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A member of  *The Oberoi Group*



Annual Report 2011 - 2012

Cover:

'Royal Procession', a painting with natural stone colours

at

The Oberoi Udaivilās, Udaipur.



A member of  *The Oberoi Group*

Annual Report 2011-2012

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The Late Rai Bahadur M.S. Oberoi
Founder of The Oberoi Group
1898-2002

BOARD

Mr. P. R. S. Oberoi
Chairman and Chief Executive

Mr. S. S. Mukherji
Vice Chairman

Mr. Vikram Oberoi
Chief Operating Officer and Joint Managing Director

Mr. Arjun Oberoi
Chief Planning Officer and Joint Managing Director

Mr. S. K. Dasgupta

Mr. Rajan Raheja

Mr. Anil Nehru

Mr. L. Ganesh

Mrs. Nita Mukesh Ambani

Mrs. Renu Sud Karnad

Mr. Manoj Harjivandas Modi

Mr. Robert Henry Burns

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S. N. Sridhar

AUDITORS

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

REGISTERED OFFICE

4, Mangoe Lane
Kolkata 700 001



P.R.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.



The Oberoi Udaivilās, Udaipur

It is our endeavour to offer the finest experience to our guests by exceeding expectations through an unremitting dedication to perfection in every aspect of our business.

In the year 2012, The Oberoi Udaivilās, Udaipur and The Oberoi Rajvilās, Jaipur were ranked 1st and 5th best resorts in the world respectively by the readers of *Travel + Leisure*, USA in the ‘World’s Best Service Awards’. In the same Readers’ Survey, The Oberoi Udaivilās, Udaipur; The Oberoi Rajvilās, Jaipur and The Oberoi Amarvilās, Agra, have been ranked 1st, 2nd and 5th best resorts in Asia.

Employees are our greatest asset; their dedication has helped Oberoi Hotels to be recognised as a global brand.

Reproduced in this Annual Report is a selection of guest comments reinforcing our belief that “best employees make the world’s best hotels”.



“This is a destination hotel. It would be worth coming to India just to stay here. I had no expectations when I arrived at your hotel and every encounter, meeting and experience has thrilled me, surprised me and engulfed me in wonder. The Oberoi family must be very proud. You have a fine hotel and I can’t wait to tell all my friends. I am so proud, pleased and honoured to have stayed here.”

Anna Macdonald, New Zealand



The Oberoi

GURGAON
NEW DELHI CAPITAL REGION
INDIA

Voted Asia's Leading Luxury Hotel by the *World Travel Awards*, 2011.



“Everyone talked about the hotel and said it was wonderful. So we had very high expectations coming to the resort. All were exceeded, the beautiful setting, the room, the pool and above all the charming and enormously helpful staff. Thank you so much.”

Sarah and Sabrina Tunnicliffe, United Kingdom



The Oberoi

UDAIVILĀS

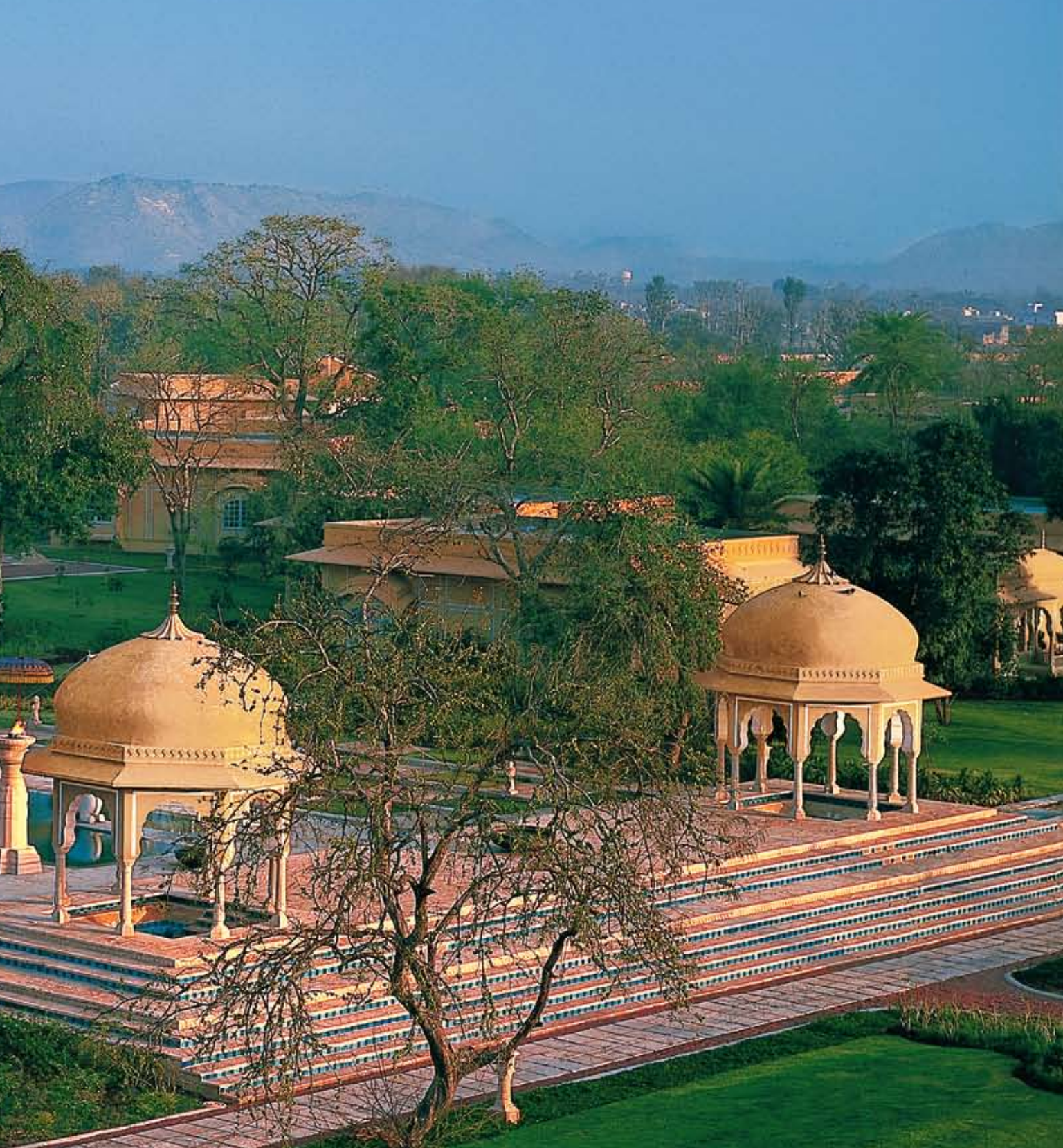
UDAIPUR, INDIA

Ranked the best resort in the world by the readers of *Travel + Leisure*, USA
in the 2012 World's Best Service Awards.



“Amazing, amazing, amazing, amazing, amazing, amazing, the hotel is beautiful, but what makes it really amazing is not the architecture or the decor but the incredible friendly always smiling highly professional staff. I will truly miss them.”

F. B. Goncalves De Abreu, Portugal



The Oberoi

RAJVILĀS

JAIPUR, INDIA

Ranked the 2nd best resort in Asia and 5th best in the world by the readers of *Travel + Leisure*, USA
in the 2012 World's Best Service Awards.



“I cannot fault this lovely hotel. The staff was incredibly attentive without being obtrusive and the attention to detail is second to none. I would not hesitate in recommending this hotel. Many thanks for such an enjoyable stay”

Emma Richards and Mark Lewis Lloyd, United Kingdom



The Oberoi
AMARVILĀS
AGRA, INDIA

Ranked the 4th best resort in Asia and 14th best in the world by the readers of *Travel + Leisure*, USA in 2011.



“In 24 years of travel and after visiting more than 40 countries, the incredible level of hospitality provided to us by The Oberoi Vanyavilas stands out as a highlight and will be a memory that we treasure. For this, thanks to the General Manager and your team.”

Darrin Donegan, United Arab Emirates



The Oberoi

VANYAVILĀS

RANTHAMBHORE, INDIA

Ranked the best resort the world by the readers of *Travel + Leisure*, USA in 2010.



“Wildflower was the perfect end to a wonderful holiday in India in which our Oberoi experience was exceptional. Thank you so much for your exceptional hospitality, most memorable food and warm and attentive staff. We would have no hesitation in recommending our friends to visit. We are taking many special memories with us”

Sarah Flemingham and Peter Campbell, United Kingdom



**WILDFLOWER
HALL**

SHIMLA IN THE HIMALAYAS
AN OBEROI RESORT

Ranked the 2nd best leisure hotel in Asia by the readers of *Condé Nast Traveller*, UK in 2010.



“I have had a most excellent stay here at The Oberoi, New Delhi – one of the best if not the absolute best hotel stays I have had – largely due to the efforts & kindness of the staff. I would like to express my deepest thanks to all of you.”

Ryan Sepassi, United States of America



The Oberoi

NEW DELHI, INDIA

Ranked the Favourite Business Hotel in New Delhi by the readers of *Condé Nast Traveller*, India in 2011.



“I have had a fabulous stay made possible by the efficiency and friendliness of the staff without exception. Everyone was truly outstanding. One of my best hotel stay experience – worldwide, without a doubt - Keep it up. This is service at its best!”

Indranil Dasgupta, India



The Oberoi

MUMBAI, INDIA

Ranked amongst the top 10 Luxury Hotels in India in the *TripAdvisor Travellers' Choice Awards* 2012.



“Went back to this hotel after a brief spell and realized what I had been missing! Amazing to imagine that such calm and quiet stay is possible right in the heart of the city. From the time I landed at the hotel - check-in to check-out, the attention of the staff was superb. The whole place has such a delightful aura of professionalism and personal touch, a rare combination indeed!!!”

N. Ramesh Sankaran, India



The Oberoi

GRAND

KOLKATA, INDIA

Ranked the 2nd best luxury hotel in India by *TripAdvisor* in 2010.



“Our expectations were exceeded a hundred fold when we arrived at the boat. It was absolutely wonderful, not only the lovely decor and extremely comfortable cabins, but the staff went out of their way to make sure our holiday was special. We have never had such consistently outstanding food anywhere before and thoroughly enjoyed it. It was like eating in a top London restaurant.”

Geoff Snell, United Kingdom



The Oberoi

ZAHRA

LUXURY NILE CRUISER

Ranked the best five star cruiser on the Nile by the *Ministry of Tourism*, Egypt in 2009.



“Overwhelming experience! Consistent high quality level of service throughout our stay. From start to finish, we have been made to feel like royalty. From the landscaping of the gardens to the quality of food and the outstanding service, we could not have dreamt of a better honeymoon. We are sad to be leaving what we believe is the best hotel we have ever stayed at in the world.”

Adrian L. Gomes, United Kingdom



The Oberoi

MAURITIUS

Ranked 11th best leisure hotel in the Indian Ocean by the readers of *Condé Nast Traveller*, UK in 2011.



“We can’t wait to come back — my kids have said they don’t want to stay anywhere else ever. We loved this visit! I felt extremely welcomed and pampered. The balance between friendliness and privacy was perfect and I have never had such a flawless experience.”

Julie Near, Singapore



The Oberoi
LOMBOK, INDONESIA

Ranked the 5th best hotel in Asia by the readers of *Condé Nast Traveller*, UK in 2011.



“We have just returned from 10 days with the outstanding The Oberoi, Sahl Hasheesh where we have been afforded the most wonderful hospitality ever experienced. It’s very rare to find this sort of service which was provided unconditionally. The whole team at the hotel was amazing and nothing too much trouble.”

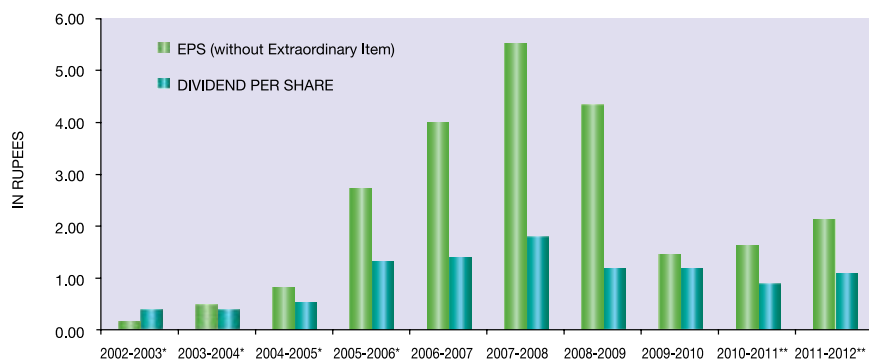
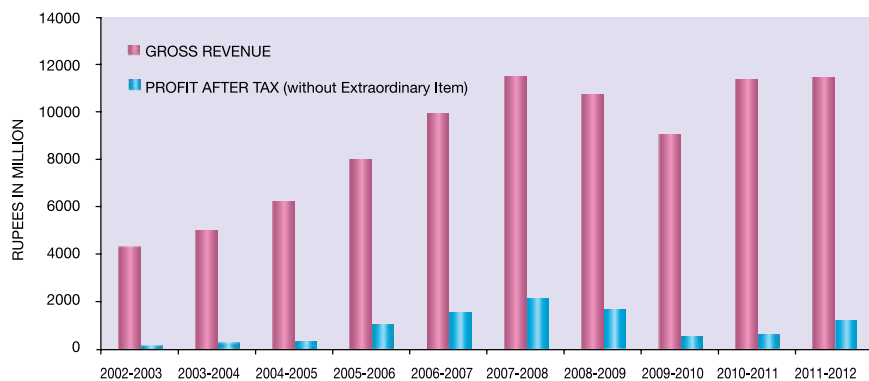
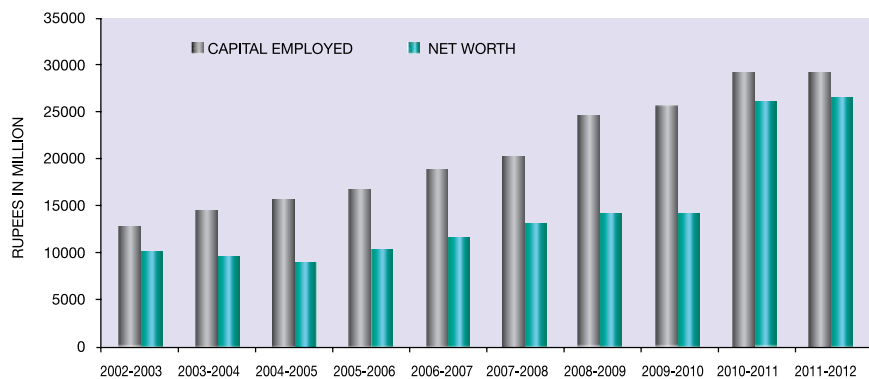
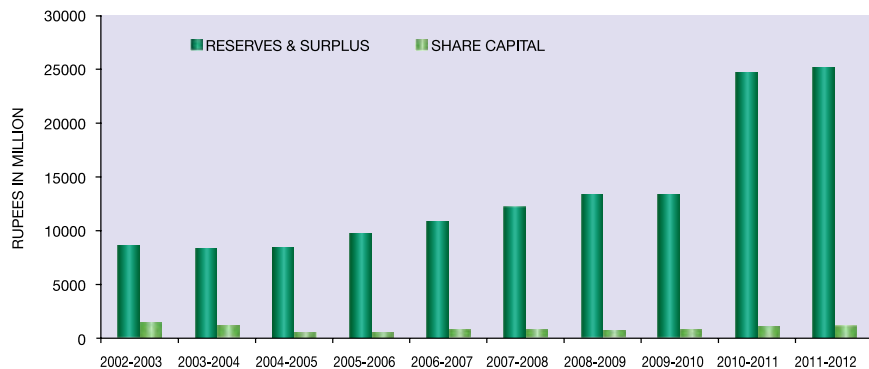
David Gregory, United Kingdom



The Oberoi

SAHL HASHEESH
RED SEA, EGYPT

Ranked the best resort on the Red Sea by the *Ministry of Tourism*, Egypt in 2009.



* based on the number of Equity Shares subsequent to sub-division of face value and issue of Bonus Shares on 20th September, 2006

**based on the number of Equity Shares subsequent to Rights Issue of Equity Shares on 26th March, 2011

HIGHLIGHTS

(Conversion Rate : INR 100 = US \$1.955)

Figures in Million except
Serial nos. 14, 15, 16 & 17

	2002 - 2003		2003 - 2004		2004 - 2005		2005 - 2006		2006 - 2007		2007 - 2008		2008 - 2009		2009 - 2010		2010 - 2011		2011-12	
	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$
FOR THE YEAR																				
1. GROSS REVENUE	4353	85	5045	99	6252	122	8032	157	9952	195	11551	226	10785	211	9073	177	11429	223	11473	224
2. PROFIT BEFORE TAX	275	5	415	8	587	11	2607	51	2964	58	3498	68	2733	53	890	17	855	17	1550	30
3. PROFIT AFTER TAX	155	3	282	6	331	6	1886	37	2004	39	2172	42	1704	33	572	11	645	13	1224	24
4. PROFIT AFTER TAX WITHOUT EXTRAORDINARY ITEM	155	3	282	6	360	7	1078	21	1575	31	2172	42	1704	33	572	11	645	13	1224	24
5. DIVIDEND	248	5	236	5	244	5	524	10	550	11	707	14	472	9	472	9	514	10	629	12
6. RETAINED EARNINGS	233	5	405	8	457	9	1697	33	1787	35	1798	35	1696	33	705	14	934	18	1435	28
7. FOREIGN EXCHANGE EARNINGS	2471	48	2618	51	3431	67	4494	88	5259	103	5973	117	5009	98	3149	62	4795	94	4630	91
AT YEAR END																				
8. GROSS FIXED ASSETS	15769	308	16339	319	16655	326	17273	338	18815	368	21520	421	24158	472	26606	520	27255	533	28059	549
9. SHARE CAPITAL	1524	30	1224	24	524	10	524	10	786	15	786	15	786	15	786	15	1143	22	1143	22
10. RESERVES AND SURPLUS	8621	169	8368	164	8455	165	9776	191	10866	212	12249	239	13390	262	13385	262	24735	484	25208	493
11. NET WORTH	10145	198	9592	188	8979	176	10300	201	11652	228	13035	255	14176	277	14171	277	25878	506	26352	515
12. BORROWINGS	6018	118	7435	145	8091	158	7093	139	7916	155	8129	159	10230	200	12595	246	8240	161	2601	51
13. CAPITAL EMPLOYED	12816	251	14434	282	15599	305	16638	325	18710	366	20153	394	24406	477	25384	496	28868	564	28852	564
PER SHARE (₹)																				
14. NET WORTH PER EQUITY SHARE	23.27 *	0.45	22.63 *	0.44	22.85 *	0.45	26.21 *	0.51	29.65	0.58	33.17	0.65	36.08	0.71	36.06	0.71	45.28 **	0.89	46.10 **	0.90
15. EARNINGS PER EQUITY SHARE WITH EXTRAORDINARY ITEM	0.16 *	0.00	0.49 *	0.01	0.74 *	0.01	4.80 *	0.09	5.10	0.10	5.53	0.11	4.34	0.08	1.46	0.03	1.63 **	0.03	2.14 **	0.04
16. EARNINGS PER EQUITY SHARE WITHOUT EXTRAORDINARY ITEM	0.16 *	0.00	0.49 *	0.01	0.82 *	0.02	2.74 *	0.05	4.01	0.08	5.53	0.11	4.34	0.08	1.46	0.03	1.63 **	0.03	2.14 **	0.04
17. DIVIDEND PER EQUITY SHARE	0.40 *	0.01	0.40 *	0.01	0.53 *	0.01	1.33 *	0.03	1.40	0.03	1.80	0.04	1.20	0.02	1.20	0.02	0.90 **	0.02	1.10 **	0.02
RATIO																				
18. DEBT: EQUITY RATIO	0.77 : 1		0.91 : 1		0.90 : 1		0.69 : 1		0.68 : 1		0.62 : 1		0.72 : 1		0.89 : 1		0.32 : 1		0.10 : 1	

* based on the number of Equity Shares subsequent to sub-division of face value of the Equity Shares and issue of Bonus Shares on 20th September, 2006 increasing the number of Equity Shares by 7.5 times.

** based on the number of Equity Shares subsequent to Rights Issue of Equity shares on 26th March, 2011 increasing the number of Equity shares from 392,953,972 to 571,569,414.

Notes :

- Serial nos. 8,10,11,13,14 and 18 are inclusive of Revaluation Reserve balance as at year end.
- Figures have been regrouped/rearranged wherever necessary.

CHAIRMAN'S REVIEW

Ladies and Gentlemen,

Despite a promising start, 2011 was a year of slow and fragile recovery. The year 2012 started on a promising note amidst hopes that the global financial crisis was at a turning point. Unfortunately, events have proved otherwise. Europe continues to be plagued by persistent recession and high levels of unemployment. The Eurozone is under immense stress. The economic upheaval in Europe could have dire consequences, not only for Europe, but also for most global economies.

The hospitality industry's performance is directly related to economic growth and investor confidence. Unfortunately, the economies on which we depend are shrouded in uncertainty.

Business travellers are an important segment for our hotels and business sentiment has been on a progressive decline in India in the past year. Inflation and high interest rates are impacting economic growth and GDP forecasts have been revised downwards. Foreign investor confidence is at a low ebb due to the recent unfriendly government policies, corruption scandals and a stalled economic reform agenda. The recent Standard and Poor's rating downgrade is reflected in the growing uneasiness of foreign investors. Most investors are waiting and watching.

Despite short term challenges, the long term outlook for the Indian hospitality industry is positive. A country as diverse as India with a strong historic and cultural heritage will always be sought after by international travellers. Multiple centres of economic activity are emerging rapidly in India thus creating a growing demand for domestic customers who value quality and are prepared to pay for superior service and accommodation.

The development of Human Resources continues to be a priority for the Company. We can claim with pride that the Oberoi Group has trained some of the best people in the hospitality industry. Former employees have made successful careers, not only in our industry, but in banking, insurance, healthcare and other service industries.

The Oberoi Centre of Learning and Development (OCLD) has been responsible for training young talent since 1968. Many of our General Managers and senior executives are graduates from this institution.

As I have said in the past, infrastructure is a key to economic development. Most cities in India are deficient in power and water. Despite assurances from the Centre and State Governments there appears to be no significant improvement.

Global warming is changing the climate on all continents. The burning of fossil fuels, particularly coal and oil, is responsible for climate change. It is our endeavour to harness solar and wind power to reduce our reliance on power generated by fossil fuels.

I thank all those who work for the Company for their hard work and dedication. I also thank my colleagues on the Board for their advice and continued support.

Thank you.

A handwritten signature in black ink, appearing to read 'P.R.S. Oberoi', with a long, sweeping horizontal stroke extending to the right.

P.R.S. OBEROI

Chairman

15th June, 2012

DIRECTORS' REPORT

The Board presents the Sixty-second Annual Report together with the Audited Statement of Accounts and the Auditor's Report in respect of the year ended 31st March, 2012.

The financial highlights are given below:

	Rupees in million	
	2011-2012	2010-2011
Total Revenue	11,473.32	11,429.49
Earnings before Interest, Depreciation, Taxes, Amortisations and Exceptional Items (EBIDTA)	2,913.69	3,325.38
Interest and Finance Charges	544.11	1,551.94
Depreciation	931.07	874.35
Exceptional Income/(Expenditure)	111.46	(44.18)
Profit before tax	1,549.97	854.91
Current tax	193.13	38.88
Deferred tax	132.66	170.63
Profit after tax	1,224.18	645.40
Dividend	628.73	514.41
Dividend tax	91.94	71.39
Transfer to General Reserve	150.00	128.08
Balance carried over	3,368.24	3,014.73

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 ("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.

The annexed Management Discussion and Analysis forms a part of this Report and covers, amongst other matters, the performance of the Company during the Financial Year 2011-2012 as well as the future outlook.

In accordance with the Listing Agreement with the Stock Exchanges, the following are attached:

1. Consolidated Financial Statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 along with the Auditor's Report.
2. The Report on Corporate Governance in accordance with Clause 49 of the Listing Agreement and the Auditor's Certificate.

The Board recommends a Dividend of ₹ 1.10 per Equity Share in respect of the Financial Year 2011-2012.

The Dividend, if approved at the forthcoming Annual General Meeting, will be paid on 8th August, 2012 to Shareholders whose names appear on the Register of Shareholders at the close of business on 25th July, 2012. As per the Income Tax Act, 1961, the Tax on the Dividend will be borne by the Company.

Energy conservation continues to be a focus area for the Company. All hotels have energy conservation committees and conduct periodic energy audits. The Company believes in responsible environmental practices and constantly pursues alternative sources of energy. The Company has embarked on a pilot project on wind energy through an investment in a wind energy supplier. The Company intends to expand the use of wind energy to other hotels.

Energy conservation measures taken during the year include installation of treated fresh air units with heat pipes, recycling STP water using ultra filtration, installation of water conservation devices in guest bathrooms, replacement of incandescent bulbs with low power consumption LEDs, compact fluorescent and IR lights, installation of sensors and enhancement of Building Management Systems. Installation of variable speed drives on ventilation and exhaust fans, installation of automatic power factor controllers and change to natural gas as fuel instead of LPG/furnace oil. Furthermore, installation of solar based power systems are in progress and are expected to be commissioned in the coming year.

Measures planned for next year include installation of more efficient chillers, upgrading of elevators, installation of energy efficient pumps for swimming pools and replacement of old hot water generators.

During the Financial Year 2011-12, the Foreign Exchange earnings of the Company amounted to ₹ 4629.68 million as against ₹ 4795.29 million in the previous year. The expenditure in Foreign Exchange during the Financial Year was ₹ 1042.55 million as compared to ₹ 897.26 million in the previous year.

The Board of Directors of the Company ("the Board") at its Meeting held on 31st October, 2011 appointed Mrs. Nita Mukesh Ambani, Mrs. Renu Sud Karnad, Mr. Manoj Harjivandas Modi and Mr. Robert Henry Burns as Additional Directors on the Board. Pursuant to Section 260 of the Act read with Article 92 of the Articles of Association of the Company they will hold office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received Notices from Shareholders proposing the appointment of Mrs. Nita Mukesh Ambani, Mrs. Renu Sud Karnad, Mr. Manoj Harjivandas Modi and Mr. Robert Henry Burns as regular Directors at the forthcoming Sixty-second Annual General Meeting of the Company. The particulars of the proposed Directors

are given as an Annexure to the Notice. The Directors recommend the appointments of Mrs. Nita Mukesh Ambani, Mrs. Renu Sud Karnad, Mr. Manoj Harjivandas Modi and Mr. Robert Henry Burns as regular Directors on the Board of the Company who are liable to retire by rotation.

The present terms of appointments of Mr. P.R.S. Oberoi, Chairman and Chief Executive and Mr. S.S. Mukherji, Vice Chairman, will expire on 26th June, 2012. It is proposed to re-appoint Mr. Oberoi as Executive Chairman for a fresh term of five years from 27th June, 2012. It is also proposed to appoint Mr. S.S. Mukherji as Vice Chairman on fresh terms and conditions for a period of five years from 27th June, 2012.

Mr. Vikram Oberoi and Mr. Anil Nehru retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The Directors recommend reappointment of Mr. Vikram Oberoi and Mr. Anil Nehru as Directors on the Board.

