) Share of other comprehensive income of associates and joint ventures accounted for using the equity method | (0.06) | 0.18 | (0.04) | (0.34) |
| c) Recycling of foreign currency translation reserve | - | (2.80) | - | (2.80) |
| d) Exchange differences on translation of foreign operations | 6.25 | 59.80 | - | 60.37 |
| e) Tax relating to these items | 0.21 | (0.71) | (0.10) | 0.97 |
| Total other comprehensive income/ (loss) for the period, net of tax | 5.59 | 62.19 | (0.50) | 55.09 |
| Total Comprehensive Income/ (loss) for the period | (146.47) | 95.35 | (1.63) | 220.23 |
| Profit attributable to: | | | | |
| a) Owners of EIH Limited | (149.28) | 27.92 | (3.24) | 148.82 |
| b) Non-controlling interests | (2.78) | 5.24 | 2.11 | 16.32 |
| Other Comprehensive Income attributable to: | | | | |
| a) Owners of EIH Limited | 4.28 | 61.15 | (0.50) | 54.10 |
| b) Non-controlling interests | 1.31 | 1.04 | - | 0.99 |
| Total Comprehensive Income attributable to: | | | | |
| a) Owners of EIH Limited | (145.00) | 89.07 | (3.74) | 202.92 |
| b) Non-controlling interests | (1.47) | 6.28 | 2.11 | 17.31 |
| Paid-up Equity Share Capital (Face Value - Rs. 2 each) | 114.31 | 114.31 | 114.31 | 114.31 |
| Other Equity | | | | 3,022.23 |
| Earnings per Equity Share (Face Value - Rs. 2 each) - Rs. | | | | |
| (a) Basic | (2.61) | 0.49 | (0.06) | 2.60 |
| (b) Diluted | (2.61) | 0.49 | (0.06) | 2.60 |

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

Notes :

- 1 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereafter ('Ind AS') and the other accounting principles generally accepted in India, to the extent applicable.
- 2 The Company and its subsidiaries have no reportable segments other than hotels as per Indian Accounting Standard.
- 3 Exceptional Items for the quarter ended 30th June, 2019 represent provision of Rs. 0.47 crores against receivable by the Company from a single customer in the flight catering business, due to uncertainty in business continuity of the afore-referred customer.
- 4 Current Tax and Deferred Tax figures have been computed based on Paragraph 30(c) of Ind AS 34 'Interim Financial Reporting', which requires income tax expense to be recognised in each interim period based on the best estimate of the weighted average annual income tax rate for the full financial year.
- 5 Earnings Per Share are not annualised except for the year ended 31st March, 2020
- 6 The World Health Organization declared the COVID-19 outbreak as a pandemic on 11th March 2020, leading to series of measures by countries across the world to contain the spread of the virus. A nationwide lockdown was imposed across India on 24th March, 2020.

Following the COVID-19 outbreak and subsequent lockdown, hotel and flight operations were mandated to remain non-operational. This had a severe impact on business at the Company's and its subsidiaries' hotels and other operations across India and overseas for the quarter ended 30th June, 2020. Similar restrictions in other countries also affected business from various international markets.

Through an order dated 30th May, 2020, the Ministry of Home Affairs (MHA) allowed hotels and restaurants to resume operations from 08th June, 2020 in a phased reopening of areas outside the containment zones. The operations at hotels and restaurants are subject to guidelines issued on 04th June, 2020 by the Ministry of Health and Family Welfare (MoHFW). Domestic airlines commenced operations from 25th May, 2020 with partial capacity approved by the Government, which is expected to gradually increase over the months going forward. Date of commencement of full service international flights is yet to be announced by the Government, although several 'Air Bubble' flights have been allowed to operate between India and other specified countries effective 18th July, 2020.

During the pendency of the lockdown, business at the Company's and its subsidiaries' hotels was mainly limited to stranded guests and accommodation requirements of guests rendering essential services allowed under government orders. The Company's and its subsidiary's flight kitchens catered to various airlines operating repatriation flights, crew and cargo flights, and the Company's flight kitchen has also subsequently catered to 'Air Bubble' flights in July, 2020. The printing press of the Company received special permission from the Government to operate amidst the lockdown from 1st May, 2020 for servicing essential services like banks, pharmaceuticals and food.

During this period, the Management's priority in dealing with the exceptional challenges posed by COVID-19 has been to ensure the safety of its guests and employees, support suppliers, keep the supply chain operational for essential supplies. Several cost rationalisation and consolidation measures have been initiated subsequent to the year ended on 31st March, 2020 and are being continuously and closely monitored.

Notwithstanding the impact of the crisis on the Company's business, Management based on its assessment does not foresee stress on liquidity, as it has access to sanctioned borrowing facilities for working capital requirements, worth Rs. 550.00 Crore, of which Rs. 335.30 Crore was unutilised as on 30th June, 2020. Further, management is confident of its ability to raise long term funds to meet its business requirements when required.

Further, the Management does not foresee any stress on the subsidiaries' liquidity, as the subsidiaries either have access to sufficient unutilised sanctioned borrowing facilities for working capital requirements or have sufficient cash and cash equivalents and other bank balances as on 30th June, 2020, as the case may be.

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

The Management has also assessed the potential impact of COVID-19 in preparation of the Statement of financial results including but not limited to its assessment of liquidity and going concern assumption, the carrying value of property, plant and equipment, right of use assets, intangible assets, investment property, investments, trade receivables, inventories, and other current and non-current assets of the Company and its subsidiaries as on 30th June, 2020 and has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, expects to recover the carrying amounts of these assets. The impact of COVID-19 may be different from that estimated on the date of approval of these financial results and the Management will continue to closely monitor any material changes to future economic conditions.

In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Management has considered the impact from a prolonged lock-down situation; travel restrictions being continued to be imposed by India and other countries even after lifting of the lockdown, guests postponing their discretionary spending, continued restrictions on the number of domestic and international flights, internal and external information available up to the date of approval of these financial results including credit reports and economic forecasts.

With respect to business in financial year ending 31st March, 2021, the impact on revenue could come from a prolonged lock-down situation; travel restrictions being continued to be imposed by India and other countries even after lifting of the lockdown and guests postponing their discretionary spending.

- 7 EIH Flight Services Ltd, Mauritius (EIHFSL), a subsidiary, incurred a loss of Rs. 2.99 crores during the quarter ended 30th, June 2020. As on 30th June, 2020, the company reported a shareholder's deficit of Rs. 18.30 crores.

The global outbreak of COVID-19 has had an adverse impact on the company's activities and financial performance. The management of EIHFSL has evaluated the implications of COVID-19 and the uncertainties posed as a result of related impact on international travel and viability of the company's main clients, i.e. the airlines. With a view to mitigate the risk of uncertainties in the airline sector, EIHFSL has commenced the business of outdoor catering in Mauritius from August 2020. The company expects to expand on this new business opportunity going forward.

EIHFSL has a bank overdraft facility of Rs. 4.71 crores to meet its day-to-day working capital requirements. At 30th June, 2020, the overdraft balance was Rs. 1.18 crores (March 31, 2020 – Rs. 0.89 crores). EIHFSL has received a moratorium on loan and interest repayments until September 2020 and has applied to the bank for an extension of the moratorium upto 31st March, 2022. Whilst acknowledging that there is a certain degree of uncertainty surrounding COVID-19, the management of EIHFSL is confident that the company will continue its operations for at least the next twelve months, and also has assurance of continued financial support from the parent company, if required. As such, the financial information has been prepared on a going concern basis.

- 8 The unaudited financial results for the quarter ended 30th June, 2020 have been adversely impacted by the outbreak of COVID-19 pandemic as explained in Note 6 above and therefore are not comparable with the corresponding previous quarter. The unaudited financial results for the first quarter of the previous year were not indicative of a full year's working due to the seasonal nature of the Indian Hotel Industry.
- 9 Figures have been regrouped or rearranged, wherever necessary.
- 10 Figures for the quarter ended 31st March, 2020 are the balancing figures between audited figures for the full financial year upto 31st March, 2020 and the published figures upto 31st December, 2019 which were subjected to limited review by the Statutory Auditors.
- 11 The above Unaudited Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 13th August, 2020. The Statutory Auditors have carried out a limited review of the above financial results for the quarter ended 30th June, 2020.

