



A member of  *The Oberoi Group*

Annual Report 2012-2013



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

## BOARD

Mr. P. R. S. Oberoi

*Executive Chairman*

Mr. S. S. Mukherji

*Vice Chairman and Chief Executive Officer*

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. Rajeev Gupta

## 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, *Executive 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

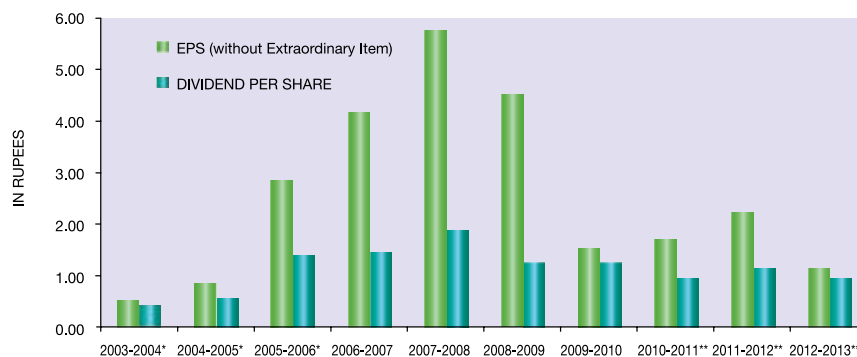
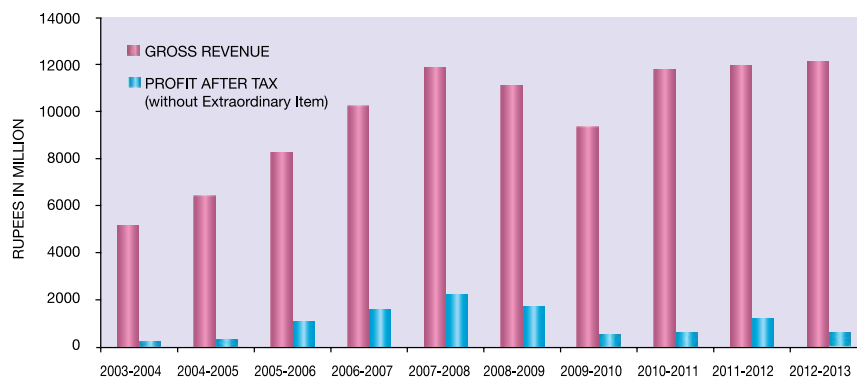
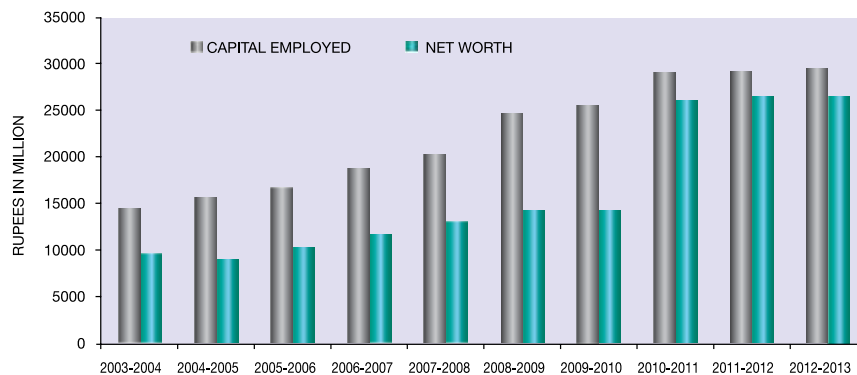
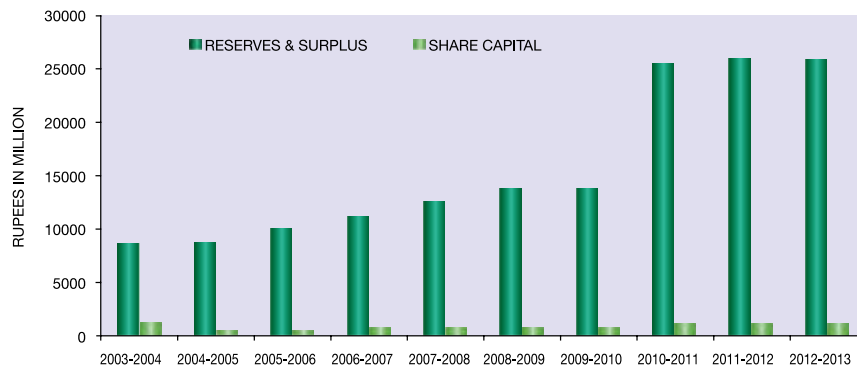
We are committed to the growth, development and welfare of our people upon whom we rely to make this happen.