The Central Government has granted a general exemption to companies publishing audited Consolidated Financial Statements from attaching copies of the Report and Accounts of their Subsidiary Companies subject to the Board's consent. The Board, having given its consent, the Report and Accounts of the Subsidiary Companies have not been attached to this Report. The Board has, however, prescribed specified information on the Subsidiary Companies to be disclosed as part of its Consolidated Financial Statements. This information has been incorporated on Page 104 of this Annual Report.

Subject to prior arrangement, the Audited Annual Accounts of the Subsidiary Companies will be available for inspection by any Shareholder at the Company's Registered Office. Shareholders interested to obtain a copy of the Audited Annual Accounts of the Subsidiary Companies may write to the Company Secretary at the Registered Office of the Company.

The Auditors of the Company, Messrs. Ray and Ray, Chartered Accountants, retire and are eligible for re-appointment. They have confirmed that, if reappointed, their appointment will be within the limits prescribed under Section 224(1B) of the Act. The Directors recommend their re-appointment as Auditors of the Company for the Financial Year 2012-13.

The information required under Section 217(2A) of the Act together with the Companies (Particulars of Employees) Rules, 1975, forms a part of this Report.

The Board thanks all employees for their commitment, dedication and co-operation.

For and on behalf of the Board

Gurgaon
29th May, 2012

S. S. MUKHERJI
Vice Chairman

P. R. S. OBEROI
Chairman and Chief Executive

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure, Developments and Outlook

The performance of the hotel industry is directly connected with global and local economic growth and investor confidence. A strong underlying economy is a pre-requisite for sustained recovery. Unfortunately, the year 2011 has not been a year of economic recovery either in India or globally.

After two exceptionally bad years, the global hospitality industry was expected to recover in 2011. Despite encouraging signs in the first half of 2011, there was growing uncertainty during the latter part of the year. As a result, recovery has been fragile during 2011. The situation in India mirrors this overall global trend.

Foreign arrivals to India grew only marginally compared to the previous year. As a result, occupancies were higher than the previous year but room rates have been subdued and it has not been generally possible for hotels to revise room rates upwards.

In the near and medium term the Indian hospitality industry is likely to be affected due to lower arrivals from Europe and the United States. Absence of significant economic reforms, inflation and the continued depreciation of the rupee has affected investment.

Opportunities, Threats, Risks and Concerns

Most governments recognise the role that the Travel and Tourism sector can play in employment generation, foreign exchange earnings and trade in general, thereby contributing to GDP growth. In a country as vast and diverse as India, with historical monuments and heritage sites spread across the land, the Travel and Tourism sector can play a significant role in job creation and be a catalyst for sustainable development.

The World Tourism Organisation has forecast that, in the year 2012, international tourism will grow at a slower rate. Tourist arrivals are expected to grow by 3% to 4% in the emerging economies.

However, there are some immediate concerns with major international brands expanding their presence in India. In the luxury segment, supply exceeds demand in several cities. The Indian urban landscape is also changing rapidly with the emergence of new and multiple centers of economic activity within the large metropolitan cities thus creating a need for hotels in such centers. There is also a growing demand to establish quality hotels beyond traditional metropolitan cities in hitherto untouched smaller cities.

Development of quality infrastructure is a key to India realising its full tourism potential. Hotels constitute only one element of tourism infrastructure. Airlines are important for growth of tourism. Several airlines are currently witnessing a financial crisis. Consequently, flight schedules have been severely affected. Much remains to be done to enhance our other infrastructure such as roads and airports etc., so that India can handle the anticipated increase in future travel demand.

In the long term, the 2011 World Economic Forum's Report on World Travel and Tourism Competitiveness remains optimistic. The Report forecasts that India could rank in the top 10 countries in terms of annual growth by the end of this decade.

Whilst we may face a slower growth outlook in the short to medium term, there is, undoubtedly, considerable potential for long term growth.

Internal Control Systems and Risk Management

The Company has a well structured internal audit function. Under the guidance and

supervision of an independent Audit Committee, the internal audit department conducts regular audits to ensure that control systems and procedures are adhered to across all areas. The Company continues to improve its systems and procedures for effective internal control. The Company's Risk Management Team periodically keeps the Board informed regarding the various risks associated with the Company's business. Necessary measures are taken expeditiously to mitigate all risks.

Financial and Operating Performance

During the Financial Year 2011-2012, the Company reacted dynamically to the depressed market demand, while keeping operational costs under control.

The full benefit of the Rights Issue of 2010-2011 was realised in the year with reduced finance costs.

The Company's Total Revenue increased to ₹ 11,473 million as compared to ₹ 11,430 million in the previous year, while the Company's total income from operations increased by 8% to ₹ 11,249 million as compared to ₹ 10,446 million.

Profit from operations increased by 20% to ₹ 1,758 million as compared to ₹ 1,468 million in the previous year.

Profit before Tax was ₹ 1,550 million as compared to ₹ 855 million in the previous year. Profit after Tax was ₹ 1,224 million as compared to ₹ 645 million in the previous year i.e., an increase of approximately 90%.

The Company continues to be largely engaged in hospitality and related services. The segment-wise results and the capital employed are given on page 101 of this Annual Report.

Business Consolidation and Expansion

The new flight kitchen at Indira Gandhi International Airport, New Delhi will open by June 2012. Trial runs have begun and this very sophisticated state of the art kitchen will produce 15,000 meals per day to cater to domestic and international flights. The kitchen has won the "Future Kitchen Award" by the trade journal "Catering Management" at the Intergastra Fair, 2012 held at Stuttgart, Germany for its excellent kitchen design and energy conservation.

Two hotels to be managed by the Company at Cyber City, Hyderabad are under construction. Trident, Hyderabad consisting of 326 keys is expected to open later this year followed by the 220 key The Oberoi on which construction is progressing.

The Oberoi, Kabini jungle lodge, located in Karnataka, is under construction.

Planning approval for the Company's 55 acre beach front site at Goa has been received; environmental clearance is awaited.

Planning in respect of the 250 key The Oberoi and luxury branded residences in Bangalore and The Oberoi, Pune is progressing.

The luxury 252 key The Oberoi, Dubai is expected to open later this year. The Oberoi, Dubai will be managed by a wholly owned subsidiary.

The Oberoi, Marrakech is under construction; this hotel will also be managed by an overseas subsidiary. In addition to the hotel, branded residences for sale are planned on an adjacent site. Planning in respect of the Casablanca project is in progress.

Awards

Mr. P.R.S. Oberoi was presented with the Lifetime Achievement Award for his outstanding contribution to the Indian Hospitality Industry by Condé Nast Traveler, India, Readers' Travel Awards 2011.

The Company won the Business Leader Award in the hospitality category by NDTV Profit Business Leadership Awards 2011.

The Company continues to get major recognition for the outstanding quality of its hotels. During the Financial year 2011-2012, awards received by Oberoi Hotels and Resorts have been:

Hotel	Award	Awarded By
The Oberoi, New Delhi, India	Favourite Business Hotel in India (Ranked 2nd) Amongst the Top 25 City Hotels in Asia Best Hotel in New Delhi	Condé Nast Traveller, India, Readers' Travel Awards 2011 Travel + Leisure, World's Best Awards, Readers' Poll 2011 DestinAsian Readers' Choice Awards 2011
The Oberoi, Mumbai, India	Amongst the Top 25 City Hotels in Asia	Travel + Leisure, World's Best Awards, Readers' Poll 2011
The Oberoi Rajvilās, Jaipur, Rajasthan, India	Top 10 Resorts in the World for Service (Ranked 5th) Top Resorts in Asia for Service (Ranked 2nd) Best Five Star Deluxe Hotel in India Favourite Boutique Hotel in India (Ranked 2nd) Top 15 Resorts in Asia (Ranked 3rd) Top 100 Hotels in the World (Ranked 8th)	Travel + Leisure, World's Best Service Awards Readers' Survey 2012 Travel + Leisure, World's Best Service Awards Readers' Survey 2012 Ministry of Tourism, Government of India, National Tourism Awards 2010-2011 Condé Nast Traveller, India, Readers' Travel Awards 2011 Travel + Leisure, World's Best Awards, Readers' Poll 2011 Travel + Leisure, World's Best Awards, Readers' Poll 2011
The Oberoi Amarvilās, Agra, Uttar Pradesh, India	Top Resorts in Asia for Service (Ranked 5th) Best Leisure Hotels in Asia & the Indian Subcontinent (Ranked 2nd) Top 15 Resorts in Asia (Ranked 4th) Top 100 Hotels in the World (Ranked 14th)	Travel + Leisure, World's Best Service Awards Readers' Survey 2012 Condé Nast Traveller, UK, Readers' Travel Awards 2011 Travel + Leisure, World's Best Awards, Readers' Poll 2011 Travel + Leisure, World's Best Awards, Readers' Poll 2011
The Oberoi Vanyavilās, Ranthambhore, Rajasthan, India	Best Wildlife Resort in India (Ranked 1st) Top 100 Hotels in the World (Ranked 1st)	Lonely Planet, The Travel Awards, 2012 Travel + Leisure, World's Best Awards, Readers' Survey 2010

Hotel	Award	Awarded By
	Top 15 Resorts in Asia (Ranked 1st)	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2010
The Oberoi Udaivilās, Udaipur, Rajasthan, India	Top 10 Resorts in the World for Service (Ranked 1st) Top Resorts in Asia for Service (Ranked 1st) Best Luxury Resort in India (Ranked 1st) Favourite Leisure Hotel in India (Ranked 1st) Top 15 Resorts in Asia (Ranked 1st) Top 100 Hotels in the World (Ranked 5th)	<i>Travel + Leisure</i> , World's Best Service Awards Readers' Survey 2012 <i>Travel + Leisure</i> , World's Best Service Awards Readers' Survey 2012 <i>Travel + Leisure</i> , India & South Asia, India's Best Awards 2011 <i>Condé Nast Traveller</i> , India, Readers' Travel Awards 2011 <i>Travel + Leisure</i> , World's Best Awards, Readers' Poll 2011 <i>Travel + Leisure</i> , World's Best Awards, Readers' Poll 2011
Wildflower Hall, Shimla in the Himalayas, Himachal Pradesh, India	India's Leading Spa Resort Best Leisure Hotels in Asia in the Indian Subcontinent (Ranked 2nd) Favourite Overseas Hotel Spa: Asia & the Indian Subcontinent (Ranked 2nd) Favourite Spas in the World (Ranked 6th)	World Travel Awards 2010 <i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2010 <i>Condé Nast Traveller</i> , UK, Readers' Spa Awards 2010 <i>Condé Nast Traveller</i> , UK, Readers' Spa Awards 2010
The Oberoi, Lombok, Indonesia	Best Leisure Hotels in Asia & the Indian Subcontinent (Ranked 5th)	<i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2011
The Oberoi, Sahl Hasheesh, Red Sea, Egypt	Favourite Resort/Hotel Spas in Africa and Middle East (Ranked 5th)	<i>Spa</i> , USA, Readers' Choice Awards 2010
The Oberoi, Mauritius	Best Leisure Hotels in the Indian Ocean (Ranked 11th) Best Hotels in the Indian Ocean (Ranked 1st)	<i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2011 <i>Ultratravel</i> , UK, Top 100 Awards, Readers' Poll 2010
Trident, Gurgaon	Asia's leading hotel India's leading hotel	World Travel Awards 2011 World Travel Awards 2011
Trident, Bandra Kurla, Mumbai	Favourite New Hotel in India (Ranked 2nd)	<i>Condé Nast Traveller</i> , India, Readers' Travel Awards 2011

Corporate Social Responsibility

The Company is conscious of its corporate social responsibilities and pursues its social commitments and environmental conservation very seriously. During the year, the Company and its hotels pursued several activities for the well being of local communities.

The Company supported the Cancer Centre Welfare Home & Research Institute, Kolkata for setting up a facility for Brachytherapy for cancer treatment at an affordable price. The Oberoi Grand, Kolkata contributes to Sarada Seva Sangh in its efforts to empower rural women and also carried out a “donation campaign” for the “Calcutta Rescue” working for the socially and economically disadvantaged people in Kolkata and rural West Bengal. The Oberoi Amarvilās, Agra has associated itself with Mother Teresa Charity Home, Agra and the Leprosy Institute. The Oberoi Udaivilās, Udaipur contributes to the Mother Teresa Orphanage Home and also the Animal Aid Society. The Trident, Bandra Kurla, Mumbai supports St. Cathedral’s Home for the Destitute, Bandra by donating computers and also visits “Om Creations” – a centre for training autistic women, to train them to prepare various food and household items. The Oberoi, Mumbai works with the Consular Corps of Mumbai to support the under privileged. Wildflower Hall, Shimla has adopted a village near the hotel and fulfils the basic requirements of the people in the village including providing primary health care facilities. The Oberoi Vanyavilās, Ranthambhore has initiated several programmes to reward and recognise forest guards and their families including securing Personal Accident Insurance for 251 guards. The hotel has also contributed to the “Tiger Watch” working for the protection and conservation of wildlife in the Ranthambhore Tiger Reserve.

Human Resources

The Company firmly believes that its greatest strength lies in the quality of its people. The Company also believes that its “people philosophy” gives it a competitive edge. The goal is to ensure that guests are served by bright, enthusiastic and committed employees who anticipate guests’ needs and deliver exceptional service with genuine warmth.

The Company was ranked No. 1 within the hospitality category of a “Business Today” survey of “Best Companies to Work For in India” conducted by the magazine in September 2011. This ranking is based on an electronic survey questionnaire sent to over two million randomly chosen respondents by “Business Today” asking the respondents to rank 5 companies across industries they felt were best to work for on specified parameters.

During the year Industrial Relations were cordial. As on 31st March, 2012, the number of employees in the Group was 8926.

For and on behalf of the Board

Gurgaon
29th May, 2012

S. S. MUKHERJI
Vice Chairman

P. R. S. OBEROI
Chairman and Chief Executive

REPORT ON CORPORATE GOVERNANCE

1. The Company's Philosophy on Code of Governance

The Company's philosophy on Governance is documented in **"The Oberoi Dharma"**, which is the fundamental Code of Conduct of the Company and in its **"Mission Statement"**.

The texts of **"The Oberoi Dharma"** and the **"Mission Statement"** appear on Pages 8 and 9 of this Annual Report.

2. Board of Directors

As on 31st March, 2012, the Company had Twelve Directors on the Board. Eight Directors on the Board comprised of Non-executive Directors. Six of the Non-executive Directors are Independent Directors.

Mr. P.R.S. Oberoi, Chairman and Chief Executive, Mr. S.S. Mukherji, Vice Chairman, Mr. Vikram Oberoi, Chief Operating Officer and Joint Managing Director and Mr. Arjun Oberoi, Chief Planning Officer and Joint Managing Director are Executive Directors.

At the Board Meeting held on 31st October, 2011 Mrs. Nita Mukesh Ambani, Mrs. Renu Sud Karnad, Mr. Manoj Harjivandas Modi and Mr. Robert Henry Burns were appointed as Additional Directors on the Board. They hold office upto the date of the forthcoming Annual General Meeting and are eligible for appointment as regular Directors on the Board. Their particulars are attached as an Annexure to the Notice convening the Sixty-second Annual General Meeting.

The Board met five times during the Financial Year - on 30th May, 2011, 8th August, 2011, 31st October, 2011, 2nd February, 2012, and 29th March, 2012.

Details of attendance of Directors at Board Meetings during the Financial Year and at the Company's Sixty-first Annual General Meeting together with the number of other Directorships and Committee Memberships held by them are as follows:

Name	Designation	Category	Attendance		No. of other Directorships*	No. of Board Committees (other than EIH Limited)
			Board Meetings	Last AGM		
Mr. P.R.S. Oberoi	Chairman and Chief Executive	Executive	5	Yes	9	1**
Mr. S.S. Mukherji	Vice Chairman	Executive	5	Yes	5	2
Mr. Vikram Oberoi	Chief Operating Officer and Joint Managing Director	Executive	5	Yes	3	3
Mr. Arjun Oberoi	Chief Planning Officer and Joint Managing Director	Executive	5	Yes	3	2
Mr. S.K. Dasgupta	Director	Non-executive Independent	5	Yes	3	2***
Mr. Rajan Raheja	Director	Non-executive Independent	2	No	7	4**

Name	Designation	Category	Attendance		No. of other Directorships*	No. of Board Committees (other than EIH Limited)
			Board Meetings	Last AGM		
Mr. Anil Nehru	Director	Non-executive Independent	5	Yes	3	2**
Mr. L. Ganesh	Director	Non-executive Independent	5	Yes	11	9***
Mrs. Nita Mukesh Ambani #	Additional Director	Non-Executive Non-Independent	2	NA	Nil	Nil
Mrs. Renu Sud Karnad #	Additional Director	Non-Executive Independent	2	NA	14	5@
Mr. Manoj Harjivandas Modi #	Additional Director	Non-Executive Non-Independent	2	NA	2	2
Mr. Robert Henry Burns #	Additional Director	Non-Executive Independent	2	NA	Nil	Nil

Appointed at the Board Meeting held on 31.10.2011

* Excludes directorships contemplated under Section 278 of the Companies Act, 1956

** Chairman of one Committee

*** Chairman of two Committees

@ Chairperson of three Committees

Mr. Vikram Oberoi and Mr. Anil Nehru retire by rotation at the forthcoming Sixty-second Annual General Meeting. They are eligible for re-appointment.

Their particulars are enclosed as an Annexure to the Notice convening the Sixty-second Annual General Meeting.

All Directors and Members of Senior Management have, as on 31st March, 2012, affirmed their compliance with:-

- *The Oberoi Dharma*, the Fundamental Code of Conduct for all Members of The Oberoi Group;
- the Company's Code of Conduct for Prevention of Insider Trading in its shares.

3. Audit Committee

Composition, Meetings and Attendance thereat

The Audit Committee consists of four Board Members, viz. Mr. S.K. Dasgupta, Mr. Arjun Oberoi, Mr. Rajan Raheja and Mr. Anil Nehru.

All Audit Committee Members, except Mr. Arjun Oberoi, are Non-executive Independent Directors. The quorum for an Audit Committee Meeting is two Members personally present. Mr. Dasgupta is the Chairman of the Committee. He is a past President of The Institute of Chartered Accountants of India and has expert knowledge in finance and accounting. All other Members of the Committee are financially literate within the meaning of Explanation 1 to Clause 49II (A) (ii) of the Listing Agreement.

The Audit Committee met on four occasions during the Financial Year - on 30th May, 2011, 8th August, 2011, 30th October, 2011, and 2nd February, 2012. Mr. S.K. Dasgupta, Mr. Arjun Oberoi and Mr. Anil Nehru attended all four Meetings.

Mr. Rajan Raheja attended one Meeting.

The Auditors, the Chief Internal Auditor, the Chairman and Chief Executive, the Vice Chairman, the Chief Operating Officer and Joint Managing Director and Mr. L. Ganesh, Director are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

The Terms of Reference of the Audit Committee are in accordance with those specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

4. Investors' Grievances Committee

Composition, Meetings & Attendance thereat

The Investors' Grievances Committee consists of the following Directors viz. Mr. P.R.S. Oberoi, Mr. S.S. Mukherji, Mr. S.K. Dasgupta, Mr. Vikram Oberoi and Mr. Arjun Oberoi. The Secretary of the Company is the Compliance Officer.

The quorum for a Meeting is two Directors personally present. Mr. S.K. Dasgupta, an Independent Non-executive Director chairs these Meetings.

The Committee met on four occasions during the Financial Year - on 10th May, 2011, 22nd July, 2011, 21st October, 2011 and 24th January, 2012. Mr. S.K. Dasgupta and Mr. S.S. Mukherji attended all four Meetings.

Terms of Reference

The Committee monitors the Company's response to investor complaints. It has also been authorised to approve the issue of duplicate share certificates in lieu of those lost or destroyed.

In accordance with the provisions of Clause 49IV(G)(iv) of the Listing Agreement, the power to approve transfers, transmissions, etc. of shares in the physical form has been delegated to a Committee of Executives.

As on 31st March, 2012, pending requests for dematerialisation of shares were 15. These were cleared by the first week of April, 2012. There were 14 pending physical transfer requests as on 31st March, 2012. All valid requests were cleared by 5th April, 2012.

Six complaints were received from investors during the Financial Year. These related to non-receipt of Composite Application Form in the Company's Rights Issue, in 2011. These were promptly redressed. No complaints were pending as on 31st March, 2012.

5. Remuneration Committee

Composition, Meetings & Attendance thereat

The Listing Agreement with the Stock Exchanges provides that a Company may appoint a Committee for recommending managerial remuneration payable to the Directors. The Company has in place a Remuneration Committee for the said purpose consisting of three Non-executive Independent Directors, viz. Mr. S.K. Dasgupta,

Mr. Anil Nehru and Mr. L. Ganesh. The quorum for a Meeting is two Members personally present. Members attending a Meeting choose one from amongst those present to chair a Meeting.

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

The Committee discharges the role assigned to it under Part-II, Section-II of Schedule XIII of the Companies Act, 1956. It formulates and approves, in accordance with the parameters set out in the said Schedule, a minimum remuneration structure for the wholetime Directors should the Company have no profits or inadequate profits during a Financial Year.

There was no requirement for a Meeting during the Financial Year 2011-2012.

6. Subsidiary Companies

The names of the Company's Subsidiary Companies appear on page 61 of this Report.

No Subsidiary Company qualifies as a "material non listed Indian subsidiary" as per the definition of a "material non listed Indian subsidiary" in Clause 49 III of the Listing Agreement.

7. General Body Meetings

i) Location and time of the last three Annual General Meetings (AGMs) and Special Resolutions passed at these Meetings:

Financial Year ended	Location	Date	Time	Number of Special Resolutions passed
31st March, 2009	The Oberoi Grand, Kolkata	20th August, 2009	11.30 A.M.	Nil
31st March, 2010	The Oberoi Grand, Kolkata	24th August, 2010	11.30 A.M.	Nil
31st March, 2011	The Oberoi Grand, Kolkata	9th August, 2011	11.30 A.M.	Nil

ii) Whether any Special Resolution is proposed to be conducted through Postal Ballot:

There is no proposal at present to pass any Special Resolution by Postal Ballot.

8. Remuneration of Executive Directors

A. Salary and other Benefits

	Salary ₹/million	Perquisites and Retirement Benefits ₹/million
Mr. P.R.S. Oberoi	Nil	0.38
Mr. S.S. Mukherji	10.02	1.28
Mr. Vikram Oberoi	5.04	2.83
Mr. Arjun Oberoi	5.04	5.38

B. Commission on Profits (Accrued) ₹/million

Mr. P.R.S. Oberoi	41.60
Mr. S.S. Mukherji	24.96
Mr. Vikram Oberoi	12.48
Mr. Arjun Oberoi	12.48

Apart from Meeting Fees, no remuneration is paid to Non-executive Directors. Non-executive Directors who attend Board or Committee Meetings are paid ₹ 20,000 per Meeting. During the Financial Year, the total amount paid to Non-executive Directors for attending Board and Committee Meetings amounted to ₹ 760,000.

9. General Disclosures

- (i) A summary of transactions with related parties, in the ordinary course of business, is placed before the Audit Committee;
- (ii) there were no material individual transactions with related parties that were not in the ordinary course of business during the Financial Year ended 31st March, 2012;
- (iii) all material transactions during the Financial Year ended 31st March, 2012, either with related parties or others, were at arms length;
- (iv) there were no materially significant transactions during the Financial Year with related parties such as the Promoters, Directors, Key Managerial Personnel, relatives or subsidiaries that could have potential conflict of interest with the Company;
- (v) the mandatory disclosure of transactions with related parties, in compliance with the Accounting Standard (AS-18), is part of this Annual Report and disclosed on Pages 99 and 100.
- (vi) none of the Non-executive Directors hold any shares in the Company;
- (vii) in preparing the Annual Accounts in respect of the Financial Year ended 31st March, 2012, no accounting treatment was different from that prescribed in the Accounting Standards;
- (viii) there was no instance of non-compliance on any matter relating to the capital markets during the past three years; and

- (ix) the Company has a Code of Conduct for Prevention of Insider Trading in the shares of the Company for Directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

10. Means of Communication

Annual Reports in respect of each Financial Year are mailed to all Shareholders in June/July of each calendar year. Each Report contains the Annual Accounts of the Company in respect of the Financial Year with the Directors' and Auditor's Reports. Also included in each Annual Report is the Notice convening the Annual General Meeting, the Financial Year's Corporate Governance Report and the Cash Flow Statement together with the corresponding Reports of the Auditors, the Consolidated Accounts and the Auditor's Report thereon.

The Financial Results of the Company were officially released or will be released in accordance with the following schedule:

Sl. No.	Nature of Communication	Media used for Publication	Dates of Publication	Forwarded/to be forwarded to Stock Exchanges on
1	Quarterly Unaudited Financial Statements (First Quarter 2011-2012)	Newspapers	10.08.2011	08.08.2011
2	Half-yearly Unaudited Financial Statements (Second Quarter 2011-2012)	Newspapers	01.11.2011	31.10.2011
3	Quarterly Unaudited Financial Statements (Third Quarter 2011-2012)	Newspapers	03.02.2012	02.02.2012
4	Publication of Annual Audited Results 2011-2012 in accordance with Clause 41 of the Listing Agreement with the Stock Exchanges	Newspapers	On or before 01.06.2012	29.05.2012

The Financial Results are published in The Economic Times, The Times of India, The Financial Express, The Indian Express, Business Standard and *Ekdin*.

All corporate information filed by the Company with the Stock Exchanges is uploaded on www.corpfilings.co.in and can be viewed on this portal. Such information is also available on the Company's website www.eihltd.com

The Management Discussion and Analysis in respect of the Financial Year is a part of the Directors' Report.

11. General Shareholder Information

- a. The Sixty-second Annual General Meeting will be held at 11.30 A.M. on Tuesday, 7th August, 2012, at The Oberoi Grand, Kolkata.**

- b. The tentative Financial Calendar is as follows:**

Audited Annual Accounts for 2011-2012	Tuesday	29th May, 2012
Mailing of Annual Report for 2011-2012	On or before Friday	13th July, 2012
Unaudited First Quarter Financial Results 2012-2013	Monday	6th August, 2012
Sixty-second Annual General Meeting	Tuesday	7th August, 2012
Payment of Dividend for 2011-2012	Wednesday	8th August, 2012
Unaudited Second Quarter Financial Results 2012-2013	Thursday	1st November, 2012

- c. Register of Shareholders**

The Register of Shareholders will remain closed from Thursday, 26th July, 2012 to Tuesday, 7th August, 2012, both days inclusive.

- d. Payment of Dividend**

Warrants relating to dividend in respect of the Financial Year 2011-2012, if declared by the Company at the Sixty-second Annual General Meeting, will be despatched on Wednesday, 8th August, 2012, to those Shareholders whose names will appear in the Register of Shareholders of the Company as at the close of business on Wednesday, 25th July, 2012.