New Delhi
13th August, 2020

VIKRAMJIT SINGH OBEROI
Managing Director and Chief Executive Officer
(DIN : 00052014)

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2020, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets and our ability to pay material liabilities:

1. The World Health Organization declared the outbreak of COVID-2019 as a public health emergency of international concern on January 30, 2020, and as a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020. The spread of COVID-2019 and the recent developments surrounding the global pandemic have had, and continue to have, a material adverse effect on our business. Following the COVID-19 outbreak and subsequent lockdown, hotel and flight operations were mandated to remain non-operational. This had a severe impact on our business and other operations across India and overseas. Similar restrictions in other countries also affected business from various international markets. Through an order dated 30th May, 2020, the Ministry of Home Affairs (MHA) allowed hotels and restaurants to resume operations from June 8, 2020 in a phased reopening of areas outside the containment zones. The operations at hotels and restaurants are subject to guidelines issued on June 4, 2020 by the Ministry of Health and Family Welfare (“**MoHFW**”). Domestic airlines commenced operations from May 25, 2020 with partial capacity approved by the Government, which is expected to gradually increase over the months going forward. Date of commencement of full service international flights is yet to be announced by the Government, although several ‘air bubble’ flights have been allowed to operate between India and other specified countries, with effect from July 18, 2020. During the pendency of the lockdown, business at our Company's and our Subsidiaries' hotels was mainly limited to stranded guests and accommodation requirements of guests rendering essential services allowed under government orders. The Company's and its subsidiary's flight kitchens catered to various airlines operating repatriation flights, crew and cargo flights, and the Company's flight kitchen has also subsequently catered to ‘Air Bubble’ flights in July, 2020. The printing press of our Company received special permission from the Government to operate amidst the lockdown from May 1, 2020 for servicing essential-services like banks, pharmaceuticals and food. For further details, refer to the assessment of the impact of COVID-19 on our operations in the Audited Consolidated Financial Statements included in this Letter of Offer in “*Financial Statements*” on page 93, and “*Risk Factors – The ongoing COVID-19 pandemic has had an adverse impact on our business, cash flows, results of operations and financial condition and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted.*” on page 19.
2. Deloitte Haskins & Sells LLP, Chartered Accountants, have performed a review of the Unaudited Interim Consolidated Financial Results, which were reviewed by the audit committee of our Company and approved by our Board in its meeting dated August 13, 2020, in accordance with the Standard on Review Engagements (SRE) 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by ICAI and have issued a review report dated August 13, 2020 on the Unaudited Interim Consolidated Financial Results which is included in this Letter of Offer in “*Financial Statements*” on page 93.

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

Accounting Ratios

The following tables present certain key accounting and other ratios computed are derived from the Audited Consolidated Financial Statements included in the section, “Financial Statements” on page 93.

| Ratio | As at and for Fiscal 2020 on a consolidated basis ⁽¹⁾ |
|-----------------------------------------------------|------------------------------------------------------------------|
| Basic earnings per share of ₹ 2 each (in ₹) | 2.60 |
| Diluted earnings per share of ₹ 2 each (in ₹) | 2.60 |
| Return on net worth (in %) | 5.10 |
| Net asset value per Equity Share of ₹ 2 each (in ₹) | 56.62 |
| EBITDA (in ₹ million) | 3,685.54 |

⁽¹⁾ Derived from Audited Consolidated Financial Statements.

The ratios have been computed as below:

| Ratios | Computation |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basic earnings per share | Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) / Weighted Average number of Equity Shares. |
| Diluted earnings per share | Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) / Weighted Average number of Equity Shares (including convertible securities). |
| Return on net worth (in %) | Profit for the year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income) / Net worth at the end of the year. |
| Net asset value per Equity Share | Net Worth divided by the number of issued, subscribed and paid-up Equity Shares. |

Calculation of Return on Net Worth (on a consolidated basis)

(₹ in million, unless otherwise specified)

| Particulars | For the year ended March 31, 2020 |
|----------------------------|-----------------------------------|
| Profit after Tax | 1,651.43 |
| Net Worth | 32,362.75 |
| Return on net worth | 5.10 |

Calculation of Net asset value per Equity Share (on a consolidated basis)

(₹ in million, unless otherwise specified)

| Particulars | As at March 31, 2020 |
|-----------------------------------------|----------------------|
| Total assets | 44,519.32 |
| Less: Total liabilities | 12,156.57 |
| Net assets | 32,362.75 |
| Number of equity shares | 571.57 |
| Net asset value per share (in ₹) | 56.62 |

Calculation of EBITDA (on a consolidated basis)

(In ₹ million)

| Particulars | For the year ended March 31, 2020 |
|---------------------------------------|-----------------------------------|
| Profit / (Loss) before tax | 1,664.88 |
| Finance costs | 556.05 |
| Depreciation and amortisation expense | 1,464.61 |
| EBITDA | 3,685.54 |

Consolidated Capitalisation Statement

The following table sets forth the capitalisation statement of our Company (i) derived from the Financial Statements; and (ii) as adjusted for the Issue:

(₹ in million)

| Particulars | Pre-Issue as at March 31, 2020 | As adjusted for the Issue* |
|---------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------|
| Total Borrowings | | |
| Current Borrowings (A) | 1,874.14 | [●] |
| Non-current Borrowings (except finance lease obligations) (B) | 2,337.51 | [●] |
| Current maturities of long-term debt (C) | 549.61 | [●] |
| Total borrowings D = (A)+(B)+(C) | 4,761.26 | [●] |
| Total Equity | | |
| Equity Share Capital (E) | 1143.14 | [●] |
| Other Equity (F) | 30,222.30 | [●] |
| Total Equity (G = E + F) | 31,365.44 | [●] |
| Non-current borrowings (including current maturities) / Total Equity [(B+C) / G] | 0.09 | [●] |
| Total Borrowings / Total Equity (D /G) | 0.15 | [●] |

* Assuming full subscription in the Issue

STOCK MARKET DATA FOR SECURITIES OF OUR COMPANY

Our Equity Shares are listed on BSE, NSE and CSE. The Rights Equity Shares being issued pursuant to this Issue have not been listed earlier and will be listed on the Stock Exchanges pursuant to this Issue. For details, see “*Terms of the Issue*” on page 117. Our Company has received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchanges to be issued pursuant to this Issue from BSE, NSE and CSE by their letters dated [●], [●] and [●] respectively. Our Company will also make applications to BSE, NSE and CSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars. For the purposes of this Issue, the Designated Stock Exchange is BSE.

For the purpose of this section, unless otherwise specified:

- A year is a calendar year;
- Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
- High price is the maximum of the daily closing prices and low price is the minimum of the daily closing prices of our Equity Shares for the year, the month, or the week, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

The high, low and average market prices of our Equity Shares recorded on the Stock Exchanges during the preceding three years and the number of our Equity Shares traded on the days of the high and low prices were recorded, are as stated below:

BSE

| Year | High (₹) (1) | Date of High | Volume on date of High (No. of Equity Shares) | Low (₹) (1) | Date of low | Volume on date of Low (No. of Equity Shares) | Average (₹) (2) |
|-----------------------------------|--------------------|---------------------|--------------------------------------------------------|-------------------|-----------------|-------------------------------------------------------|-----------------------|
| April 1, 2019 – March 31, 2020 | 213.00 | April 1, 2019 | 43,042 | 55.75 | March 25, 2020 | 42,516 | 157.18 |
| April 1, 2018 – March 31, 2019 | 214.95 | March 14, 2019 | 80,916 | 137.6 | October 5, 2018 | 6,892 | 175.19 |
| April 1, 2017 – March 31, 2018 | 231.50 | January 16, 2018 | 529,496 | 112.1 | April 13, 2017 | 13,503 | 147.66 |

(Source: www.bseindia.com)

⁽¹⁾Based on intra-day high and low prices

⁽²⁾Based on daily closing prices

NSE

| Year | High (₹) (1) | Date of High | Volume on date of High (No. of Equity Shares) | Low (₹) (1) | Date of low | Volume on date of Low (No. of Equity Shares) | Average (₹) (2) |
|-----------------------------------|--------------------|---------------------|--------------------------------------------------------|-------------------|--------------------|-------------------------------------------------------|-----------------------|
| April 1, 2019 – March 31, 2020 | 214.00 | April 1, 2019 | 345,335 | 55.2 | March 25, 2020 | 188,866 | 157.31 |
| April 1, 2018 – March 31, 2019 | 214.80 | March 14, 2019 | 779,055 | 137.55 | October 5, 2018 | 360,175 | 175.45 |
| April 1, 2017 – March 31, 2018 | 231.60 | January 16, 2018 | 2,161,455 | 117.5 | April 6, 2017 | 149,537 | 147.79 |

(Source: www.nseindia.com)

⁽¹⁾Based on intra-day high and low prices

⁽²⁾Based on daily closing prices

CSE

There has been no trading in equity shares of our Company on the CSE in the last three years. Accordingly, the highest, lowest price and average prices of the Equity Shares on CSE during the preceding three years is not available.

Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of this Letter of Offer are as stated below:

BSE

| Month | High (₹) (1) | Date of High | Volume on date of High (No. of Equity Shares) | Low (₹) (1) | Date of low | Volume on date of Low (No. of Equity Shares) | Average price for the month (₹) (2) |
|--------------|-----------------|-----------------|-----------------------------------------------|----------------|-----------------|----------------------------------------------|----------------------------------------|
| August, 2020 | 96.40 | August 21, 2020 | 400,802 | 63.00 | August 03, 2020 | 93,304 | 78.61 |
| July, 2020 | 70.35 | July 08, 2020 | 244,548 | 59.50 | July 29, 2020 | 105,865 | 63.58 |
| June, 2020 | 82.00 | June 8, 2020 | 70,222 | 62.75 | June 12, 2020 | 66,495 | 69.75 |
| May, 2020 | 77.00 | May 4, 2020 | 9,637 | 54.70 | May 19, 2020 | 13,503 | 62.77 |
| April, 2020 | 82.45 | April 20, 2020 | 17,859 | 64.50 | April 1, 2020 | 1,630 | 74.49 |
| March, 2020 | 132.00 | March 2, 2020 | 3,897 | 55.75 | March 25, 2020 | 42,516 | 90.90 |

(Source: www.bseindia.com)

(1)Based on intra-day high and low prices

(2)Based on daily closing prices

NSE

| Month | High (₹) (1) | Date of High | Volume on date of High (No. of Equity Shares) | Low (₹) (1) | Date of low | Volume on date of Low (No. of Equity Shares) | Average price for the month (₹) (2) |
|--------------|-----------------|-----------------|-----------------------------------------------|----------------|-----------------|----------------------------------------------|----------------------------------------|
| August, 2020 | 96.30 | August 21, 2020 | 6,954,351 | 64.00 | August 03, 2020 | 1,603,098 | 78.64 |
| July, 2020 | 70.50 | Jul 08, 2020 | 2,698,775 | 59.30 | Jul 30, 2020 | 5,089,877 | 63.56 |
| June, 2020 | 81.50 | June 8, 2020 | 1,408,112 | 62.45 | June 12, 2020 | 1,117,347 | 69.76 |
| May, 2020 | 76.00 | May 4, 2020 | 79,326 | 54.75 | May 19, 2020 | 284,693 | 63.18 |
| April, 2020 | 82.70 | April 20, 2020 | 101,074 | 62.90 | April 1, 2020 | 51,433 | 74.32 |
| March, 2020 | 133.85 | March 2, 2020 | 117,047 | 55.20 | March 25, 2020 | 188,866 | 90.83 |

(Source: www.nseindia.com)

(1)Based on intra-day high and low prices

(2)Based on daily closing prices

CSE

There has been no trading in equity shares of our Company on the CSE in the last six months. Accordingly, the highest, lowest price and average prices of the Equity Shares on CSE during the preceding six months is not available.

Week end prices of Equity Shares along with the highest and lowest closing prices on the Stock Exchanges for the last four weeks preceding the date of filing of this Letter of Offer is as stated below:

| BSE | | | | | |
|-----------------------|-------------------|----------|-----------------|---------|-------------------|
| For the week ended on | Closing Price (₹) | High (₹) | Date of High | Low (₹) | Date of Low |
| September 4, 2020 | 87.65 | 95.80 | August 31, 2020 | 83.25 | September 4, 2020 |
| August 28, 2020 | 93.45 | 94.90 | August 28, 2020 | 87.50 | August 25, 2020 |
| August 21, 2020 | 92.30 | 96.40 | August 21, 2020 | 77.20 | August 17, 2020 |

(Source: www.bseindia.com)

| NSE | | | | | |
|-----------------------|-------------------|----------|-----------------|---------|-------------------|
| For the week ended on | Closing Price (₹) | High (₹) | Date of High | Low (₹) | Date of Low |
| September 4, 2020 | 87.65 | 96.10 | August 31, 2020 | 83.25 | September 4, 2020 |
| August 28, 2020 | 93.50 | 94.90 | August 28, 2020 | 87.55 | August 26, 2020 |
| August 21, 2020 | 92.30 | 96.30 | August 21, 2020 | 77.25 | August 17, 2020 |

(Source: www.nseindia.com)

CSE

There has been no trading in equity shares of our Company on the CSE in the last four weeks. Accordingly, the highest and lowest closing prices of the Equity Shares on CSE during the preceding four weeks is not available.

The closing market price of the Equity Shares of our Company one day prior to the date of this Letter of Offer was ₹ [●] on BSE and ₹ [●] on NSE. The Issue Price is ₹ [●] per Rights Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries; (ii) material violations of statutory regulations by our Company and/or our Subsidiaries; (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) or is otherwise material in terms of (a) the 'Policy for Determination and Disclosure of Material Events' adopted by our Board, in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, and (b) the '[●Name of litigation materiality policy]' adopted by our Rights Issue Committee through its resolution dated [●], for the purpose of litigation disclosures in this Letter of Offer ("Materiality Policy").

In this regard, please note the following:

- 1. Any outstanding litigation involving our Company and/or our Subsidiaries, i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Letter of Offer or the Abridged Letter of Offer, if (i) the monetary claim involved in such proceedings is exceeding ₹ 20 million ("Materiality Threshold"), and/or (ii) is otherwise determined to be material in terms of the Materiality Policy.*
- 2. Pre-litigation notices received by our Company and/or our Subsidiaries from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company and/or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.*

Litigation involving our Company

Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

There are no ongoing proceedings involving issues of moral turpitude or criminal liability on part of our Company.

Proceedings involving material violations of statutory regulations by our Company

There are no ongoing proceedings involving material violations of statutes or regulations by our Company.

Matters involving economic offences where proceedings have been initiated against our Company

There are no matters involving economic offences where proceedings have been initiated against our Company.

Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

(i) Civil Proceedings

- Our Company, Mashobra and our allied companies and directors had initiated an arbitration against the State of Himachal Pradesh and others before the sole arbitrator, Justice (retired) R. P. Sethi ("**Arbitrator**"), in relation to the property, 'Wildflower Hall', proceedings in relation to which are pending before the High Court of Himachal Pradesh. Wildflower Hall was a heritage property that was operated by the Himachal Pradesh Tourism Development Corporation as a hotel. Upon the property being gutted by a fire, the State of Himachal Pradesh entered into a joint venture agreement dated October 30, 1995 ("**JV Agreement**") with our Company for construction and operation of the hotel, and Mashobra was incorporated for this purpose. Subsequently, by means of a registered conveyance deed dated February 6, 1997, the land on which the hotel was to be located was conveyed to Mashobra. However, after a change in government, registration of 57

rooms in the newly constructed property was stalled, and the State of Himachal Pradesh repudiated the JV Agreement *vide* a notice dated March 6, 2002 (“**Termination Notice**”) and ousted our nominee directors from the board of directors of Mashobra. In addition, various legal proceedings were initiated by both parties to the JV Agreement in this regard, including a civil review petition filed by our Company against the State of Himachal Pradesh before the High Court of Himachal Pradesh.

The High Court of Himachal Pradesh appointed the Arbitrator to preside over the dispute. Before the Arbitrator, our Company sought, *inter alia*, that (a) the Termination Notice is held to be in violation of the JV Agreement, that the State of Himachal Pradesh is enjoined from acting upon it, and any actions in this regard are nullified, (b) the ouster of our nominee directors in Mashobra is reversed, and the actions of any new board purported to be appointed subsequently are nullified, and (c) a direction that the withholding of registration of certain rooms in the hotel is wrongful, and that such rooms are registered. On the other hand, the State of Himachal Pradesh sought, before the arbitrator, that *inter alia* (a) its right to re-enter the property is recognized, without the necessity of any registration or execution by Mashobra, (b) a direction that the JV Agreement was liable to be terminated, on account of various breaches thereof, including cost and time overruns in construction of the hotel, and (c) that in view of these breaches, our Company is liable to be disqualified from holding shares in Mashobra, and accordingly the State of Himachal Pradesh is justified in becoming the sole shareholder of Mashobra and ousting our nominee directors therein. The Arbitrator, *vide* an order dated July 23, 2005 (“**Arbitral Order**”), held that, *inter alia*, (a) the JV Agreement was valid, and while the State of Himachal Pradesh was entitled to terminate the same, the same could only be through the manner specified therein, (b) that upon such termination, our Company was entitled to the hotel property, and would only be required to execute a lease agreement, whereupon the State of Himachal Pradesh would have rights over the underlying land as lessor, and (c) in the event such lease was executed, registration was to be granted to the remaining rooms of the hotel.