## 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.



\* 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 \$1.824)

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

	2003 - 2004		2004 - 2005		2005 - 2006		2006 - 2007		2007 - 2008		2008 - 2009		2009 - 2010		2010 - 2011		2011 - 2012		2012-2013	
	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$
<b>FOR THE YEAR</b>																				
1. GROSS REVENUE	5045	92	6252	114	8032	147	9952	182	11551	211	10785	197	9073	165	11429	208	11622	212	11770	215
2. PROFIT BEFORE TAX	415	8	587	11	2607	48	2964	54	3498	64	2733	50	890	16	855	16	1550	28	718	13
3. PROFIT AFTER TAX	282	5	331	6	1886	34	2004	37	2172	40	1704	31	572	10	645	12	1224	22	510	9
4. PROFIT AFTER TAX WITHOUT EXTRAORDINARY ITEM	282	5	360	7	1078	20	1575	29	2172	40	1704	31	572	10	645	12	1224	22	627	11
5. DIVIDEND	236	4	244	4	524	10	550	10	707	13	472	9	472	9	514	9	629	11	514	9
6. RETAINED EARNINGS	405	7	457	8	1697	31	1787	33	1798	33	1696	31	705	13	934	17	1435	26	935	17
7. FOREIGN EXCHANGE EARNINGS	2618	48	3431	63	4494	82	5259	96	5973	109	5009	91	3149	57	4795	87	4630	84	4825	88
<b>AT YEAR END</b>																				
8. GROSS FIXED ASSETS	16339	298	16655	304	17273	315	18815	343	21520	393	24158	441	26606	485	27255	497	28059	512	28658	523
9. SHARE CAPITAL	1224	22	524	10	524	10	786	14	786	14	786	14	786	14	1143	21	1143	21	1143	21
10. RESERVES AND SURPLUS	8368	153	8455	154	9776	178	10866	198	12249	223	13390	244	13385	244	24735	451	25208	460	25106	458
11. NET WORTH	9592	175	8979	164	10300	188	11652	213	13035	238	14176	259	14171	258	25878	472	26352	481	26249	479
12. BORROWINGS	7435	136	8091	148	7093	129	7916	144	8129	148	10230	187	12595	230	8240	150	2601	47	3754	68
13. CAPITAL EMPLOYED	14494	263	15599	285	16638	303	18710	341	20153	368	24406	445	25384	463	28868	527	28852	526	29249	534
<b>PER SHARE (₹)</b>																				
14. NET WORTH PER EQUITY SHARE	22.63*	0.41	22.85*	0.42	26.21*	0.48	29.65	0.54	33.17	0.61	36.08	0.66	36.06	0.66	45.28**	0.83	46.10**	0.84	45.92**	0.84
15. EARNINGS PER EQUITY SHARE WITH EXTRAORDINARY ITEM	0.49*	0.01	0.74*	0.01	4.80*	0.09	5.10	0.09	5.53	0.10	4.34	0.08	1.46	0.03	1.63**	0.03	2.14**	0.04	0.89**	0.02
16. EARNINGS PER EQUITY SHARE WITHOUT EXTRAORDINARY ITEM	0.49*	0.01	0.82*	0.01	2.74*	0.05	4.01	0.07	5.53	0.10	4.34	0.08	1.46	0.03	1.63**	0.03	2.14**	0.04	1.10**	0.02
17. DIVIDEND PER EQUITY SHARE	0.40*	0.01	0.53*	0.01	1.33*	0.02	1.40	0.03	1.80	0.03	1.20	0.02	1.20	0.02	0.90**	0.02	1.10**	0.02	0.90**	0.02
<b>RATIO</b>																				
18. DEBT: EQUITY RATIO	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		0.14 : 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 :