- e. Listing of Shares on Stock Exchanges**

The Stock Exchanges with their respective Stock Codes are as follows:

Kolkata	05
Mumbai	500840
National	EIHOTEL
London (in respect of outstanding Global Depository Receipts)	EIHD

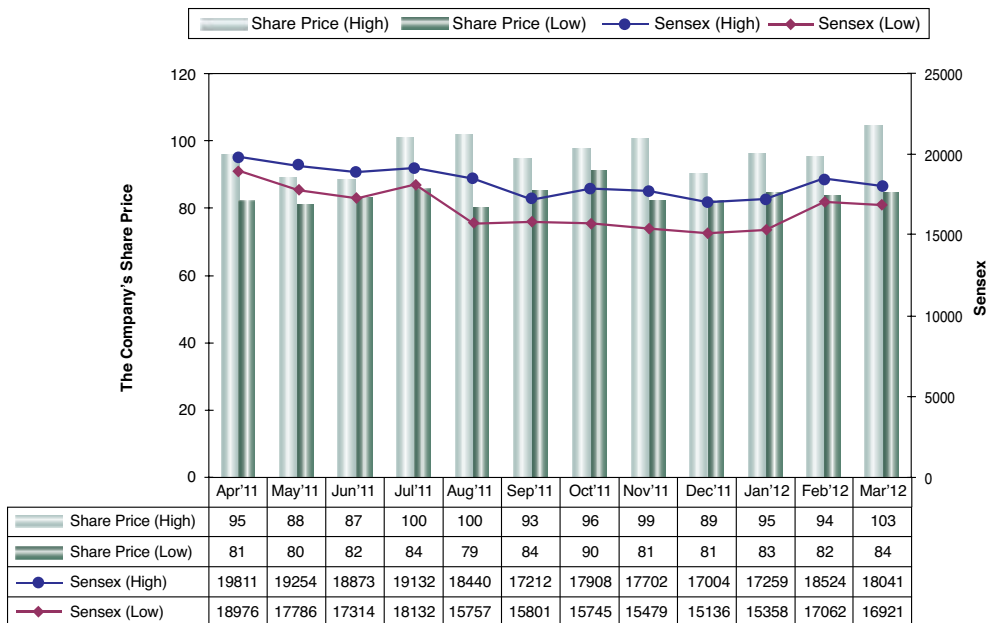
The ISIN Number of the Company's shares in the dematerialised mode is INE 230A01023.

There are no arrears of Listing Fees.

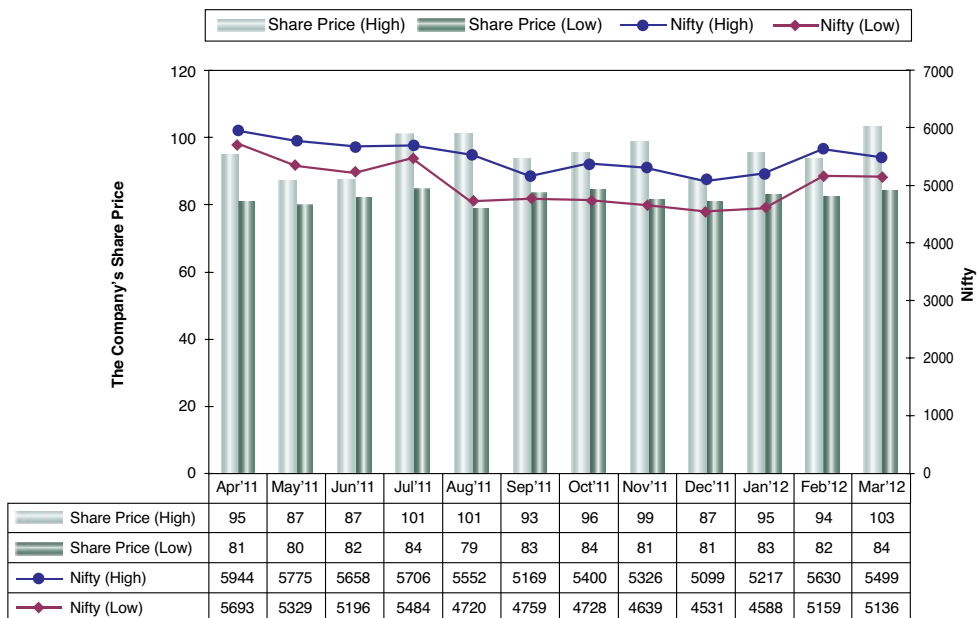
f. Market Price of the Company's Share *vis-à-vis* Sensex and Nifty (in Rupees)

The Company's monthly share price pattern during the Financial Year *vis-à-vis* the Sensex and the Nifty have been as under :

A. The Company's Share Price *vis-à-vis* Sensex



B. The Company's Share Price *vis-à-vis* Nifty



- (g) Clause 5A of the Listing Agreement requires the Company to open an “Unclaimed Suspense Account” in the dematerialised form with a Depository Participant for crediting physical shares issued to Shareholders consequent upon a public or any other issue of shares by the Company which have remained unclaimed by them. The provisions contemplate that the Company should send at least three reminders to the concerned Shareholders prior to transfer of their shareholding to the ‘Unclaimed Suspense Account’. One reminder has already been sent by the Company to the registered addresses of the concerned Shareholders. After the third reminder, physical shares lying to the credit of the concerned Shareholders but still unclaimed by them will be transferred to the “Unclaimed Suspense Account”.
- (h) As a further step towards moving towards a paperless compliance regime under the Companies Act, 1956, in accordance with the Circular No.7/11 dated 21st April, 2011 effective, 1st June, 2011, the Company had commenced e-mailing documents such as the Annual Report and Accounts, Notices of General Meetings, Circulars and Postal Ballot Notices, to such Shareholders whose e-mail addresses are made available to it by the Shareholders. Documents e-mailed to Shareholders will also be readily accessible on the Company’s website www.eihltd.com . Those Shareholders who have specifically written to the Company to send physical copies of the documents will be sent accordingly.

12. Outstanding Global Depository Receipts

0.33 million shares of the Company were held as Global Depository Receipts as on 31st March, 2012. These constitute 0.06% of the total Paid-up Share Capital of the Company.

13. Share Transfers

The Company is a SEBI recognised Category II Share Transfer Agent. Requests for dematerialisation and rematerialisation should be sent to the Company’s Investors Services Division, 4, Mangoe Lane, 6th Floor, Kolkata-700 001. The Investors Services Division of the Company is ISO 9001-2008 certified.

The Company’s shares are traded on the Stock Exchanges in the dematerialised form. Shareholders are requested to ensure that their Depository Participants (“DPs”) promptly send physical documents, i.e., Dematerialisation Request Form (“DRF”), Share Certificates, etc., to the Investors Services Division by giving the Dematerialisation Request Number (“DRN”). Documents of transfer in the physical form, i.e., the Transfer Deeds, Share Certificates, etc., should similarly be sent to the Investors Services Division.

557.82 million shares of the Company, representing 97.59% of the total shares issued, were held in the dematerialised form as on 31st March, 2012 and 13.75 million shares representing 2.41% of the total shares were held in the physical form. As on 31st March, 2012 a total of 67,127 (76.73%) Shareholders have, dematerialised their shareholdings while the balance 20,358 (23.27%) Shareholders continue to hold shares in the physical form.

14. Distribution of Shareholding as on 31st March, 2012

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares (in million)	% of Shareholding
Upto 1000	69,988	80.00	17.82	3.12
1001-5000	15,267	17.45	30.99	5.42
5001-10000	1,434	1.64	9.94	1.74
10001-50000	659	0.75	12.00	2.11
50001-100000	45	0.05	3.08	0.54
100001 and above	92	0.11	497.74	87.07
Total	87,485	100.00	571.57	100.00

15. Pattern of Shareholding as on 31st March, 2012

Category	No. of Shares held (in million)	Percentage of Shareholding
A. Promoter Holding	201.36	35.23
B. Non-Promoter Holding		
Institutional Investors		
a. Mutual Funds	1.23	0.22
b. Banks, Financial Institutions and Insurance Companies	72.03	12.60
c. FII	11.61	2.03
Sub Total	84.87	14.85
Others		
a. Private Corporate Bodies	210.37	36.80
b. Indian Public	73.51	12.86
c. NRIs/OCBs	1.13	0.20
d. Other than above	0.33	0.06
Sub Total	285.34	49.92
Total Non-Promoter Holding	370.21	64.77
GRAND TOTAL	571.57	100.00

16. Unclaimed Dividends

All unclaimed Dividends upto and including the Financial Year ended 31st March, 2004, have been transferred either to the General Revenue Account of the Central Government or to the Investor Education and Protection Fund ("IEPF") as mandated under law.

Shareholders who have not encashed their Dividend Warrants relating to the subsequent Financial Years are reminded by the Investors Services Division from time

to time to claim their dividends before transfer to the IEPF. Under law, no claim for uncashed dividends can lie against either the Company or the IEPF after a period of seven years from the date of disbursement. Therefore, Shareholders who have not yet encashed their Dividend Warrants relating to the Financial Year ended 31st March, 2005 and subsequent years are requested to contact the Investors Services Division.

17. Location of Hotels

A list of Hotels and other business units owned as well as managed by the Company appears as an Annexure to this Report.

18. Address for Correspondence

The Company's Registered Office and the Investors Services Division are located at 4, Mangoe Lane, Kolkata-700 001.

Correspondence from Shareholders on all matters should be addressed to :

The Investors Services Division
 EIH Limited
 4, Mangoe Lane,
 Kolkata-700 001.
 Telephone No. : 91-33-4000 2200
 Facsimile Nos. : 91-33-2248 6785 / 91-33-2242 0957
 E-mail : isdho@oberoigroup.com
 invcom@oberoigroup.com

19. Compliance with Clause 47(f) of the Listing Agreement

In compliance with Clause 47(f) of the Listing Agreement, a separate e-mail ID [**invcom@oberoigroup.com**](mailto:invcom@oberoigroup.com) operates as a dedicated ID solely for the purposes of registering investor complaints.

20. Information as per Clause 49IV(G)(i) of the Listing Agreement

Information pursuant to Clause 49IV(G)(i) of the Listing Agreement pertaining to particulars of Directors to be re-appointed at the forthcoming Annual General Meeting is enclosed as an Annexure to the Notice convening the Annual General Meeting.

21. Compliance Certificate of the Auditors

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. The Certificate is annexed.

For and on behalf of the Board

Gurgaon
 29th May, 2012

S. S. MUKHERJI
Vice Chairman

P. R. S. OBEROI
Chairman and Chief Executive

List of Subsidiary Companies**A. Companies Incorporated in India**

- (1) Mumtaz Hotels Limited
- (2) Mercury Car Rentals Limited
- (3) Mashobra Resort Limited
- (4) Oberoi Kerala Hotels and Resorts Limited

B. Companies Not Incorporated in India

- (1) EIH Flight Services Ltd.
- (2) EIH International Ltd.
- (3) EIH Holdings Ltd.
- (4) EIH Marrakech Ltd.
- (5) J&W Hongkong Ltd.
- (6) Oberoi Turtle Bay Ltd.
- (7) EIIH Corporation Ltd.
- (8) EIH Investments NV
- (9) EIH Management Services BV
- (10) PT Widja Putra Karya
- (11) PT Waka Oberoi Indonesia
- (12) PT Astina Graha Ubud

Locations of the Various Hotels and Other Business Units

A. Hotels owned and managed by EIH Limited

The Oberoi, Mumbai	The Oberoi Udaivilās, Udaipur
The Oberoi, New Delhi	The Oberoi Vanyavilās, Ranthambhore
The Oberoi, Bangalore	Trident, Nariman Point, Mumbai
The Oberoi Grand, Kolkata	Trident, Bandra Kurla, Mumbai

B. Hotels owned through Subsidiary / Associate Companies and managed by EIH Limited

The Oberoi Amarvilās, Agra	Trident, Chennai
The Oberoi Rajvilās, Jaipur	Trident, Agra
Wildflower Hall, Himalayas (An Oberoi Resort)	Trident, Jaipur
The Oberoi Cecil, Shimla	Trident, Udaipur
The Oberoi, Sahl Hasheesh	Trident, Cochin
The Oberoi, Bali	Trident, Bhubaneswar
The Oberoi, Lombok	
The Oberoi, Mauritius	

C. Hotels managed by EIH Limited

The Oberoi, Gurgaon
Trident, Gurgaon

D. Other Business Units owned and managed by EIH Limited

Motor Vessel Vrinda, Cochin (A Luxury Cruiser)	Oberoi Flight Services, Mumbai, Delhi, Chennai, Kolkata
Maidens Hotel, Delhi	
Printing Press, Manesar, Gurgaon	Oberoi Airport Services, Mumbai, Chennai, Kolkata, Cochin, Bangalore

Luxury Car Hire

Business Aircraft Charters

Note:

EIH Limited has strategic/substantial investments in hotels owned by Subsidiary / Associate Companies. Overseas hotels are managed through a foreign subsidiary.

AUDITOR'S CERTIFICATE

To
The Members of
EIH Limited

We have examined the compliance of conditions of Corporate Governance by EIH Limited for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our responsibility is limited to the examination of the procedures adopted by the Company and implementation thereof, for ensuring the compliance of the conditions of the Corporate Governance. Our examination was carried out in accordance with the Guidance Note on 'Certification of Corporate Governance' (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For RAY & RAY
Chartered Accountants

A.K. Sharma
Partner

Gurgaon
29th May, 2012

Membership Number 80085
Firm's Registration Number 301072E

SECRETARIAL AUDIT REPORT

The Board of Directors
 EIH Ltd
 4, Mangoe Lane
 Kolkata - 700001

I have examined the registers, records and documents of EIH Ltd ("the Company") for the financial year ended March 31, 2012 according to the provisions of-

- The Companies Act, 1956 and the Rules made under that Act;
 - The Depositories Act, 1996 and the Regulations and bye-laws framed under that Act;
 - The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India 1992 ('SEBI Act')
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities Contracts (Regulation) Act, 1956 ('SCRA'), the Rules made under that Act; and
 - The Equity Listing Agreements with Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Calcutta Stock Exchange and GDR Listing Agreement with London Stock Exchange.
1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:
- (a) maintenance of various statutory registers and documents and making necessary entries therein;
 - (b) closure of the Register of Members;
 - (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
 - (d) service of documents by the Company on its Members, Auditors and Registrar of Companies;
 - (e) notice of Board meetings and Committee meetings of Directors;
 - (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulations;
 - (g) the 61st Annual General Meeting held on 9th August, 2011;
 - (h) minutes of proceedings of General Meetings and of Board and its Committee meetings;
 - (i) approvals of the Members, the Board of Directors, the Committee of Directors and Government authorities, wherever required;
 - (j) constitution of the Board of Directors/Committee(s) of Directors and appointment, retirement and re-appointment of Directors; .

- (k) payment of remuneration to the Directors including the Managing Director and Whole time Directors;
 - (l) appointment and remuneration of Auditors;
 - (m) transfers and transmissions of the Company's shares, issue and allotment of shares and issue and delivery of original and duplicate certificates of shares;
 - (n) declaration and payment of dividends;
 - (o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
 - (p) borrowings in accordance with Section 292 of the Act;
 - (q) registrations, modification and satisfaction of charges;
 - (r) investments of the Company's funds including inter corporate loans and investments and loans to others;
 - (s) giving guarantees in connection with loans taken by subsidiaries and associate companies;
 - (t) form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit and Loss Account as per Part II of the said Schedule;
 - (u) Board's Report;
 - (v) contracts, common seal, registered office and publication of name of the Company; and
 - (w) generally, all other applicable provisions of the Act and rules made under that Act.
2. I further report that:
- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interests in other entities;
 - (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment and their being independent;
 - (c) the Directors have complied with the disclosure requirement that they are not disqualified by virtue of provisions contained in Section 274(1)(g) of the Act;
 - (d) the Company has obtained all necessary approvals under the various provisions of the Act; and
 - (e) there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and guidelines framed under these Acts against/on the Company, its Directors and Officers.
3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the bye-laws framed thereunder by the Depositories with regard to dematerialisation/rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.

4. I further report that:

- (a) the Company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited, Calcutta Stock Exchange Limited and GDR Listing Agreement with London Stock Exchange;
- (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997 and Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations.

18th May, 2012

SALIL BANERJEE
C P No.1140, FCS - 2288

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956

Particulars	Mercury Car Rentals Limited, India	EIH International Limited, British Virgin Islands	Mashobra Resort Limited, India	Mumtaz Hotels Limited, India	EIH Flight Services Limited, Mauritius	Oberoi Kerala Hotels and Resorts Limited, India	EIH Holdings Limited, British Virgin Islands	EIH Marrakech Limited, British Virgin Islands
Financial year ending of the Subsidiary	31.03.12	31.03.12	31.03.12	31.03.12	31.03.12	31.03.12	31.03.12	31.03.12
No. of shares held in the Subsidiary Company or by Subsidiary Company in the Sub-subsidiary Company at the end of financial year of the Subsidiary or Sub-subsidiary Company as the case may be Extent of Holding as on 31st March, 2012	9,277,777 Equity Shares of ₹ 10 each, fully paid-up 66.67%	89,607,800 Ordinary Shares of US\$ 1 each, fully paid-up 100.00%	25,999,995 Equity Shares of ₹ 10 each, fully paid-up 78.79%	12,390,000 Equity Shares of ₹ 10 each, fully paid-up 60.00%	16,014,721 Ordinary Shares of Mauritius Rupee 10 each, fully paid-up 100.00%	2,176,000 Equity Shares of ₹ 10 each, fully paid-up 80.00%	30,085,714 Ordinary Shares of US\$ 1 each, fully paid-up 100.00%	100 Ordinary Shares of US\$ 1 each, fully paid-up 100.00%
	₹ in Million	US\$ in Million	₹ in Million	₹ in Million	Mauritian Rupees in Million	₹ in Million	US\$ in Million	US\$ in Million
Net aggregate amount, so far as it concerns members of the holding Company, and is not dealt with in the Company's accounts, of the subsidiary's profits/(losses)								
a) For the subsidiary Company's financial year ended 31st March, 2012	12.86	0.10	25.71	88.10	(112.08)	(0.07)	0.95	–
b) For the subsidiary Company's previous financial years	(17.45)	–	(682.70)	120.82	(140.31)	(6.70)	5.06	–
Net aggregate amount, so far as it concerns members of the holding Company, and is dealt with in the Company's accounts, of the subsidiary's profits/(losses)								
a) For the subsidiary Company's financial year ended 31st March, 2012	–	–	–	–	–	–	–	–
b) For the subsidiary Company's previous financial years	10.13	12.28	–	92.93	–	–	–	–

STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956

Particulars	J&W Hongkong Limited, Hongkong	Oberoi Turtle Bay Limited, Mauritius	EIHH Corporation Limited, Hongkong	EIH Investments N.V., Netherlands Antilles	EIH Management Services B.V., The Netherlands	PT Widja Putra Karya, Indonesia	PT Waka Oberoi Indonesia, Indonesia	PT Astina Graha Ubud, Indonesia
Financial year ending of the Subsidiary	31.03.12	31.03.12	31.03.12	31.03.12	31.03.12	31.03.12	31.03.12	31.03.12
No. of shares held in the Subsidiary Company or by Subsidiary Company in the Sub-subsidiary Company at the end of financial year of the Subsidiary or Sub-subsidiary Company as the case may be Extent of Holding as on 31st March, 2012	10,000,000 Ordinary Shares of US\$ each fully paid-up	250 Ordinary Shares of Mauritian Rupee 100 each paid-up	100 Ordinary Shares of \$HK 1 each	6,000 Common Shares of US\$ 1 each	364 Shares of Euros 50 each	7,749 Shares of Rp 100,000 each	19,060 Shares of Rp 1,017,000 each	1,560 Ordinary Shares of US\$ 1000 each
	100.00%	100.00%	100.00%	100.00%	100.00%	70.00%	83.23%	60.00%
	US\$ in Million	Mauritian Rupees in Million	US\$ in Million	US\$ in Million	Euro in Million	Indonesian Rupiah in Million	Indonesian Rupiah in Million	Indonesian Rupiah in Million
Net aggregate amount, so far as it concerns members of the holding Company, and is not dealt with in the Company's accounts, of the subsidiary's profits/(losses)								
a) For the subsidiary Company's financial year ended 31st March, 2012	-	(0.04)	-	0.01	(0.49)	8,747.39	(11,250.31)	-
b) For the subsidiary Company's previous financial years	-	(0.88)	-	0.11	1.52	(3,211.36)	(195,641.03)	-
Net aggregate amount, so far as it concerns members of the holding Company, and is dealt with in the Company's accounts, of the subsidiary's profits/(losses)								
a) For the subsidiary Company's financial year ended 31st March, 2012	-	-	-	-	-	-	-	-
b) For the subsidiary Company's previous financial years	-	-	-	-	-	-	-	-

P. R. S. OBEROI	Chairman and Chief Executive
S. S. MUKHERJI	Vice Chairman
VIKRAM OBEROI	Chief Operating Officer and Joint Managing Director
ARJUN OBEROI	Chief Planning Officer and Joint Managing Director
S. K. DASGUPTA	Directors
ANIL NEHRU	
L. GANESH	
RENU SUD KARNAD	

Gurgaon
29th May, 2012

S.N. SRIDHAR
Company Secretary

AUDITOR'S REPORT

To
The Members of
EIH Limited

1. We have audited the attached Balance Sheet of EIH Limited ('the Company') as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956 ('the Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without expressing a qualified opinion, we draw attention as a matter of emphasis to Note no. 39 of Notes to the Accounts relating to the pending issue of shares by Mashobra Resort Limited against the advances made by the Company.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i) we have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - v) on the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the Notes to the Accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For RAY & RAY
Chartered Accountants

A. K. Sharma
Partner

Gurgaon
29th May, 2012

Membership Number 80085
Firm's Registration Number 301072E

ANNEXURE TO THE AUDITOR'S REPORT

The Annexures referred to in our report to the members of EIH Limited ('the Company') for the year ended 31st March, 2012. We report that :

- i (a) The Company have maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) All the assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification which were not material have been properly dealt with in the books of accounts.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii (a) As explained to us, inventories have been physically verified by the Management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- (b) In view of our comments in paragraph iii (a) above, the provisions of Clauses iii (b), iii (c) and iii (d) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- (c) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- (d) In view of our comment in paragraph iii (c) above, clauses iii (f) and iii (g) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- iv In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system of the Company.
- v On the basis of our examination of the books of account and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Act have been so entered. According to the information and explanations given to us, there are no transactions during the year that need to be entered into the Register maintained under Section 301 of the Act and therefore, clause v(b) of paragraph 4 of the aforesaid Order is not applicable to the Company.
- vi The Company has not accepted any deposit from the public during the year under

Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. According to information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

- vii In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii The Central Government has not prescribed maintenance of cost records under section 209 (1)(d) of the Act for the Company.
- ix (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, value added tax/sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (b) According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, wealth tax, service tax, value added tax/sales tax, customs duty, excise duty and cess which were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of wealth tax, and cess which have not been deposited on account of any dispute other than disputed income tax, value added tax/sales tax, customs duty, excise duty and service tax as indicated below:

Sl.No.	Name of the Statute	Nature of the dues	Forum where dispute is pending	Amount (Rupees in Million)
1	Income Tax Act, 1961	i) Income Tax	CIT (Appeals), Kolkata for Assessment Years 2009-10	128.70
			ITAT, Kolkata for Assessment Years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 & 2008-09	379.81
		ii) Fringe Benefit Tax	CIT (Appeals), Kolkata for Assessment Years 2006-07 & 2009-2010	19.67
			TOTAL	528.18
2.	Income Tax Act, 1961	Tax Deducted at Source	CIT (Appeals), Delhi for Assessment Years 2003-04 to 2006-07 & 2009-10	11.81
			CIT (Appeals), Mumbai for Assessment Years 2009-10 & 2010-11	13.84
			CIT (Appeals), Delhi for Assessment Years 2008-09 & 2011-12	0.23
			TOTAL	25.88

Sl.No.	Name of the Statute	Nature of the dues	Forum where dispute is pending	Amount (Rupees in Million)
3.	Value Added Tax of various States	Sales Tax	Maharashtra Sales Tax Tribunal/Joint Commissioner of Sales Tax, Appeals-II, Mumbai for 1999-2000 & 2001-02 to 2004-05	15.01
			Appellate and Revisional Board, Kolkata for 2004-05	4.27
			Commissioner of Sales Tax, Mumbai for 2006-07	3.07
			Commissioner of Sales Tax, Kolkata 2005-06 & 2006-07	0.99
			Appellate Deputy Commissioner, Kanchipuram 2005-06	2.58
			TOTAL	25.92
4.	Customs Act, 1962	Customs Duty	CESTAT/Tribunal for 2008-09	429.66
			TOTAL	429.66
5.	Central Excise Act, 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal, Mumbai for 2002-04	3.53
			Customs, Excise & Service Tax Appellate Tribunal, Mumbai for 2005-06	69.53
			Customs, Excise & Service Tax Appellate Tribunal, Delhi for 2005-06	26.01
			TOTAL	99.07
6.	Central Excise Act, 1944	Service Tax	Customs, Central Excise & Service Tax, Delhi for 2004-06	22.38
			Various Show Cause Notices served for 2009-2011 and replied	40.27
			Customs and Service Tax Appellate Tribunal, Kolkata 2001-06	0.27
			Joint Commissioner of Central Excise (Appeals), Cochin for 2004-05	1.11
			TOTAL	64.03

- x The Company has no accumulated losses and has not incurred any cash loss during the year covered by our Report and in the immediately preceding financial year.
- xi Based on our audit procedures and, according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. There are no debenture holders.

- xii The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- xiii In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause (xiii) of paragraph 4 of the aforesaid order are not applicable to the Company.
- xiv In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. However, reasonable records have been maintained of shares and securities held as investments. All the shares and securities held by the Company as investments are in its own name. However, the provisions of Clause (xiv) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- xv The Company has given guarantees for loans taken by its subsidiaries and associate company from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions on which the Company has given guarantees for loans taken from banks and financial institutions are not, *prima-facie*, prejudicial to the interest of the Company.
- xvi According to the information and explanations given to us, the term loans raised by the Company have been applied for the purpose for which they were raised.
- xvii According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- xviii According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies/firms covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (xviii) of paragraph 4 of the aforesaid order are not applicable to the Company.
- xix The Company has not issued unsecured debentures during the year under audit. Accordingly, the provisions of clause (xix) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- xx We have verified the end use of money raised by the Rights Issue of Equity Shares in 2011 as disclosed in Note 32 of Notes to the Accounts.
- xxi During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the Management.

For RAY & RAY
Chartered Accountants

A. K. SHARMA
Partner

Gurgaon
29th May, 2012

Membership Number 80085
Firm's Registration Number 301072E

Balance Sheet as at 31st March, 2012

As at 31st March				
	Note	Rupees Million	2012 Rupees Million	2011 Rupees Million
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
SHARE CAPITAL	2	1,143.14		1,143.14
RESERVES AND SURPLUS	3	25,208.36		24,734.84
			26,351.50	25,877.98
NON-CURRENT LIABILITIES				
LONG TERM BORROWINGS	4	1,503.21		5,348.63
DEFERRED TAX LIABILITIES - NET	5	1,631.70		1,499.04
OTHER LONG TERM LIABILITIES	6	133.03		133.84
LONG TERM PROVISIONS	7	124.37		115.33
			3,392.31	7,096.84
CURRENT LIABILITIES				
SHORT TERM BORROWINGS	8	100.94		–
TRADE PAYABLES	9	508.29		553.38
OTHER CURRENT LIABILITIES	10	2,182.94		4,201.83
SHORT TERM PROVISIONS	11	756.94		637.73
			3,549.11	5,392.94
TOTAL			33,292.92	38,367.76
ASSETS				
NON-CURRENT ASSETS				
FIXED ASSETS				
TANGIBLE ASSETS	12	20,150.49		20,607.45
INTANGIBLE ASSETS	12	1.84		2.10
CAPITAL WORK-IN-PROGRESS		1,594.65		1,011.48
NON-CURRENT INVESTMENTS	13	6,163.57		6,051.39
LONG TERM LOANS AND ADVANCES	14	3,134.23		2,799.05
OTHER NON-CURRENT ASSETS	15	–		–
			31,044.78	30,471.47
CURRENT ASSETS				
CURRENT INVESTMENTS	16	116.90		–
INVENTORIES	17	331.21		336.74
TRADE RECEIVABLES	18	1,411.74		1,256.47
CASH AND BANK BALANCES	19	119.59		5,942.81
SHORT TERM LOANS AND ADVANCES	20	257.33		345.28
OTHER CURRENT ASSETS	21	11.37		14.99
			2,248.14	7,896.29
TOTAL			33,292.92	38,367.76

NOTES TO THE ACCOUNTS
FORM AN INTEGRAL PART OF THE BALANCE SHEET

This is the Balance Sheet referred
to in our report of even date.

