

EH LIMITED

A member of  *The Overseas Group*



Annual Report 1996-97



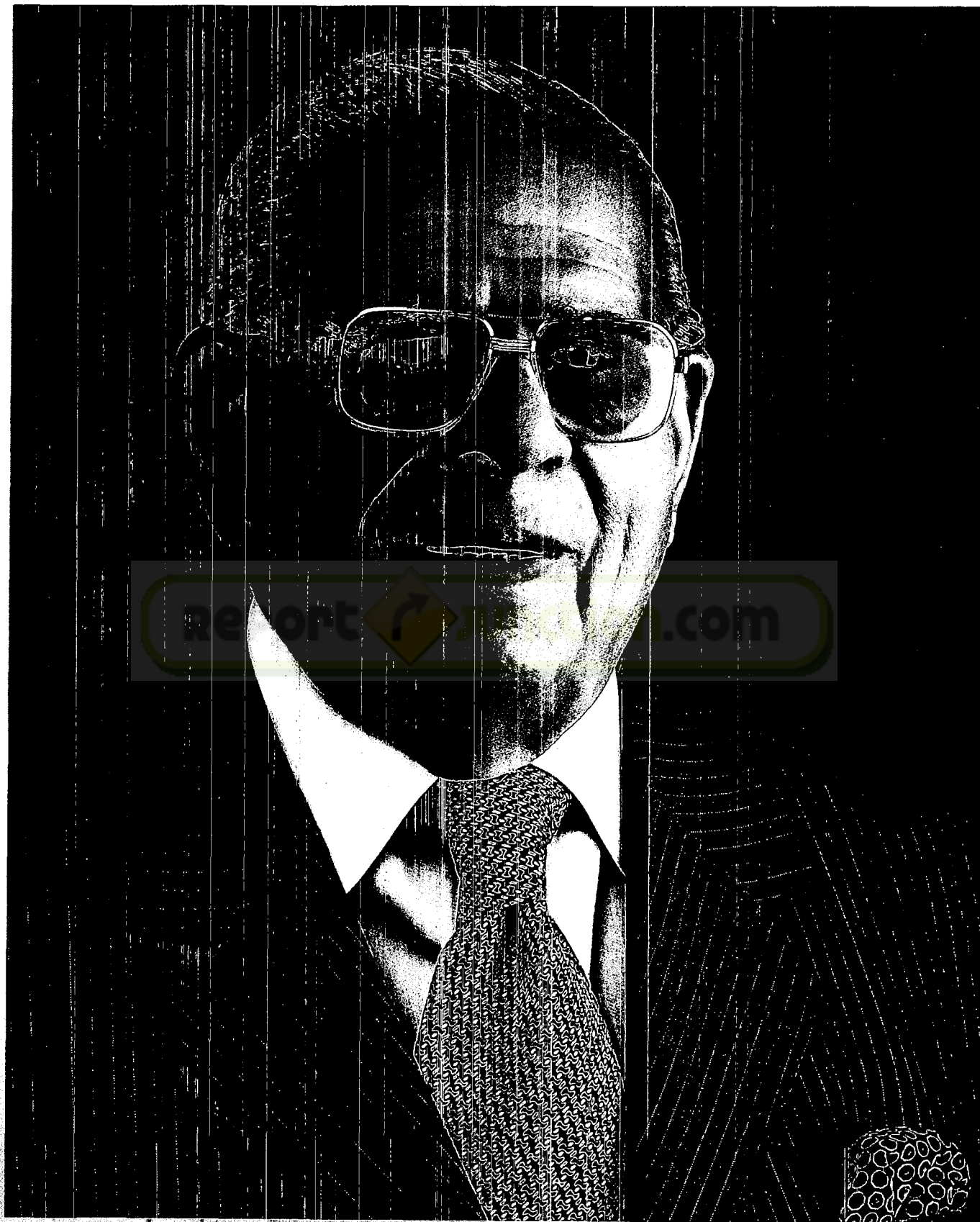


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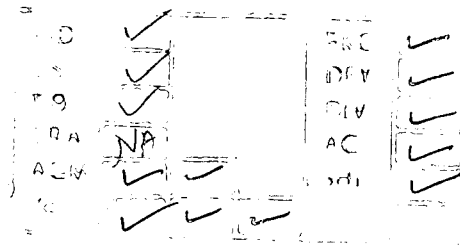
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Rai Babadur M.S. Oberoi, Chairman



