



EIH LIMITED

A member of  *The Oberoi Group*



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Annual Report 2000-2001



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BOARD

Rai Bahadur M. S. Oberoi
Chairman

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

Mr. S. S. Mukherji
Deputy Managing Director

Mr. S. M. Dahanukar

Field Marshal Sam Manekshaw

Mr. B. K. Nehru

Mr. P. Majumdar

Mr. Vikram Oberoi

Mr. Arjun Oberoi

Mr. S. K. Saha

Mr. S. K. Dasgupta

COMPANY SECRETARY

Mr. S. Gangopadhyay

AUDITORS

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

BANKERS

United Bank of India

The Hongkong and Shanghai
Banking Corporation Ltd

State Bank of India



Rai Bahadur M.S. Oberoi, Chairman

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

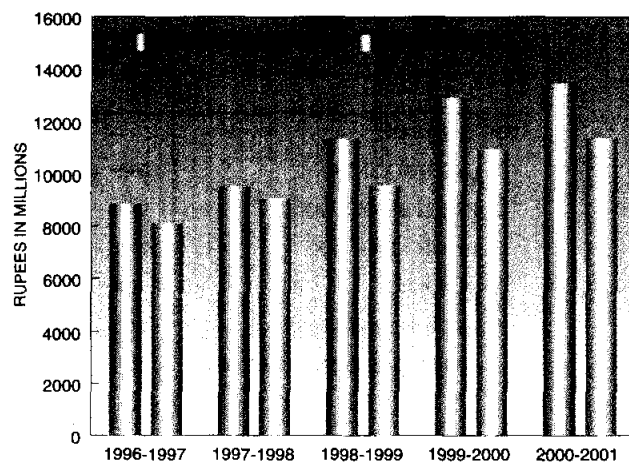
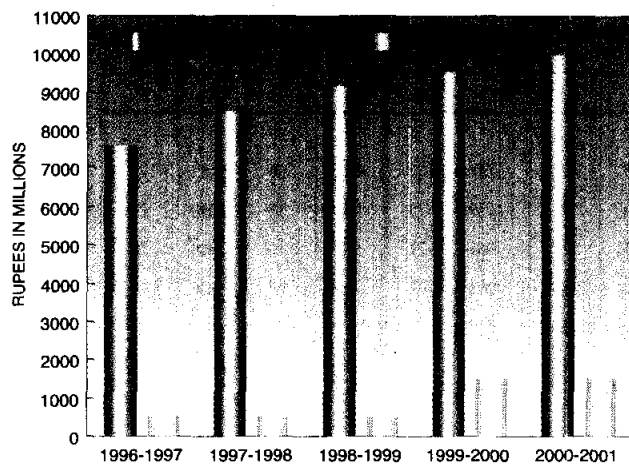
We are committed to the growth, development and welfare of our people upon whom we rely to make this happen.

Our distinctiveness

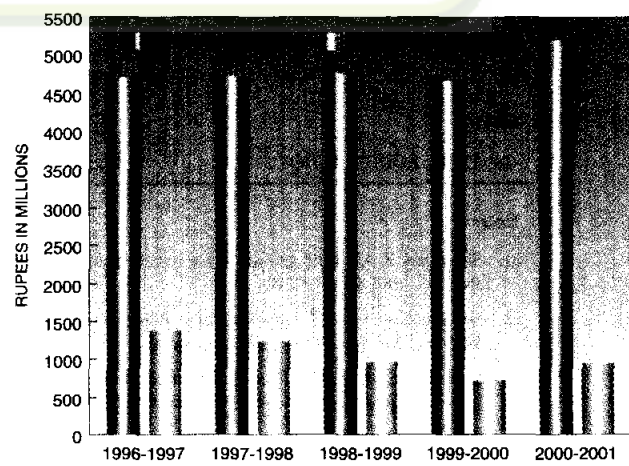
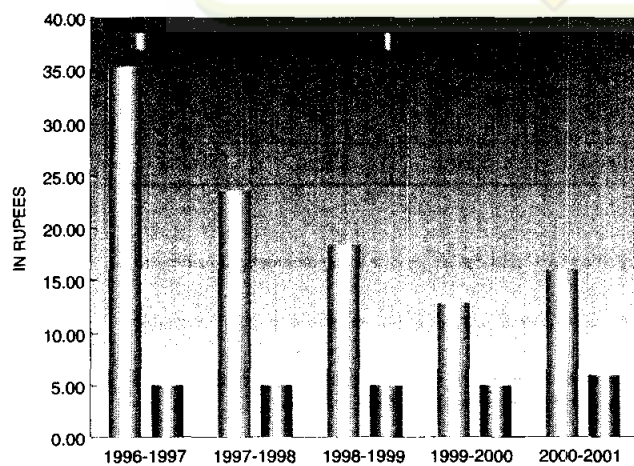
Together we shall continue the Oberoi tradition of pioneering in the hospitality industry, striving for unsurpassed excellence in high potential locations all the way from the Middle East to Asia Pacific.

