

EIH Associated Hotels Limited
The Company



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held at 'The Trident', 1/24, G.S.T. Road, Meenambakkam, Chennai 600 027 on Wednesday, 4th September, 2002, at 4.00 P.M. to transact the following business :

1. To adopt the Audited Accounts of the Company for the year ended 31st March, 2002 together with the Directors' and Auditors' Reports thereon.
2. To elect a Director in place of Mr. P.R.S. Oberoi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and for such purpose to pass the following resolution which will be proposed as a Special Resolution :

"That pursuant to Section 224A of the Companies Act, 1956 Messrs. Ray & Ray, Chartered Accountants, Kolkata be and they are hereby re-appointed the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as will be determined by the Board of Directors of the Company."

AS SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :
 "That Field Marshal Sam Manekshaw be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement by rotation."
5. The following Resolution is required to be approved by Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for which steps are being taken :

As an Ordinary Resolution :

"That subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, the consent of the Company pursuant to Section 293 (1)(a) of the Companies Act, 1956 be and is hereby accorded to the Board of Directors of the Company (which shall include a Committee of Directors constituted for this purpose hereinafter collectively referred to as 'the Board') to sell and transfer the Flight Catering Operations of the Company located at The Trident, Chennai, to EIH Limited at a consideration of not less than Rs. 7,00,00,000 (Rupees Seven Crores only) with effect from 1st October, 2002 or such other date as may be determined by the Board and that the Board of the Company be and is hereby authorised to complete the sale of the said business with such modification(s) as may be required by any of the concerned authorities and to do all such other acts, deeds, matters and things as may be deemed necessary and/or expedient in the interest of the Company."

Registered Office :
 1/24, G.S.T. Road
 Meenambakkam
 Chennai 600 027
 28th June, 2002

By Order of the Board

R. MITRA
 Company Secretary

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 20th August, 2002 to 4th September, 2002 (both days inclusive) in connection with this Annual General Meeting.
3. Members are requested to notify immediately changes, if any, in their respective addresses to the Company's Registrars and Share Transfer Agents, EIH Limited, 4, Mangoe Lane, Kolkata 700 001, quoting their Folio numbers, to avoid unnecessary correspondence and to ensure prompt service by the Registrars and Share Transfer Agents. E-mail address, if any, of the Members may also be notified to the Registrars and Share Transfer Agents to facilitate prompt reply in the future.
4. A Member or his proxy is requested to produce at the entrance of the Meeting Hall the Attendance Slip forwarded to the Member duly completed and signed. A photocopy or a torn Attendance Slip will not be accepted at the entrance of the Meeting Hall. The Attendance Slip will, however, be valid provided shares are held on the date of the meeting.
5. A Member or his proxy is required to bring the copy of the Annual Report sent to the Members to the meeting as extra copy thereof will not be supplied due to high cost of paper and printing.
6. Pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, the amount of dividend declared at the Annual General Meeting of the Company held on 27th September, 1995 and prior thereto and remaining unpaid/unclaimed have been transferred to the General Revenue Account of the Central Government in terms of Section 205A (5) of the Companies Act, 1956 as it was in force prior to the amendment with effect from 31st October, 1998. Any claim for payment of such unpaid/unclaimed dividend should be made by an application in Form II of the aforesaid Rules to The Registrar of Companies, Tamil Nadu, Shastri Bhawan, 26, Haddows Road, Chennai 600 006.
7. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 as amended, with effect from 31st October, 1998 dividends for the financial year ended 31st March, 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date of transfer of the same under sub-section (1) of the Section, will be transferred to the Investor Education and Protection Fund of the Central Government established under Section 205C of the Act. According to the provisions of the Act as amended, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.
8. Under the provisions of the Companies Act, 1956 as amended, with effect from 31st October, 1998 Members may file Nomination Forms in respect of their shareholdings. Any Member who has not yet availed of this facility may submit to the Registrars and Share Transfer Agents of the Company, the prescribed Form 2B or write to or contact the Company Secretary or EIH Limited, Registrars and Share Transfer Agents at 4, Mangoe Lane, Kolkata 700 001 for assistance.

**EXPLANATORY STATEMENT RELATIVE TO THE SPECIAL BUSINESS
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ('THE ACT')****Item No. 4**

Pursuant to Section 260 of the Act read with Article 92 of the Company's Articles of Association, Field Marshal Sam Manekshaw was appointed an Additional Director on the Board of the Company with effect from 18th April, 2002. Accordingly, Field Marshal Manekshaw would hold office until this Annual General Meeting. The Company has received a notice from a Member in pursuance with Section 257 of the Act proposing the appointment of Field Marshal Manekshaw as a Director of the Company.

Information as required under Clause 49 VIA of the Listing Agreements with the Stock Exchanges pertaining to the said appointment is given in the Corporate Governance Report which forms a part of the Directors' Report.

The Board of Directors recommends acceptance of the Resolution by the Members.

No Director of the Company except Field Marshal Manekshaw is concerned or interested in the Ordinary Resolution.

Item No. 5

The Company provides flight catering service to British Airways and Lufthansa by using the facilities at the Trident, Chennai. Both the above airlines have indicated that unless a proper flight kitchen is built they will not carry on the arrangement with The Trident, Chennai. EIH Limited who is the co-promoter of the Company operates flight catering business of the Oberoi Group by establishing flight kitchen in Delhi and Mumbai. EIH Limited is presently in the process of constructing flight kitchen in Kolkata and Chennai. As flight catering is a specialised activity and your Company does not have the necessary infrastructure, the Board considers it prudent to sell the business of the flight catering to EIH Limited. The value of the business of the flight catering operated by the Trident, Chennai has been determined at Rs. 7 crores by ERNST & YOUNG, Chartered Accountants.

