

EEH LIMITED

A member of  *The Overseas Group*



Annual Report 1998-99

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BOARD

Rai Bahadur M. S. Oberoi
Chairman

COMPANY SECRETARY

Mr. S. Gangopadhyay

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

AUDITORS

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

Mr. S. M. Dahanukar
Mr. B. M. Gogte
Field Marshal Sam Manekshaw
Mr. B. K. Nehru
Mr. P. Majumdar

Mr. Vikram Oberoi
Mr. Arjun Oberoi
Mr. S. K. Saha
Mr. S. S. Mukherji
Deputy Managing Director

BANKERS

United Bank of India
Hongkong Bank
State Bank of India



Rai Bahadur M.S. Oberoi, Chairman

Our Founder

Rai Bahadur M. S. Oberoi was born on 15th August, 1898 in Bhaun, district Jhelum, Punjab. In 1934, Rai Bahadur Oberoi together with a partner acquired The Clarke's Hotel in Shimla, Himachal Pradesh. Four years later he acquired The Grand Hotel in Calcutta. With his customary confidence and sheer drive to succeed, he was able to convert The Grand Hotel under extremely trying conditions into a highly profitable business venture.

In 1943, The British Colonial Government conferred on him the title of 'Rai Bahadur'. In the same year, Rai Bahadur Oberoi acquired the controlling interest in The Associated Hotels of India Limited, thus giving shape to The Oberoi Group.

In May 1949, Rai Bahadur Oberoi founded The East India Hotels Limited which is now known as EIH Limited – the flagship of The Oberoi Group of companies.

In recognition of his pioneering contribution to the hotel industry in India, Rai Bahadur Oberoi has won much acclaim and received several national and international awards including, admission to the *Hall of Fame* by The American Society of Travel Agents (ASTA); *Man of the World* by the International Hotel Association, New York; *Order of the Republic – First Class* conferred by the President of Egypt; *Honorary Doctorate of Business Administration* by the International Management Centre, Buckingham, U.K. and named by *Newsweek* as one of the 'Elite Winners of 1978', 'Lifetime Achievement Award 1998' by *The Economic Times*.

Mission Statement

Our Guest

We are committed to meeting and exceeding the expectations of our guests through our unremitting dedication to every aspect of service.

Our People

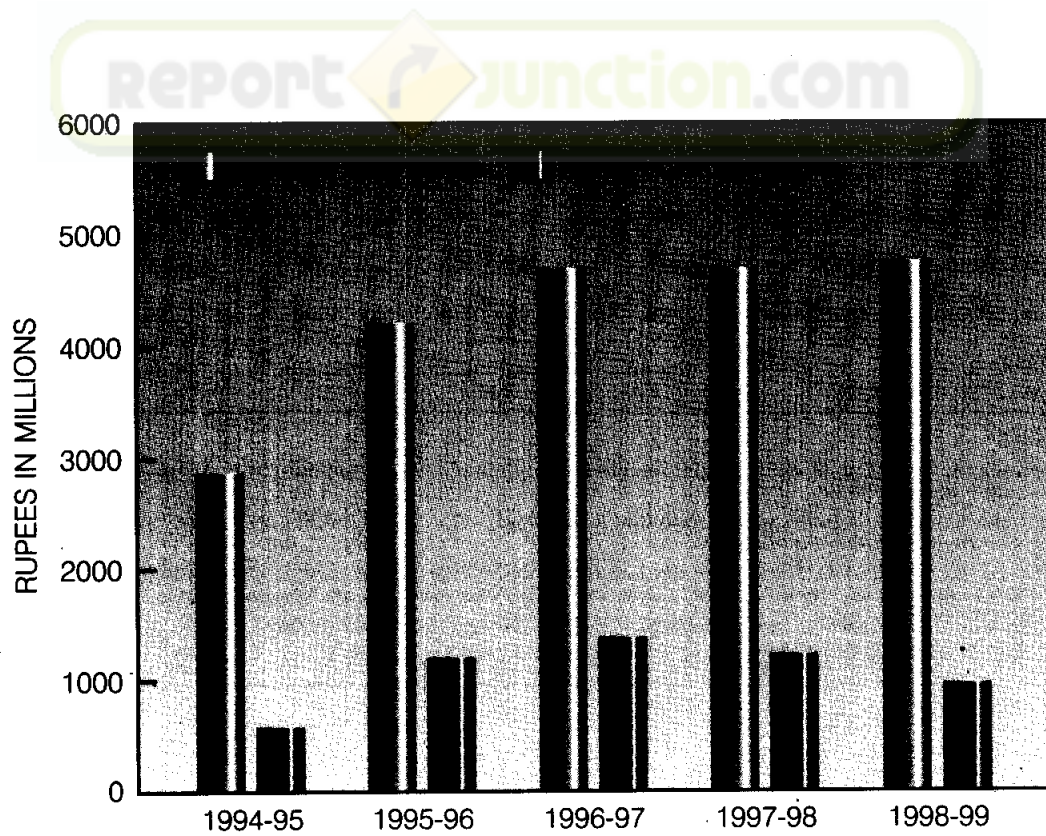
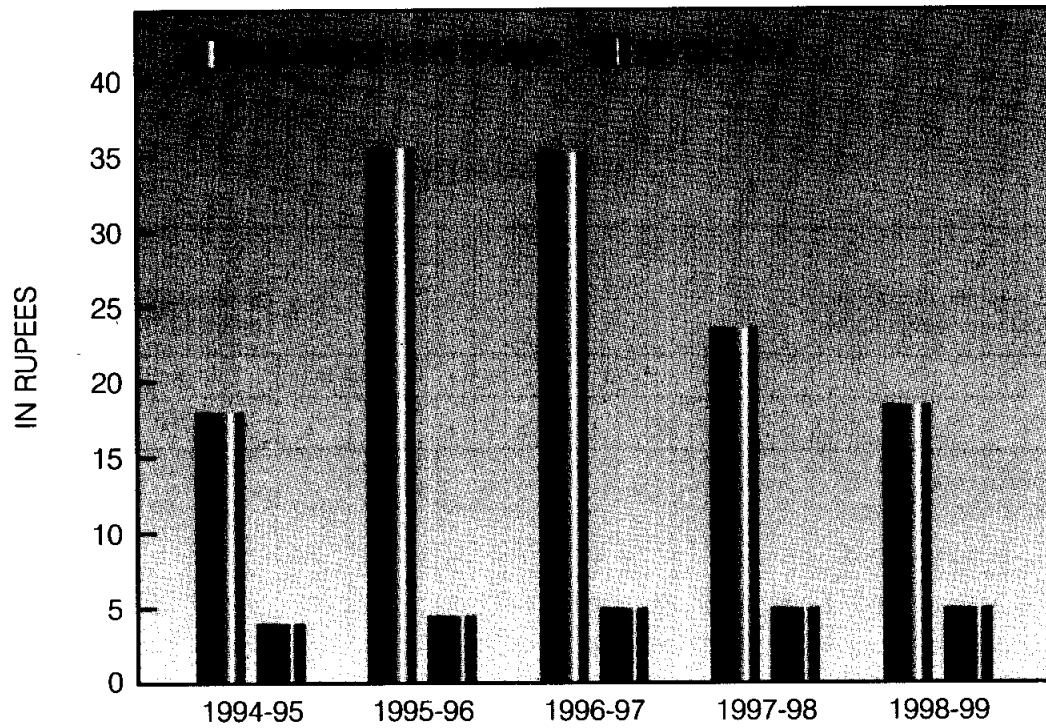
We are committed to the growth, development and welfare of our people upon whom we rely to make this happen.