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

## EXECUTIVE CHAIRMAN'S REVIEW

Ladies & Gentlemen,

Travel and tourism is an important sector, especially for developing countries such as India. The World Travel and Tourism Council has estimated that the sector's contribution to India's GDP is 6.4% which is almost double than that for sectors such as automotive manufacturing and mining. The Planning Commission, in its 10th Annual Plan, stated "the sector creates more jobs per million rupees of investment than any other sector of the economy and is capable of providing employment to a wide spectrum of job seekers from the unskilled to the specialized, even in remote parts of the country." The Planning Commission and the Ministry of Tourism have reiterated the sector's importance in creating jobs, reducing poverty, improving local infrastructure and generating foreign exchange.

The reality is that foreign visitor arrivals to India are low. In 2011/2012, India had only 6.3 million foreign visitor arrivals as compared to China with 58 million (excluding Hong Kong), Thailand 19 million, Singapore 10 million and Turkey 33 million.

Despite India's abundant natural, cultural and historical advantages we are unable to attract more foreign visitors compared to other destinations in the region. We need to evaluate why India is not an attractive destination.

In several countries, the national flag carriers such as Emirates, Singapore Airlines and Turkish Airlines have been pivotal in promoting their respective countries. Unfortunately, Air India does not have enough flights to many important European and Asian destinations. Air India must transform itself into global carrier of repute and develop a strategy so that India becomes a key destination.

Over 12 million Indian travellers went abroad in 2011 which is more than twice the number of foreign visitor arrivals to India thus making India one of the few countries where foreign exchange outflow exceeds inflow.

There are a range of factors that adversely affect the attractiveness of India as a key tourist destination for both domestic and foreign travellers. They are lack of sanitation, poor enforcement of cleanliness standards, unsafe roads and poor upkeep of cultural and historical monuments.

The story of travel and tourism sector in India is, unfortunately, that of huge potential and missed opportunities. We need to change this urgently and develop a vibrant and globally relevant travel and tourism sector which will be attractive to foreign and domestic travellers for the benefit of the overall economy.

It is most unfortunate that the Centre and State Governments have not realized the importance of the Travel and Tourism industry. It is vital that this sector is given the importance that it so rightly deserves.

As we all know, the improvement of infrastructure such as power, water, more airports, highways and reliable public transportation etc., are important for economic growth and development. Sadly, not enough is being done in this regard. We hope that a concerted effort by the Government to improve the infrastructure will bear fruit in the not too distant future.

Climate change is no longer a myth. Floods, rising temperatures, severe winters and droughts are now common occurrences. Is enough being done to reduce carbon emissions? As a Company, we are committed to harnessing alternative sources of energy such as wind power so that we can reduce our dependence on fossil fuels. We are also making serious efforts to reduce water consumption by installing efficient sewage treatment plants and using the water to irrigate our gardens. We are in the process of replacing all incandescent lighting with CFL and LED fixtures. I regret that our energy and water costs are increasing as power and water charges continue to rise.

As I stated last year, the development of Human Resources is a priority for the Company. We are making all efforts to select, train and keep our people motivated.

I take this opportunity to thank all stakeholders for their continued support. I also thank my colleagues on the Board for their guidance.

Thank you.



P.R.S. Oberoi  
Executive Chairman  
3rd June, 2013

## DIRECTORS' REPORT

The Board presents the Sixty-third Annual Report together with the Audited Statement of Accounts and the Auditor's Report in respect of the year ended 31st March, 2013.

The financial highlights are given below:

	Rupees in million	
	2012-2013	2011-2012
Total Revenue	11,770.07	11,622.11
Earnings before Interest, Depreciation, Taxes, Amortisations and Exceptional Items (EBIDTA)	2,443.53	2,913.70
Interest and Finance Charges	450.13	544.11
Depreciation	1,007.48	931.07
Exceptional Income/(Expenditure)	(150.66)	111.46
Extra-ordinary Loss	116.96	—
Profit before tax	718.30	1,549.98
Current tax	101.49	193.13
Deferred tax	107.17	132.66
Profit after tax	509.64	1,224.19
Balance brought forward	3,368.23	3,014.72
Accumulated balance	3,877.87	4,238.91
Dividend	514.41	628.73
Dividend tax	67.50	91.95
Transfer to General Reserve	150.00	150.00
Balance carried over	3,145.96	3,368.23

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 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 2012-2013 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 along with the auditor's certificate.