In terms of Section 192A of the Act read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended, the Ordinary Resolution concerning the sale of the flight catering business is required to be passed by Postal Ballot. The procedures as laid down in the said Rules shall be followed. The results of the poll shall be announced at the forthcoming Annual General Meeting.

None of the Directors is concerned or interested in this Resolution.

Registered Office :
1/24, G.S.T. Road
Meenambakkam
Chennai 600 027
28th June, 2002

By Order of the Board

R. MITRA
Company Secretary

ElH Associated Hotels Limited

A member of  *The Oberoi Group*

Annual Report 2001-2002

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P.R.S. Oberoi, *Chairman*

BOARD

Mr. P.R.S. Oberoi, *Chairman*
Mr. S. S. Mukherji, *Managing Director*
Mr. R. Raheja
Mr. L. Ganesh
Field Marshal Sam Manekshaw
Mr. Vikram Oberoi

COMPANY SECRETARY
Mr. R. Mitra

REGISTRARS AND
SHARE TRANSFER AGENTS
EIH Limited
4, Mangoe Lane
Kolkata 700 001

AUDITORS
Ray & Ray
Chartered Accountants
6, Church Lane
Kolkata 700 001

BANKERS
United Bank of India
The Hongkong and
Shanghai Banking
Corporation Limited

REGISTERED OFFICE
1/24, G.S.T. Road
Meenambakkam
Chennai 600 027

HEAD OFFICE
4, Mangoe Lane
Kolkata 700 001

CORPORATE OFFICE
Maidens Hotel
7, Sham Nath Marg
Delhi 110 054

The Oberoi Dharma

FUNDAMENTAL CODE OF CONDUCT

We, as members of OBEROI Organisation are committed to display through our behaviour and actions the following CONDUCT which applies to all aspects of our Business :

CONDUCT which is of the highest ethical standards—intellectual, financial and moral and reflects the highest levels of courtesy and consideration to others.

CONDUCT which builds and maintains Team work, with mutual trust as the basis of all working relationship.

CONDUCT which puts the customer first, the Company second and the self last.

CONDUCT which exemplifies care for the customer through anticipation of need, attention to detail, excellence, aesthetics and style and respect for privacy along with warmth and concern.

CONDUCT which demonstrates two-way communication accepting constructive debate and dissent whilst acting fearlessly with conviction.

CONDUCT which demonstrates that people are our key asset, through respect for every employee, and leading from the front regarding performance achievements as well as individual development.

CONDUCT which at all times safeguards the safety, security, health and environment of customers, employees and the assets of the Company.

CONDUCT which eschews the short-term quick-fix for the long-term establishment of healthy precedent.

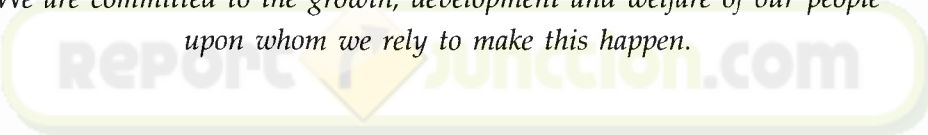
The Oberoi Group Mission

Our guests

We are committed to meeting and exceeding the expectations of our guests through our unrelenting dedication to perfection, in every aspect of service.

Our people

We are committed to the growth, development and welfare of our people upon whom we rely to make this happen.



Our distinctiveness

Together we shall continue the Oberoi tradition of pioneering in the hospitality industry, striving for unsurpassed excellence in high potential locations all the way from the Middle East to Asia Pacific.

Our shareholders

As a result, we will create extraordinary value for our stakeholders.

HIGHLIGHTS

Rupees in Millions
except serial nos. 13, 14, 15 & 16

	1997-98	1998-99	1999-2000	2000-2001	2001-2002
FOR THE YEAR					
1. GROSS REVENUE	240.578	320.280	315.006	371.760	330.91
2. PROFIT/(LOSS) BEFORE TAX	67.893	12.502	(56.145)	(15.447)	(44.147)
3. PROFIT/(LOSS) AFTER TAX	60.758	11.189	(56.145)	(15.447)	(34.160)
4. DIVIDEND	26.250	21.000	—	—	—
5. RETAINED EARNINGS	48.816	21.129	—	—	—
6. FOREIGN EXCHANGE EARNINGS	172.914	248.003	258.482	234.800	244.604
AT YEAR END					
7. GROSS FIXED ASSETS	994.743	1131.829	1269.264	1352.560	1360.937
8. SHARE CAPITAL	105.000	105.000	105.000	105.000	105.000
9. RESERVES AND SURPLUS	299.648	287.527	231.382	215.934	151.703
10. NET WORTH	403.749	392.077	336.382	320.934	256.703
11. BORROWINGS	549.055	690.099	856.307	938.847	916.638
12. CAPITAL EMPLOYED	952.804	1082.175	1192.689	1259.781	1173.341
PER SHARE (Rs.)					
13. NET WORTH PER EQUITY SHARE	38.45	37.34	32.04	30.57	24.45
14. EARNINGS PER EQUITY SHARE	5.79	1.07	(5.35)	(1.47)	(3.25)
15. DIVIDEND PER EQUITY SHARE	2.50	2.00	—	—	—
RATIO					
16. DEBT : EQUITY RATIO	1.36 : 1	1.76 : 1	2.55 : 1	3.01:1	3.64:1