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 Asia Pacific.

Our Shareholders

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



HIGHLIGHTS

(Conversion rate of Rupee to
U.S. Dollar Rs.100 = \$ 2.36)

Figures in Millions except
item nos. 13, 14, 15 & 16

	1994-95		1995-96		1996-97		1997-98		1998-99	
	Rs.	\$	Rs.	\$	Rs.	\$	Rs.	\$	Rs.	\$
FOR THE YEAR										
1. GROSS REVENUE	2877	68	4213	99	4695	111	4720	111	4757	112
2. PROFIT BEFORE TAX	701	17	1443	34	1541	36	1330	31	1059	25
3. PROFIT AFTER TAX	581	14	1202	28	1381	33	1233	29	964	23
4. DIVIDEND	129	3.04	152	3.59	259	6.11	262	6.18	262	6.18
5. RETAINED EARNINGS	558	13	1184	28	1253	30	1149	27	910	21
6. FOREIGN EXCHANGE EARNINGS	1663	39	2531	60	2877	68	2839	67	3153	74
AT YEAR END										
7. GROSS FIXED ASSETS	6250	148	6991	165	7766	183	8638	204	10819	255
8. SHARE CAPITAL	338	8	338	8	524	12	524	12	524	12
9. RESERVES AND SURPLUS	5605	132	6624	156	7589	179	8504	201	9147	216
10. NET WORTH	5943	140	6962	164	8113	191	9028	213	9671	228
11. BORROWINGS	1127	27	1012	24	801	19	831	20	2738	65
12. CAPITAL EMPLOYED	6839	161	7836	185	8814	208	9506	224	11425	270
PER SHARE										
13. NET WORTH PER EQUITY SHARE	175.81	4.15	205.97	4.86	154.86	3.65	172.31	4.07	184.58	4.36
14. EARNINGS PER EQUITY SHARE	18.01	0.43	35.55	0.84	35.29	0.83	23.53	0.56	18.40	0.43
15. DIVIDEND PER EQUITY SHARE	4.00	0.09	4.50	0.11	5.00	0.12	5.00	0.12	5.00	0.12
RATIO										
16. DEBT : EQUITY RATIO	0.19 : 1		0.15 : 1		0.10 : 1		0.09 : 1		0.28 : 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.