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E

Gurgaon, 29th May, 2012

S.N. SRIDHAR
Company Secretary

P. R. S. OBEROI
S. S. MUKHERJI
VIKRAM OBEROI
ARJUN OBEROI
S. K. DASGUPTA
ANIL NEHRU
L. GANESH
RENU SUD KARNAD

Chairman and Chief Executive
Vice Chairman
Chief Operating Officer and Joint Managing Director
Chief Planning Officer and Joint Managing Director
Directors

Statement of Profit and Loss for the year ended 31st March, 2012

		Year ended 31st March	
	Note	2012 Rupees Million	2011 Rupees Million
INCOME			
REVENUE FROM OPERATIONS	22	11,017.96	10,275.05
OTHER INCOME	23	455.36	1,154.44
TOTAL REVENUE		11,473.32	11,429.49
EXPENSES			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	24	1,548.72	1,385.12
EMPLOYEE BENEFIT EXPENSES	25	3,180.00	3,150.56
FINANCE COSTS	26	544.11	1,551.94
DEPRECIATION AND AMORTISATION EXPENSE	27	931.07	874.35
OTHER EXPENSES	28	3,830.91	3,568.43
TOTAL EXPENSES		10,034.81	10,530.40
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		1,438.51	899.09
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	29	111.46	(44.18)
PROFIT BEFORE TAX		1,549.97	854.91
TAX			
CURRENT TAX	30	193.13	38.88
DEFERRED TAX		132.66	170.63
PROFIT FOR THE PERIOD		1,224.18	645.40
BASIC AND DILUTED EARNINGS PER SHARE (in Rupees) Face Value ₹ 2	42	2.14	1.63

NOTES TO THE ACCOUNTS FORM AN INTEGRAL PART OF THE STATEMENT OF PROFIT & LOSS

This is the Statement of Profit & Loss referred
to in our report of even date.

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E

Gurgaon, 29th May, 2012

S.N. SRIDHAR
Company Secretary

P. R. S. OBEROI	Chairman and Chief Executive
S. S. MUKHERJI	Vice Chairman
VIKRAM OBEROI	Chief Operating Officer and Joint Managing Director
ARJUN OBEROI	Chief Planning Officer and Joint Managing Director
S. K. DASGUPTA	Directors
ANIL NEHRU	
L. GANESH	
RENU SUD KARNAD	

Cash Flow Statement

	Year ended 31st March	
	2012 Rupees Million	2011 Rupees Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	1,549.97	854.91
Adjustments for:		
Depreciation	931.07	874.35
(Profit) / Loss on Sale of Fixed Assets (Net)	(18.80)	(242.08)
- Including Exceptional profit of ₹ 111.46 Million (2011 - ₹ 325.65 Million)		
Provision for diminution in value of investments	–	0.50
Interest Income	(33.60)	(42.12)
Dividend Income	(190.74)	(941.12)
Interest Expenditure	544.11	1,551.94
Operating Profit before Working Capital Changes	2,782.01	2,056.38
Adjustments for:		
Trade & Other Receivables	(34.35)	442.65
Inventories	5.55	(36.13)
Trade Payables	(172.47)	172.15
Cash Generated from Operations	2,580.74	2,635.05
Payment of Direct Taxes	(411.42)	(272.34)
Net cash from Operating Activities	2,169.32	2,362.71
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(996.80)	(1,358.05)
Sale of Fixed Assets	95.37	581.79
Purchase of Investments	(229.08)	(2,101.79)
Loan to Subsidiary Companies	(225.89)	961.05
Loan to Associate	–	320.00
Advance towards Equity	(94.90)	(1,163.03)
Interest Received	36.64	35.59
Dividend Received	190.74	941.12
Changes in other bank balances	(1.13)	(42.47)
Cash used in Investing Activities	(1,225.05)	(1,825.79)

Cash Flow Statement — *Contd.*

	Year ended 31st March	
	2012 Rupees Million	2011 Rupees Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue of Equity Shares	–	11,788.62
Share Issue expenses	–	(111.14)
Proceeds from Borrowings		
Term Loans	200.00	4,100.00
Cash Credit	100.94	–
Unsecured Loans	–	–
Repayment of		
Term Loans	(5,900.00)	(7,061.60)
Cash Credit	–	(532.44)
Unsecured Loans	–	(850.00)
Interest Paid	(585.82)	(1,562.49)
Dividend Paid	(512.35)	(469.09)
Tax on Dividend	(71.39)	(76.16)
Net Cash used in Financing Activities	(6,768.62)	5,225.70
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(5,824.35)	5,762.62
Cash and Cash Equivalents at beginning of year	5,900.34	137.72
Cash and Cash Equivalents at end of year	75.99	5,900.34

Notes :

- The Cash Flow Statement has been prepared in indirect method except in case of dividend income, purchase and sale of investments which have been considered on the basis of actual cash movement, with corresponding adjustments in Assets and Liabilities.
- Additions to Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between the beginning and the end of the year and treated as part of Investing Activities.

This is the Cash Flow Statement referred to in our report of even date.

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E
Gurgaon, 29th May, 2012

S.N. SRIDHAR
Company Secretary

P. R. S. OBEROI	Chairman and Chief Executive
S. S. MUKHERJI	Vice Chairman
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S. K. DASGUPTA	Directors
ANIL NEHRU	
L. GANESH	
RENU SUD KARNAD	

Notes to Accounts

1 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared on accrual basis under the historical cost convention (except where impairment is made and revaluation is carried out) on the basis of going concern and is in accordance with Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956.

USE OF ESTIMATES

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of Financial Statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.

PRIOR PERIOD ADJUSTMENTS, EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND CHANGES IN ACCOUNTING POLICIES

Prior period adjustments, exceptional items, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

FIXED ASSETS

Fixed Assets are stated at cost of acquisition or construction and in case of revaluation of assets at revalued amounts net of impairment loss if any, less depreciation/amortisation. Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

Assets acquired under lease are capitalised at the present value of minimum lease payments and are stated at the capitalised value net of accumulated depreciation.

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use on the reporting date and materials at site.

DEPRECIATION

Depreciation on fixed assets other than land, certain buildings on leasehold lands and leased vehicles and machinery is provided on "Straight Line Method" at the rates prescribed under Schedule XIV of the Companies Act, 1956. Certain fixed assets including leased vehicles and leased machinery, building installed on leasehold land (other than on perpetual lease) are depreciated over the lives of the respective leases or over the remaining lease period from the date of installation whichever is shorter. Vehicles acquired on lease are depreciated over their respective lease period or sixty months from the date of acquisition whichever is earlier. Long term Leasehold land (other than on perpetual lease) are depreciated over the balance period of lease, commencing from the date the land is put to use for commercial purposes. The additional depreciation on the increase in the value of assets due to revaluation is adjusted against Revaluation Reserve.

REVENUE RECOGNITION

- Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable. Revenue from sale of printing and other materials is recognised on despatch of materials. Revenue from Shop Licence Fee, Management and Marketing Fee included under "Other Services" is recognised on accrual basis as per terms of contract.
- Revenue from interest is accrued and recognised on time basis and determined by contractual rate of interest.
- Dividend income is stated at gross and is recognised when right to receive payment is established.

IMPAIRMENT OF ASSETS

Impairment is ascertained at each Balance Sheet date in respect of the Company's fixed assets. An impairment loss is recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount.

LEASES

In respect of assets acquired on or after 1st April, 2001, the same are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the interest charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Interest component is charged to the Profit and Loss account under Interest and Finance charges.

Operating lease payments are recognised as expenditure in the Statement of Profit and Loss on straight line basis, over the lease period.

INVESTMENTS

Investments held by the Company which are long term in nature are stated at cost unless there is any permanent diminution in value where provision for diminution is made on individual investment basis. Current investments are valued at cost or market price or fair value, whichever is lower. Earnings on investments are accounted for on accrual basis.

Notes to Accounts — *Contd.*

INVENTORIES

Inventories are valued at cost which is based on First-In-First-Out method or net realisable value, whichever is lower. Unserviceable/damaged/discarded stocks and shortages are charged to the Profit and Loss Account.

TRANSACTIONS IN FOREIGN CURRENCY

Sales made in foreign currency are converted at the prevailing applicable exchange rate. Gain/Loss arising out of fluctuations in exchange rate is accounted for on realisation.

Payments made in foreign currency including for acquiring investments are converted at the applicable rate prevailing on the date of remittance. Liability on account of foreign currency is converted at the exchange rate prevailing at the end of the year. Monetary items denominated in foreign currency are converted at the exchange rate prevailing at the end of the year.

Revenue expenditure of all the overseas Sales Offices are converted at the average exchange rate for the year. Assets and liabilities other than Fixed Assets are converted at the exchange rate prevailing at the close of the accounting year and Fixed Assets are converted at the month-end exchange rate of the month of acquisition.

Foreign currency loans covered by forward contracts are realigned at the forward contract rates, while those not covered by forward contracts are realigned at the rates ruling at the year end. The differences on realignment is accounted for in the Statement of Profit and Loss.

EMPLOYEE BENEFITS

Short Term Employee Benefit is recognised as expense in the Statement of Profit and Loss of the year in which related service is rendered.

Post employment and other Long Term Employee Benefits are provided in the Accounts in the following manner:

- (i) Gratuity - Maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India, as per Company's Scheme. Provision/ write back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following Projected Unit Credit Method and is treated as liability under Other Current Liability.
- (ii) Leave encashment on termination of service - As per actuarial valuation as at the Balance Sheet date following Projected Unit Credit Method.
- (iii) Provident Fund - Provident Fund for most of the employees is a Defined Contribution Scheme, where the contribution is made to a Fund administered by the Government Provident Fund Authority.

For a few employees, Provident Fund, administered by a Recognised Trust, is a Defined Benefit Plan wherein the employee and the Company make monthly contributions. Pending the issuance of Guidance Note from the Actuarial Society of India, actuarial valuation is not carried out and the Company provides for required liability at year end, in respect of the shortfall, if any, upon confirmation from the Trustees of such Fund.

BORROWING COST

Borrowing cost that is attributable to the acquisition / construction of fixed assets are capitalised as part of the cost of the respective assets. Other borrowing costs are recognised as expenses in the year in which they arise.

SHARE ISSUE EXPENSES

Share issue expenses are written off against the Securities Premium Account in accordance with Section 78 of the Companies Act, 1956.

TAXES ON INCOME

Income-tax is accounted for in accordance with Accounting Standard on 'Accounting for taxes on income' notified pursuant to the Companies (Accounting Standards) Rules, 2006.

Minimum Alternate Tax (MAT) is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credit against which future income tax liability is adjusted and is recognised as an asset in the balance sheet.

Deferred tax is provided and recognised on timing differences between taxable income and accounting income subject to prudential consideration. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is virtual certainty about availability of future taxable income to realise such assets.

PROPOSED DIVIDEND

Dividend recommended by the Board of Directors is provided for in the Accounts pending Shareholders' approval.

PROVISIONS CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when there is a present legal or statutory obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an on going basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognised in the Financial Statements.

Notes to Accounts — Contd.

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
2		
SHARE CAPITAL		
AUTHORISED		
1,500,000,000 Equity Shares of ₹ 2 each (2011 - 1,500,000,000)	3,000.00	3,000.00
	<u>3,000.00</u>	<u>3,000.00</u>
ISSUED, SUBSCRIBED & FULLY PAID UP		
571,569,414 Equity Shares of ₹ 2 each (2011 - 571,569,414)	1,143.14	1,143.14
	<u>1,143.14</u>	<u>1,143.14</u>

a) Reconciliation of Share Capital :

	As at 31st March			
	2012		2011	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Balance at the beginning of the year	571,569,414	1,143.14	392,953,972	785.91
Add : Shares issued on Rights basis	—	—	178,615,442	357.23
Balance at the end of the year	<u>571,569,414</u>	<u>1,143.14</u>	<u>571,569,414</u>	<u>1,143.14</u>

b) The Company has one class of equity shares having a par value of ₹ 2 per share. Each share holder is eligible for one vote per share held and such dividend as proposed by the Board of Directors, subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) Shares held by Shareholders holding more than 5 percent shares in the Company :

	As at 31st March			
	2012		2011	
	Number of Shares	% holding	Number of Shares	% holding
(1) Reliance Industries Investment and Holding Private Limited	105,907,273	18.53	84,592,273	14.80
(2) ITC Limited	85,621,473	14.98	85,621,473	14.98
(3) Oberoi Hotels Private Limited	83,646,328	14.63	75,912,221	13.28
(4) Life Insurance Corporation of India	34,747,348	6.08	36,355,844	6.36
(5) Oberoi Holdings Private Limited	35,257,278	6.17	35,257,278	6.17
(6) Oberoi Investments Private Limited	29,968,293	5.24	29,968,293	5.24

d) Out of the above shares of the company, 130,984,657 shares were issued as fully paid up Bonus Shares by Capitalisation of Securities Premium Account in 2006-07.

e) 178,615,442 shares of face value ₹ 2 each have been allotted as fully paid up shares at a premium of ₹ 64 per share to the shareholders on Rights basis during 2010-11.

Notes to Accounts — Contd.

		As at 31st March	
	Rupees Million	2012 Rupees Million	2011 Rupees Million
3			
RESERVES AND SURPLUS			
CAPITAL REDEMPTION RESERVE			
As per last Account		1,024.21	1,024.21
SECURITIES PREMIUM ACCOUNT			
As per last Account	12,373.41		1,053.16
Add : Premium on Rights Issue of shares during 2010-11	—		11,431.39
	12,373.41		12,484.55
Less : Share Issue expenses in connection with Rights Issue written off	—		111.14
		12,373.41	12,373.41
REVALUATION RESERVE			
As per last Account	2,322.49		2,352.48
Less : Adjustment for Depreciation (Note 36b)	29.99		29.99
		2,292.50	2,322.49
GENERAL RESERVE			
As per last Account	6,000.00		5,871.92
Add : Transfer from Profit & Loss Account	150.00		128.08
		6,150.00	6,000.00
PROFIT AND LOSS ACCOUNT			
As per last Account	3,014.73		3,083.21
Add : Profit during the year as per Statement of Profit & Loss	1,224.18		645.40
	4,238.91		3,728.61
Less : Allocations / Appropriations			
Transfer to General Reserve	150.00		128.08
Proposed Dividend on Equity Shares	628.73		514.41
Tax on Dividend	91.94		71.39
		3,368.24	3,014.73
		25,208.36	24,734.84

Dividend of ₹ 1.10 per share (2011 - ₹ 0.90 per share) amounting to ₹ 628.73 Million (2011 - ₹ 514.41 Million) has been recommended by the Board of Directors. This dividend will be paid to the shareholders if approved at the forthcoming Annual General Meeting.

Notes to Accounts — Contd.

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
4		
LONG TERM BORROWINGS		
Secured Loan from Banks		
State Bank of India	–	2,700.00
The Hongkong & Shanghai Banking Corporation Limited (HSBC)	–	500.00
ICICI Bank Limited	1,400.00	2,000.00
Long Term maturity of Finance Lease Obligations	103.21	148.63
	<u>1,503.21</u>	<u>5,348.63</u>

PARTICULARS OF TERM LOANS :

- (i) Term Loan from ICICI Bank Limited carries interest at bank's base rate +2.5% repayable in 7 quarterly installments of ₹ 200 million each. Repayment will be complete in December 2014.
- (ii) The Finance Lease obligations are secured by hypothecation of vehicles taken under Lease. Repayments are done by equated monthly installment over 36 to 60 months.

PARTICULARS OF SECURITIES :

Term loan from ICICI Bank Limited is secured by way of equitable mortgage by deposit of title deeds in respect of the Company's hotel in Delhi known as Maidens Hotel, ranking *pari passu*.

5 DEFERRED TAX LIABILITIES - NET

Deferred Tax Liabilities on account of :

Depreciation	1,755.44	1,632.95
Deferred Tax Assets on account of :		
Unabsorbed Depreciation	–	9.15
Accrued Expenses Deductible on Payment	39.10	38.35
Leave Encashment	18.02	14.60
Provision For Debts and Advances	66.62	71.81
	<u>123.74</u>	<u>133.91</u>
Deferred Tax Liabilities (Net)	<u>1,631.70</u>	<u>1,499.04</u>

Notes to Accounts — *Contd.*

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
6		
OTHER LONG TERM LIABILITIES		
Liability for Capital Expenditure	2.80	2.09
Security Deposits	69.79	100.21
Others	60.44	31.54
	<u>133.03</u>	<u>133.84</u>
7		
LONG TERM PROVISIONS		
Leave Encashment	124.37	115.33
	<u>124.37</u>	<u>115.33</u>
8		
SHORT-TERM BORROWINGS		
Secured Cash Credit From Banks		
United Bank of India	11.11	—
The Hongkong & Shanghai Banking Corporation Limited	89.83	—
	<u>100.94</u>	<u>—</u>

PARTICULARS OF SHORT TERM BORROWINGS :

Cash credit facilities are secured by way of hypothecation of all Stock of Inventories, book debts and other current assets of the company, both present and future, ranking *pari passu*. Cash Credit with United Bank of India is additionally secured by way of second charge in respect of the company's hotel in Kolkata known as the Oberoi Grand. Cash Credit is repayable on demand and carries interest at floating rate linked to the base rates of the respective banks.

Notes to Accounts — *Contd.*

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
9		
TRADE PAYABLES		
Total Outstanding dues of Micro Enterprises and Small Enterprises	–	0.35
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	508.29	553.03
	<u>508.29</u>	<u>553.38</u>

10		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	1,100.00	3,000.00
Current Maturities of Finance Lease Obligations	87.03	85.86
Interest accrued but not due on borrowings	2.98	5.01
Interest accrued and due on borrowings	–	39.69
Advance from Customer	171.52	172.55
Unclaimed Dividend	29.76	27.69
Unclaimed Matured Fixed Deposits	1.85	3.53
Unclaimed Fractional Share sale proceeds (against Bonus Issue)	0.20	0.20
Other Payables		
Contribution payable towards Gratuity Fund	33.16	45.29
Liability for Capital Expenditure	49.89	51.08
Security Deposits	69.33	50.84
Others *	637.22	720.09
	<u>2,182.94</u>	<u>4,201.83</u>

* Others includes withholding and other taxes payable ₹ 177.64 Million (2011 - ₹ 227.35 Million)

11		
SHORT TERM PROVISIONS		
Leave Encashment	24.99	22.43
Proposed Dividend on Equity Shares	628.73	514.41
Tax on Dividend	91.94	71.39
Wealth Tax (net of Advance)	11.28	29.50
	<u>756.94</u>	<u>637.73</u>

Notes to Accounts — Contd.

12 FIXED ASSETS	Rupees in Million									
	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	Original Cost/ Revaluation as at 31st March, 2011	Additions	Sales/ Adjustments	Original Cost/ Revaluation as at 31st March, 2012	As at 31st March, 2011	For the Year	Less: Sales/ Adjustments	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
i) TANGIBLE ASSETS										
Freehold Land Including development Cost	1,356.13	8.11	0.64	1,363.60	—	—	—	—	1,363.60	1,356.13
Leasehold Land	2,636.62	7.00	—	2,643.62	37.80	26.92	—	64.72	2,578.90	2,598.82
Buildings (Note 35b)	10,907.03	178.97	39.78	11,046.22	1,840.97	199.81	26.60	2,014.18	9,032.04	9,066.06
Sanitary Installation	724.95	19.45	8.10	736.30	74.97	12.66	4.15	83.48	652.82	649.98
Office Equipment	55.30	1.28	2.01	54.57	21.76	3.09	1.27	23.58	30.99	33.54
Plant & Machinery	7,858.09	250.34	225.40	7,883.03	2,593.41	450.81	183.14	2,861.08	5,021.95	5,264.68
Leased Machinery (Note 37)	239.43	—	—	239.43	36.36	67.32	—	103.68	135.75	203.07
Furniture & Fittings	1,287.42	39.88	33.71	1,293.59	582.66	95.94	31.16	647.44	646.15	704.76
Vehicles	314.74	30.67	16.52	328.89	142.63	33.64	9.57	166.70	162.19	172.11
Leased Vehicles (Note 37)	140.09	44.32	33.43	150.98	59.64	36.11	27.15	68.60	82.38	80.45
Boats	49.66	0.22	—	49.88	11.99	1.66	—	13.65	36.23	37.67
Aircrafts	590.27	—	—	590.27	150.09	32.69	—	182.78	407.49	440.18
Total Tangible Assets	26,159.73	580.24	359.59	26,380.38	5,552.28	960.65	283.04	6,229.89	20,150.49	20,607.45
Previous Year	24,825.12	1,825.40	490.79	26,159.73	4,799.29	904.09	151.10	5,552.28	20,607.45	
ii) INTANGIBLE ASSETS										
Business Rights	78.72	—	—	78.72	78.72	—	—	78.72	—	—
Computer Softwares	4.87	0.15	—	5.02	2.77	0.41	—	3.18	1.84	2.10
Total Intangible Assets	83.59	0.15	—	83.74	81.49	0.41	—	81.90	1.84	2.10
Previous Year	82.18	1.41	—	83.59	81.25	0.24	—	81.49	2.10	

Notes to Accounts — Contd.

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
13		
NON-CURRENT INVESTMENTS		
Investments In Equity Instruments		
Trade Investments		
Quoted -		
Nil (2011 - 200,000) Equity Shares of ₹ 10 each of Royale Manor Hotels and Industries Limited fully paid	–	2.00
25,000 (2011 - 25,000) Equity Shares of ₹ 10 each of Tourism Finance Corporation of India Limited fully paid	0.50	0.50
Associate		
7,071,333 (2011 - 7,071,333) Equity Shares of ₹ 10 each of EIH Associated Hotels Limited fully paid	596.34	596.34
Unquoted -		
Joint Ventures		
18,720,000 (2011 - 18,720,000) Equity Shares of ₹ 10 each of L&T Bangalore Airport Hotel Limited fully paid	187.20	187.20
31,350,000 (2011 - 25,950,000) Equity Shares of ₹ 10 each of Golden Jubilee Hotels Limited fully paid	313.50	259.50
Subsidiary Companies		
89,607,800 (2011 - 89,607,800) Equity Shares of \$1 each of EIH International Limited fully paid	4,010.79	4,010.79
25,999,995 (2011 - 25,999,995) Equity Shares of ₹ 10 each of Mashobra Resort Limited fully paid	260.04	260.04
2,176,000 (2011 - 2,176,000) Equity Shares of ₹ 10 each of Oberoi Kerala Hotels and Resorts Limited fully paid	21.76	21.76
12,390,000 (2011 - 12,390,000) Equity Shares of ₹ 10 each of Mumtaz Hotels Limited fully paid	394.72	394.72
9,277,777 (2011 - 3,277,777) Equity Shares of ₹ 10 each of Mercury Car Rentals Limited fully paid	115.00	55.00
16,014,721 (2011 - 16,014,721) Equity Shares of Mauritius Rupees 10 each of EIH Flight Services Limited, Mauritius fully paid	244.59	244.59
50,000 (2011 - 50,000) Equity Shares of ₹ 10 each of EIH Flight Catering Services Limited fully paid	0.50	0.50
Less: Provision for diminution in value of Investments	0.50	0.50
	–	–
Other Investments : Unquoted		
849,575 (2011 - 849,575) Equity Shares of ₹ 10 each of Mercury Travels Limited fully paid	18.69	18.69
18,000 (2011 - Nil) Equity Shares of ₹ 10 each of Green Infra Wind Generation Limited fully paid	0.18	–
Investment in Government Securities (Unquoted) Non Trade		
National Savings Certificate *	0.26	0.26
	6,163.57	6,051.39
* National Savings Certificates have been lodged with Government Authorities as Security Deposit.		
	Book Value	Market Value
Quoted	Rupees	Rupees
	596.84	1,089.59
	(598.84)	(1,085.06)
Unquoted	5,566.73	
	(5,452.55)	
	6,163.57	
	(6,051.39)	

(Figures in brackets represent figures for 2011)

Notes to Accounts — Contd.

		As at 31st March	
	Rupees Million	2012 Rupees Million	2011 Rupees Million
14			
LONG TERM LOANS AND ADVANCES (Unsecured)			
(Considered good unless otherwise stated)			
Loans and Advances to Related Parties			
Loans to Subsidiary Company :			
EIH Flight Services Limited, Mauritius		348.47	122.58
Advances towards Equity in Subsidiary Companies :			
Mashobra Resort Limited (Note 39)	1,361.93		1,293.03
Oberoi Kerala Hotels and Resorts Limited	1.60		1.60
		1,363.53	1,294.63
Advances towards Equity in Other Companies			
Golden Jubilee Hotels Limited	26.00		–
Mara Hotels Limited - considered doubtful	2.50	28.50	2.50
Loans and Advances to Others			
Capital Advances		51.19	217.97
Advances recoverable in cash or in kind or for value to be received		58.53	62.78
Other Advances recoverable - considered doubtful		183.90	183.98
Sundry Deposits		442.72	495.91
Prepaid Expenses		20.95	0.62
Income Tax Advance/Refund (net of Provision)		663.15	448.56
MAT credit entitlement (Note 40)		159.69	156.00
		3,320.63	2,985.53
Less: Provision for Doubtful Advances		186.40	186.48
		3,134.23	2,799.05
15			
OTHER NON-CURRENT ASSETS			
Long Term Trade Receivables (Unsecured)			
Considered doubtful		18.90	29.69
Less: Provision for Doubtful Debts		18.90	29.69
		–	–
16			
CURRENT INVESTMENTS			
Investments in Mutual Funds - Quoted *			
Birla Sun Life Savings Fund - Inst.-Daily Dividend-Reinvestment 1,168,253.971 units of ₹ 100.068 each		116.90	–
		116.90	–

* Investment in Mutual Funds are valued at Market Price.

Notes to Accounts — Contd.

		As at 31st March	
	Rupees Million	2012 Rupees Million	2011 Rupees Million
17			
INVENTORIES *			
Provisions, Wines & Others		159.43	137.73
Stores & Operating Supplies		171.78	199.01
		331.21	336.74

* Inventories are valued at cost which is based on First-In-First-Out method or net realisable value, whichever is lower.