Our Company, Mashobra and others challenged the Arbitral Order before the High Court of Himachal Pradesh, alleging that the Arbitrator misread and misinterpreted the terms of the JV Agreement, and accordingly came to erroneous conclusions. The High Court of Himachal Pradesh, by means of an order dated February 25, 2016, (“**HC Order**”), dismissed the petition without altering the Arbitral Order in any manner. Thereafter, our Company, Mashobra and others have filed an appeal before a division bench of the High Court of Himachal Pradesh, challenging the HC Order. The division bench, *vide* an order dated June 27, 2016, has directed parties to maintain *status quo* in the matter. The matter is currently pending.

2. Our Company and others have filed various suits against Balaji Hotels and Enterprises Limited (“**Balaji Hotels**”) and several others before the High Court of Madras and the III Additional City Civil Court Judge, Chennai (“**Civil Judge**”). Our Company had entered a technical services agreement, a project consultancy agreement and a royalty agreement, each dated October 26, 1988 (collectively the “**Agreements**”) with Balaji Construction Private Limited (which was later amalgamated with Balaji Hotels), pursuant to which we were to operate a hotel on Mount Road, Madras owned by Balaji Hotels, which was under construction at the time of the agreement. There were several time and cost overruns in construction of the hotel, and owing to the inability of Balaji Hotels to raise funding for the same, our company disbursed an aggregate amount of ₹ 151.20 million to Balaji Hotels as financial assistance in terms of agreements dated January 12, 2000, June 10, 2000 and February 4, 2002 (collectively the “**Financial Agreements**”). In terms of the agreement dated February 4, 2002, Balaji Hotels agreed to return the amount of ₹ 151.20 million to our Company, with interest, following which our Company would have no further role as an operator of the hotel.

Balaji Hotels had separately obtained financial assistance from IFCI Limited and Tourism Finance Corporation of India Limited (collectively, the “**Creditors**”). Pursuant to the failure of Balaji Hotels to pay off these amounts, however, the Creditors initiated securitization proceedings against Balaji Hotels, and all of Balaji’s financial assets, including the hotel project, were taken over by Asset Reconstruction Company of India Limited (“**ARCIL**”), a securitization and reconstruction company. The Creditors advertised for an offer to take over the hotel project. Aggrieved by this, our Company filed a suit (“**First Suit**”) before the High Court of Madras, seeking, *inter alia* (a) a declaration that the Agreements and the Financial Agreements are binding and enforceable on the Creditors and others; (b) a permanent injunction restraining the Creditors and others from selling, encumbering or disposing off any of the properties of Balaji Hotels without recognizing the interests of our Company therein. The High Court of Madras, *vide* an order dated March 18, 2005, issued a temporary injunction restraining ARCIL, the Creditors and others from selling or dealing with the hotel property without disclosing our rights to operate and manage the hotel.

The hotel project was thereafter sold by the Creditors to Robust Hotels Private Limited (“**Robust Hotels**”) pursuant to a transfer deed and a certificate of sale, each dated July 5, 2007 (the “**Transfer Documents**”). Robust Hotels has infused additional funds into the hotel for completion of construction. Our Company filed an application against Robust Hotels before the High Court of Madras, seeking that they be impleaded in the First Suit, which was allowed pursuant to an order dated March 23, 2010. Further, our Company filed a petition before the Civil Judge, *inter alia* seeking an injunction from Robust Hotels continuing with the construction of the hotel, and a permanent injunction restraining Robust Hotels and others from acting in derogation of our rights under the Agreements. The Civil Judge dismissed the petition *vide* an order dated March 9, 2011, and aggrieved by the same, our Company filed an appeal (“**Appeal**”) before the High Court of Madras. Deciding in relation to the First Suit and the Appeal, the High Court of Madras, *vide* an order dated July 26, 2011 (the “**First Order**”), directed Robust Hotels to deposit a sum of ₹ 151.20 million with the court during the pendency of the suit, and conditional upon the same, directed the Civil Judge to dispose of the case.

Our Company also filed a suit against Balaji, the Creditors, Robust Hotels and others against the High Court of Madras *inter alia* (a) seeking a declaration that the Transfer Documents are illegal, and (b) seeking a perpetual injunction from them acting on or giving effect to the Transfer Documents. The High Court of Madras, *vide* an order dated August 8, 2011, *inter alia* dismissed the suit. Our Company filed a letters patent appeal against this order before the High Court of Madras, which, *vide* an order dated March 13, 2012 (“**Second Order**”), dismissed the appeal and refused to injunct Robust Hotels from taking possession of the property. Robust Hotels and our Company filed two separate special leave petitions against the First Order and the Second Order respectively before the Supreme Court. The Supreme Court, *vide* an order dated December 7, 2016, declined to interfere with either order. The matters are currently pending.

3. Our Company was the technical member of a consortium which successfully bid for a project by the Government of erstwhile Andhra Pradesh to develop a five-star hotel on a ‘build-operate-transfer’ basis. For the purpose of executing the project, a special purpose vehicle, namely Golden Jubilee Estate Limited was set up, the name of which was eventually changed to ‘Golden Jubilee Hotels Private Limited’ (“**Golden Jubilee**”), wherein our Company held 16% of the shareholding. Golden Jubilee entered into an agreement dated August 5, 2006 (“**Management Agreement**”) with our Company, under which our Company was required to manage and operate the hotel and service apartments being constructed as part of the project.

As part of the Management Agreement, our Company was required to offer certain pre-opening services to Golden Jubilee, and costs of the same were to borne by Golden Jubilee. Such services were performed by our Company, but no payment has been made by Golden Jubilee in lieu of the same. Accordingly, our Company has filed a civil suit before the City Civil Courts, Hyderabad against Golden Jubilee, for the recovery of an aggregate sum of ₹ 71.03 million for pre-operating expenses owed to us by Golden Jubilee and interest thereon, as well as future interest. The matter is currently pending.

Separately, the Bank of Baroda filed an application dated February 17, 2018 before the National Company Law Tribunal, Hyderabad Bench (“**NCLT**”) for the initiation of a corporate insolvency resolution process against Golden Jubilee. During the pendency of these proceedings, as the manager of the hotel, our Company had made payments of an aggregate amount of ₹ 34.38 million to itself, *inter alia* as marketing and management fees, and for salaries of executives, in terms of an interim arrangement between our Company and Golden Jubilee in unrelated arbitration proceedings (the “**Arrangement**”). The interim resolution professional overseeing the proceedings, Subodh Kumar Agarwal (“**IRP**”), filed an interlocutory application against our Company before the NCLT seeking that such amounts be refunded. In addition, the IRP has filed an additional claim for ₹ 220.04 million against our Company before the NCLT, claiming that our Company has withdrawn funds in excess of that permitted under the Arrangement.

BREP Asia II Indian Holding Co II (NQ) Pte Ltd, Singapore made a successful bid to acquire the hotel. As part of the resolution plan submitted by the IRP, the Management Agreement would be terminated in the event the NCLT was to hold our Company’s continuation as an operator was against the provisions of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”). Our Company filed three interlocutory applications before the NCLT, *inter alia* seeking a declaration that our Company’s continuance as the operator of the hotel was contrary to the IBC. The NCLT, in an order dated February 7, 2020 (the “**Order**”), declined to make a decision on the validity of the Management Agreement, but *inter alia* held that any significant inclusion of

our Company in the resolution plan would be contrary to the provisions of the IBC. Our Company has filed an appeal against the order before the NCLAT. The matter is currently pending.

(ii) Tax Proceedings

1. An assessment order dated March 31, 2013 (the “**Order**”) has been passed by the Additional Commissioner of Income Tax, Range-8, Kolkata against our Company for the assessment year 2010-11, disallowing certain expenditures, *inter alia*, towards commission paid by us to our Directors, writing off of certain advances and bad debts, and the maintenance of aircrafts operated by our Company, certain interest and lease rental payments made by us, and payments for certain advertisements. Pursuant to the same, the Deputy Commissioner of Income Tax, Range-8, Kolkata issued a demand notice dated March 31, 2013, stating that a sum of ₹ 337.75 million was payable by our Company. Subsequently, the Deputy Commissioner of Income Tax issued a rectification order dated September 5, 2014, pursuant to which, the net amount payable by us was revised to ₹ 102.66 million.

