

ElH Associated Hotels Limited
A MEMBER OF THE OBEROI GROUP

Annual Report 2018-2019

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THE BOARD OF DIRECTORS

Mr. P.R.S. Oberoi
Chairman

Mr. S.S. Mukherji
Vice Chairman

Mr. Vikram Oberoi
Managing Director

Mr. L. Ganesh
Mr. Akshay Raheja
Mr. Anil Nehru
Mr. Sudipto Sarkar
Mr. Surin Shailesh Kapadia
Ms. Radhika Vijay Haribhakti

CHIEF FINANCIAL OFFICER
Mr. Samidh Das

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Indrani Ray

SHARE TRANSFER AGENT
EIH Limited
7, Sham Nath Marg
Delhi - 110 054

AUDITORS
Deloitte Haskins & Sells LLP
Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
Gurugram - 122 002
Haryana, India

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

CORPORATE OFFICE
7, Shamnath Marg
Delhi - 110 054

The Oberoi Dharma

We, as members of The Oberoi Group 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 relationships.
- 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 achievement as well as individual development.
- Conduct which at all times safeguards the safety, security, health and environment of guests, 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 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 the Asia-Pacific.

Our Shareholders

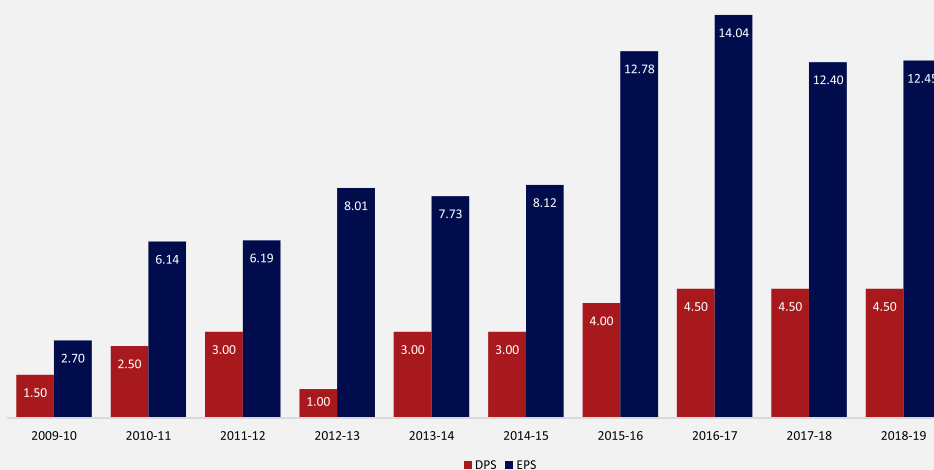
As a result, we will create extraordinary value for our shareholders.

Highlights

| | Revenue | Profit Before Tax | Profit After Tax | Dividend | Retained Earnings | Forex Earnings |
|---------|---------|-------------------|------------------|----------|-------------------|----------------|
| 2018-19 | 2,737 | 583 | 379 | 165 | 357 | 811 |
| 2017-18 | 2,693 | 587 | 378 | 165 | 354 | 795 |
| 2016-17 | 2,717 | 649 | 428 | 165 | 397 | 874 |
| 2015-16 | 2,483 | 547 | 389 | 147 | 395 | 1236 |
| 2014-15 | 2,315 | 400 | 247 | 110 | 327 | 1233 |
| 2013-14 | 2,164 | 382 | 236 | 107 | 263 | 1088 |
| 2012-13 | 2,130 | 298 | 205 | 36 | 302 | 1225 |
| 2011-12 | 1,905 | 197 | 134 | 68 | 193 | 1133 |
| 2010-11 | 1,763 | 183 | 120 | 57 | 191 | 875 |
| 2009-10 | 1,490 | 82 | 53 | 34 | 132 | 744 |