18			
TRADE RECEIVABLES (Unsecured)			
(Considered good)			
Outstanding for a period exceeding six months from the due date		27.89	11.09
Other Debts		1,383.85	1,245.38
		1,411.74	1,256.47

19			
CASH & BANK BALANCES			
Cash & Cash Equivalents			
Cash in hand	17.04		24.41
Cheques in hand	13.44		48.41
Balances with Banks			
Current Accounts	37.11		529.93
Fixed Deposits with maturity within 3 months	8.40		5,297.59
		75.99	5,900.34
Other Bank Balances			
Margin Deposits		12.96	13.91
Fixed Deposits maturing beyond 12 months		0.68	0.67
Unpaid Dividend Accounts		29.76	27.69
Escrow Accounts / Fractional Share sale proceeds (against Bonus Issue)		0.20	0.20
		119.59	5,942.81

20			
SHORT-TERM LOANS AND ADVANCES			
Unsecured-Considered good			
Advances recoverable in cash or in kind or for value to be received			
Related Parties	0.46		4.22
Others	83.76	84.22	93.16
Prepaid Expenses		85.08	119.01
Sundry Deposits		88.03	128.89
		257.33	345.28

21			
OTHER CURRENT ASSETS			
Interest Accrued on deposits		2.86	5.89
Other Receivables - Considered good (unsecured)		8.51	9.10
		11.37	14.99

Notes to Accounts — Contd.

		Year ended 31st March	
	Rupees Million	2012 Rupees Million	2011 Rupees Million
22			
REVENUE FROM OPERATIONS			
Rooms	4,482.71		4,277.47
Food and Beverage	4,058.46		3,658.13
Other Services	1,909.64		1,750.41
Sale of Printed Materials	567.55		589.04
		11,018.36	10,275.05
Less: Excise Duty *		0.40	—
		11,017.96	10,275.05

* Excise Duty applicable on certain printed materials.

23			
OTHER INCOME			
Interest (Gross) *		33.60	42.12
Dividend			
From Subsidiary Companies - Long Term Investments (Trade)	61.95		930.48
From Others - Long Term Investments (Trade)	17.71		10.64
From Mutual Fund - Current Investments (Non-trade)	111.08		—
		190.74	941.12
Miscellaneous Income		224.69	169.83
Gain on Exchange		5.53	1.37
Profit on Sale of Investment		0.80	—
		455.36	1,154.44

* Interest Income includes interest from Income tax ₹ 20.95 Million (2011- ₹ Nil)

24			
CONSUMPTION OF PROVISIONS, WINES & OTHERS			
Opening Stock		137.73	128.50
Add: Purchases		1,570.42	1,394.35
		1,708.15	1,522.85
Less : Closing Stock		159.43	137.73
		1,548.72	1,385.12

25			
EMPLOYEE BENEFIT EXPENSES			
Salaries & Wages		2,814.45	2,802.34
Contribution to Provident Fund and Other Funds		169.95	172.00
Staff Welfare Expenses		195.60	176.22
		3,180.00	3,150.56

Notes to Accounts — *Contd.*

		Year ended 31st March	
	Rupees Million	2012 Rupees Million	2011 Rupees Million
26			
FINANCE COSTS			
Interest Expense *		544.11	1,510.58
Other Borrowing Costs		—	41.36
		544.11	1,551.94

* Interest Expense includes interest paid to Income Tax ₹ 9.17 Million (2011- ₹ 1.62 Million)

* Interest Expense for 2011 is net of interest capitalised ₹ 17.73 Million

27 **DEPRECIATION AND AMORTISATION**

Tangible Assets		930.66	874.11
Intangible Assets		0.41	0.24
		931.07	874.35

28 **OTHER EXPENSES**

Power & Fuel		810.28	726.88
Rent		210.41	231.28
Repairs :			
Buildings	156.27		152.42
Plant & Machinery	338.66		304.02
Others	108.61		76.90
		603.54	533.34
Insurance		35.42	49.54
Rates & Taxes		311.73	340.46
Expenses on Apartment & Board		149.65	120.22
Royalty		100.99	90.52
Advertisement, Publicity & Other Promotional Expenses		249.20	283.17
Commission to Travel Agents & others		207.12	164.75
Passage & Travelling		322.60	286.72
Postage, Telephone, etc.		133.39	124.43
Linen, Uniform Washing & Laundry Expenses		30.63	27.19
Renewals & Replacement		89.86	88.76
Musical, Banquet & Kitchen Expenses		77.25	65.50
Auditors' Remuneration (Note 41)		11.28	10.15
Directors' Fees and Commission		92.28	39.02
Loss on Sale/Discard of Assets etc. (Net)		92.66	83.57
Provision/write off : Debts & Advances		14.09	16.20
Provision/ write off : Investments		—	1.25
Miscellaneous Expenses		288.53	285.48
		3,830.91	3,568.43

Notes to Accounts — *Contd.*

	Year ended 31st March	
	2012	2011
	Rupees	Rupees
	Million	Million
29		
EXCEPTIONAL ITEMS		
Shortfall arising on final settlement of insurance claim for loss due to business interruption	–	(369.83)
Surplus arising on final settlement of insurance claim for damage	–	67.05
Profit on sale of Property and Apartment	111.46	258.60
	111.46	(44.18)
30		
CURRENT TAX		
Income Tax	263.93	156.00
Less : MAT credit entitlement	3.69	156.00
	260.24	–
Add : Tax adjustment relating to earlier years after final assessment	(67.11)	38.88
	193.13	38.88

Notes to Accounts — *Contd.*

31. Contingent Liabilities and commitments (to the extent not provided)

- (A) Contingent Liabilities not provided for in respect of :
- (i) Claims against the Company pending appellate/judicial decisions :
 - (a) Value Added Tax ₹ 25.92 Million (2011 - ₹ 31.17 Million)
 - (b) Income Tax ₹ 528.18 Million (2011 - ₹ 593.62 Million)
 - (c) Tax Deducted at Source ₹ 25.88 Million (2011 - ₹ 14.62 Million)
 - (d) Service Tax ₹ 64.03 Million (2011 - ₹ 50.38 Million)
 - (e) Property Tax ₹ 75.36 Million (2011 - ₹ 7.40 Million)
 - (f) Entertainment Tax ₹ 11.62 Million (2011 - ₹ 12.93 Million)
 - (g) Customs Duty ₹ 429.66 Million (2011 - ₹ 429.66 Million)
 - (h) ESI dues ₹ 12.61 Million (2011 - ₹ 12.22 Million)
 - (i) Excise Duty ₹ 99.07 Million (2011 - ₹ 35.33 Million)
 - (j) Others ₹ 22.45 Million (2011 - ₹ 14.92 Million)
 - (ii) Guarantees :
 - a. Guarantees given to Banks & Financial Institutions for ₹ 1,591.00 Million (2011 - ₹ 1,947.00 Million) against financial facilities availed by the subsidiary companies.
 - b. Counter guarantees issued to banks and remaining outstanding ₹ 30.31 Million (2011 - ₹ 128.91 Million).
- (B) Commitments:
- a. The estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 340.23 Million (2011 - ₹ 357.28 Million).
 - b. Investment in EIH International Limited, a wholly owned subsidiary ₹ 353.92 Million (2011 - ₹ Nil)

32. The Company issued 178,615,442 equity shares of ₹ 2 each on rights basis at a premium of ₹ 64 per share. These shares were allotted on 26th March, 2011 and the total proceeds of the Rights Issue were ₹ 11,788.62 Million

	Rupees Million	Rupees Million
Proceeds from the Rights Issue were utilised as below :		
Amount raised through Rights Issue		11,788.62
Utilisation :		
Repayment/Prepayment of Term Loan	9,000.00	
General Corporate Purposes	1,677.38	
Issue related expenses	111.14	
Construction of Flight Kitchen, New Delhi	915.73	11,704.25
Balance remaining invested in Mutual Fund Liquid Scheme		84.37

33. Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 are given below. This is based on information made available to the Company.

	As at 31st March, 2012 Rupees Million	As at 31st March, 2011 Rupees Million
(a) Principal amount due and remaining unpaid	–	0.35
(b) Interest due on (a) above & the unpaid interest	–	–
(c) Interest paid on all delayed payments under the MSMED Act	–	–
(d) Payment made beyond the appointed day During the year	–	–
(e) Interest due & payable for the period of delay other than (c) above	–	–
(f) Interest accrued & remaining unpaid on 31st March	–	–
(g) Amount of further interest remaining due & payable in succeeding years.	–	–

Notes to Accounts — Contd.

34. Defined Benefit Plans/Long Term Compensated Absences on 31st March, 2012 as per Actuarial Valuations using Projected Unit Credit Method and recognised in the Financial Statements in respect of Employee Benefit Schemes:

(Rupees in Million)

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
I Components of Employer Expenses				
1 Current Service Cost	21.08	40.22	15.63	44.10
2 Interest Cost	29.02	11.02	24.92	9.35
3 Expected return on Plan Assets	(33.70)	—	(29.86)	—
4 Curtailment Cost/(Credit)	—	—	—	—
5 Settlement Cost/(Credit)	—	—	—	—
6 Past Service Cost	—	—	—	—
7 Actuarial Losses/(Gains)	37.84	(7.86)	50.23	4.47
8 Total expenses recognised in the Statement of Profit and Loss	54.24	43.38	60.92	57.92
The Gratuity Expenses have been recognised in “Contribution to Provident Fund and other Funds” and Leave Encashment in “Salaries & Wages”.				
II Net Asset / (Liability) recognised in Balance Sheet as at 31st March, 2012				
1 Present Value of Defined Benefit Obligation	399.58	149.36	362.74	137.76
2 Fair Value of Plan Assets	366.42	—	317.45	—
3 Status [Surplus/(Deficit)]	(33.16)	(149.36)	(45.29)	(137.76)
4 Unrecognised Past Service Cost	—	—	—	—
5 Net Asset/(Liability) recognised in Balance Sheet	(33.16)	(149.36)	(45.29)	(137.76)
III Change in Defined Benefit Obligations (DBO) during the year ended 31st March, 2012				
1 Present Value of DBO at the beginning of year	362.74	137.76	311.55	116.88
2 Current Service Cost	21.08	40.22	15.63	44.10
3 Interest Cost	29.02	11.02	24.92	9.35
4 Curtailment Cost/(Credit)	—	—	—	—
5 Settlement Cost/(Credit)	—	—	—	—
6 Plan Amendments	—	—	—	—
7 Acquisitions	—	—	—	—
8 Actuarial (Gains)/Losses	37.84	(7.86)	50.23	4.47
9 Benefits Paid	(51.10)	(31.78)	(39.59)	(37.04)
10 Present Value of DBO at the end of year	399.58	149.36	362.74	137.76
IV Change in Fair Value of Assets during the year ended 31st March, 2012				
1 Plan Assets at the beginning of year	317.45	—	294.11	—
2 Acquisition Adjustment	—	—	—	—
3 Actuarial Return on Plan Assets	33.70	—	29.86	—
4 Actuarial Gains/(Losses)	—	—	—	—
5 Actual Company Contribution	66.37	—	33.07	—
6 Benefits Paid	(51.10)	—	(39.59)	—
7 Plan Assets at the end of year	366.42	—	317.45	—
V Investments Details				
Invested with LIC in Group Gratuity Scheme	—	—	—	—
VI Actuarial Assumptions				
1 Discount Rate (%)	8%	8%	8%	8%
2 Expected rate of return	9.40%	—	9.40%	—
3 Salary Escalation (%)	3%	3%	3%	3%
4 Mortality	Indian assured lives mortality (1994-96) (modified) Ultimate		Indian assured lives mortality (1994-96) (modified) Ultimate	

Notes to Accounts — Contd.

(Rupees in Million)

	Year ended 31st March, 2012		Year ended 31st March, 2011		Year ended 31st March, 2010		Year ended 31st March, 2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Funded)	(Unfunded)	(Funded)	(Unfunded)	(Funded)	(Unfunded)
VII. Net Asset/ (Liability) recognised in Balance Sheet (including experience adjustment impact)								
1. Present Value of Defined Benefit Obligation	399.58	149.36	362.74	137.76	311.55	116.88	281.79	121.92
2. Fair Value of Plan Assets	366.42	–	317.45	–	294.11	–	280.18	–
3. Status [Surplus/(Deficit)]	(33.16)	(149.36)	(45.29)	(137.76)	(17.44)	(116.88)	(1.61)	(121.92)
4. Experience Adjustments on Plan Liabilities [Loss/(Gain)]	37.84	(7.86)	50.23	4.47	22.23	21.45	5.99	(2.92)
5. Experience Adjustments on Plan Assets [Gain/(Loss)]	–	–	–	–	–	–	–	–

35. (a) Freehold/Leasehold Land of perpetual nature and Buildings at some locations were revalued on 31st March, 1982 and 31st March, 1993 resulting in a surplus of ₹ 2,863.88 Million which is included in the original cost. The valuation was carried out by an approved valuer on the basis of depreciated replacement cost. The nature of indices was not mentioned in the report. The surplus was transferred to Revaluation Reserve.
- (b) Buildings include construction cost of 850 car parking spaces amounting to ₹ 292.81 Million which as per the lease agreement dated 4th May, 2001 with MMRD Authority will have to be transferred to the said Authority through a licence agreement for a licence fee of ₹ 1 per annum as a condition precedent to the lease of the land for the Company's hotel in Mumbai known as Trident, Bandra Kurla.
36. (a) Depreciation has been provided for in the Accounts on "Straight Line Method" at the rates prescribed in Schedule XIV to the Companies Act, 1956 except for specific assets which are depreciated over the useful lives of the assets, which are not less than those prescribed under the Companies Act, 1956.
- (b) Depreciation for the year as per Fixed Assets Schedule (Note-12) includes ₹ 29.99 Million (2011 - ₹ 29.99 Million) being depreciation on the increased value of building due to the effect of revaluation and, accordingly, the same has been adjusted from Revaluation Reserve Account.
37. Fixed Assets acquired under finance lease amounted to ₹ 390.41 Million (2011 - ₹ 379.52 Million) being assets acquired between 1st April, 2001 to 31st March, 2012. These include an amount of ₹ 44.32 Million (2011 - ₹ 56.30 Million) being assets acquired during the year under finance lease and capitalised in line with the requirements of Accounting Standard (AS-19). Depreciation for the year includes an amount of ₹ 103.43 Million (2011 - ₹ 48.46 Million) being depreciation charged on these assets.

Notes to Accounts — Contd.

The year-wise break-up of the outstandings as on 31st March, 2012 in respect of these assets are as under:

	Year ended 31st March	
	2012	2011
	Rupees	Rupees
	Million	Million
Assets taken on lease		
Total Minimum Lease Payments at the year end	219.43	271.00
Present value of Minimum Lease Payments	190.24	234.49
Not later than one year		
Minimum Lease Payments	102.73	94.98
Present value	96.41	90.29
Later than one year but not later than five years		
Minimum Lease Payments	116.70	176.02
Present value	93.83	144.20
Later than five years		
Minimum Lease Payments	—	—
Present value	—	—
(a) Contingent rents recognised as expense in the Statement of Profit and Loss for the year	—	—
(b) The total of future minimum sub-lease payments expected to be received under non-cancellable sub-leases at the Balance Sheet date	—	—

38. Disclosures in respect of Company's operating lease arrangements entered on or after 1st April, 2001 under Accounting Standard (AS-19) on Leases.

- (a) General description of the Company's operating lease arrangements :
The Company has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services and residential premises for its employees. Some of the significant terms and conditions of the arrangements are :
 - agreements are not non-cancellable in nature and may generally be terminated by either party by serving a notice;
 - the lease arrangements which are not non cancellable are generally renewable by mutual consent on mutually agreeable terms.
- (b) The Company has given shops on rental basis which are not non cancellable and can be terminated by either party by serving a notice.
- (c) Rent in respect of the above is charged/credited to the Statement of Profit and Loss.

39. In the case of Mashobra Resort Limited ("MRL"), several disputes with the Government of Himachal Pradesh, the joint venture partner, were referred by the High Court of Himachal Pradesh on 17th December, 2003 to an arbitral tribunal consisting of a single arbitrator whose award has been challenged by both the Company and MRL, amongst others. The operation of the arbitration award has been stayed pending substantive hearing of the applications by the High Court. Consequently, the status quo ante of the entire matter stands restored to the position as on 17th December, 2003 and the hotel is being operated by MRL accordingly. The Company vide its letter dated 4th April, 2012 requested MRL to account for the entire amount of ₹ 1,361.93 Million provided to MRL upto 31st March, 2012 as 'Advance Towards Equity', including ₹ 130.00 Million being the opening balance of 'Advance Towards Equity'. In view of the above, the Company has shown the said amount of ₹ 1,361.93 Million as 'Advance Towards Equity' in its books.

Notes to Accounts — *Contd.*

An extraordinary general meeting of MRL was called on 14.10.2010 to pass a resolution for issue and offer of equity shares of MRL to the Company against the above advance for shares. The Government of Himachal Pradesh obtained a stay order from the High Court of Himachal Pradesh and the passing of the said resolution was deferred by the High Court. Consequently the issue of equity shares against the said advance has become subjudice and dependent upon the resolution of the legal cases.

However, MRL has now started earning profits in the last couple of years and has accumulated funds of ₹ 184.52 Million in fixed deposit pursuant to Court direction.

40. The Company has calculated its tax liability after considering Minimum Alternate Tax (MAT). This has resulted in an additional expense of ₹ 260.24 Million and balance carried forward is to be set off against any future liability. MAT credit entitlement has been shown under Long Term Loans & Advances.

	Year ended 31st March	
	2012	2011
	Rupees	Rupees
	Million	Million
41. Auditor's Remuneration (excluding Service tax)		
As Auditor	10.12	8.47
For Tax Audit	0.50	0.20
For Taxation Matters	0.38	0.34
For Other Matters (Certification)	0.28	1.14
	<u>11.28</u>	<u>10.15</u>

Auditors Remuneration excludes ₹ 6.62 Million paid to auditors during the year ended 31st March, 2011 for services rendered in connection with the Rights Issue and debited to Securities Premium Account.

	Year ended 31st March	
	2012	2011
	Rupees	Rupees
	Million	Million
42. Earnings per Equity Share :		
Net Profit after Taxation as per Statement of Profit and Loss	1,224.18	645.40
Weighted average number of Equity Shares outstanding	571,569,414	395,890,116
Basic and Diluted earnings per Equity Share of face value ₹ 2 (in Rupees)	2.14	1.63
43. Value of Imports calculated on C.I.F. basis in respect of :		
(i) Provisions, Wines & Others	99.21	88.93
(ii) Components & Spares	39.45	20.88
(iii) Capital Goods	425.29	306.15
	<u>563.95</u>	<u>415.96</u>

44. (a) Inventory of Provision, Wines & Others includes Stock of Paper, Ink etc. at year end ₹ 58.42 Million (2011 - ₹ 57.19 Million)
(b) Consumption of Provisions, Wines and Others includes consumption of Paper, Ink etc. ₹ 355.60 Million (2011 - ₹ 382.28 Million)

Notes to Accounts — Contd.

45. Details of dividend remitted during the year in foreign currency are given below :

	Year ended 31st March 2012 Rupees Million	Year ended 31st March 2011 Rupees Million
(a) Number of non-resident shareholder	1	1
(b) Number of equity shares held	333,030	333,030
(c) Amount of dividend paid	0.30	0.40
(d) Year to which dividend relates	2010-11	2009-10

46. (a) Expenditure in foreign currencies :

(i) Professional	25.87	37.90
(ii) Consultancy	44.36	7.27
(iii) Foreign Sales Office Expenses	246.58	198.91
(iv) Other Matters	161.79	237.22

(b) Earnings in foreign currencies :

(i) On Sales (as per return submitted to DGFT)	4,499.57	3,861.39
(ii) Consultation fees	37.73	19.85
(iii) Export of Printing and other materials on FOB basis	92.39	57.91
(iv) Dividend	–	856.14

47. Total Value of Consumption of Indigenous & Imported materials :

	Year ended 31st March, 2012		Year ended 31st March, 2011	
	₹ Million	Percentage	₹ Million	Percentage
Imported	97.47	6.29%	82.53	5.96%
Indigenous	1,451.25	93.71%	1,302.59	94.04%
	<u>1,548.72</u>	<u>100.00%</u>	<u>1,385.12</u>	<u>100.00%</u>

48. Foreign Exchange :

- a) The Company has outstanding Currency Swap and Interest rate swap in order to fully hedge the outstanding foreign currency loan availed, of which USD 10,288,066 was outstanding on 31st March, 2012.
- b) Unhedged Foreign Currency exposure outstanding

Currency	As at 31st March, 2012			As at 31st March, 2011		
	Receivable	Payable	Net	Receivable	Payable	Net
EURO	5,676	300,776	(295,100)	539,797	439,767	100,030
US Dollar	528,024	4,346,712	(3,818,688)	243,469	2,100,039	(1,856,570)
Mauritius Rupee	5,508,682	–	5,508,682	3,135,410	–	3,135,410
Swiss Franc	–	127,700	(127,700)	–	57,000	(57,000)
Hong Kong Dollar	2,977	395,878	(392,901)	–	–	–
GBP	349	3,577	(3,228)	–	1,868	(1,868)

49. The Company and L&T Urban Infrastructure Limited, the two joint venture partners in L&T Bangalore Airport Hotel Limited (BAHL), had decided to terminate the joint venture, by transfer of the shareholding to a prospective buyer. The negotiation with the buyer is still continuing. In the opinion of the Company, the cost at which the investment in BAHL appears in the Balance Sheet of the Company, will be recovered in full.

Notes to Accounts — *Contd.*

50. The details of transactions entered into with Related Parties during the year are as follows:

NAMES OF THE RELATED PARTIES

(I)	Subsidiary Companies	Country of Incorporation
(i)	Mercury Car Rentals Limited	India
(ii)	Mashobra Resort Limited	India
(iii)	Oberoi Kerala Hotels and Resorts Limited	India
(iv)	Mumtaz Hotels Limited	India
(v)	EIH Flight Services Limited	Mauritius
(vi)	EIH International Ltd.	British Virgin Islands
(vii)	EIH Holdings Limited	British Virgin Islands
(viii)	EIH Marrakech Ltd.	British Virgin Islands
(ix)	J&W Hongkong Ltd	Hongkong
(x)	Oberoi Turtle Bay Ltd.	Mauritius
(xi)	EIIH Corporation Ltd.	Hongkong
(xii)	EIH Investments NV	Netherlands Antilles
(xiii)	EIH Management Services BV	The Netherlands
(xiv)	PT Widja Putra Karya	Indonesia
(xv)	PT Waka Oberoi Indonesia	Indonesia
(xvi)	PT Astina Graha Ubud	Indonesia
(II)	Associates & Joint Ventures	
(i)	EIH Associated Hotels Limited	India
(ii)	L & T Bangalore Airport Hotel Limited	India
(iii)	Golden Jubilee Hotels Limited	India
(iv)	Oberoi Mauritius Ltd.	British Virgin Islands
(III)	Enterprises in which Key Management Personnel have significant influence	
(i)	Oberoi Hotels Private Limited	India
(ii)	Oberoi Properties Private Limited	India
(iii)	Oberoi Holdings Private Limited	India
(iv)	Oberoi Investments Private Limited	India
(v)	Oberoi Buildings and Investments Private Limited	India
(vi)	Oberoi Plaza Private Limited	India
(vii)	Bombay Plaza Private Limited	India
(viii)	Oberoi Leasing & Finance Company Private Limited	India
(ix)	Aravali Polymers LLP	India
(x)	Island Hotel Maharaj Limited	India
(IV)	Key Management Personnel	
(i)	Mr. P.R.S. Oberoi - Chairman & Chief Executive	
(ii)	Mr. S.S. Mukherji - Vice Chairman	
(iii)	Mr. V.S. Oberoi - Chief Operating Officer and Joint Managing Director	
(iv)	Mr. A.S. Oberoi - Chief Planning Officer and Joint Managing Director	

Notes to Accounts — Contd.

(B)

Transactions with Related Parties for the year ended 31st March, 2012 and Outstanding Balances as on 31st March, 2012.

NATURE OF TRANSACTIONS	Subsidiaries		Associates & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2012 Rupees Million	2011 Rupees Million	2012 Rupees Million	2011 Rupees Million	2012 Rupees Million	2011 Rupees Million	2012 Rupees Million	2011 Rupees Million
PURCHASES								
Purchase of Goods & Services								
Mercury Car Rentals Limited	88.40	73.30	-	-	-	-	-	-
Mashobra Resort Limited	0.40	0.35	-	-	-	-	-	-
Mumtaz Hotels Limited	1.14	0.70	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	5.16	6.17	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	0.74	1.57	-	-
Total	89.94	74.35	5.16	6.17	0.74	1.57	-	-
Purchase of Fixed Assets								
EIH Associated Hotels Limited	-	-	0.15	2.22	-	-	-	-
Total	-	-	0.15	2.22	-	-	-	-
EXPENSES								
Rent								
Oberoï Kerala Hotels & Resorts Limited	0.10	0.38	-	-	-	-	-	-
Oberoï Hotels Private Limited	-	-	-	-	0.36	0.36	-	-
Wife of Mr. P.R.S. Oberoi	-	-	-	-	-	-	0.36	0.36
Total	0.10	0.38	-	-	0.36	0.36	0.36	0.36
Royalty								
Oberoï Hotels Private Limited	-	-	-	-	100.99	90.52	-	-
Total	-	-	-	-	100.99	90.52	-	-
Salary & Commission								
Mr. P.R.S. Oberoi	-	-	-	-	-	-	41.98	17.62
Mr. S.S. Mukherji	-	-	-	-	-	-	36.26	21.72
Mr. V.S. Oberoi	-	-	-	-	-	-	20.35	13.09
Mr. A.S. Oberoi	-	-	-	-	-	-	22.91	13.30
Daughter of Mr. S.S. Mukherji	-	-	-	-	-	-	0.85	0.70
Total	-	-	-	-	-	-	122.35	66.43
SALES								
Sale of Goods and Services								
Mercury Car Rentals Limited	1.55	1.35	-	-	-	-	-	-
Mashobra Resort Limited	3.82	3.34	-	-	-	-	-	-
Mumtaz Hotels Limited	22.01	19.07	-	-	-	-	-	-
EIH Flight Services Ltd. Mauritius	1.38	-	-	-	-	-	-	-
PT Widja Putra Karya	3.24	3.55	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.07	0.58	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	79.83	51.95	-	-	-	-
Golden Jubilee Hotels Limited	-	-	3.44	0.09	-	-	-	-
Oberoï Mauritius Ltd.	-	-	0.70	5.88	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	2.63	2.58	-	-
Total	32.07	27.89	83.97	57.92	2.63	2.58	-	-
Sale of Fixed Assets								
Mashobra Resort Limited	0.00	0.05	-	-	-	-	-	-
Mercury Car Rentals Limited	1.67	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	0.41	2.24	-	-	-	-
Total	1.68	0.05	0.41	2.24	-	-	-	-
INCOME								
License Agreement								
Mercury Car Rentals Limited	1.36	1.02	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	0.24	0.24	-	-	-	-
Oberoï Holdings Private Limited	-	-	-	-	0.69	0.69	-	-
Oberoï Investments Private Limited	-	-	-	-	0.13	0.13	-	-
Oberoï Buildings & Investments Private Limited	-	-	-	-	1.17	1.17	-	-
Oberoï Plaza Private Limited	-	-	-	-	2.41	2.41	-	-
Bombay Plaza Private Limited	-	-	-	-	1.89	1.88	-	-
Total	1.36	1.02	0.24	0.24	6.29	6.28	-	-
Management Contract								
Mumtaz Hotels Limited	53.90	39.27	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	9.73	4.59	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	121.32	113.96	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	1.82	1.54	-	-
Total	63.63	43.86	121.32	113.96	1.82	1.54	-	-
Interest Income								
Mercury Car Rentals Limited	0.68	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	29.90	-	-	-	-
Total	0.68	-	-	29.90	-	-	-	-
Dividend Received								
Mumtaz Hotels Limited	61.95	74.34	-	-	-	-	-	-
EIH International Ltd	-	856.14	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	17.68	10.61	-	-	-	-
Total	61.95	930.48	17.68	10.61	-	-	-	-

Notes to Accounts — Contd.