INFORMATION FOR SHAREHOLDERS

HEAD OFFICE & REGISTERED OFFICE

4, Mangoe Lane,
Calcutta-700 001

Telephone : (91)(33)2486751
Facsimile : (91)(33)2486785

CORPORATE OFFICE

7, Sham Nath Marg,
Delhi-110 054

Telephone : (91)(11)2914841
Facsimile : (91)(11)2929800

INVESTORS SERVICES DIVISION

Kishore Bhavan
6th Floor
17, R.N. Mukherjee Road,
Calcutta-700 001

Telephone : (91)(33)2485883
(91)(33)2206141
(91)(33)2101033
(91)(33)2101072
Facsimile : (91)(33)2420957

SHARES LISTED AT

Name	Code No.
Stock Exchange, Calcutta	05
Stock Exchange, Mumbai	840
Stock Exchange, New Delhi	5006
Stock Exchange, Chennai	—
National Stock Exchange, Mumbai	Symbol; EIHOTEL; Series; EQ
London Stock Exchange, U.K.	—

INTERNET FACILITY

Website : www.oberoihotel.com
E-Mail : eihcal@giascl01.vsnl.net.in

ANNUAL GENERAL MEETING

28th July, 1999 at 11-30 A.M.
at The Oberoi Grand,
15, Jawaharlal Nehru Road,
Calcutta-700 013

Communications relating to shares and debentures of the Company, enquiries, complaints, transfer requests - both physical and electronic, nomination and other forms etc. should be addressed to the Investors Services Division.

DEMATERIALISATION OF SHARES

Depository : National Securities Depository Limited, Mumbai
Interface Registrars : ABC Computers Private Limited

Effective 4th April, 1999 the Equity Shares of the Company are to be compulsorily traded and settled only in the dematerialised form. Accordingly, the concept of market lot of 50 shares in respect of Company's equity capital also stands abolished. Several members, particularly, Institutional Investors, have availed of this facility of holding and trading in Company's shares in the dematerialised (electronic) form.

In view of the advantages of holding shares in the electronic form as intimated to the Shareholders by the Company Secretary in his Circular dated 3rd August, 1998, the Shareholders are requested to avail of this facility of dematerialisation.

QUARTERLY AND ANNUAL RESULTS FOR THE FINANCIAL YEAR 1999-2000

Intended dates of announcement

1st Quarter	: 28th July, 1999	(Unaudited)
2nd Quarter	: 28th October, 1999	(Unaudited)
3rd Quarter	: 28th January, 2000	(Unaudited)
Annual	: 29th May, 2000	(Audited)

BOOK CLOSURE DATE FOR THE PURPOSE OF DIVIDEND AND ANNUAL GENERAL MEETING

17th June, 1999 to 24th June, 1999

ELECTRONIC CLEARING SYSTEM FOR PAYMENT OF DIVIDEND

The Company provides ECS facility for prompt credit of dividend to the Bank Accounts of the Shareholders. For obtaining the benefit of this facility please send your option to the Investors Services Division of the Company.

NOMINATION FACILITY

Shareholders are eligible to file their nominations against Shareholdings, Debentureholdings and Deposits. Nomination forms are available at the Investors Services Division. Those interested in getting the facility of nominations may write to the Company Secretary for a copy of the prescribed Nomination Form.

GROWTH OF EQUITY CAPITAL AND SHAREHOLDERS' FUNDS DURING LAST TWO DECADES

Equity Capital

Year of Issue	No. of Equity Shares	Face Value per Equity Share	Equity Capital	Particulars of Issue
		Rs.	Rs.	
1979-80	13,37,745	10	6,68,95,840	Capital as on 31.3.1979
1979-80	16,05,500	10	1,33,77,450	Bonus @ 1:5
1979-80	12,50,000	10	1,60,55,000	Rights @ 1:5 at a premium of Rs. 6/- per Equity Share
1984-85	15,00,000	10	1,25,00,000	Public Issue at a premium of Rs. 6/- per Equity Share
1984-85	49,53,131	10	1,50,00,000	Conversion of 13.5% Debentures (Series CD1)
1987-88	62,67,560	10	4,95,31,310	Bonus @ 2:5
1992-93	47,20,704	10	6,26,75,600	Conversion of 13.5% Debentures (Series CD2)
1993-94	26,11,833	10	4,72,07,040	Bonus @ 1:5
1994-95	28,67,428	10	2,61,18,330	Conversion of 15% Debentures (Series CD3)
1996-97	11,25,114	10	2,86,74,280	28,67,383 Global Depository Receipts @ Rs. 438/- per share and 45 Equity Shares of Rs. 10/- each allotted as per Court Order.
1996-97	1,74,64,299	10	1,12,51,140	Conversion of Detachable Tradeable Warrants attached to 16% Non-Convertible Debentures.
			17,46,42,990	Bonus @ 1:2
	Capital as on 31-3-99		52,39,28,980	

Shareholders' Funds

1978-79: Rs. 16.20 Crores

1998-99: Rs.971.43 Crores

RATE OF DIVIDEND

1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
10%	18%	22%	35%	40%	45%	50%*	50%	50%**

*On expanded capital after Bonus Issue @ 1:2

** Proposed