BOARD

Rai Bahadur M. S. Oberoi
Chairman

Mr. P. R. S. Oberoi
*Vice Chairman and
Managing Director*

Mr. S. M. Dahanukar
Mr. B. M. Gogte
Mr. G. K. Khanna
Mr. Raghu Raj
Field Marshal Sam Manekshaw
Mr. B. K. Nehru
Mr. P. Majumdar
Mr. Vikram Oberoi
Mr. Arjun Oberoi

COMPANY SECRETARY
Mr. S. Gangopadhyay

AUDITORS

Ray & Ray, Chartered Accountants
6, Church Lane, Calcutta 700 001

BANKERS

United Bank of India
Allahabad Bank
Hongkong Bank

HEAD OFFICE & REGISTERED OFFICE
4, Mangoe Lane
Calcutta 700 001

INVESTORS SERVICE DIVISION

Kishore Bhavan
17, R. N. Mukherjee Road
Calcutta 700 001

CORPORATE OFFICE

The Oberoi Maidens
7, Sham Nath Marg
Delhi 110 054

HIGHLIGHTS

(Conversion rate of Rupee to U.S. Dollar Rs.100 = \$ 2.77)				Figures in Millions except item nos. 13, 14, 15 & 16						
	1992-93		1993-94		1994-95		1995-96		1996-97	
	RS.	\$	RS.	\$	RS.	\$	RS.	\$	RS.	\$
FOR THE YEAR										
1. GROSS REVENUE	1740	48	2302	64	2877	80	4213	117	4695	130
2. PROFIT BEFORE TAX	209	6	457	13	701	19	1443	40	1541	43
3. PROFIT AFTER TAX	188	5	416	12	581	16	1202	33	1381	38
4. DIVIDEND	64	1.77	103	2.85	129	3.57	152	4.21	259	7.17
5. RETAINED EARNINGS	203	6	404	11	558	15	1184	33	1279	35
6. FOREIGN EXCHANGE EARNINGS	1081	30	1459	40	1663	46	2531	70	2877	80
AT YEAR END										
7. GROSS FIXED ASSETS	5745	159	5878	163	6250	173	6991	194	7766	215
8. SHARE CAPITAL	291	8	309	9	338	9	338	9	524	15
9. RESERVES AND SURPLUS	3591	99	3956	110	5605	155	6624	183	7589	210
10. NET WORTH	3882	108	4265	118	5943	165	6962	193	8113	225
11. BORROWINGS	1616	45	1344	37	1127	31	1012	28	801	22
12. CAPITAL EMPLOYED	4845	134	5340	148	6839	189	7836	217	8814	244
PER SHARE										
13. NET WORTH PER EQUITY SHARE	136.79	3.79	137.88	3.82	175.81	4.87	205.97	5.71	154.86	4.29
14. EARNINGS PER EQUITY SHARE	7.86	0.22	14.29	0.40	18.01	0.50	35.55	0.98	35.29	0.98
15. DIVIDEND PER EQUITY SHARE	2.20	0.06	3.50	0.10	4.00	0.11	4.50	0.12	5.00	0.14
RATIO										
16. DEBT : EQUITY RATIO	0.42 : 1		0.32 : 1		0.19 : 1		0.15 : 1		0.10:1	

Notes :

a) Serial nos. 7, 9, 10, 12, 13 and 16 are after considering appreciation of Land and Buildings due to revaluation amounting to Rs.2575 million in 1992-93.

b) Serial nos. 8, 9, 13, 14 and 15 are after Bonus Issue in the ratio of 1 : 2 in 1996-97 (including Shares issued against Detachable Warrants of Non-Convertible Debentures).

c) Serial nos. 8, 9, 10, 13, 14, 15 and 16 are after conversion of Partly Convertible Debentures in 1993-94, issue of GDRs in 1994-95 and issue of shares against Detachable Warrants of Non-Convertible Debentures and Bonus Issue, both in 1996-97.

d) Serial no. 14 is calculated on weighted Average of Shares outstanding during the relevant year.

e) U. S. Dollar figures have been rounded off to the nearest million except in item No.4.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Forty-seventh Annual General Meeting of the Members of the Company will be held at The Oberoi Grand, 15, Jawaharlal Nehru Road, Calcutta-700 013 on Tuesday, the 19th August, 1997 at 11.30 A.M. to transact the following business :

1. To adopt the Audited Accounts of the Company for the year ended 31st March, 1997 together with the Directors' and Auditors' Reports thereon.
2. To declare a dividend.
3. To elect Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, pass, with or without modification, the following Resolutions :

(i) As an Ordinary Resolution

"That subject to the approval of the Central Government under sub-section (4) of Section 372 of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company ('the Board') investing the funds of the Company in the shares of any other body or bodies corporate by acquisition thereof, whether by way of subscription, purchase or otherwise, on such terms and conditions (including the price payable therefor) as will be determined by the Board provided that the amount of moneys to be so invested exclusive of expenses incidental thereto shall not exceed in aggregate the sum of Rs. 300 Crores notwithstanding that the said investments when made by the Board together with the other existing investments of the Company in all other body or bodies corporate may be in excess of the limits prescribed under sub-section (2) of the said Section 372 and that the Board be and is hereby authorised further to settle all questions arising out of and incidental to the investment to be so made and generally to do such other acts, matters and things as may be necessary or expedient in giving effect to this Resolution."