All figures in INR mn

Earning Per Share and Dividend Per Share

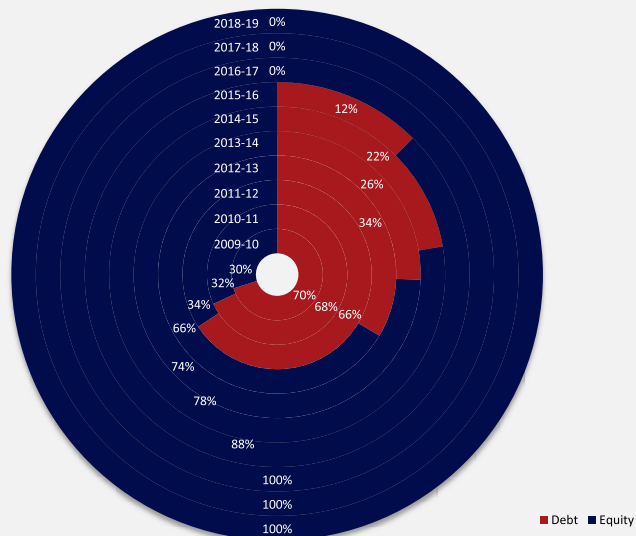


Highlights

| | Net Worth | Share Capital | Reserves & Surplus | Borrowings | Capital Employed | Gross Fixed Assets |
|---------|-----------|---------------|--------------------|------------|------------------|--------------------|
| 2018-19 | 3,236 | 305 | 2931 | 0 | 3236 | 3112 |
| 2017-18 | 3,023 | 305 | 2718 | 0 | 3023 | 2886 |
| 2016-17 | 2,810 | 305 | 2506 | 0 | 2810 | 2795 |
| 2015-16 | 2,427 | 305 | 2123 | 345 | 2773 | 2719 |
| 2014-15 | 2,162 | 305 | 1857 | 621 | 2783 | 4719 |
| 2013-14 | 2,113 | 305 | 1808 | 726 | 2839 | 4510 |
| 2012-13 | 1,984 | 305 | 1680 | 1003 | 2988 | 4465 |
| 2011-12 | 1,190 | 196 | 994 | 2280 | 3470 | 3905 |
| 2010-11 | 1,125 | 196 | 929 | 2407 | 3532 | 3868 |
| 2009-10 | 1,062 | 196 | 866 | 2489 | 3131 | 3791 |

All figures in INR mn

Debt to Equity Ratio



HIGHLIGHTS

Rupees in million
except item nos 14, 15, 16 & 17

| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| FOR THE YEAR | | | | | | | | | | |
| 1 GROSS REVENUE | 1,489.96 | 1,763.42 | 1,904.54 | 2,129.53 | 2,163.79 | 2,315.35 | 2,482.94 | 2,716.77 | 2,692.67 | 2,737.00 |
| 2 PROFIT BEFORE TAX | 81.92 | 182.86 | 196.56 | 298.10 | 382.30 | 399.61 | 547.07 | 649.34 | 586.60 | 583.45 |
| 3 PROFIT AFTER TAX | 52.88 | 120.17 | 133.55 | 205.02 | 235.61 | 247.27 | 389.39 | 427.80 | 377.94 | 379.38 |
| 4 TOTAL COMPREHENSIVE INCOME FOR THE YEAR | - | - | -- | - | - | - | 386.09 | 419.74 | 377.34 | 378.24 |
| 5 DIVIDEND (INCLUDING TAX) | 34.26 | 56.91 | 68.29 | 35.65 | 106.94 | 110.01 | 146.68 | 165.02 | 165.29 | 165.29 |
| 6 RETAINED EARNINGS | 132.45 | 190.71 | 192.50 | 301.82 | 262.71 | 326.84 | 394.74 | 396.65 | 353.53 | 356.71 |
| 7 FOREIGN EXCHANGE EARNINGS | 744.37 | 875.16 | 1,133.13 | 1,225.19 | 1,088.33 | 1,233.40 | 1,236.49 | 873.79 | 794.93 | 810.55 |
| AT YEAR END | | | | | | | | | | |
| 8 GROSS FIXED ASSETS | 3,791.08 | 3,868.19 | 3,905.17 | 4,464.99 | 4,510.07 | 4,718.50 | 2,719.35 | 2,794.95 | 2,886.22 | 3,112.26 |
| 9 SHARE CAPITAL | 195.87 | 195.87 | 195.87 | 304.68 | 304.68 | 304.68 | 304.68 | 304.68 | 304.68 | 304.68 |
| 10 RESERVES AND SURPLUS | 865.93 | 929.21 | 994.47 | 1,679.77 | 1,807.98 | 1,857.00 | 2,122.62 | 2,505.69 | 2,718.01 | 2,930.96 |
| 11 NET WORTH | 1,061.80 | 1,125.08 | 1,190.34 | 1,984.45 | 2,112.66 | 2,161.68 | 2,427.30 | 2,810.37 | 3,022.69 | 3,235.64 |
| 12 BORROWINGS | 2,489.26 | 2,407.00 | 2,280.00 | 1,003.10 | 725.87 | 621.21 | 345.43 | - | - | - |
| 13 CAPITAL EMPLOYED | 3,131.06 | 3,532.08 | 3,470.34 | 2,987.55 | 2,838.53 | 2,782.89 | 2,772.73 | 2,810.37 | 3,022.69 | 3,235.64 |
| PER SHARE | | | | | | | | | | |
| 14 NET WORTH PER EQUITY SHARE | 54.21 | 57.44 | 60.77 | 65.13** | 69.34** | 70.95** | 79.67** | 92.24** | 99.21** | 106.20** |
| 15 EARNINGS PER EQUITY SHARE | 2.70 | 6.14 | 6.19 * | 8.01** | 7.73** | 8.12** | 12.78** | 14.04** | 12.40** | 12.45** |
| 16 DIVIDEND PER EQUITY SHARE | 1.50 | 2.50 | 3.00 | 1.00** | 3.00** | 3.00** | 4.00** | 4.50** | 4.50** | 4.50** |
| RATIO | | | | | | | | | | |
| 17 DEBT: EQUITY RATIO | 2.34:1 | 2.14:1 | 1.92:1 | 0.51:1 | 0.34:1 | 0.29:1 | 0.14:1 | - | - | - |

* EPS reinstated pursuant to Rights Issue of Equity Shares on 21st October, 2012.