Our Company filed an appeal against the Order before the Commissioner of Income Tax (Appeals) (“**CITA**”). The CITA, *vide* an order dated March 18, 2015, set aside the assessment carried out in the order, and directed that fresh assessment is carried out. Pursuant to the same, the assessment officer re-assessed our income, and issued a revised demand of ₹ 88.07 million *vide* a demand notice dated November 29, 2016 (the “**Reassessment Order**”). Our Company has filed two appeals against the Reassessment Order before the CITA. The matter is currently pending.

2. An assessment order dated December 22, 2017 (the “**Order**”) has been passed by the Deputy Commissioner of Income Tax, Circle-8(1), Kolkata (“**DCIT**”) against our Company for the assessment year 2015-16, disallowing certain expenditures, *inter alia*, towards payment of principle amounts for leased vehicles, maintenance of aircraft and provident fund contributions. Pursuant to the same, the DCIT issued a demand notice dated December 22, 2017, stating that a sum of ₹ 184.00 million was payable by our Company. Our Company filed an appeal against the Order before the Commissioner of Income Tax (Appeals). The matter is currently pending.

Litigation involving our Subsidiaries

Proceedings involving issues of moral turpitude or criminal liability on the part of our Subsidiaries

There are no ongoing proceedings involving issues of moral turpitude or criminal liability on part of our Subsidiaries.

Proceedings involving material violations of statutory regulations by our Subsidiaries

There are no ongoing proceedings involving material violations of statutes or regulations by our Subsidiaries.

Matters involving economic offences where proceedings have been initiated against our Subsidiaries

There are no matters involving economic offences where proceedings have been initiated against our Subsidiaries.

Other proceedings involving our Subsidiaries which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

Civil Proceedings involving Mashobra Resort Limited

Mashobra, our Company and certain others had initiated an arbitration against the State of Himachal Pradesh, proceedings in relation to which are currently pending before the High Court of Himachal Pradesh. For details, see “ – *Litigation involving our Company – Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company*” on page 100.

GOVERNMENT APPROVALS

Our Company and our Material Subsidiaries are required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Our Company and our Material Subsidiaries have obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time.

As on the date of this Letter of Offer, except as mentioned in this section, there are no pending material approvals required for our Company or any of our Material Subsidiaries, to conduct our existing business and operations.

Applications for receipt or renewal of material licenses or approvals which are pending

Loyalty Lounge, Chhatrapati Shivaji International Airport, Mumbai

1. Application dated April 30, 2020 for a license for selling foreign liquor and spirits from the Commissioner, State Excise Department, Mumbai.

The Maidens, Delhi

2. Application dated February 28, 2020 for the use of a establishment as a shelter and accommodation of travellers from the North Delhi Municipal Corporation.
3. Application dated February 28, 2020 for registration of an establishment as a hotel/ lodging house from the North Delhi Municipal Corporation.
4. Application dated February 29, 2020 for a license for manufacture and sale of eatables at the coffee shop of the hotel from the North Delhi Municipal Corporation.
5. Application dated February 29, 2020 for a license for manufacture and sale of eatables at the Curzon Room from the North Delhi Municipal Corporation.
6. Application dated February 28, 2020 for a license for manufacture and sale of eatables at the Cavalry Bar from the North Delhi Municipal Corporation.
7. Application dated February 28, 2020 for a license for the manufacture and sale of eatables at the banquet hall of the hotel from the North Delhi Municipal Corporation.
8. Application dated February 29, 2020 for a license for the manufacture and sale of eatables at the Executive Dining Room from the North Delhi Municipal Corporation.
9. Application dated February 29, 2020 for a license for permission for a cafeteria at the hotel from the North Delhi Municipal Corporation.
10. Application dated February 28, 2020 for a license for a swimming pool in the hotel from the North Delhi Municipal Corporation.
11. Application dated February 29, 2020 for a certificate of registration as a hotel / lodging house from the Delhi Police.
12. Application dated February 29, 2020 for a license for manufacture and sale of eatables at a coffee shop at the hotel from the Additional Commissioner of Police.

13. Application dated February 29, 2020 for permission to operate our coffee shop for 24 hours a day from the Additional Commissioner of Police.
14. Application dated February 29, 2020 for a license for the manufacture and sale of eatables at the Curzon Room from the Additional Commissioner of Police.
15. Application dated February 29, 2020 for a license for the manufacture and sale of eatables at the Executive Dining Room from the Additional Commissioner of Police.
16. Application dated February 28, 2020 for a license for the manufacture and sale of eatables at the Cavalry Bar from the Additional Commissioner of Police.
17. Application dated June 26, 2020 for approval for lift installation and operation from the North Delhi Municipal Corporation.
18. Application dated August 4, 2020 for a no-objection certificate and approval for fire safety from the fire department.
19. Application dated September 1, 2018 for registration for employment of contract labour from the Labour Department, Delhi.

The Oberoi Amarvilas, Agra

20. Application dated March 13, 2019 for no-objection certificate for ground water transaction from the Central Ground Water Board, Northern Region.

The Oberoi, Bengaluru

21. Application dated June 24, 2019 for an authorisation for dealing in hazardous wastes from the Karnataka State Pollution Control Board.

The Oberoi, Mumbai

22. Application dated April 25, 2020 for a license for possession and use of ordinary denatured spirit for *bona fide* purposes from the Collector of Mumbai (City).

Wildflower Hall

23. Application dated March 14, 2020 for the renewal of our pollution certificate from the Himachal Pradesh State Pollution Control Board.
24. Application dated December 30, 2019 for a license to operate a bar from the Commissioner of State Taxes and Excise, Himachal Pradesh.

Material licenses or approvals for which applications have not been made

There are no material licenses or approvals required by our Company or any of our Material Subsidiaries, for which our Company has not made any application.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

This Issue has been authorised by a resolution of our Board passed at its meeting held on September 7, 2020 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

Our Rights Issue Committee, in its meeting held on [●] has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share), in the ratio of [●] Rights Equity Shares for every [●] Equity Shares, as held on the Record Date. The Issue Price of ₹ [●] per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE, NSE and CSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters dated [●], [●] and [●] respectively. Our Company will also make applications to BSE, NSE and CSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” on page 117.

Prohibition by SEBI

Our Company, our Promoters, our Promoter Group or our Directors have not been and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Our Company, our Promoters, our Promoter Group or our Directors are not debarred from accessing the capital market by the SEBI.

The companies with which our Promoters or our Directors are associated as promoter or directors have not been debarred from accessing the capital market by SEBI.

Neither our Promoters nor our Directors are declared as Fugitive Economic Offenders.

Association of our Directors with securities market

None of our Directors are associated with the securities market.

Prohibition by RBI

Neither our Company, our Promoters nor our Directors have been or are identified as Wilful Defaulters.

Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1913. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and have received their in-principle approvals for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for this Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations read with the SEBI circular, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 dated April 21, 2020, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE, NSE and CSE, each being a recognized stock exchange having, nationwide trading terminals, for a period of at least 18 months immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;
2. The entire shareholding of the members of the Promoter Group is held in dematerialized form as at the date of filing this Letter of Offer with the Designated Stock Exchange;
3. The average market capitalization of the public shareholding (as defined under the SEBI ICDR Regulations) of our Company is at least ₹ 1,000 million;
4. The annualized trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six-months period;
5. The annualized delivery-based trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six-month period;
6. Our Company has been in compliance with the equity listing agreement and the SEBI Listing Regulations, for a period of at 18 months immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;
7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month at the date of filing this Letter of Offer with the Designated Stock Exchange;
8. No show-cause notices, excluding under adjudication proceedings, have been issued by SEBI and pending against our Company or our Promoters or whole-time Directors as at the date of filing this Letter of Offer with SEBI, the Designated Stock Exchange, CSE and NSE. Further, there are no prosecution proceedings initiated, or show cause notices in adjudication proceedings which have been issued, by SEBI, and which are pending against our Company, Promoters, Directors or group companies as at the date of filing this Letter of Offer with SEBI, the Designated Stock Exchange, CSE and NSE.
9. Our Company, our Promoters, the members of the Promoter Group or our Directors have fulfilled the settlement terms or adhered to directions of the settlement order(s), if any, in cases where they have settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI;
10. Our Equity Shares have not been suspended from trading as a disciplinary measure during 18 months immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;
11. There are no conflicts of interest between the Lead Manager and our Company or the group companies in accordance with applicable regulations;
12. Our Promoter and members of the Promoter Group shall mandatorily subscribe to their Rights Entitlements and shall not renounce their rights, except to the extent of renunciation within the Promoter Group. For subscription by our Promoters and members of the Promoter Group and details in relation to compliance with minimum public shareholding norms prescribed under the Securities Contracts (Regulation) Rules, 1957, see "*Capital Structure - Subscription to this Issue by the Promoter and the Promoter Group*" on page 67; and
13. There are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company in respect of the Fiscal for which such accounts are disclosed in this Letter of Offer.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations for the last three years immediately preceding the date of filing of this Letter of Offer with SEBI;
2. The reports, statements and information referred to above are available on the websites of BSE, NSE and CSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (5) of Part B of Schedule VI of the SEBI ICDR Regulations. Our Company is also in compliance with Clause (6) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGER, BEING AMBIT CAPITAL PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS") IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, BEING AMBIT CAPITAL PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