(ii) As an Ordinary Resolution

"That in modification of the Ordinary Resolution passed by the Company at its Annual General Meeting held on 7th September, 1992 the Board of Directors of the Company be and is hereby authorised pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 to borrow moneys for the purpose of the business of the Company notwithstanding that moneys so borrowed together with the moneys 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, that is to say, reserves not set apart for any specified purpose, but so that the total amount of the moneys to be so borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs. 500 Crores outstanding at any one time."

Registered Office :
4, Mangoe Lane,
Calcutta-700 001.
24th June, 1997.

By Order of the Board

S. Gangopadhyay
Company Secretary

Notes :

1. A Member entitled to attend and vote at the meeting is entitled to appoint 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 7th August, 1997 to 19th August, 1997 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto.
4. The dividend, if declared, will be exempt from Income-tax in the hands of the Members in terms of the relevant provisions of the Finance Act, 1997. The warrants for dividend that may be declared at the Annual General Meeting will be posted on or before 19th September, 1997. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend will be paid to those Members whose names appear on the Company's Register of Members at the close of business on 19th August, 1997 or to their order.
5. Members are requested to notify immediately changes, if any, in their respective addresses to the Company's Investors Service Division, "Kishore Bhavan", 6th Floor, 17, R. N. Mukherjee Road, Calcutta-700 001, quoting their Folio numbers so that the dividend warrants are correctly despatched.
6. A Member or his proxy is requested to produce at the entrance of the Meeting Hall Attendance Slip forwarded to the Member duly completed and signed. Xerox copy or torn Attendance Slip will not be accepted at the entrance of the Meeting Hall.
7. A Member or his proxy is requested to bring the copy of Annual Report sent to the Member, as extra copy thereof will not be supplied due to high cost of paper and printing.
8. Pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, the amounts of dividend declared at the Annual General Meeting of the Company held on 14th September, 1993 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. 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, West Bengal
Nizam Palace,
II M.S.O. Building,
234/4, Acharya Jagadish Chandra Bose Road,
Calcutta-700 020.



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

Item No. 5 (i)

Under the provisions of Section 372 (4) of the Companies Act, 1956 ('the Act') investments in the shares of any other body corporate in excess of the percentages prescribed under Section 372(2) of the Act requires sanction by a Resolution of the investing company in general meeting as also the approval of the Central Government. The Shareholders of the Company at the Annual General Meeting held on 7th September, 1992 accordingly passed a Resolution under Section 372(4) of the Act authorising the Board of Directors of the Company ('the Board') to invest funds of the Company by subscribing for and/or purchasing shares of any other body or bodies corporate up to the limit laid down in the said Resolution. The Board feels that in view of the development of business globally there would be more opportunities for investment of the funds of the Company. The Board therefore recommends that appropriate authority be given to it by a fresh Resolution passed under Section 372(4) of the Act to enable the Board to make further investments as and when opportunities arise up to an amount not exceeding Rs. 300 Crores in aggregate.

The Ordinary Resolution set out in Item No. 5(i) of the convening Notice is intended to obtain the appropriate consent of the Company in terms of Section 372(4) of the Act and the Board recommends that the Resolution be passed.

The necessary application will be made to the Central Government for its approval under the Section in due course as and when required.

No Director of the Company is concerned or interested in the Resolution.

Item No. 5 (ii)

By an Ordinary Resolution passed by the Company at the Annual General Meeting held on 7th September, 1992 the Board of Directors of the Company was authorised pursuant to Section 293 (1)(d) of the Companies Act, 1956 read with Article 59 of its Articles of Association to borrow moneys in excess of the aggregate of its paid up capital and free reserves subject, however, to a maximum amount of Rs. 300 Crores. Having regard to the increased activities of the Company the aforesaid limit of borrowing is considered by the Board to be inadequate. The Board accordingly recommends that the limit of borrowing should be increased to the extent set out in the Ordinary Resolution in Item No. 5 (ii) of the Notice convening the Meeting. The Board recommends the passing of the said Resolution.

No Director of the Company is interested or concerned in the Resolution.