** Consequent upon the Rights Issue of 10,881,481 Equity Shares on 21st October, 2012, Net Worth per Equity Share, Earnings per Equity Share and Dividend per Equity Share are not comparable with that of previous year(s).

Notes :

- Serial nos. 8, 10, 11, 13, 14 and 17 are inclusive of Revaluation Reserve balance, if any, as at year end.
- Figures for previous year(s) have been regrouped / rearranged, wherever necessary.
- Figures pertaining to the years 2015-16, 2016-17, 2017-18 and 2018-19 are in accordance with Ind AS while figures pertaining to the years upto 2014-15 are in accordance with previous GAAP

DIRECTORS' REPORT

The Board presents the Thirty-sixth Annual Report together with the Audited Financial Statement and the Auditor's Report in respect of the Financial Year ended 31st March, 2019.

Financial Highlights

The financial highlights are set out below:

| | Rupees in Million | |
|--|-------------------|---------|
| | 2018-19 | 2017-18 |
| Total Revenue | 2737.00 | 2692.67 |
| Earnings Before Interest, Depreciation, Taxes and Amortisations (EBIDTA) | 730.41 | 731.45 |
| Interest and Finance Charges | 4.34 | 3.97 |
| Depreciation and Amortisation Expenses | 142.62 | 140.88 |
| Profit before Tax | 583.45 | 586.60 |
| Tax including Deferred Tax | 204.07 | 208.66 |
| Profit after Tax | 379.38 | 377.94 |
| Other Comprehensive Income / (Loss), net of tax | (1.14) | (0.60) |
| Total Comprehensive Income | 378.24 | 377.34 |
| Balance brought forward | 907.07 | 694.75 |
| Dividend on Equity Shares | 137.11 | 137.11 |
| Dividend Distribution Tax | 28.18 | 27.91 |
| Balance carried forward in Retained Earnings | 1120.02 | 907.07 |

Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 ("the Act") and based upon representations from the Management, the Board states that:

- in preparing the Annual Accounts, applicable accounting standards have been followed and there are no material departures;
- the Directors have selected accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- the Directors have taken proper and sufficient care in maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the Annual Accounts of the Company on a "going concern" basis;

- a) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- b) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Performance

The annexed Management Discussion and Analysis forms part of this report and covers, amongst other matters, the performance of the Company during the Financial Year 2018-19 as well as the future outlook.

Corporate Governance Report

In accordance with Regulation 34(3) read with Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Report on Corporate Governance along with the Auditor's Certificate is attached and forms part of this Report.

Dividend

The Board recommends a Dividend of ₹ 4.50 per equity share of ₹ 10 each for the Financial Year 2018-19 for approval by the Shareholders at the forthcoming Annual General Meeting. The dividend, if declared at the forthcoming Annual General Meeting will be paid on 31st July, 2019 to those Shareholders whose names appear in the Register of Shareholders / Beneficial Owners as on 22nd July, 2019. In accordance with the Income Tax Act, 1961, the tax on dividend will be borne by the Company.

Board Meetings

During the year, seven Board Meetings were held ie. on 18th April, 2018, 28th May, 2018, 3rd August, 2018, 27th September, 2018, 31st October, 2018, 31st January, 2019 and 29th March, 2019.

Directors

In accordance with Regulation 17(1A) of the Listing Regulations, the Shareholders, by passing a special resolution by way of postal ballot and remote e-voting on 16th March, 2019 approved the continuation of Mr. P.R.S. Oberoi (DIN: 00051894) as the Non-executive Chairman on the Board of the Company on and after 1st April, 2019, notwithstanding that he has attained the age of 75 (seventy-five) years.

Mr. Anil Kumar Nehru (DIN: 00038849), a Non-executive Independent Director was re-appointed on the Board for a second term of 5 (five) consecutive years with effect from 1st April, 2019 up to 31st March 2024, notwithstanding that he has attained the age of 75 (seventy-five) years. In accordance with Regulation 17(1A) of the Listing Regulations, the Shareholders have approved re-appointment of Mr. Anil Kumar Nehru by passing a special resolution by way of postal ballot and remote e-voting on 16th March, 2019.

Mr. Sudipto Sarkar (DIN 00048279) and Mr. L. Ganesh (DIN: 00012583), Non-executive Independent Directors' first term in office expires on 8th August, 2019. The Nomination and Remuneration Committee and the Board at their respective Meetings held on 28th May, 2019, noted that the above Non-executive Independent Directors are highly renowned professionals drawn from diverse fields, who bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's functioning