- (1) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE;**
- (2) **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (a) **THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE**

DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

- (b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- (c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- (3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID. COMPLIED WITH.**
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE**
- (5) WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. – NOT APPLICABLE.**
- (6) ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. – NOT APPLICABLE.**
- (7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. – NOT APPLICABLE.**
- (8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE**
- (9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE**

OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH TO THE EXTENT APPLICABLE

- (10) **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:**
- (a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR RIGHTS EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR RIGHTS EQUITY SHARES – COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES); AND**
 - (b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. – COMPLIED WITH**
- (11) **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. NOTED FOR COMPLIANCE INCLUDING WITH THE SEBI CIRCULAR SEBI/HO/CFD/DIL2/CIR/P/2020/78 DATED MAY 6, 2020, READ WITH SEBI CIRCULAR SEBI/HO/CFD/DIL1/CIR/P/2020/136 DATED JULY 24, 2020.**
- (12) **IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. – NOT APPLICABLE**
- (13) **NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY– COMPLIED WITH.**
- (14) **THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER– COMPLIED WITH.**
- (15) **THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS – COMPLIED WITH.**
- (16) **ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE COMPANY UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE RIGHTS EQUITY SHARES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN – COMPLIED WITH AND NOTED FOR COMPLIANCE.**
- (17) **AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY – COMPLIED WITH.**

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT

ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Caution

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, *etc.*, after filing this Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorised information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Kolkata, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of this Issue is BSE.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:

“BSE Limited (the “**Exchange**”) has given, vide its letter dated [●] permission to this Company to use the Exchange’s name in this Letter of Offer as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection

with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer Clause of NSE

As required, a copy of this letter of offer has been submitted to NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Letter of Offer is set out below:

“As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. [●] dated [●] permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Disclaimer Clause of CSE

[●]

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions.

This Letter of Offer and its accompanying documents is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders in offshore transactions outside the United States in compliance with Regulation S to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares and/or Rights Entitlements is permitted under laws of such jurisdictions. Our Company will dispatch this Letter of Offer / Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company will dispatch this Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlements Letter only to e-mail addresses of the Eligible Equity Shareholders (in accordance with SEBI circular bearing SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI Circular bearing SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July, 24, 2020) who have provided an Indian address to our Company. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch this Letter of Offer / Abridged Letter of Offer, the Rights Entitlements Letter and the Application Form, shall not be sent this Letter of Offer / Abridged Letter of Offer, the Rights Entitlements Letter and the Application Form. Further, this Letter of Offer will be provided, only through an e-mail by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and in each case who make a request in this regard.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges, and on R-WAP.

Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer or the Application Form in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, the Abridged Letter of Offer and Application Form or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges.

The Rights Equity Shares and Rights Entitlements may not be offered or sold, directly or indirectly, and none of this Letter of Offer, the Abridged Letter of Offer, Application Forms, the Rights Entitlement Letter or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlements may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. No action has been or will be taken to permit this Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Forms, the Rights Entitlement Letter or any other material relating to our Company, the Rights Equity Shares or Rights Entitlements in any jurisdiction, where any action would be required in such jurisdiction for that purpose, except that this Letter of Offer will be filed with the Stock Exchange and SEBI. In those circumstances, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

This Letter of Offer will be provided only through an e-mail by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchanges, and on R-WAP.

Receipt of this Letter of Offer, the Abridged Letter of Offer, the Application Forms and the Rights Entitlement Letter will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer. In those circumstances, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Neither the receipt of this Letter of Offer nor any sale / offer of Rights Equity Shares and/ or the Rights Entitlements hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Rights Equity Shares or the Rights Entitlements regarding the legality of an investment in the Rights Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE RIGHTS EQUITY SHARES AND THE RIGHTS ENTITLEMENTS REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/OR RIGHTS ENTITLEMENTS IS PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch, only through email, the Abridged Letter of Offer, the Application Form and other applicable Issue materials only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/or the Rights Entitlements in respect of any such Application Form.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED UNDER “RESTRICTIONS ON PURCHASES AND RESALES” ON PAGE 154.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange, with SEBI, CSE and the NSE, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, submit a copy of this Letter of Offer to SEBI, through an online filing through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the email address: cfdil@sebi.gov.in.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee which currently comprises Anil Kumar Nehru, Shib Sanker Mukherji, Vikramjit Singh Oberoi and Arjun Singh Oberoi. The terms of reference, *inter alia*, include redressal of investors'/ shareholder'/ security holders' complaints pertaining to transfer of securities, non-receipt of annual reports, non-receipt of declared dividend, issue of duplicate certificates, and to carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory modification, amendment or modifications as may be applicable. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The Investor complaints received by our Company are generally disposed of within seven days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, see "Terms of the Issue" on page 117. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer and are as follows:

Registrar to the Issue

Kfin Technologies Private Limited

(formerly known as "Karvy Fintech Private Limited")

Selenium, Tower B

Plot No 31 and 32, Financial District

Nakramguda, Serilingampally

Hyderabad, Rangareddi 500 032

Telangana, India

Telephone: +91 40 6716 2222

Email: eihltd.rights@kfintech.com

Website: www.kfintech.com

Investor grievance e-mail: einward.ris@kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No: INR000000221

Company Secretary and Chief Compliance Officer

S. N. Sridhar

7 Sham Nath Marg

Delhi 110 054

India

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In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at <https://rights.kfintech.com/eih>. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (1800 345 4001 / +91 40 7961 5130).

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

Important:

1. Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and the MCA Circulars, our Company will send, only through email, the Abridged Letter of Offer, the Application Form and other applicable Issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and in each case who make a request in this regard.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- (i) our Company at www.eihltd.com;
- (ii) the Registrar at <https://rights.kfintech.com/eih>;
- (iii) the Lead Manager, i.e., Ambit Capital Private Limited at www.ambit.co;
- (iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
- (v) the Registrar's web-based application platform at <https://rights.kfintech.com/eih> ("**R-WAP**").

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.kfintech.com/eih>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.eihltd.com).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction outside India, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Form or the Rights Entitlement Letters are delayed or misplaced in the transit.

2. **Facilities for Application in this Issue:**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see “- Procedure for Application through the ASBA Process” and “- Procedure for

Application through the R-WAP” on pages 129 and 130 respectively.

- (a) **ASBA facility:** Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see “- *Procedure for Application through the ASBA Process*” on page 129.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

- (b) **Registrar’s Web-based Application Platform (R-WAP):**

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://rights.kfintech.com/eih>), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE “*RISK FACTORS - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS*” ON PAGE 44.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (<https://rights.kfintech.com/eih>) or call helpline number (1800 345 4001 / +91 40 7961 5130). For details, see “- *Procedure for Application through the R-WAP*” on page 130.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, our Company will make use of advertisements in television channels, radio, internet *etc.*, including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in

dematerialised form; and (ii) a demat suspense escrow account (namely, “[●]”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority, if any; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by [day], [date] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

4. Application by Eligible Equity Shareholders holding Equity Shares in physical form:

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- (i) the Eligible Equity Shareholders apply only through R-WAP;
- (ii) the Eligible Equity Shareholders are residents;
- (iii) the Eligible Equity Shareholders are not making payment from non-resident account;
- (iv) the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- (v) the Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Accordingly, such resident Eligible Equity Shareholders are required to, within 6 (six) months from the Allotment Date, send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 135 and 145, respectively.

5. Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <https://rights.kfintech.com/eih>
- Updation of Indian address/ email address/ mobile number in the records maintained by the

- Registrar or our Company: einward,ris@kfintech.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.kfintech.com/eih>
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: einward,ris@kfintech.com

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, <https://rights.kfintech.com/eih>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.eihltd.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.*, <https://rights.kfintech.com/eih>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP (an additional optional facility).