NATURE OF TRANSACTIONS

	Subsidiaries		Associates & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2012 Rupees Million	2011 Rupees Million	2012 Rupees Million	2011 Rupees Million	2012 Rupees Million	2011 Rupees Million	2012 Rupees Million	2011 Rupees Million
FINANCE								
PAYMENTS								
Loans								
EIH Flight Services Limited, Mauritius	225.89	122.58	-	-	-	-	-	-
Mercury Car Rentals Limited	20.00	-	-	-	-	-	-	-
Total	245.89	122.58	-	-	-	-	-	-
Advance against Equity Shares								
Mashobra Resort Limited	68.90	79.40	-	-	-	-	-	-
Golden Jubilee Hotels Limited	-	-	26.00	-	-	-	-	-
Total	68.90	79.40	26.00	-	-	-	-	-
Investment in Equity Shares								
Mercury Car Rentals Limited	60.00	-	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	-	167.43	-	-	-	-	-	-
EIH International Ltd	-	2,102.05	-	-	-	-	-	-
Golden Jubilee Hotels Limited	-	-	54.00	-	-	-	-	-
Total	60.00	2,269.48	54.00	-	-	-	-	-
RECEIPTS								
Loans & Advances received back								
Mercury Car Rentals Limited	20.00	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	320.00	-	-	-	-
Mashobra Resort Limited	-	-	-	-	-	-	-	-
Total	20.00	-	-	320.00	-	-	-	-
GUARANTEE ISSUED								
Mercury Car Rentals Limited	-	20.00	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	-	40.00	-	-	-	-	-	-
Total	-	60.00	-	-	-	-	-	-
GUARANTEE RELEASED								
Mercury Car Rentals Limited	-	50.00	-	-	-	-	-	-
Mumtaz Hotels Limited	414.00	96.00	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	104.00	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	135.50	-	-	-
Total	414.00	146.00	-	104.00	135.50	-	-	-
OUTSTANDING BALANCES								
Payables								
For Goods & Services								
Mercury Car Rentals Limited	8.56	12.18	-	-	-	-	-	-
Mashobra Resort Limited	0.70	0.50	-	-	-	-	-	-
Oberoi Kerala Hotels & Resorts Limited	-	0.08	-	-	-	-	-	-
Mumtaz Hotels Limited	0.19	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	1.82	2.01	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	0.24	0.01	-	-
Total	9.45	12.76	1.82	2.01	0.24	0.01	-	-
Royalty								
Oberoi Hotels Private Limited	-	-	-	-	0.15	25.35	-	-
Total	-	-	-	-	0.15	25.35	-	-
Security Deposit								
Bombay Plaza Private Limited	-	-	-	-	0.50	0.50	-	-
Total	-	-	-	-	0.50	0.50	-	-
Loans & Advances and Receivables								
For Goods & Services								
Mercury Car Rentals Limited	0.48	-	-	-	-	-	-	-
Mashobra Resort Limited	0.46	-	-	-	-	-	-	-
Oberoi Kerala Hotels & Resorts Limited	0.01	-	-	-	-	-	-	-
Mumtaz Hotels Limited	5.11	22.88	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	0.46	4.94	-	-	-	-	-	-
PT Widja Putra Karya	0.10	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.01	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	10.90	9.17	-	-	-	-
L & T Bangalore Airport Hotel Limited	-	-	-	0.12	-	-	-	-
Golden Jubilee Hotels Limited	-	-	0.48	-	-	-	-	-
Oberoi Hotels Private Limited	-	-	-	-	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	0.43	-	-	-
Total	6.63	27.82	11.38	9.29	0.43	-	-	-
Advance against Equity Shares								
Mashobra Resort Limited	1,361.93	1,293.03	-	-	-	-	-	-
Oberoi Kerala Hotels and Resorts Limited	1.60	1.60	-	-	-	-	-	-
Golden Jubilee Hotels Limited	-	-	26.00	-	-	-	-	-
Total	1,363.53	1,294.63	26.00	-	-	-	-	-
Loans								
EIH Flight Services Limited, Mauritius	348.47	122.58	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	-	-	-	-	-
Total	348.47	122.58	-	-	-	-	-	-
Management Contract								
Mumtaz Hotels Limited	25.84	17.85	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	9.47	4.94	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	52.97	51.47	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	0.71	1.19	-	-
Total	35.31	22.79	52.97	51.47	0.71	1.19	-	-
Outstanding Financial Facilities								
Against Corporate Guarantees								
Mercury Car Rentals Limited	30.00	60.00	-	-	-	-	-	-
Mashobra Resort Limited	19.64	98.21	-	-	-	-	-	-
Mumtaz Hotels Limited	-	43.20	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	836.29	873.66	-	-	-	-	-	-
Total	885.93	1,075.07	-	-	-	-	-	-

Notes to Accounts — *Contd.*

51. Segment wise Revenue, Results, Assets and Liabilities are as follows :

	Year Ended 31 March	
	2012 Rupees Million	2011 Rupees Million
Segment Revenue		
a. Hotels	10,894.75	10,827.84
b. Others	578.57	601.65
Total	11,473.32	11,429.49
Segment Results		
Profit before Finance Costs and Tax from each segment :		
a. Hotels	3,762.07	4,141.91
b. Others	(185.26)	(151.86)
Total	3,576.81	3,990.05
Less :		
i. Finance Costs	544.11	1,551.94
ii. Other unallocable expenditure	1,594.19	1,539.02
Profit before Tax and exceptional item	1,438.51	899.09
Exceptional items - Profit/(Loss) (Net)	111.46	(44.18)
Profit before Tax	1,549.97	854.91
Segment Assets		
Hotels	29,929.57	34,956.10
Others	2,540.51	2,807.10
Total	32,470.08	37,763.20
Segment Liabilities		
Hotels	1,619.18	1,726.10
Others	322.87	378.24
Total	1,942.05	2,104.34

Notes to Accounts — *Contd.*

52. Financial Reporting of Interest in Joint Ventures :

Disclosure pursuant to para 51, 52, 53 & 54 of Accounting Standard (AS-27) is given below:

Rupees Million

Names of the Jointly Controlled Entities	Proportion of Ownership Interest (%)	Description of Interest	Aggregate amount relating to EIH Limited's interest in jointly controlled entities			
			Total Assets	Total Liabilities	Total Income	Total Expenses
Oberoi Kerala Hotels & Resorts Limited	80.00	Jointly Controlled Entity	16.43	16.43	0.29	0.37
Mashobra Resort Limited	78.79	-do-	714.91	714.91	171.31	145.61
Mumtaz Hotels Limited	60.00	-do-	698.65	698.65	427.22	339.12
Golden Jubilee Hotels Limited	16.00	-do-	855.76	855.76	–	1.35
L&T Bangalore Airport Hotel Limited	26.00	-do-	994.21	994.21	–	–
Mercury Car Rentals Limited	66.67	-do-	627.25	627.25	706.47	693.61
Oberoi Mauritius Limited	50.00	-do-	1,154.86	1,154.86	228.85	253.07

- a) Contingent liability that EIH Limited has incurred in relation to its interests in joint ventures and its share in each of the contingent liabilities which have been incurred jointly with other venturers :-
Guarantees given to Banks & Financial Institutions for ₹ 610.00 Million (2011 - ₹ 1,024.00 Million) against financial facilities availed by the jointly controlled entities.
- b) EIH Limited's share of the contingent liabilities of the joint ventures themselves: ₹ 12.98 Million (2011 - ₹ 39.95 Million)
- c) EIH Limited is not liable for the liabilities of the other venturers of any joint venture.
- d) There are no capital commitments of EIH Limited in relation to its interest in joint ventures and there are no capital commitments that have been incurred jointly with other venturer.
- e) EIH Limited's share of capital commitments of the joint ventures themselves amounts to ₹162.18 Million (2011 - ₹ 414.65 Million).

53. The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

EIH Limited
CONSOLIDATED FINANCIAL STATEMENTS

**DISCLOSURE PURSUANT TO
GENERAL CIRCULAR NO. 2/2011 DATED 8TH FEBRUARY, 2011
UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956**

For the year ended on 31.03.2012

(Amount in ₹ Million)

Particulars	Mercury Car Rentals Limited	ElH International Limited	ElH Flight Services Limited	Oberoï Kerala Hotels and Resorts Limited	Mashobra Resort Limited	Muntaz Hotels Limited	ElH Holdings Limited	ElH Marrakech Limited	J&W Hongkong Limited	Oberoï Turtle Bay Limited	ElHH Corporation Limited	ElH Investments NV	ElH Management Services BV	PT Widja Putra Karya	PT Waka Oberoï Indonesia	PT Asina Graha Ubud
Capital	139.17	4,010.79	244.59	27.20	330.00	206.50	1,521.13	0.01	505.60	0.04	-	0.30	1.22	33.35	578.91	131.46
Reserves	40.97	(321.02)	(507.24)	(8.47)	(833.87)	541.70	304.21	-	-	(1.57)	-	5.89	69.60	16.31	(1,819.69)	-
Total Assets	940.83	4,209.70	980.04	20.53	907.37	1,164.42	1,417.78	0.01	505.60	0.04	-	841.75	918.33	220.04	137.76	311.26
Total Liabilities	940.83	13.57	980.04	20.53	907.37	1,164.42	21.40	-	-	1.58	-	835.56	822.32	170.38	1,378.55	179.80
Details of Investment (except in case of investment in subsidiaries)																
1,078,826 shares of Tourism Investment Company at Sahl Hasheesh and 1,000 shares of La Roseate De L'Atlas SA, Marrakech	-	70.87	-	-	-	-	314.42	-	-	-	-	-	-	-	-	-
Total	-	70.87	-	-	-	-	314.42	-	-	-	-	-	-	-	-	-
Turnover	1,059.66	12.52	333.27	0.37	217.43	712.04	80.04	-	-	-	-	18.05	23.87	438.36	168.74	-
Profit before Taxation	23.04	5.01	(195.87)	-	33.80	265.08	51.73	-	-	(0.06)	-	0.68	(32.62)	98.62	4.68	-
Provision for Taxation	3.74	-	-	0.09	1.17	118.24	5.39	-	-	-	-	0.23	-	24.11	(3.59)	-
Profit after Taxation	19.29	5.01	(195.87)	(0.09)	32.63	146.83	46.34	-	-	(0.06)	-	0.46	(32.62)	74.51	8.27	-
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

AUDITOR'S REPORT on Consolidated Financial Statements

To
The Board of Directors,
EIH Limited

We have audited the attached Consolidated Balance Sheet of EIH Limited ("the Company") its subsidiaries, Associates, jointly controlled entities (collectively referred to as "the Group") as at 31st March, 2012, the Consolidated Statement of Profit and Loss for the year then ended annexed thereto and also the Consolidated Cash Flow Statement for the year then ended. The preparation of these Financial Statements is the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Generally Accepted Auditing Standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We have not audited the Financial Statements of thirteen subsidiaries and three jointly controlled entities whose Financial Statements reflect total assets of ₹ 6,003.00 Million as at 31st March, 2012, total revenues of ₹ 1,882.65 Million and the net Cash Flows amounting to ₹ 145.75 Million for the year then ended. These Financial Statements and other financial statements have been audited by other auditors whose audit reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, and joint ventures is based solely on the report of the other auditors.
2. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS-21), - "Consolidated Financial Statements", read with Accounting Standard (AS-23), - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS-27), - "Financial Reporting of Interests in Joint Ventures" notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate Audited Financial Statements of the Company and its subsidiaries, associates and jointly controlled entities, included in the Consolidated Financial Statements.
3. Based on our audit as aforesaid and on consideration of reports of other auditors on the separate financial statements, consolidated financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read in conjunction with Notes to Accounts give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2012.
 - b) in the case of the Consolidated Statement of Profit and Loss of the profit of the Group for the year ended on that date and
 - c) in the case of the Consolidated Cash Flow Statement of the cash flows of the Group for the year ended on that date.

For RAY & RAY
Chartered Accountants

A. K. SHARMA
Partner

Gurgaon
29th May, 2012

Membership Number 80085
Firm's Registration Number 301072E

Balance Sheet

as at 31st March, 2012

As at 31st March

	Note	Rupees Million	2012 Rupees Million	2011 Rupees Million
EQUITY AND LIABILITIES				
SHAREHOLDER'S FUNDS				
CAPITAL	4	1,143.14		1,143.14
RESERVES AND SURPLUS	5	24,792.30		24,316.06
			25,935.44	25,459.20
SHARE APPLICATION MONEY PENDING ALLOTMENT			–	4.40
MINORITY INTEREST			411.90	356.45
NON-CURRENT LIABILITIES				
LONG TERM BORROWINGS	6	3,076.85		6,684.85
DEFERRED TAX LIABILITIES - NET	7	1,687.98		1,550.84
OTHER LONG TERM LIABILITIES	8	564.95		513.87
LONG TERM PROVISIONS	9	136.28		126.57
			5,466.06	8,876.13
CURRENT LIABILITIES				
SHORT TERM BORROWINGS	10	918.20		688.51
TRADE PAYABLES	11	710.52		731.96
OTHER CURRENT LIABILITIES	12	2,830.67		4,889.99
SHORT TERM PROVISIONS	13	816.34		696.87
			5,275.73	7,007.33
TOTAL			37,089.13	41,703.51
ASSETS				
NON-CURRENT ASSETS				
FIXED ASSETS				
TANGIBLE ASSETS	14	23,679.64		24,146.67
INTANGIBLE ASSETS	14	8.57		7.45
CAPITAL WORK-IN-PROGRESS		3,161.53		2,041.27
GOODWILL (ON CONSOLIDATION)		3,088.05		3,049.65
NON-CURRENT INVESTMENTS	15	1,250.94		1,164.25
LONG TERM LOANS AND ADVANCES	16	1,995.25		2,012.20
OTHER NON CURRENT ASSETS	17	–		–
			33,183.98	32,421.49
CURRENT ASSETS				
CURRENT INVESTMENTS	18	116.90		–
INVENTORIES	19	435.54		446.00
TRADE RECEIVABLES	20	1,691.18		1,501.19
CASH AND BANK BALANCES	21	1,263.58		6,854.06
SHORT TERM LOANS AND ADVANCES	22	373.62		458.68
OTHER CURRENT ASSETS	23	24.33		22.09
			3,905.15	9,282.02
TOTAL			37,089.13	41,703.51

NOTES TO THE ACCOUNTS

FORM AN INTEGRAL PART OF THE BALANCE SHEET

This is the Balance Sheet referred to in our report of even date.

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E

Gurgaon, 29th May, 2012

S.N. SRIDHAR
Company Secretary

P. R. S. OBEROI
S. S. MUKHERJI
VIKRAM OBEROI
ARJUN OBEROI
S. K. DASGUPTA
ANIL NEHRU
L. GANESH
RENU SUD KARNAD

Chairman and Chief Executive
Vice Chairman
Chief Operating Officer and Joint Managing Director
Chief Planning Officer and Joint Managing Director
Directors

Statement of Profit and Loss for the year ended 31st March, 2012

		Year ended 31st March	
	Note	2012 Rupees Million	2011 Rupees Million
INCOME			
REVENUE FROM OPERATIONS	24	13,923.03	12,519.92
OTHER INCOME	25	438.08	448.80
TOTAL REVENUE		14,361.11	12,968.72
EXPENSES			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	26	1,816.41	1,565.72
EMPLOYEE BENEFIT EXPENSES	27	3,683.60	3,550.93
FINANCE COSTS	28	704.18	1,690.83
DEPRECIATION AND AMORTIZATION EXPENSE	29	1,297.57	1,165.55
OTHER EXPENSES	30	5,264.93	4,765.18
TOTAL EXPENSES		12,766.69	12,738.21
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		1,594.42	230.51
EXCEPTIONAL ITEMS -INCOME	31	111.45	(44.18)
PROFIT BEFORE TAX		1,705.87	186.33
TAX			
CURRENT TAX	32	342.64	154.96
DEFERRED TAX		137.74	158.87
PROFIT /(LOSS) AFTER TAX BEFORE MINORITY'S SHARE		1,225.49	(127.50)
Less : MINORITY'S SHARE IN PROFIT AFTER TAXATION		28.12	(41.52)
EIH'S SHARE IN PROFIT /(LOSS)		1,197.37	(85.98)
Add : SHARE IN PROFIT OF ASSOCIATES		43.47	33.66
PROFIT / (LOSS) FOR THE PERIOD		1,240.84	(52.32)
 BASIC AND DILUTED EARNINGS PER SHARE (in Rupees) Face Value ₹ 2	 46	 2.17	 (0.13)

NOTES TO THE ACCOUNTS FORM AN INTEGRAL PART OF STATEMENT OF PROFIT AND LOSS

This is the Statement of Profit & Loss
referred to in our report of even date

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner
Membership Number 80085
Firm's Registration Number 301072E
Gurgaon, 29th May, 2012

S.N. SRIDHAR
Company Secretary

P. R. S. OBEROI	Chairman and Chief Executive
S. S. MUKHERJI	Vice Chairman
VIKRAM OBEROI	Chief Operating Officer and Joint Managing Director
ARJUN OBEROI	Chief Planning Officer and Joint Managing Director
S. K. DASGUPTA	Directors
ANIL NEHRU	
L. GANESH	
RENU SUD KARNAD	

Cash Flow Statement

	Year ended 31st March	
	2012 Rupees Million	2011 Rupees Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	1,705.87	186.33
Adjustments for :		
Depreciation	1,297.57	1,165.55
Non-cash miscellaneous expenses / (income)	–	(41.35)
Effect of Rate Exchange	3.77	(87.74)
Liabilities written back	(3.95)	–
(Profit)/Loss on Sale of Fixed Assets (Net) – Including Exceptional profit of ₹ 111.45 Million (2011 - ₹ 325.65 Million)	(32.83)	(269.78)
Provision for doubtful Advances	2.20	–
Provision for diminution in value of investments	–	0.50
Interest Income	(66.92)	(66.43)
Dividend Income	(132.92)	(21.88)
Interest Expenditure	704.18	1,690.83
Operating Profit before Working Capital Changes	3,476.97	2,556.03
Adjustments for :		
Trade & Other Receivables	(30.52)	1,234.09
Inventories	14.28	(48.89)
Trade & Other Payables	(176.14)	246.10
Cash Generated from Operations	3,284.59	3,987.33
Payment of Direct Taxes	(506.69)	(363.97)
Net cash from Operating Activities	2,777.90	3,623.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,895.71)	(2,358.85)
Purchase of Furniture, Fixtures & Equipment from Provision for Furniture, Fixtures & Equipment	(13.96)	(11.51)
Sale of Fixed Assets	143.51	666.67
Purchase of Investments	(229.08)	(2,101.79)
Loan to Associate	–	320.00
Sale of Investments	–	4.80
Interest Received	54.39	42.34
Decrease in Capital Advance	197.73	–
Increase/(Decrease) in Other Bank balances	(62.40)	(216.08)
Dividend Received	4.14	21.87
Cash used in Investing Activities	(1,801.38)	(3,632.55)

Cash Flow Statement — Contd.

	Year ended 31st March	
	2012 Rupees Million	2011 Rupees Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue of Shares	–	11,788.62
Proceeds from Issue of Share Capital	139.60	–
Rights Issue Expenses	–	(111.14)
Proceeds from Borrowings		
Term Loans	767.01	4,716.52
Cash Credit from Banks	102.57	–
Unsecured Loans	–	75.21
Loan from Finance Companies	–	208.45
Proceeds from Short Term Loan	780.00	1.78
Proceeds from Unsecured Loans	10.00	–
Loan management fees	(0.87)	–
Proceeds from advance against equity	–	4.40
Repayment of		
Term Loans from Banks	(6,271.93)	(7,213.98)
Cash Credit from Banks	(86.13)	(532.44)
Short Term Loans	(557.75)	–
Unsecured Loans	(44.29)	(849.66)
Loan from Finance Companies	–	(154.32)
Loan syndication fees and upfront fees	–	(0.50)
Interest Paid	(793.87)	(1,719.00)
Dividend Paid	(615.60)	(539.23)
Tax on Dividend	(88.14)	(76.16)
Net Cash used in Financing Activities	(6,659.40)	5,598.55
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(5,682.88)	5,589.36
Cash and Cash Equivalents at beginning of year	6,624.70	643.79
Less : Adjustment on account of cessation as Subsidiary	–	(0.41)
Add : Adjustment on account of inclusion as Jointly Controlled Entity	–	391.96
Cash and Cash Equivalents at the end of the year	941.82	6,624.70

Notes :

- The Cash Flow Statement has been prepared in indirect method except in case of dividend income, purchase and sale of investments which have been considered on the basis of actual cash movement, with corresponding adjustments in Assets and Liabilities.
- Additions to Fixed Assets are stated inclusive of movements of Capital Work-In-Progress between the beginning and end of the year and treated as part of Investing Activities.

This is the Cash Flow Statement referred to in our report of even date.

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E
Gurgaon, 29th May, 2012

S.N. SRIDHAR
Company Secretary

P. R. S. OBEROI	Chairman and Chief Executive
S. S. MUKHERJI	Vice Chairman
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ARJUN OBEROI	Chief Planning Officer and Joint Managing Director
S. K. DASGUPTA	Directors
ANIL NEHRU	
L. GANESH	
RENU SUD KARNAD	

Notes to Accounts

1

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- a. The Consolidated Financial Statements relate to EIH Limited ('the Company'), its subsidiary companies, jointly controlled entities and associates. The Financial Statements of the Company, its subsidiary companies, jointly controlled entities and associates which are incorporated in India have been prepared under the historical cost convention in accordance with Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956 and on accrual basis. Financial Statements of the subsidiary companies and the jointly controlled entity which are incorporated outside India have been prepared following the Accounting Standards applicable in the respective countries but suitably modified to conform to the uniform accounting policies, except where disclosed otherwise.

b. Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- (i) The Financial Statements of the Company, its subsidiary companies and jointly controlled entities are combined on line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard on "Consolidated Financial Statements" (AS-21) read with Accounting Standard on "Financial Reporting of Interests in Joint Ventures" (AS-27) notified pursuant to the Companies (Accounting Standards) Rules, 2006.
 - (ii) In case of foreign subsidiaries and foreign jointly controlled entity, revenue items are consolidated at the average exchange rate prevailing during the year. Monetary assets and liabilities are converted at exchange rates prevailing at the respective Balance Sheet dates. Non-monetary assets and liabilities are converted at the exchange rate prevailing on the date of transaction. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.
 - (iii) The difference between the cost of investment in the subsidiaries and jointly controlled entities, over the net assets at the time of acquisition of shares in the subsidiaries and jointly controlled entities is recognised in the Financial Statements as Goodwill or Capital Reserve, as the case may be.
 - (iv) In case of associates which are not jointly controlled entities as per Accounting Standard on "Financial Reporting of Interests in Joint Ventures" (AS-27), where EIH Limited holds more than 20% and upto 50% of voting power, Investments in such associates are accounted for using equity method in accordance with Accounting Standard on "Accounting for Investments in Associates in Consolidated Financial Statements" (AS-23) notified pursuant to the Companies (Accounting Standards) Rules, 2006.
 - (v) The Company accounts for its share in the post-acquisition change in net assets of the associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates, to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.
 - (vi) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the Financial Statements as Goodwill or Capital Reserve, as the case may be.
- c. Investments other than in subsidiaries, associates and jointly controlled entities have been accounted for as per Accounting Standard on "Accounting for Investments" (AS-13).
- d. Other significant accounting policies
- These are set out under "Significant Accounting Policies" as given in the standalone Financial Statements of EIH Limited.

Notes to Accounts — *Contd.*

2. A. Details of subsidiaries whose Financial Statements have been considered for consolidation in pursuance of Accounting Standard on “Consolidated Financial Statements” (AS-21) are given below.

	Name of Subsidiary Company	Country of Incorporation	Proportion of Ownership Interest
i)	Mumtaz Hotels Limited	India	60.00%
ii)	Mercury Car Rentals Limited	India	66.67%
iii)	Mashobra Resort Limited	India	78.79%
iv)	Oberoi Kerala Hotels & Resorts Limited	India	80.00%
v)	EIH Flight Services Limited	Mauritius	100.00%
vi)	EIH International Ltd	British Virgin Islands	100.00%
vii)	EIH Holdings Ltd *	British Virgin Islands	100.00%
viii)	EIH Marrakech Ltd *	British Virgin Islands	100.00%
ix)	J&W Hong Kong Ltd *	Hong Kong	100.00%
x)	Oberoi Turtle Bay Ltd *	Mauritius	100.00%
xi)	EIHH Corporation Ltd *	Hong Kong	100.00%
xii)	EIH Investments NV *	Netherlands Antilles	100.00%
xiii)	EIH Management Services BV *	The Netherlands	100.00%
xiv)	PT Widja Putra Karya *	Indonesia	70.00%
xv)	PT Waka Oberoi Indonesia *	Indonesia	83.23%
xvi)	PT Astina Graha Ubud *	Indonesia	60.00%

* Considered as subsidiary companies by virtue of being subsidiary of EIH International Ltd, a wholly owned subsidiary of EIH Limited.

Out of the above Subsidiary Companies, Oberoi Kerala Hotels & Resorts Limited, Mashobra Resort Limited, Mercury Car Rentals Limited, Mumtaz Hotels Limited, are also Jointly Controlled Entities.

- B. The Jointly Controlled Entities consolidated in pursuance of the Accounting Standard on – “Financial Reporting of Interests in Joint Ventures” (AS-27) are:

Sl. No.	Name of the Jointly Controlled Entity	Description of Interest	Country of Incorporation	Proportion of ownership Interest (%)
(i)	L&T Bangalore Airport Hotel Limited	Jointly Controlled Entity	India	26.00%
(ii)	Golden Jubilee Hotels Limited	-do-	India	16.00%
(iii)	Oberoi Mauritius Ltd *	-do-	British Virgin Islands	50.00%

* Considered as jointly controlled entity by virtue of being jointly controlled entity of EIH International Ltd, a wholly owned subsidiary of EIH Limited.

- C. The Associate Company considered in the Financial Statements in pursuance of Accounting Standard on “Accounting for Investments in Associates in Consolidated Financial Statements” (AS-23) is:

	Country of Incorporation	Proportion of Ownership
EIH Associated Hotels Limited	India	36.10%

3. The carrying amount of investments includes goodwill (net) arising on acquisition in the associates EIH Associated Hotels Limited of ₹ 124.42 Million (2011 - ₹ 124.42 Million) computed as per Accounting Standard on “Accounting for Investments in Associates in Consolidated Financial Statements”(AS-23).

Notes to Accounts — Contd.