Our shareholders

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



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HIGHLIGHTS

(Conversion rate of Rupee to U.S. Dollar Rs. 100 = \$ 2.15)				Figures in Millions except Item nos. 13, 14, 15 & 16						
	1996-97		1997-98		1998-99		1999-2000		2000-2001	
	Rs.	\$	Rs.	\$	Rs.	\$	Rs.	\$	Rs.	\$
FOR THE YEAR										
1. GROSS REVENUE	4695	101	4720	101	4757	102	4663	100	5189	112
2. PROFIT BEFORE TAX	1541	33	1330	29	1059	23	824	18	1040	22
3. PROFIT AFTER TAX	1381	30	1233	27	964	21	725	16	948	20
4. DIVIDEND	259	5.57	262	5.63	262	5.63	306	6.58	406	8.73
5. RETAINED EARNINGS	1253	27	1149	25	910	20	636	14	766	16
6. FOREIGN EXCHANGE EARNINGS	2820	61	2692	58	2951	63	2585	56	2793	60
AT YEAR END										
7. GROSS FIXED ASSETS	7766	167	8638	186	10819	233	12000	258	12913	278
8. SHARE CAPITAL	524	11	524	11	524	11	1524	33	1524	33
9. RESERVES AND SURPLUS	7589	163	8504	183	9147	197	9502	204	9964	214
10. NET WORTH	8113	174	9028	194	9564	206	10899	234	11382	245
11. BORROWINGS	801	17	831	18	2738	59	3167	68	3419	74
12. CAPITAL EMPLOYED	8814	190	9506	204	11318	243	12912	278	13459	289
PER SHARE										
13. NET WORTH PER EQUITY SHARE	154.86	3.33	172.31	3.70	182.55	3.92	188.94	4.06	198.16	4.26
14. EARNINGS PER EQUITY SHARE	35.29	0.76	23.53	0.51	18.40	0.40	12.90	0.28	15.94	0.34
15. DIVIDEND PER EQUITY SHARE	5.00	0.11	5.00	0.11	5.00	0.11	5.00	0.11	6.00	0.13
RATIO										
16. DEBT : EQUITY RATIO	0.10 : 1		0.09 : 1		0.28 : 1		0.42 : 1		0.42 : 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.										
f) Preference Share Capital has been treated as debt, only for the purpose of Debt : Equity ratio calculation under Serial No. 16.										

VICE CHAIRMAN'S REVIEW

Ladies & Gentlemen,

For several years I have used this opportunity to share with you ways and means of injecting dynamism and growth into the Travel and Tourism sector in India. It is my strong conviction that Travel and Tourism can propel employment, economic growth and prosperity for India and its citizens.

Many countries have realized the power of Travel and Tourism. Indeed, it would be difficult to visualize countries as diverse as France, Spain, Egypt, Thailand or China without associating them with strong tourism economies.

I wish to put forth the current status on several important policy initiatives required to give impetus to this important industry.

Airports :

Apart from improvements in arrival facilities at the New Delhi International Terminal and the excellent private airport at Kochi, the airport scene has shown no real progress. Most of our airports are gloomy and shabby. They do not act as a show-window to the foreign visitor. We should not wait for the process of corporatization and disinvestment to be completed. The Airports Authority of India needs to take immediate steps to make improvements at our important airport terminals.

Air seat capacity :

The shortfall in air seat capacity on international flights, particularly during the winter months, has for long been one of the important factors impeding the growth of business and leisure traffic to India. It is heartening to know that the Government has taken some positive steps in recent months in this regard.

India is a long-haul destination and enhancement of capacity through the liberal entry of foreign airlines is the only way to provide the customer with improved connectivity, choice, lower fares and international standards of safety and quality.

Visas :

Convenience is an important factor that guides the international traveller. Unfortunately, despite the industry's frequent advocacy, the Government has