For details of Application through R-WAP by the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, see “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 135 and 145, respectively.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Application Form and other applicable Issue materials only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. This Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, R-WAP, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws) and on the Stock Exchange websites. The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter

and the issue of Rights Equity Shares and/ or Rights Entitlements on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 2.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) in this Issue. The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see “- *Procedure for Renunciation of Rights Entitlements*” on page 131.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI

circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “[●]”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority, if any; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [day], [date] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [day], [date] to [day], [date] (both days inclusive). No assurance can be given regarding the active or

sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see “- *Procedure for Renunciation of Rights Entitlements – On Market Renunciation*” and “- *Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*”, each on page 132.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment

Full payment of ₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable on application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to 1 (one) Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have ‘zero’ entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity

Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●], from the NSE through letter bearing reference number [●] dated [●] and from the CSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 500840), NSE (Scrip Code: EIHOTEL) and CSE (Scrip Code: 05) under the ISIN: INE230A01023. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and our Promoter Group

For details of the intent and extent of subscription by our Promoters and the members of our Promoter Group, see “*Capital Structure – Subscription to this Issue by our Promoters and Promoter Group*” on page 67.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights:

- (a) The Rights Equity Shares shall rank pari passu with the existing Equity Shares in all respects.
- (b) The right to receive dividend, if declared;
- (c) The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
- (d) The right to receive surplus on liquidation;
- (e) The right to free transferability of Rights Equity Shares;
- (f) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed under “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares*”

for non-receipt of demat account details in a timely manner” on page 145; and

- (g) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, only through email, the Abridged Letter of Offer, the Application Form and other applicable Issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and in each case who make a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Bengali language daily newspaper with wide circulation (Bengali being the regional language of Kolkata, where our Registered Office is situated).

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, our Company will make use of advertisements in television channels, radio, internet *etc.*, including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at einward.ris@kfintech.com.

The Abridged Letter of Offer, the Application Form and other applicable Issue materials shall be sent to the email address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at eihltd.rights@kfintech.com.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 135.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors,

omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.kfintech.com/eih>. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- (i) our Company at www.eihltd.com;
- (ii) the Registrar at <https://rights.kfintech.com/eih>;
- (iii) the Lead Manager, *i.e.*, Ambit Capital Private Limited at www.ambit.co;
- (iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
- (v) the R-WAP at <https://rights.kfintech.com/eih>.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, <https://rights.kfintech.com/eih>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.eihltd.com).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “- Grounds for Technical Rejection” on page 140. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Application on Plain Paper under ASBA process” on page 132.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on pages 135 and 145, respectively.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through the R-WAP

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see “Risk Factors - The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways” on page 44.

Set out below is the procedure followed using the R-WAP:

- (a) Resident Investors should visit R-WAP (accessible at <https://rights.kfintech.com/eih>) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.
- (b) Non-resident Investors are not eligible to apply in this Issue through R-WAP.
- (c) The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.
- (d) The Investors who are Renouncees should select the category of ‘Renouncee’ at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.
- (e) Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020.
- (f) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- (g) Verification in respect of Application through Investors’ own bank account, shall be done through the latest beneficial position data of our Company containing Investor’s bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

- (h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section “- *Application on Plain Paper under ASBA process*” on page 132.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “- *Basis of Allotment*” on page 144.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [day], [date] to [day], [date] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being EIH Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹ [●] per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares and the Rights Entitlements referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with

Regulation S under the U.S. Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy or transfer any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of my/our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled “Restrictions on Purchases and Resales” on page 154.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.kfintech.com/eih>.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Mode of payment

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor’s ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar’s instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, see “- *Procedure for Application through the R-WAP*” on page 130.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 135 and 145, respectively.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.kfintech.com/eih>.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date. The Eligible Equity Shareholders are encouraged to send the details by email due to lockdown and restrictions imposed due to current pandemic COVID-19;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Application Form from:
 - R-WAP, the website of the Registrar (<https://rights.kfintech.com/eih>);
 - our Company (www.eihltd.com);

- the Lead Manager (at www.ambit.co);
- the Stock Exchanges (at www.bseindia.com and www.nseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, <https://rights.kfintech.com/eih>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.eihltd.com);

- (d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Further, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, **may also apply** in this Issue during the Issue Period by filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

- (a) apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
- (b) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
- (c) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on page 145.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 145.

General instructions for Investors

- (a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold

Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares **may also apply** in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “- *Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 135 and 145, respectively.

- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- (e) Application should be made only through the ASBA facility or using R-WAP.
- (f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “- *Application on Plain Paper under ASBA process*” on page 132.
- (h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, *i.e.*, R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.
- (i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (j) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.
- (k) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on the R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.
- (m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.**

- (o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the R-WAP facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (p) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (r) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (u) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (v) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be

solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Do's for Investors applying through R-WAP:

- (a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- (b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.
- (c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment

- (d) Ensure that you receive a confirmation email on successful transfer of funds.
- (e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.
- (f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Don'ts for Investors applying through ASBA:

- (a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Don'ts for Investors applying through R-WAP:

- (a) Do not apply from bank account of third parties.
- (b) Do not apply if you are a non-resident Investor.
- (c) Do not apply from non-resident account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

- (a) Applications by non-resident Investors.
- (b) Payment from third party bank accounts.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs

for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Application Form and other applicable Issue materials shall be sent to their email addresses if they have provided their Indian address to our Company. This Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect of Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However, supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “- *Procedure for Applications by Mutual Funds*” on page 150.

In cases where multiple Application Forms are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure - Subscription to this Issue by our Promoters and Promoter Group*” on page 67.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [day], [date], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “- *Basis of Allotment*” on page 144.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to einward.ris@kfintech.com in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

| | | |
|----------------------------------------------------------|--|-----|
| Issue Opening Date: | | [●] |
| Last Date for On Market Renunciation#: | | [●] |
| Issue Closing Date*: | | [●] |
| Finalisation of Basis of Allotment (on or about): | | [●] |
| Date of Allotment (on or about): | | [●] |
| Date of credit (on or about): | | [●] |
| Date of listing (on or about): | | [●] |

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

** Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [day], [date], 2020 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see “General Information - Issue Schedule” on page 58.

Our Board may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will email Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- (a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- (b) within 6 (six) months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- (c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- (d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity

Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, *etc.* to such Eligible Equity Shareholders to remit such proceeds.

Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the Application Money paid by such Eligible Equity Shareholders;

- (e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;
- (f) After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and
- (g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.
- (h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
5. **The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, *etc.*, in relation to any delay in**

furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated July 31, 1998 with NSDL and an agreement dated October 28, 1999 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order

(if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in “- Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “- Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form” on pages 135 and 145, respectively.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1% of the

turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
- 3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

Pursuant to the SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 granting relaxations from certain provisions of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 75% of the Issue Size, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. However, if our Company receives subscription between 75% to 90%, of the Issue Size, at least 75% of the Issue Size shall be utilized for the objects of this Issue other than general corporate purpose. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.*, 15 days after the Issue Closing Date), or such other period as prescribed by applicable law, our Company shall pay interest for the delayed period, at rates prescribed under applicable law.

Our Promoter and Promoter Group, have confirmed to subscribe, to the full extent of their Rights Entitlements, as applicable, and their intention to apply for, and subscribe to, additional Rights Entitlements, and to any unsubscribed portion in this Issue, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Important

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**EIH Limited – Rights Issue**” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Kfin Technologies Private Limited
 (formerly known as “**Karvy Fintech Private Limited**”)
 Selenium, Tower B
 Plot No 31 and 32, Financial District
 Nakramguda, Serilingampally
 Hyderabad, Rangareddi 500 032
 Telangana, India
Telephone: +91 40 6716 2222
Email: eihltd.rights@kfintech.com
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No: INR000000221

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic

dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (<https://rights.kfintech.com/eih>). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 18004258998 and 18003454001.

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DPIIT, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Rights Equity Shares in any jurisdiction where action for such purpose is required, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges.

The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Rights Equity Shares may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Rights Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out below:

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Letter of Offer and its accompanying documents directly from our Company or the Registrar.

Each person outside of the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed selling efforts” in the United States (as such term is defined in Regulation S).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of its jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
6. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Letter of Offer under the heading “*Restrictions on Purchases and Resales*”.
8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
9. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company

concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

11. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Rights Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, nor the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
12. The purchaser understands that the Exchange Information and this Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchanges or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the U.S. SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.
13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) none of the Lead Manager or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
14. The purchaser will not hold our Company, the Lead Manager or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.
15. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in

the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company, or to the Lead Manager, for all or part of any such loss or losses it may suffer.

16. The purchaser understands and acknowledges that the Lead Manager are assisting our Company in respect of this Issue and that the Lead Manager are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from its engagement with our Company and in connection with this Issue.
17. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that neither our Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or outside of India and ineligible to participate in this Issue under applicable securities laws.
18. The purchaser understands that the foregoing representations and acknowledgments have been provided in connection with United States, India and other securities laws. It acknowledges that our Company and the Lead Manager, their affiliates and others (including legal counsels to each of our Company, the Lead Manager) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of this Issue or the issuance of the Rights Equity Shares, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights Entitlements and subscription for the Rights Equity Shares is no longer accurate, it shall promptly notify our Company in writing.