		As at 31st March	
		2012 Rupees Million	2011 Rupees Million
4			
SHARE CAPITAL			
AUTHORISED			
1,500,000,000 Equity Shares of ₹ 2 each		3,000.00	3,000.00
(2011 - 1,500,000,000)			
		3,000.00	3,000.00
ISSUED, SUBSCRIBED, & FULLY PAID UP			
571,569,414 Equity Shares of ₹ 2 each		1,143.14	1,143.14
(2011 - 571,569,414)			
		1,143.14	1,143.14

a) Reconciliation of Share Capital :

As at 31st March				
	2012		2011	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Balance at the beginning of the year	571,569,414	1,143.14	392,953,972	785.91
Add : Shares issued on Rights basis	—	—	178,615,442	357.23
Balance at the end of the year	571,569,414	1,143.14	571,569,414	1,143.14

b) The Company has one class of equity shares having a par value of ₹ 2 per share. Each share holder is eligible for one vote per share held and such dividend as proposed by the Board of Directors, subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) Shares held by Shareholders holding more than 5 percent shares in the Company :

As at 31st March				
	2012		2011	
	Number of Shares	% holding	Number of Shares	% holding
(1) Reliance Industries Investment and Holding Private Limited	105,907,273	18.53	84,592,273	14.80
(2) ITC Limited	85,621,473	14.98	85,621,473	14.98
(3) Oberoi Hotels Private Limited	83,646,328	14.63	75,912,221	13.28
(4) Life Insurance Corporation of India	34,747,348	6.08	36,355,844	6.36
(5) Oberoi Holdings Private Limited	35,257,278	6.17	35,257,278	6.17
(6) Oberoi Investments Private Limited	29,968,293	5.24	29,968,293	5.24

d) Out of the above shares of the company, 130,984,657 shares were issued as fully paid up Bonus Shares by Capitalisation of Securities Premium Account in 2006-07.

e) 178,615,442 shares of face value ₹ 2 each have been allotted as fully paid up shares at a premium of ₹ 64 per share to the shareholders on Rights basis during 2010-11.

Notes to Accounts — Contd.

		As at 31st March	
	Rupees Million	2012 Rupees Million	2011 Rupees Million
5			
RESERVES AND SURPLUS			
EXCHANGE FLUCTUATION RESERVE		44.47	38.75
CAPITAL REDEMPTION RESERVE			
As per last Account		1,024.21	1,024.21
SECURITIES PREMIUM ACCOUNT			
As per last Account	12,714.76		1,394.51
Add: Premium on Rights Issue of shares allotted during 2010-11	—		11,431.39
	12,714.76		12,825.90
Less: Share Issue expenses in connection with Right Issue written off	—		111.14
		12,714.76	12,714.76
REVALUATION RESERVE			
As per last Account	2,322.49		2,352.48
Less : Adjustment for Depreciation (Note 37 b)	29.99		29.99
		2,292.50	2,322.49
GENERAL RESERVE			
As per last Account	6,020.00		5,871.92
Add: Transfer from Profit & Loss Account	165.00		148.08
As per last Account		6,185.00	6,020.00
PROFIT AND LOSS ACCOUNT			
As per last Accounts	1,973.80		2,615.12
Add : Adjustment of earlier loss/(profit) on account of cessation of Subsidiary	—		0.11
Add : Adjustment of inclusion on account of inclusion of Subsidiaries/Joint Ventures	—		261.27
Profit/(Loss) for the year as per Statement of Profit & Loss	1,240.82		(52.32)
	3,214.62		2,824.18
Less: Allocations / Appropriations			
Transfer to General Reserve	165.00		148.08
Interim Dividend paid on Equity Shares	—		41.30
Tax on Dividend	—		17.15
Proposed Dividend on Equity Shares	670.03		555.71
Tax on Dividend	108.69		88.14
		2,270.90	1,973.80
		24,531.84	24,094.01
Less : Adjustment on acquisition		(359.03)	(320.63)
Less : Minority Interest		98.57	98.58
		24,792.30	24,316.06

Dividend of ₹ 1.10 per share (2011- ₹ 0.90 per share) amounting to ₹ 628.73 Million (2011 - ₹ 514.41 Million) has been recommended by the Board of Directors of EIH Limited. This dividend will be paid to the shareholders if approved at the forthcoming Annual General Meeting.

Notes to Accounts — *Contd.*

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
6		
LONG TERM BORROWINGS		
Secured Loans		
From Banks :		
State Bank of India	–	2,700.00
The Hongkong & Shanghai Banking Corporation Limited (HSBC)	–	500.00
ICICI Bank Limited	1,400.00	2,000.00
ICICI Bank Limited - T/L II	–	19.64
ICICI Bank Limited - T/L III	75.08	1.56
HDFC Bank Limited	74.85	133.98
Dhanalakshmi Bank Limited	22.25	29.25
State Bank of Mauritius	701.24	753.99
PT Bank Internasional Indonesia Tbk	13.64	46.52
Others	479.60	267.23
From Financing Companies :		
Kotak Mahindra Primus Limited	63.11	55.26
Reliance Capital Limited	88.37	–
Tata Capital Limited	42.30	14.80
Long Term maturity of Finance Lease Obligations	111.41	157.62
Unsecured Loans		
From Government of Himachal Pradesh	5.00	5.00
	<u>3,076.85</u>	<u>6,684.85</u>

Notes to Accounts — *Contd.*

6**LONG TERM BORROWINGS (Contd.)****PARTICULARS OF TERM LOANS :**

- (i) Term loans from ICICI Bank Limited is secured by way of equitable mortgage by deposit of title deeds in respect of the Company's hotel in Delhi known as Maidens Hotel, ranking *pari passu*.
- (ii) Term Loan from Dhanlakshmi Bank, ICICI Bank Limited (T/L III) and HDFC Bank Limited against Hire Purchase arrangement in case of Mercury Car Rentals Limited are secured by hypothecation of vehicles.
- (iii) Term Loan from State Bank of Mauritius in case of EIH Flight Services Limited, Mauritius, is secured by a charge on the entire immovable and movable assets of the Company, present and future. The loan is additionally secured by assignment of leasehold rights on land taken on lease from Airports of Mauritius Limited in favour of the Bank and by corporate guarantee of EIH Limited - the Holding Company.
- (iv) Term Loan from PT Bank Internasional Indonesia Tbk in case of PT Widja Putra Karya, Indonesia is secured by a charge on land and buildings, including all premises inside and on the land and buildings of the company's hotel in Indonesia known as The Oberoi Bali.
- (v) Loans from Finance Companies against Hire Purchase arrangement in case of Mercury Car Rentals Limited are secured by hypothecation of vehicles.
- (vi) Term Loans from Banks (Others) in case of Golden Jubilee Hotels Limited by a first mortgage and charge on *pari passu* basis on all the immovable and movable assets relating to the project excluding current assets created out of any working capital facilities that may be availed by the company. The loans are additionally secured by corporate guarantee of Core Hotels Ventures Private Limited - its Holding Company and a first charge in favour of the lenders on the profits of the Company, after provision for taxation and dividend, if any.

PARTICULARS OF SECURITIES :

- (i) Term loans from ICICI Bank carries interest at bank's base rate + 2.5% repayable in 7 quarterly installments of ₹ 200 million each. Repayment will be complete in December 2014.
- (ii) Term Loan from Dhanlakshmi Bank, ICICI Bank Limited (T/L III) and HDFC Bank Limited carries interest between 9.5% to 12.5%, repayable in monthly installments starting from the month in which the loans are availed and are payable in 36 to 48 months.
- (iii) Term Loan from State Bank of Mauritius Loan repayment will be complete in September 2018.
- (iv) Term Loan from PT Bank Internasional Indonesia Tbk in case of PT Widja Putra Karya carries interest at one month SIBOR+ 6.7574% repayable in 39 monthly installments starting May 2010 until July 2013.
- (v) Term Loans from Banks (Others) in case of Golden Jubilee Hotels Limited carries interest in the range of 14% to 16% repayable in 32 equal quarterly installments from the third quarter of 2012-2013.
- (vi) Loans from Finance Companies are repayable in monthly payment of equated installments starting from the month subsequent to taking on finance lease. The monthly installments are payable in 36 to 48 months.

Notes to Accounts — *Contd.*

		As at 31st March	
	Rupees Million	2012 Rupees Million	2011 Rupees Million
7			
DEFERRED TAX LIABILITIES - NET			
Deferred Tax Liabilities on account of :			
Depreciation	2,030.21		1,905.82
Accelerated Capital Allowance	21.97		23.02
Translation Adjustment	0.47		—
		2,052.65	1,928.84
Deferred Tax Assets on account of :			
Depreciation	213.71		227.40
Accrued Expenses Deductible on Payment	45.33		43.98
Gratuity Provision	1.13		1.16
Leave Encashment	28.25		23.38
Provision For Debts & Advances	66.73		72.80
Allowance For Loss In Operating Equipment	1.33		2.76
Reserve For Furniture Fixture & Equipment	8.19		6.30
Translation Adjustment	—		0.22
		364.67	378.00
Deferred Tax Liabilities (Net)		1,687.98	1,550.84
8			
OTHER LONG TERM LIABILITIES			
Liability For Capital Expenditure		7.19	6.40
Security Deposits		74.79	100.21
Others		482.97	407.26
		564.95	513.87
9			
LONG TERM PROVISIONS			
Leave Encashment		129.34	123.07
Gratuity		6.94	3.50
		136.28	126.57

Notes to Accounts — Contd.

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
10		
SHORT TERM BORROWINGS		
Short Term Loans from Banks :		
- State Bank of Mauritius	–	19.65
- Oriental Bank of Commerce	–	232.37
- UCO Bank	–	160.73
- United Bank of India	–	145.00
- Syndicate Bank	780.00	–
- HDFC Bank Limited	30.00	–
Cash Credit from Banks :		
- United Bank of India	11.11	–
- Hongkong and Shanghai Banking Corporation Limited	89.83	–
- HDFC Bank Limited	–	86.13
- State Bank of Mauritius	7.26	5.63
Inter Corporate Deposits From :		
- L&T Urban Infrastructure Ltd	–	13.00
- L&T Infocity Ltd	–	26.00
	918.20	688.51

PARTICULARS OF SHORT TERM BORROWINGS :

- (i) Short Term loan from HDFC Bank Ltd in case of Mercury Car Rentals Limited is payable on demand and is secured by corporate guarantee of ₹ 60 Million given by EIH Limited - the Holding Company and also book debts.
- (ii) Short Term loan from Syndicate Bank in case of L&T Bangalore Airport Hotel Limited is secured by way of deposit of title deeds in favour of the bank in respect of company's sub leasehold rights in the immovable property of 4 acres and 19 guntas of land situated at Aresina Kunte village, south of devenahalli, Bangalore District, Karnataka; and a first charge by way of hypothecation in favour of the lenders on all fixed, movable assets comprising plant & machinery and equipments etc., installed at the hotel site.

The above Loan carries interest at bank's prime lending rate + 1.75% repayable within 12 months from the date of first disbursement (due in April, 2012).

- (iii) Cash Credit arrangements with United Bank of India and The Hongkong and Shanghai Banking Corporation Limited relate to EIH Limited and are secured by way of hypothecation of all stock of Inventories, Book Debts and other Current Assets of the Company, both present and future, ranking *pari passu*. Cash Credit with United Bank of India is additionally secured by way of second charge in respect of the Company's hotel in Kolkata known as The Oberoi Grand. Cash Credit is repayable on demand and carries interest at floating rate linked to the base rates of the respective banks.
- (iv) Cash Credit from State Bank of Mauritius is secured by a floating charge on all the Assets of the Company. It is additionally secured by a corporate guarantee by EIH Limited - the Holding Company.

Notes to Accounts — *Contd.*

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
11		
TRADE PAYABLES		
Total Outstanding dues of Micro Enterprises and Small Enterprises	–	0.35
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	<u>710.52</u>	<u>731.61</u>
	<u>710.52</u>	<u>731.96</u>
12		
OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	1,498.25	3,430.97
Current Maturities of Finance Lease Obligations	90.14	88.80
Interest accrued but not due on borrowings	7.06	11.13
Interest accrued and due on borrowings	11.76	39.68
Advance from Customer	174.04	174.48
Unclaimed Dividend	29.76	27.69
Unclaimed Matured Fixed Deposits	1.85	3.53
Unclaimed Fractional Share sale proceeds (against Bonus Issue)	0.20	0.20
Other Payables		
Contribution payable towards Gratuity Fund	33.16	45.29
Liability for Capital Expenditure	58.84	74.41
Security Deposits	92.20	68.77
Others*	833.41	925.04
	<u>2,830.67</u>	<u>4,889.99</u>
* Others include Statutory Dues		
13		
SHORT TERM PROVISIONS		
Leave Encashment	26.05	23.15
Proposed Dividend on Equity Shares	670.03	555.71
Tax on Dividend	108.70	88.14
Gratuity	0.18	0.26
Wealth Tax (net of Advance)	11.38	29.61
	<u>816.34</u>	<u>696.87</u>

Notes to Accounts — Contd.

14 FIXED ASSETS

Rupees in Million

GROSS BLOCK					DEPRECIATION				NET BLOCK					
	Original Cost/ Revaluation as at 31st March, 2011	Add: adjustment on account of inclusion of Subsidiaries/ Jointly Control- led Entity	Less : Translation adjustment	Additions	Deductions	Original Cost/ Revaluation as at 31st March, 2012	As at 31st March, 2011	Add : adjustment on account of inclusion of Subsidiaries/ Jointly Control- led Entity	Less : Translation adjustment	For the year	Deductions	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
i) TANGIBLE ASSETS														
Freehold Land including development cost	1,773.03	-	1.59	8.11	0.64	1,778.91	-	-	-	-	-	-	1,778.91	1,773.03
Leasehold Land	2,662.92	-	-	7.00	-	2,669.92	40.82	-	-	27.67	-	68.49	2,601.43	2,622.10
Buildings (Note 36b)	13,275.50	-	20.47	189.60	39.78	13,404.85	2,364.23	-	12.92	265.08	26.60	2,589.79	10,815.06	10,911.27
Sanitary Installation	832.62	-	-	19.45	8.10	843.97	88.57	-	-	25.88	4.15	110.30	733.67	744.05
Plant & Machinery	9,228.64	-	5.01	291.01	235.91	9,278.73	3,279.88	-	4.31	562.59	192.00	3,646.16	5,632.57	5,948.76
Office Equipments	74.83	-	-	3.67	2.27	76.23	26.54	-	-	6.26	1.41	31.39	44.84	48.29
Furniture & Fittings	1,690.31	-	9.98	57.35	36.09	1,701.59	928.49	-	8.59	122.74	33.48	1,009.16	692.43	761.82
Vehicles	908.26	-	0.47	355.88	115.16	1,148.51	342.98	-	0.42	174.61	77.77	439.40	709.11	565.28
Aircrafts	590.27	-	-	-	-	590.27	150.09	-	-	32.69	-	182.78	407.49	440.18
Leased Vehicles (Note 38)	158.30	-	-	50.08	39.18	169.20	67.14	-	-	39.79	29.88	77.05	92.15	91.16
Leased Machinery (Note 38)	239.43	-	-	-	-	239.43	36.36	-	-	67.32	-	103.68	135.75	203.07
Boats	49.65	-	-	0.23	-	49.88	11.99	-	-	1.66	-	13.65	36.23	37.66
TOTAL TANGIBLE ASSETS	31,483.76	-	37.52	982.38	477.13	31,951.49	7,337.09	-	26.24	1,326.29	365.29	8,271.85	23,679.64	24,146.67
Previous year	27,623.95	1,355.99	(21.88)	3,198.24	716.30	31,483.76	5,744.55	690.09	(16.58)	1,194.87	309.00	7,337.09	24,146.67	
ii) INTANGIBLE ASSETS														
Business Rights	78.72	-	-	-	-	78.72	78.72	-	-	-	-	-	-	-
Trademarks	22.60	-	-	-	-	22.60	22.60	-	-	-	-	-	-	-
Computer Software	15.39	-	-	3.28	3.19	15.48	7.94	-	-	2.16	3.19	6.91	8.57	7.45
TOTAL INTANGIBLE ASSETS	116.71	-	-	3.28	3.19	116.80	109.26	-	-	2.16	3.19	108.23	8.57	7.45
Previous year	109.78	-	-	6.93	-	116.71	107.76	-	-	1.50	-	109.26	7.45	

Note:

Depreciation on Tangible assets for the year ₹ 1,326.29 Million (2011 - ₹ 1,194.87 Million) of which ₹ 29.99 Million (2011 - ₹ 29.99 Million) has been adjusted with Revaluation Reserve and ₹ 0.89 Million (2011 - ₹ 0.83 Million) has been transferred to Capital Work in Progress and balance ₹ 1,295.41 Million (2011 - ₹ 1,164.05 Million) has been charged to Profit and Loss Account (Note 29).

Notes to Accounts — Contd.

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
15		
NON-CURRENT INVESTMENTS		
Investments In Equity Instruments		
Trade Investments : Quoted		
Nil (2011 - 200,000) Equity Shares of ₹ 10 each of Royale Manor Hotels and Industries Limited fully paid	–	2.00
25,000 (2011 - 25,000) Equity Shares of ₹ 10 each of Tourism Finance Corporation of India Limited fully paid	0.50	0.50
Associate (Note 3)		
7,071,333 (2011 - 7,071,33) Equity Shares of ₹ 10 each of EIH Associated Hotels Limited fully paid	846.02	802.54
Others Investments : Unquoted		
849,575 (2011 - 849,575) Equity Shares of ₹ 10 each of Mercury Travels Limited fully paid	18.69	18.69
18,000 (2011 - Nil) Equity Shares of ₹ 10 each of Green Infra Wind Generation Limited fully paid	0.18	–
1,078,826 (2011 - 1,078,826) Equity Shares of Egyptian Pound 10 each of Tourism Investments Company at Sahl Hasheesh fully paid	257.13	227.07
1,000 (2011 - 1,000) Equity Shares of La Roseaie De L'Atlas SA, Marrakech of Face Value Moroccan Dirham 1,000 per share fully paid	128.17	113.19
Investment in Government Securities (Unquoted) Non Trade		
National Savings Certificate *	0.25	0.26
	1,250.94	1,164.25
* National Savings Certificates have been lodged with Government Authorities as Security Deposits.		
	Book Value Rupees	Market Value Rupees
Quoted	846.52 (805.04)	1,089.59 (1,085.06)
Unquoted	404.42 (359.21)	
	1,250.94 (1,164.25)	

(Figures in brackets represent figures for 2011)

Notes to Accounts — *Contd.*

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
16		
LONG TERM LOANS AND ADVANCES (Unsecured)		
(Considered good unless otherwise stated)		
Advances towards Equity in Other Companies		
Mara Hotels Limited - considered doubtful	2.50	2.50
Loans and Advances to Others		
Capital Advances	144.09	281.51
Advances recoverable in cash or in kind or for value to be received	274.56	285.97
Other Advances recoverable - considered doubtful	183.90	183.98
Sundry Deposits	647.27	698.85
Prepaid Expenses	55.66	33.01
Income Tax Advance/Refund (net of Provision)	709.55	494.58
MAT credit entitlement	164.12	218.28
	<u>2,181.65</u>	<u>2,198.68</u>
Less: Provision for Doubtful Advances	186.40	186.48
	<u>1,995.25</u>	<u>2,012.20</u>
17		
OTHER NON-CURRENT ASSETS		
Long Term Trade Receivables (Unsecured)		
Considered doubtful	19.09	30.66
Less : Provision for Doubtful Debts	19.09	30.66
	<u>-</u>	<u>-</u>
18		
CURRENT INVESTMENTS		
Investments in Mutual Funds - Quoted *		
Birla Sun Life Savings Fund - Inst.-Daily Dividend-Reinvestment		
1,168,253.971 units of ₹ 100.068 each	116.90	-
	<u>116.90</u>	<u>-</u>

* Investment in Mutual Funds are valued at Market Price.

Notes to Accounts — Contd.

		As at 31st March	
	Rupees Million	2012 Rupees Million	2011 Rupees Million
19			
INVENTORIES *			
Provisions, Wines & Others		190.68	164.80
Stores & Operating supplies		244.86	281.20
		<u>435.54</u>	<u>446.00</u>

* Inventories are valued at cost which is based on First-In-First-Out method or net realisable value, whichever is lower.

20			
TRADE RECEIVABLES (Unsecured)			
Debts Outstanding for a period exceeding six months-			
Considered good	39.04		19.45
Considered doubtful	—		0.30
		39.04	19.75
Other Debts			
Considered good	1,652.14		1,481.74
Considered doubtful	0.11		0.13
		1,652.25	1,481.87
		1,691.29	1,501.62
Less : Provision for Doubtful Debts		0.11	0.43
		<u>1,691.18</u>	<u>1,501.19</u>

21			
CASH & BANK BALANCES			
Cash & Cash Equivalents			
Cash in hand	20.48		26.62
Cheques in hand	20.42		59.13
Balances with Banks :			
Current Accounts	724.79		1,140.29
Fixed Deposits with maturity within 3 months	176.13		5,398.66
		941.82	6,624.70
Other Bank Balances			
Earmarked Balances*	184.52		140.27
Fixed Deposits maturing between 3-12 months	79.38		15.85
Margin Accounts	16.39		26.45
Fixed Deposits maturing beyond 12 months	11.51		18.90
Unpaid Dividend Accounts	29.76		27.69
Escrow Accounts / Fractional Share sale proceeds (against Bonus Issue)	0.20		0.20
		321.76	229.36
		<u>1,263.58</u>	<u>6,854.06</u>

*Deposit Accounts in case of Mashobra Resort Limited includes an amount ₹ 154.79 Million (2011- ₹ 127.36 Million) which relates to the deposit maintained with a Nationalised Bank as per directions of the High Court in reference to the dispute with the Government of Himachal Pradesh.

Notes to Accounts — *Contd.*

	As at 31st March	
	2012 Rupees Million	2011 Rupees Million
22		
SHORT TERM LOANS AND ADVANCES (Unsecured)		
(Considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	153.63	175.26
Prepaid Expenses	114.55	140.21
Sundry Deposits	105.44	143.21
Other Loans & Advances (considered doubtful)	–	1.90
Less: Provision for Doubtful Advances	–	1.90
	–	–
	373.62	458.68
23		
OTHER CURRENT ASSETS		
Interest Accrued on deposits	15.73	12.94
Other Receivables - Considered good (Unsecured)	8.60	9.15
	24.33	22.09

Notes to Accounts — *Contd.*

		Year ended 31st March	
	Rupees Million	2012 Rupees Million	2011 Rupees Million
24			
REVENUE FROM OPERATIONS			
Rooms	5,604.90		5,198.37
Food and Beverage	4,801.90		4,172.69
Other Services	2,026.71		1,890.80
Sale of Printed Materials	561.63		583.80
Transport & Car Hire Charges	928.29		674.26
		13,923.43	12,519.92
Less: Excise Duty *		0.40	—
		13,923.03	12,519.92

* Excise Duty applicable on certain printed materials.

25			
OTHER INCOME			
Interest (Gross)*		66.92	66.43
Dividend			
From Others - Long Term Investments (Trade)		17.71	10.64
From Long-term Investments - (Non-Trade)		—	5.72
From Mutual Fund - Current Investments (Non-Trade)		115.21	5.52
Miscellaneous Income		232.92	229.32
Profit on Sale of Investment		0.80	—
Gain on Exchange		—	126.48
Liabilities written back / Bad Debts recovered		4.52	4.69
		438.08	448.80

* Interest Income includes interest from Income tax ₹ 20.95 Million (2011- ₹ Nil)

26			
CONSUMPTION OF PROVISIONS, WINES & OTHERS			
Opening Stock		164.80	137.62
Add: Adjustment on account of inclusion of Subsidiaries / Jointly controlled entities		—	1.17
Add: Purchases		1,842.29	1,591.73
		2,007.09	1,730.52
Less: Closing Stock		190.68	164.80
		1,816.41	1,565.72

Notes to Accounts — *Contd.*

	Year ended 31st March	
	2012	2011
	Rupees	Rupees
	Million	Million
27		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	3,248.92	3,146.63
Contribution to Provident fund and Other Funds	182.11	182.65
Staff Welfare Expenses	252.57	221.65
	<u>3,683.60</u>	<u>3,550.93</u>
28		
FINANCE COSTS		
Interest Expenses*	703.11	1,643.68
Other Borrowing Costs	1.07	47.15
	<u>704.18</u>	<u>1,690.83</u>
* Interest Expense includes interest paid to Income Tax ₹ 9.17 Million (2011 - ₹ 1.62 Million)		
* Interest Expense is net of interest capitalised ₹ 0.89 Million (2011 - ₹ 17.76 Million)		
29		
DEPRECIATION AND AMORTISATION		
Tangible Assets	1,295.41	1,164.05
Intangible Assets	2.16	1.50
	<u>1,297.57</u>	<u>1,165.55</u>

Notes to Accounts — Contd.

	Rupees Million	Year ended 31st March	
		2012 Rupees Million	2011 Rupees Million
30			
OTHER EXPENSES			
Power & Fuel		996.12	869.28
Rent		243.87	266.41
Repairs & Maintenance :			
Buildings	216.62		190.51
Plant & Machinery	395.01		351.90
Others	286.03		240.43
		897.66	782.84
Insurance		63.55	70.36
Rates & Taxes		346.07	362.03
Expenses on Apartment & Board		220.84	173.37
Royalty		149.41	123.63
Advertisement, Publicity & Other Promotional Expenses		303.06	345.01
Commission to Travel Agents & others		268.28	214.51
Passage & Travelling		267.61	240.87
Postage, Telephone, etc.		154.78	143.96
Linen, Uniform Washing & Laundry Expenses		50.40	40.40
Renewals & Replacement		98.75	95.77
Auditors' Remuneration		23.67	38.27
Vehicle Operating Fee		276.82	184.46
Musical, Banquet & Kitchen Expenses		88.18	73.36
Directors' Fees and Commission		92.28	39.02
Loss on Sale/Discard of Assets (Net)		78.62	55.87
Provision/write off : Debts & Advances		16.79	19.50
Provision/ write off : Investments		—	1.25
Miscellaneous Expenses		613.33	625.01
Loss on exchange (Net)		14.84	—
		5,264.93	4,765.18
31			
EXCEPTIONAL ITEMS			
Loss on final settlement of insurance claim for business interruption loss		—	(369.83)
Profit on final settlement of insurance claim for material damage		—	67.05
Profit on sale of Property and Apartment		111.45	258.60
		111.45	(44.18)
32			
TAX			
Income Tax		381.44	270.72
Less: MAT Credit Entitlement / (Reveresal)		(28.31)	161.22
		409.75	109.50
Tax adjustment relating to earlier years after final assessment		(67.11)	45.46
		342.64	154.96

Notes to Accounts — *Contd.*

33. Contingent Liabilities and commitments (to the extent not provided)

(A) Contingent Liabilities not provided for in respect of:

(i) Claims against the Company/Companies pending appellate/judicial decisions :

- (a) Value Added Tax ₹ 30.31 Million (2011 - ₹ 49.01 Million)
- (b) Income Tax ₹ 589.70 Million (2011 - ₹ 628.65 Million)
- (c) Tax deducted at Source - ₹ 25.88 Million (2011 - ₹ 5.25 Million)
- (d) Service Tax - ₹ 69.19 Million (2011 - ₹ 50.38 Million)
- (e) Property Tax ₹ 75.36 Million (2011 - ₹ 7.40 Million)
- (f) Entertainment Tax ₹ 11.62 Million (2011 - ₹ 12.93 Million)
- (g) ESI Claim ₹ 12.61 Million (2011 - ₹ 12.22 Million)
- (h) Stamp Duty ₹ 10.23 Million (2011 - ₹ 10.23 Million)
- (i) Entry Tax ₹ Nil (2011 - ₹ 0.66 Million)
- (j) Expenditure Tax ₹ 0.10 Million (2011 - ₹ 0.10 Million)
- (k) Customs Duty ₹ 429.66 Million (2011 - ₹ 429.66 Million)
- (l) Excise Duty ₹ 99.38 Million (2011 - ₹ 35.63 Million)
- (m) Others ₹ 22.69 Million (2011 - ₹ 31.58 Million)

(ii) Counter guarantees issued to banks and remaining outstanding ₹ 78.65 Million (2011 - ₹ 166.32 Million).

