

**ElH** Associated Hotels Limited

A member of  *The Oberoi Group*

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Annual Report 2003-2004

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty-first Annual General Meeting of the Company will be held at 3.00 P.M. on Friday, 20th. August, 2004, at Trident Hilton, 1/24, G.S.T. Road, Meenambakkam, Chennai-600 027 to transact the following business:

1. To adopt the Audited Accounts of the Company for the year ended 31st. March, 2004, together with the Directors' and Auditor's Reports.
2. (a) To appoint a Director in place of Mr. L. Ganesh, who retires by rotation and being eligible, offers himself for re-appointment.  
(b) To appoint a Director in place of Field Marshal Sam Manekshaw, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

### AS SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following Resolution which will be proposed as an **Ordinary Resolution** :

"THAT in modification of the Ordinary Resolution passed by the Company at its Fourteenth Annual General Meeting held on 21st. August, 1997, the Board of Directors of the Company ('the Board') be and is hereby authorised, pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, to borrow monies for the purposes of the business of the Company, notwithstanding that the monies so borrowed together with monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the Paid-up Capital of the Company and its Free Reserves, i.e., Reserves not set apart for any specified purpose, but so that the total amount of the monies to be so borrowed together with monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), shall not exceed Rs. 125 crores at any one time.

AND FURTHERMORE THAT consent and authority be and are hereby also given to the Board to do all such acts, deeds and things as it may, at its discretion, deem fit and proper in the aforementioned premises including, if and where necessary, creation of such mortgage(s) and/or charge(s) on the whole or substantially the whole of all or any of the Undertaking(s) of the Company as contemplated under Section 293(1)(a) of the Companies Act, 1956, in connection therewith and to perfect and execute all requisite documents or writings for giving effect to this Resolution."

Registered Office:  
1/24, G.S.T. Road  
Meenambakkam  
Chennai 600 027  
29th. June, 2004

By Order of the Board

R. MITRA  
Company Secretary

**NOTES :**

1. A Shareholder 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 Shareholder of the Company.
2. As required under Clause 49 of the Listing Agreements with the Stock Exchanges, the particulars relating to Mr. L. Ganesh and Field Marshal Sam Manekshaw, Directors retiring by rotation and whose re-appointments have been proposed at the forthcoming Annual General Meeting, are enclosed in the Annexure to this Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 10th. August, 2004 to 20th. August, 2004, both days inclusive.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in relation to the item of Special Business to be transacted at the Meeting is annexed hereto.
5. Shareholders are requested to notify immediately any change in their addresses to the Company's Registrars and Share Transfer Agents, EIH Limited, Investors Services Division, 4, Mangoe Lane, Kolkata 700 001.
6. A Shareholder or his Proxy will be required to produce the Attendance Slip at the entrance of the Meeting Hall, duly completed and signed. Neither photocopies nor torn/mutilated Attendance Slips will be accepted. The validity of an Attendance Slip will, however, be subject to a Shareholder continuing to hold Equity Shares as on the date of the Meeting.
7. A Shareholder or his Proxy is required to bring the copy of this Annual Report to the Meeting as extra copy will not be distributed.
8. Pursuant to the provisions of Section 109 A of the Companies Act, 1956, Shareholders are urged to file Nomination Forms in respect of their holdings. Any Shareholder wishing to avail of this facility may submit the prescribed Form 2B to the Registrars and Share Transfer Agents and also contact them for any assistance.
9. The Section on General Shareholder Information ("the said Section") containing information of particular relevance to Shareholders forms a part of the Corporate Governance Report. Attention of all Shareholders is accordingly drawn to the said Section.

**EXPLANATORY STATEMENT RELATIVE TO THE SPECIAL BUSINESS  
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 4**

An Ordinary Resolution passed by the Company at its Fourteenth Annual General Meeting held on 21st. August, 1997 (being Resolution under item number 5(iii) therein), inter alia, authorised the Board of Directors of the Company ("the Board") pursuant to Section 293(1)(d) of the Companies Act, 1956 ("the Act") read with Article 58 of its Articles of Association to borrow monies in excess of the aggregate of the Company's Paid-up Capital and Free Reserves subject to a ceiling of Rs. 100 crores.

Given that the Company needs to further invest in developing, upgrading and refurbishing its hotels, it may need to resort to further term borrowings. As such, the Board would wish to recommend that the borrowing limits under the provisions of Section 293(1)(d) of the Act be enhanced to the extent set out in the Resolution under Item Number 4 of the accompanying Notice.

Should creation of a mortgage(s) and/or charge(s) on the whole or substantially the whole of all or any of the Undertaking(s) of the Company as contemplated under Section 293(1)(a) of the Act be called for, Shareholder consent is being also sought for creation of such mortgage(s) and/or charge(s).

No Director of the Company has any concern or interest in the Resolution.

**INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT  
AT THE FORTHCOMING ANNUAL GENERAL MEETING  
(PURSUANT TO CLAUSE 49(VI)(A) OF THE LISTING AGREEMENT)**

Name of Director	Date of Birth	Date of Appointment	Expertise in specific functional areas	Qualifications	Director of other Public Limited Companies	Member of Committees in other Public Limited Companies	Other Information	Remarks
Mr. L. Ganesh	18.3.1954	15.12.1993	General Management	B.Com F.C.A. M.B.A.	1. JMA Rane Marketing Limited 2. Kar Mobiles Limited 3. Rane Brake Linings Limited 4. Rane Engine Valves Limited 5. Rane Holdings Limited 6. Rane Investments Limited 7. Rane (Madras) Limited 8. Rane NSK Steering Systems Limited 9. Rane TRW Steering Systems Limited 10. Techcons Limited	A. Kar Mobiles Ltd. 1. Audit Committee 2. Share Transfer/ Investors Service Committee B. Rane Brake Linings Ltd. 1. Audit Committee 2. Share Transfer/ Investors Service Committee C. Rane (Madras) Ltd. 1. Audit Committee 2. Share Transfer/ Investors Service Committee D. Rane NSK Steering Systems Ltd. 1. Audit Committee E. Rane TRW Steering Systems Ltd. 1. Audit Committee	Non-executive Independent Director	Retiring by Rotation at the Twenty-first Annual General Meeting
Field Marshal Sam Manekshaw	3.4.1914	18.4.2002	General Management	Indian Military Academy	1. A.V. Thomas Industrial Products Ltd. 2. Britannia Industries Ltd. 3. EIH Limited 4. Finns Frozen Foods Limited 5. Foods and Inns Limited 6. Indian Charge Chrome Limited 7. Indian Metals and Ferro Alloys Ltd. 8. Muller and Phipps (India) Limited 9. Nagarjuna Agro Tech Limited 10. Nagarjuna Fertilizers and Chemicals Limited 11. The Bombay Burmah Trading Corporation Limited	A. Britannia Industries Ltd. 1. Audit Committee 2. Remuneration Committee B. The Bombay Burmah Trading Corporation Ltd. 1. Audit Committee 2. Remuneration Committee C. EIH Limited 1. Audit Committee 2. Remuneration Committee	Non-executive Independent Director	Retiring by Rotation at the Twenty-first Annual General Meeting

## BOARD

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

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  
UTI Bank 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 unremitting 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 Million  
except serial nos. 13, 14, 15 & 16

	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
<b>FOR THE YEAR</b>										
1. GROSS REVENUE	147.912	212.557	250.547	240.578	320.280	315.006	371.760	330.091	277.514	361.100
2. PROFIT BEFORE TAX	30.541	64.702	101.615	67.893	12.502	(56.145)	(15.447)	(44.147)	(59.157)	(60.345)
3. PROFIT AFTER TAX	30.541	64.702	87.115	60.758	11.189	(56.145)	(15.447)	(34.160)	(39.128)	(58.054)
4. DIVIDEND	10.500	18.093	26.250	26.250	21.000	-	-	-	-	-
5. RETAINED EARNINGS	26.914	54.216	66.765	48.366	20.679	-	28.417	9.078	4.363	-
6. FOREIGN EXCHANGE EARNINGS	95.719	147.007	192.697	172.914	248.003	258.482	234.800	244.604	198.771	191.063
<b>AT YEAR END</b>										
7. GROSS FIXED ASSETS	208.113	320.563	582.891	994.743	1131.829	1269.264	1352.560	1360.937	1374.771	1373.555
8. SHARE CAPITAL	52.500	105.000	105.000	105.000	105.000	105.000	105.000	105.000	105.000	105.000
9. RESERVES AND SURPLUS	36.915	209.524	267.765	299.648	287.527	231.382	215.934	151.703	126.006	127.505
10. NET WORTH	88.858	312.725	371.416	403.749	392.077	336.382	320.934	256.703	217.576	150.911
11. BORROWINGS	93.532	74.128	192.653	550.384	692.130	859.897	966.478	933.423	929.803	986.935
12. CAPITAL EMPLOYED	139.917	383.670	559.347	753.304	862.108	946.552	988.355	1107.806	1131.920	1043.684
<b>PER SHARE (Rs.)</b>										
13. NET WORTH PER EQUITY SHARE	16.93	29.78	35.37	38.45	37.34	32.04	30.57	24.45	20.72	14.37
14. EARNINGS PER EQUITY SHARE	5.82	8.94*	8.30	5.79	1.07	(5.35)	(1.47)	(3.25)	(3.73)	(5.53)
15. DIVIDEND PER EQUITY SHARE	2.00	2.50**	2.50	2.50	2.00	-	-	-	-	-
<b>RATIO</b>										
16. DEBT : EQUITY RATIO	1.05 : 1	0.24 : 1	0.52 : 1	1.36 : 1	1.77 : 1	2.56 : 1	3.01 : 1	3.64 : 1	4.27 : 1	6.54 : 1

**Notes :**

\* Annualised

\*\* Paid Pro Rata on Equity Shares allotted during the year from the date of respective allotments