Australia

This Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("Australian Corporations Act") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Letter of Offer has not been lodged with the Australian Securities and Investments Commission ("ASIC") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Rights Equity Shares under this Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Rights Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Letter of Offer, and any offers made under this Letter of Offer, you represent to the Issuer, Lead Manager that you will not provide this Letter of Offer or communicate any offers made under this Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or Rights Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Rights Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder (or a

Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Rights Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Letter of Offer or the performance of the Rights Entitlements or the Rights Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Letter of Offer is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Entitlements or the Rights Equity Shares and this Letter of Offer will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Letter of Offer or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Rights Entitlements or the Rights Equity Shares.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

China

This Letter of Offer may not be circulated or distributed in the People's Republic of China ("PRC") and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Rights Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Letter of Offer are required by the Issuer and its representatives to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Dubai International Financial Centre

The Rights Entitlements and the Rights Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

- (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "DFSA") rulebook; and
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), neither the Rights Entitlements or the Rights Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlements and the Rights Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlements and the Rights Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- a. to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

- b. to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
- c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Rights Equity Shares shall require the Issuer or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation. The Issuer does not authorize the making of any offer of Rights Entitlements and/or the Rights Equity Shares in circumstances in which an obligation arises for the Issuer to publish a prospectus for such offer.

For the purposes of this provision, the expression an “**offer to the public**” in relation to any Rights Entitlements or the Rights Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and Rights Entitlements or any Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for those securities, and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

Hong Kong

The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Rights Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the “**Qualified Institutional Investor**”), the Rights Entitlements and Rights Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and the Rights Equity Shares

will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Rights Equity Shares (the “**QII Rights Entitlements and the QII Equity Shares**”) such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Rights Equity Shares in the State of Kuwait. The Rights Entitlements and the Rights Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Rights Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait (“Kuwait Securities Laws”). No private or public offering of the Rights Entitlements or the Rights Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Rights Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Rights Equity Shares in the State of Kuwait.

Luxembourg

The Rights Entitlements and the Rights Equity Shares offered in this Letter of Offer may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This Letter of Offer is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Rights Entitlements and the Rights Equity Shares. Distribution of this Letter of Offer to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Letter of Offer or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Rights Entitlements and the Rights Equity Shares. The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Rights Entitlements and the Rights Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Letter of Offer has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “**FMC Act**”). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other

disclosure document under the FMC Act will be prepared in respect of this Issue. The Rights Entitlements and the Rights Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- a. is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- b. meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- c. is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- d. is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Rights Entitlements or the Rights Equity Shares are issued or sold elects to sell any Rights Entitlements or Rights Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Oman

This Letter of Offer and the Rights Entitlements and the Rights Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman (“**Oman**”) without the prior consent of the Capital Market Authority (“Oman CMA”) and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Rights Entitlements and the Rights Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of the Rights Entitlements and the Rights Equity Shares described in this Letter of Offer will not take place inside Oman. This Letter of Offer is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Rights Entitlements or the Rights Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the “CMAL”), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non- Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA. Additionally, this Letter of Offer and the Rights Entitlements and the Rights Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Letter of Offer and the Rights Entitlements and the Rights Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar

This Letter of Offer is provided on an exclusive basis to the specifically intended recipient, upon that person’s request and initiative, and for the recipient’s personal use only and is not intended to be available to the public. Nothing in this prospectus constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Rights Entitlements or the Rights Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Letter of Offer and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Letter of Offer by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

Saudi Arabia

This Letter of Offer may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority (“**CMA**”) pursuant to resolution number 3-123-2017 dated 27 December 2017 as amended by resolution number 1-104-2019 dated 30 September 2019, as amended (the “**CMA Regulations**”). The CMA does not make any representation as to the accuracy or completeness of this Letter of Offer and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Letter of Offer. Prospective purchasers of the Rights Entitlements and the Rights Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Rights Entitlements and the Rights Equity Shares. If you do not understand the contents of this Letter of Offer, you should consult an authorized financial adviser.

Singapore

This Letter of Offer has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, neither this Letter of Offer nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements or the Rights Equity Shares may be circulated or distributed, nor may the Rights Entitlements and the Rights Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) existing holders of Rights Equity Shares in the Company pursuant to Section 273(1)(cd)(i) of the Securities and Futures Act, Chapter 289 of Singapore (the “**Securities and Futures Act**”), or (ii) pursuant to, and in accordance with, the conditions of an exemption under Section 274 or Section 275 of the Securities and Futures Act and (in the case of an accredited investor) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or where applicable, Section 276 of the Securities and Futures Act.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the Securities and Futures Act is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B of the Securities and Futures Act: The Rights Entitlements and the Rights Equity Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Korea

We are not making any representation with respect to the eligibility of any recipients of this Letter of Offer to acquire the Rights Entitlements and the Rights Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the “**FSCMA**”). Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and the Rights Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and the Rights Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Rights Equity Shares may not be re-sold to Korea residents unless the purchaser of the Rights Entitlements and the Rights Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and the Rights Equity Shares.

United Arab Emirates

This the Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “**UAE**”) or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United Kingdom

In the United Kingdom, this Letter of Offer and any investment or investment activity to which this Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged in only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of “investment professionals” contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), (ii) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order or (iii) to whom it can otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). Persons who are not relevant persons should not take any action on the basis of this Letter of Offer and should not act or rely on it or any of its contents.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at <https://www.eihltd.com/> from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated [•] between our Company and the Lead Manager.
2. Registrar Agreement dated [•] between our Company and the Registrar to the Issue.
3. Bankers to the Issue Agreement dated [•] among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.
4. Monitoring Agency Agreement dated [•] among our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, as amended.
2. Letter of Offer dated February 18, 2011 in respect of a rights issue of Equity Shares, aggregating to ₹ 11,788.62 million by our Company.
3. Resolution of our Board dated September 7, 2020 approving the Issue.
4. Resolution passed by our Rights Issue Committee dated [•] fixing the terms of the Issue, including the Issue Price and the Rights Entitlement Ratio.
5. Resolution passed by our Rights Issue Committee dated [•] determining the Record Date.
6. Resolution passed by our Board dated [•], approving this Letter of Offer.
7. Annual Reports of our Company for Fiscals 2020, 2019, 2018, 2017 and 2016.
8. The Audited Consolidated Financial Statements and audit report thereon issued by the Statutory Auditors, dated April 30, 2020 for Fiscal 2020.
9. Consents of our Directors, Senior Vice President and Company Secretary and Compliance Officer, Joint Company Secretary and Compliance Officer, Bankers to our Company, the Lead Manager, Monitoring Agency, legal counsels, Bankers to the Issue and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.
10. In-principle approvals dated [•], [•] and [•] issued by BSE, NSE and CSE respectively under Regulation 28(1) of the SEBI Listing Regulations.
11. The statement of special tax benefits dated [•] for our Company, our shareholders and our Subsidiaries, Mumtaz and Mashobra from Deloitte Haskins & Sells LLP, Chartered Accountants, and for our Subsidiaries EIH Holdings Limited and EIH International Limited from their auditors, dated [•] and [•].
12. Due diligence certificate dated [•] addressed to SEBI from the Lead Manager.

13. Bipartite agreement dated May 9, 2000 between our Company and NSDL.

14. Bipartite agreement dated October 28, 1999 between our Company and CDSL.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Prithvi Raj Singh Oberoi
Executive Chairman

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Shib Sanker Mukherji
Executive Vice Chairman

Date: [•]

Place: [•]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Vikramjit Singh Oberoi

Managing Director & Chief Executive Officer

Date: [•]

Place: [•]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Arjun Singh Oberoi

Managing Director - Development

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Manoj Harjivandas Modi

Non-Executive Non-Independent Director

Date: [•]

Place: [•]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Nita Mukesh Ambani

Non-Executive Non-Independent Director

Date: [●]

Place: [●]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Anil Kumar Nehru
Independent Director

Date: [•]

Place: [•]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Dr. Chhavi Rajawat
Independent Director

Date: [•]

Place: [•]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Ganesh Lakshminarayan
Independent Director

Date: [•]

Place: [•]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Rajeev Gupta

Independent Director

Date: [•]

Place: [•]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sanjay Gopal Bhatnagar
Independent Director

Date: [•]

Place: [•]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sudipto Sarkar
Independent Director

Date: [•]

Place: [•]

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY

Kallol Kundu
Chief Financial Officer

Date: [●]

Place: [●]