(B) Commitments:

- a. The estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 504.56 Million (2011 - ₹ 579.66 Million).
- b. Investment in FIH International Limited, a wholly owned subsidiary ₹ 353.92 Million (2011 - ₹ Nil).

34. The Company issued 178,615,442 equity shares of ₹ 2 each on rights basis at a premium of ₹ 64 per share. These shares were allotted on 26th March, 2011 and the total proceeds of the Rights Issue were ₹ 11,788.62 Million

	Rupees Million	Rupees Million
Proceeds from the Rights Issue were utilised as below:		
Amount raised through Rights Issue		11,788.62
Utilisation :		
Repayment/Prepayment of Term Loan	9,000.00	
General Corporate Purposes	1,677.38	
Issue related expenses	111.14	
Construction of Flight Kitchen, New Delhi	915.73	11,704.25
Balance remaining invested in Mutual Fund Liquid Scheme		84.37

Notes to Accounts — *Contd.*

35. Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 are given below. This is based on information made available to the Company.

	As at 31st March, 2012 Rupees Million	As at 31st March, 2011 Rupees Million
(a) Principal amount due and remaining unpaid	–	0.35
(b) Interest due on (a) above & the unpaid interest	–	–
(c) Interest paid on all delayed payments under the MSMED Act	–	–
(d) Payment made beyond the appointed day during the year	–	–
(e) Interest due & payable for the period of delay other than (c) above	–	–
(f) Interest accrued & remaining unpaid on 31st March	–	–
(g) Amount of further interest remaining due & payable in succeeding years.	–	–
36. (a) Freehold/Leasehold Land of perpetual nature and Buildings at some locations of EIH Limited were revalued on 31st March, 1982 and 31st March, 1993 resulting in surplus of ₹ 2,863.88 Million which is included in the original cost. The valuation was carried out by an approved valuer on the basis of depreciated replacement cost. The nature of indices was not mentioned in the report. The surplus was transferred to Revaluation Reserve.		
(b) Buildings of EIH Limited include construction cost of 850 car parking spaces amounting to ₹ 292.81 Million which as per the lease agreement dated 4th May, 2001 with MMRD Authority will have to be transferred to the said Authority through a licence agreement for a licence fee of ₹ 1 per annum as a condition precedent to the lease of the land for the Company's hotel in Mumbai known as Trident, Bandra Kurla.		
37. (a) Depreciation has been provided for in the Accounts on "Straight Line Method" at the rates prescribed in Schedule XIV to the Companies Act, 1956 except for specific assets which are depreciated over the useful lives of the assets, which are not less than those prescribed under the Companies Act, 1956.		
(b) The depreciation for the year as per Fixed Asset Schedule (Note -14) includes ₹ 29.99 Million (2011- ₹ 29.99 Million) being depreciation on the increased value of building due to the effect of revaluation and accordingly, the same has been adjusted from Revaluation Reserve Account in respect of EIH Limited.		
(c) In case of Mercury Car Rentals Limited, certain vehicles acquired under repurchase arrangement with the suppliers are depreciated over the period of arrangement and the amounts provided are not less than the amount required as per Companies Act, 1956. Trademarks, Licensed Software, being intangible assets, are amortised over a period of one hundred and twenty months and sixty months respectively. Prefabricated / Porta Cabin / renovation of leased premises – Furniture & Fixture are amortised over the useful life of sixty months or lease period and the amounts provided are not less than the amount required as per the Companies Act, 1956.		
(d) In case of the foreign subsidiary companies and jointly controlled entity the assets are depreciated on a straight line basis over the estimated useful life of the respective assets. The residual lives are reviewed every year and adjustments, if required, are made accordingly. Such rates of depreciation differ from those applied by the Company and its domestic subsidiary companies, jointly controlled entities and associate, the impact of which has not been ascertained.		

Notes to Accounts — Contd.

38. Fixed Assets acquired under Finance Lease amounted to ₹ 408.63 Million (2011 - ₹ 397.73 Million) being the Assets acquired between 1st April, 2001 and 31st March, 2012. These include an amount of ₹ 50.08 Million (2011 - ₹ 67.84 Million) being assets acquired during the year under finance lease and capitalised in line with the requirements of Accounting Standard (AS-19). Depreciation for the year includes an amount of ₹ 107.11 Million (2011 - ₹ 51.84 Million) being depreciation charged on these assets.

The year-wise break up of the outstanding lease obligations as on 31st March, 2012 in respect of these assets are as under :

	Year ended 31st March	
	2012	2011
	Rupees Million	Rupees Million
Assets taken on lease		
Total minimum lease payments at the year end	234.04	285.82
Present value of minimum lease payments	201.55	246.42
Not later than one year		
Minimum Lease payments	107.15	99.31
Present value	99.82	93.71
Later than one year but not later than five years		
Minimum Lease Payments	126.89	186.51
Present value	101.73	152.71
Later than five years		
Minimum Lease Payments	—	—
Present value	—	—
(a) Contingent rents recognised as expense in the statement of Profit and loss for the year :	—	—
(b) The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance sheet date :	—	—

39. Disclosures in respect of Company's operating lease arrangements entered on or after 1st April, 2001 under Accounting Standard (AS-19) on Leases.

- (a) General description of the Company's operating lease arrangements :

The Company has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services and residential premises for its employees. Some of the significant terms and conditions of the arrangements are :

- agreements are not non-cancellable in nature and may generally be terminated by either party by serving a notice;
- the lease arrangements which are not non cancellable are generally renewable by mutual consent on mutually agreeable terms.

- (b) The Company has given shops on rental basis which are not non cancellable and can be terminated by either party by serving a notice.

- (c) Rent in respect of the above is charged/credited to the Profit and Loss Account.

40. The Group has adopted Accounting Standard 15 (AS-15) (revised 2005) on "Employee Benefits". These Consolidated Financial Statements include the obligations as per requirement of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation / provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.

Notes to Accounts — Contd.

41. a) Inventory of Provisions, Wines & Others includes Stock of Paper, Ink etc. at year end ₹ 58.42 Million (2011 - ₹ 57.19 Million).
b) Consumption of Provisions, Wines and Others includes consumption of Paper, Ink etc. ₹ 355.60 Million (2011 - ₹ 382.28 Million).
42. Oberoi Kerala Hotels & Resorts Limited has approached the Government of Kerala for sale of freehold land at Thekkady, the cost of which is ₹ 17.18 Million. Necessary approvals are still awaited. The Company has not commenced any construction / operations of the Hotel.
43. Repairs & Maintenance – Plant & Machinery includes running, maintenance and tax expenses relating to vehicles in respect of Mercury Car Rentals ₹ 148.81 Million (2011 - ₹ 139.11 Million).
44. In the case of Mashobra Resort Limited (“MRL”), several disputes with the Government of Himachal Pradesh, the joint venture partner, were referred by the High Court of Himachal Pradesh on 17th December, 2003 to an arbitral tribunal consisting of a single arbitrator whose award has been challenged by both the Company and MRL, amongst others. The operation of the arbitration award has been stayed pending substantive hearing of the applications by the High Court. Consequently, the status quo ante of the entire matter stands restored to the position as on 17th December, 2003 and the hotel is being operated by MRL accordingly. The Company vide its letter dated 4th April, 2012 requested MRL to account for the entire amount of ₹ 1,361.93 Million provided to MRL upto 31st March, 2012 as ‘Advance Towards Equity’, including ₹ 130.00 Million being the opening balance of ‘Advance Towards Equity’. In view of the above, the Company has shown the said amount of ₹ 1,361.93 Million as ‘Advance Towards Equity’ in its books.
- An extraordinary general meeting of MRL was called on 14.10.2010 to pass a resolution for issue and offer of equity shares of MRL to the Company against the above advance for shares. The Government of Himachal Pradesh obtained a stay order from the High Court of Himachal Pradesh and the passing of the said resolution was deferred by the High Court. Consequently the issue of equity shares against the said advance has become subjudice and dependent upon the resolution of the legal cases.
- However, MRL has now started earning profits in the last couple of years and has accumulated funds of ₹ 184.52 Million in fixed deposit pursuant to Court direction.
45. In case of Mumtaz Hotels Limited Advances Recoverable includes cost of land of ₹ 5.19 Million acquired by the Uttar Pradesh Shasan Van Anubhag. The Company’s claim for compensation is pending adjudication before the Additional District Judge Agra, Uttar Pradesh.

46. Earnings per Equity share :	Year ended 31st March	
	2012 Rupees Million	2011 Rupees Million
Net Profit after Taxation as per Statement of Profit and Loss	1,240.84	(52.32)
Weighted average number of Equity Shares outstanding	571,569,414	395,890,116
Basic and Diluted earnings per Equity Share of face value ₹ 2 (in Rupees)	2.17	(0.13)

Notes to Accounts — *Contd.*

47. The details of transactions entered into with Related Parties during the year are as follows :

(A) Name of the Related Parties

(I) Associate

- (i) EIH Associated Hotels Limited

(II) Enterprises in which Key Management Personnel have significant influence

- (i) Oberoi Hotels Private Limited
- (ii) Oberoi Properties Private Limited
- (iii) Oberoi Holdings Private Limited
- (iv) Oberoi Investments Private Limited
- (v) Oberoi Buildings and Investments Private Limited
- (vi) Oberoi Plaza Private Limited
- (vii) Bombay Plaza Private Limited
- (viii) Oberoi Leasing & Finance Company Private Limited
- (ix) Aravali Polymers LLP
- (x) Island Hotel Maharaj Limited

(III) Key Management Personnel

- (i) Mr. P.R.S. Oberoi
- (ii) Mr. S.S. Mukherji
- (iii) Mr. V.S. Oberoi
- (iv) Mr. A.S. Oberoi

(B)
Transactions with Related Parties during the Financial Year and Outstanding Balances as on 31.03.2012
NATURE OF TRANSACTIONS

	Associates & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2012	2011	2012	2011	2012	2011
	Rupees Million	Rupees Million	Rupees Million	Rupees Million	Rupees Million	Rupees Million
PURCHASES						
Purchases of Goods & Services						
EIH Associated Hotels Limited	5.16	8.56	-	-	-	-
Island Hotel Maharaj Limited	-	-	0.74	1.72	-	-
Oberoi Hotels Private Limited	-	-	-	0.12	-	-
Total	5.16	8.56	0.74	1.84	-	-
Purchase of Fixed Assets						
EIH Associated Hotels Limited	0.15	2.22	-	-	-	-
Total	0.15	2.22	-	-	-	-
EXPENSES						
Rent						
Wife of Mr. P.R.S. Oberoi	-	-	-	-	0.36	0.36
Oberoi Hotels Private Limited	-	-	0.36	0.36	-	-
Total	-	-	0.36	0.36	0.36	0.36
Royalty						
Oberoi Hotels Private Limited	-	-	100.99	97.56	-	-
Total	-	-	100.99	97.56	-	-
Salary & Commission						
Mr. P.R.S. Oberoi	-	-	-	-	41.98	17.62
Mr. S.S. Mukherji	-	-	-	-	36.26	21.72
Mr. V.S. Oberoi	-	-	-	-	20.35	13.09
Mr. A.S. Oberoi	-	-	-	-	22.91	13.30
Daughter of Mr. S.S. Mukherji	-	-	-	-	0.85	0.70
Total	-	-	-	-	122.35	66.43
SALES						
Sale of Goods and Services						
EIH Associated Hotels Limited	79.83	62.39	-	-	-	-
Island Hotel Maharaj Limited	-	-	2.63	2.58	-	-
Total	79.83	62.39	2.63	2.58	-	-
Sale of Fixed Assets						
EIH Associated Hotels Limited	0.41	2.24	-	-	-	-
Total	0.41	2.24	-	-	-	-
INCOME						
License Agreement						
EIH Associated Hotels Limited	0.24	0.24	-	-	-	-
Oberoi Holdings Private Limited	-	-	0.69	0.69	-	-
Oberoi Investments Private Limited	-	-	0.13	0.13	-	-
Oberoi Buildings & Investments Private Limited	-	-	1.17	1.17	-	-
Oberoi Plaza Private Limited	-	-	2.41	2.41	-	-
Bombay Plaza Private Limited	-	-	1.89	1.88	-	-
Total	0.24	0.24	6.29	6.28	-	-
Management/Technical fees						
EIH Associated Hotels Limited	121.32	113.96	-	-	-	-
Island Hotel Maharaj Limited	-	-	1.82	1.54	-	-
Total	121.32	113.96	1.82	1.54	-	-
Interest Received						
EIH Associated Hotels Limited	-	29.90	-	-	-	-
Total	-	29.90	-	-	-	-
Dividend Received						
EIH Associated Hotels Limited	17.68	10.61	-	-	-	-
Total	17.68	10.61	-	-	-	-
Finance						
RECEIPTS						
Loans & Advances received back						
EIH Associated Hotels Limited	-	320.00	-	-	-	-
Total	-	320.00	-	-	-	-
Guarantee released						
EIH Associated Hotels Limited	-	104.00	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	135.50	-	-
Total	-	104.00	-	135.50	-	-
OUTSTANDING BALANCES						
Payables						
For Goods & Services						
EIH Associated Hotels Limited	1.82	2.06	-	0.14	-	-
Island Hotel Maharaj Limited	-	-	0.24	0.16	-	-
Total	1.82	2.06	0.24	0.30	-	-
Royalty						
Oberoi Hotels Private Limited	-	-	0.15	27.86	-	-
Total	-	-	0.15	27.86	-	-
Security Deposit						
Bombay Plaza Private Limited	-	-	0.50	0.50	-	-
Total	-	-	0.50	0.50	-	-
Loans & Advances and Receivables						
For Goods & Services						
EIH Associated Hotels Limited	10.90	13.53	-	-	-	-
Island Hotel Maharaj Limited	-	-	0.43	-	-	-
Total	10.90	13.53	0.43	-	-	-
Management/Technical fees						
EIH Associated Hotels Limited	52.97	51.47	-	-	-	-
Island Hotel Maharaj Limited	-	-	0.71	1.19	-	-
Total	52.97	51.47	0.71	1.19	-	-

Notes to Accounts — *Contd.*

48. Segment wise Revenue, Assets and Liabilities are as follows :

	Year Ended 31st March	
	2012 Rupees Million	2011 Rupees Million
Segment Revenue		
a. Hotels	12,825.83	11,667.96
b. Others	1,535.28	1,300.76
Total	14,361.11	12,968.72
Segment Results		
Profit before Finance Costs and Tax from each segment :		
a. Hotels	4,086.48	3,650.68
b. Others	(193.71)	(205.42)
Total	3,892.77	3,445.26
Less :		
i. Finance Costs	704.18	1,690.83
ii. Other un-allocable expenditure	1,594.17	1,523.92
Profit before Tax before exceptional items	1,594.42	230.51
Exceptional item - Profit / (Loss) (Net)	111.45	(44.18)
Profit before tax	1,705.87	186.33
Segment Assets		
Hotels	32,791.95	35,389.57
Others	3,423.52	5,601.08
Total	36,215.47	40,990.65
Segment Liabilities		
Hotels	7,180.64	13,116.41
Others	1,083.08	542.73
Total	8,263.72	13,659.14

Notes to Accounts — Contd.

49. Financial Reporting of Interest in Joint Ventures :

Disclosure pursuant to para 51, 52, 53 & 54 of Accounting Standard (AS-27) is given below:

Rupees Million

Names of the Jointly Controlled Entities	Proportion of Ownership Interest (%)	Description of Interest	Aggregate amount relating to EIH Limited's interest in jointly controlled entities			
			Total Assets	Total Liabilities	Total Income	Total Expenses
Oberoi Kerala Hotels & Resorts Limited	80.00	Jointly Controlled Entity	16.43	16.43	0.29	0.37
Mashobra Resort Limited	78.79	-do-	714.91	714.91	171.31	145.61
Mumtaz Hotels Limited	60.00	-do-	698.65	698.65	427.22	339.12
Golden Jubilee Hotels Limited	16.00	-do-	855.76	855.76	—	1.35
L&T Bangalore Airport Hotel Limited	26.00	-do-	994.21	994.21	—	—
Mercury Car Rentals Limited	66.67	-do-	627.25	627.25	706.47	693.61
Oberoi Mauritius Limited	50.00	-do-	1,154.86	1,154.86	228.85	253.07

- a) Contingent liability that EIH Limited has incurred in relation to its interests in joint ventures and its share in each of the contingent liabilities which have been incurred jointly with other venturers :-

Guarantees given to Banks & Financial Institutions for ₹ 610.00 Million (2011 - ₹ 1,024.00 Million) against financial facilities availed by the jointly controlled entities.

- b) EIH Limited's share of the contingent liabilities of the joint ventures themselves: ₹ 12.98 Million (2011 - ₹ 39.95 Million)
- c) EIH Limited is not liable for the liabilities of the other venturers of any joint venture.
- d) There are no capital commitments of EIH Limited in relation to its interest in joint ventures and there are no capital commitments that have been incurred jointly with other venturer.
- e) EIH Limited's share of capital commitments of the joint ventures themselves amounts to ₹ 162.18 Million (2011 - ₹ 414.65 Million).

50. The Company and L&T Urban Infrastructure Limited, the two joint venture partners in L&T Bangalore Airport Hotel Limited (BAHL), had decided to terminate the joint venture, by transfer of the shareholding to a prospective buyer. The negotiation with the buyer is still continuing. In the opinion of the Company, the cost at which the investment in BAHL appears in the Balance Sheet of the Company, will be recovered in full.

51. The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.



The Oberoi Group

OBEROI HOTELS & RESORTS

INDIA

Agra	The Oberoi Amarvilās
Bangalore	The Oberoi
Gurgaon, National Capital Region	The Oberoi
Jaipur	The Oberoi Rajvilās
Kolkata	The Oberoi Grand
Shimla in the Himalayas	Wildflower Hall
Mumbai	The Oberoi
New Delhi	The Oberoi
Ranthambhore	The Oberoi Vanyavilās
Shimla	The Oberoi Cecil
Udaipur	The Oberoi Udaivilās
Cochin	Motor Vessel Vrinda (A luxury backwater cruiser)

EGYPT

Cairo	Mena House Oberoi
Sahl Hasheesh	The Oberoi
Aswan-Luxor	The Oberoi Zahra <i>Luxury Nile Cruiser</i>
	The Oberoi Philae <i>Nile Cruiser</i>

INDONESIA

Bali	The Oberoi
Lombok	The Oberoi

MAURITIUS

Mauritius	The Oberoi
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SAUDI ARABIA

Madina	Madina Oberoi
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TRIDENT HOTELS

Agra	Trident
Bhubaneswar	Trident
Chennai	Trident
Cochin	Trident
Gurgaon	Trident
Jaipur	Trident
Mumbai	Trident, Nariman Point Trident, Bandra Kurla
Udaipur	Trident

OTHER BUSINESS UNITS

Manesar, Gurgaon	Printing Press
Mumbai, Delhi, Chennai and Kolkata	Oberoi Flight Services
Mumbai, Chennai, Kolkata, Cochin and Bangalore	Oberoi Airport Services
	Luxury Car Hire
	Business Aircraft Charters



PROJECTS UNDER CONSTRUCTION OR DEVELOPMENT

INTERNATIONAL

Dubai	The Oberoi
Muscat	The Oberoi
Marrakech	The Oberoi
Casablanca	The Oberoi

INDIA

Rajgarh, Madhya Pradesh	The Oberoi Rajgarh Palace
Hyderabad	The Oberoi Trident
Pune	The Oberoi
Kabini, Karnataka	The Oberoi Kabini Jungle Lodge
Chandigarh	The Oberoi

Information Pursuant to Section 217(2A) of the Companies Act,1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2012.

A. Employed throughout the year and were in receipt of remuneration for the year which, in the aggregate, was not less than ₹ 6,000,000.

Name of the Employee	(Age)	Designation / Nature of Duties	Gross Remuneration ₹	Qualification(s)	Expe- rience (Years)	Date of Commencement of Employment	Particulars of Previous Employment	
Bahadur	A.	55	Executive Vice President, Engineering	10,047,850	B.E.	33	May, 1999	Duncans Industries Ltd.
*Bhalla	A. (Ms.)	37	Executive Vice President, Human Resources	13,799,477	PG (IR & HR) Management	13	July, 2010	Four Seasons Hotels & Resorts, Canada
Bharma	D.	48	Executive Vice President, The Oberoi, Mumbai	15,702,563	Hotel Management	26	August,1986	Saudi Oberoi Co. Ltd.
Keswani	R.	51	President, Trident Hotels	16,903,157	Hotel Management	29	July, 1996	The Lanka Oberoi, Sri Lanka
Kuruvilla	G.	42	General Manager, The Oberoi Grand, Kolkata	7,642,481	Hotel Management	16	April, 2010	Mumtaz Hotels Ltd.
Marshall	H (Ms.)	46	General Manager, The Oberoi, Bangalore	7,154,265	Hotel Management	25	February, 1987	First Employment
Mehra	V. (Capt.)	44	Senior Pilot	6,485,080	Commercial Pilot	15	February, 1997	Saraya Aviation
*Mukherji	S.S.	64	Vice Chairman	36,257,595	F.C.A	40	March, 1972	First Employment
*Oberoi	P.R.S.	83	Chairman and Chief Executive	41,984,679	Hotel Management, Switzerland	65	March, 1961	Oberoi Hotels Pvt. Ltd.
*Oberoi	A.S.	45	Chief Planning Officer & Joint Managing Director	22,904,599	B.Sc. (Hons.)	23	July,2004	Oberoi Hotels Pvt. Ltd.
*Oberoi	V.S.	48	Chief Operating Officer & Joint Managing Director	20,349,534	B.Sc. (Hons.)	26	July,2004	Oberoi Hotels Pvt. Ltd.
Rai	S.	54	Senior Vice President, Sales	9,810,243	B.A.	31	November, 2010	Max Healthcare
Raj	G.	50	Executive Vice President, Strategic Development	11,972,731	B.Sc.(Engg.), M.Sc. Dic in Manage- ment Science	27	January, 2005	Commerce Networks Pvt. Ltd.
Rathore	P.S.	41	General Manager, The Oberoi, New Delhi	9,809,019	Hotel Management, Switzerland	19	October, 2003	Hyatt Regency, Mumbai
*Sarkar	P.K.	64	Executive Vice President	6,490,309	F.C.A.	39	August, 1992	Dunlop India Ltd.
*Schafer	E. (Ms.)	50	Vice President, Corporate Sales, New York Sales Office	7,704,125	Graduate Hotel Administration	26	January, 2010	Four Seasons Hotels & Resorts
Shankar	R.	54	Chief Operating Officer, EIH Press	9,685,566	B.A., Diploma In Printing Technology	36	January, 1983	Govt. of India (MHA)
Siamwala	Z.	51	Chief Operating Officer, Oberoi Airport and Flight Services	13,528,341	F.C.A.	32	January, 1985	Liberty Oil Mills Pvt. Ltd.
*Sibal	T.K.	80	Senior Executive Vice President	9,729,098	Hotel Management, Austria	60	April, 1951	First Employment
Singh	V.R.	39	General Manager, Trident Bandra Kurla, Mumbai	7,030,541	Hotel Management	15	January, 2008	Mumtaz Hotels Ltd.
Soni	S.	40	General Manager, Trident Nariman Point, Mumbai	9,028,568	Hotel Management	16	November, 2007	EIH Associated Hotels Ltd.
*Steekbeck	S.(Ms.)	42	Vice President, Leisure Sales New York Sales Office	7,407,513	B.A.	16	December, 2009	Orient Express

A. Employed throughout the year and were in receipt of remuneration for the year which, in the aggregate, was not less than ₹ 6,000,000.

Name of the Employee	(Age)	Designation / Nature of Duties	Gross Remuneration ₹	Qualification(s)	Expe- rience (Years)	Date of Commencement of Employment	Particulars of Previous Employment	
*Tibaldi	J.B.	45	General Manager, The Oberoi Udaivilas, Udaipur	11,982,153	Diploma in Hotel Management,	26	September, 2010	Viceroy Anguilla Resort & Residences, West End, Anguilla
*Tuoro	V.D.	34	Italian Chef, The Oberoi, Mumbai	7,156,495	Catering Degree, Caval- canti, Naples	19	January, 2011	Hassler Hotel, Rome, Italy
*Woodbridge	M.D.	56	Dean, OCLD	7,280,483	B.B.A.	33	January, 2011	University of Western Sydney

B. Employed for a part of the year and were in receipt of remuneration which, in the aggregate, was not less than ₹ 500,000 per month.

Name of the Employee	(Age)	Designation / Nature of Duties	Gross Remuneration ₹	Qualification(s)	Expe- rience (Years)	Date of Commencement of Employment	Particulars of Previous Employment	
*Allvey	M.	50	Vice President, Sales & Marketing London Sales Office	9,983,637	Business Management & Marketing	30	October, 2009	Rocco Forte
*Ballantine	R.A.	64	Senior Vice President, Sales & Marketing New York Sales Office	13,992,493	Post Graduate	44	November, 2009	Orient Express
Baruah	P.D.	37	Vice President, Marketing	5,549,732	MBA (Marketing)	13	May, 2011	Met Life Insurance Company Limited
*Cropp	M.	42	Executive Chef, The Oberoi, Mumbai	5,062,936	Commercial Chef	27	October, 2004	ITC Sonar Bangla
*Datta	R.S. (Capt.)	66	Chief Pilot	2,136,658	Commercial Pilot	46	December, 2002	Druk Air (Royal Bhutan Airlines)
*Liew	K (Ms.)	46	Director Sales & Marketing Singapore Sales Office	1,853,280	MBA	18	January, 2012	Intercontinental Hotel Group, Singapore
Sarma	S.S.	52	Senior Vice President	6,011,471	B.E.	29	July, 2011	Nagarjuna Construc- tion Company Limited, Hyderabad
Singh	D.	59	Vice President, Development	5,088,473	B.A.	38	April, 1991	Hyatt Regency, New Delhi
*Stephan	V.(Ms.)	47	Director Sales, The Oberoi, Mumbai	1,278,648	BTS Secretriati De Direction	19	April, 2010	Hotel Le Maurice, Paris

NOTES :

- Except for those employees marked *, gross remuneration shown above comprises salaries, allowances and benefits as per the Company's rules and contributions to Provident Fund but excludes payments on account of encashment of leave on retirement/ resignation.
- Appointments in respect of employees marked * are governed by individual service contracts.
- Mr. P.R.S. Oberoi and Mr. V.S. Oberoi are related to each other. No other employee listed above is related to any Director of the Company.
- No employee listed above holds by himself/herself or along with his/her spouse and dependent children 2% or more of the Equity Shares of the Company.

For and on behalf of the Board

Gurgaon,
29th May, 2012

S.S. MUKHERJI
Vice Chairman

P.R.S. OBEROI
Chairman and Chief Executive