The Board recommends a dividend of ₹ 0.90 per equity share of ₹ 2 in respect of the financial year 2012-2013.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid on 7th August, 2013 to shareholders whose names appear on the register of shareholders at the close of business on 24th July, 2013. As per the Income Tax Act, 1961, the tax on the dividend will be borne by the Company.

During the year, energy conservation measures were mainly directed towards sourcing environment friendly alternative energy. A solar energy system was commissioned in the new flight kitchen at Delhi Airport. This has substantially reduced the consumption of grid power. As a pilot project, the Company has started using wind power at its flight kitchen in Chennai. The energy conservation measures taken during the year also include installation of more efficient chillers, upgrading of elevators, replacement of incandescent lights with LEDs and compact fluorescent lights.

Measures planned next year include further use of wind energy in hotels in Bangalore and North Mumbai. Opportunities for installing solar power are also being actively pursued. Phased replacement of incandescent lights with LEDs and compact fluorescent lights will continue. Conversion of conventional chilled water systems to primary and secondary systems and installation of energy efficient blowers have been planned.

Energy conservation continues to be an area of focus for the Company. Energy conservation committees have been active at all hotels with the sole responsibility to ensure energy efficient usage. The Company also conducts periodic energy audits.

During the financial year 2012-13, the foreign exchange earnings of the Company amounted to ₹ 4,824.73 million as against ₹ 4,629.69 million in the previous year. The expenditure in foreign exchange during the financial year was ₹ 780.81 million as compared to ₹ 1,042.55 million in the previous year.

The Board of Directors of the Company ("the Board") at its Board Meeting held on 30th January, 2013 had approved variation in the terms of appointment of Mr. P.R.S. Oberoi and Mr. S.S. Mukherji, subject to shareholders approval by postal ballot and e-voting. Pursuant to the Companies (Passing of the resolution by Postal Ballot) Rules, 2011 and Circular No. CIR/CFD/DIL/6/2012 dated 13th July, 2012 of the Securities and Exchange Board of India, the shareholders have approved variation in the terms of appointment of Mr. P.R.S. Oberoi and Mr. S.S. Mukherji by requisite majority by way of postal ballot and e-voting.

Mr. Rajeev Gupta was appointed as a Director on the Board on 1st November, 2012 in the casual vacancy caused due to the resignation of Mr. Robert Henry Burns. Pursuant to Section 262 of the Act read with Article 110 of the Articles of Association of the Company, Mr. Rajeev Gupta will hold office of the Director till Mr. Robert Henry Burns normally would have held it.

Mr. Arjun Oberoi, Mr. S.K.Dasgupta and Mr. L. Ganesh retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The Directors recommend reappointment of Mr. Arjun Oberoi, Mr. S.K. Dasgupta and Mr. L. Ganesh as Directors on the Board.

The Central Government has granted 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 80 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 in obtaining 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 2013-14.

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.

Risks, uncertainties or future actions could differ materially from those expressed in the Directors' Report and the Management Discussion and Analysis. These forward looking statements are relevant on the date of this report. We have no obligation to update or revise any forward looking statements, whether as a result of new information, future developments or otherwise, and therefore undue reliance should not be placed on these statements.

The Board takes this opportunity to thank all employees for their commitment, dedication and co-operation.

For and on behalf of the Board

Kolkata  
30th May, 2013

S.K. DASGUPTA  
*Director*

S.S. MUKHERJI  
*Vice Chairman & Chief Executive Officer*



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry Structure, Developments and Outlook**

The global economic growth rate reduced to 3.5% in 2012 compared with 4% in 2011. The situation in India mirrored this global trend. India's growth rate fell to 5.5% driven by lower industrial production in core sectors, slow internal investment, reduced urban consumption and high inflation. The growth in foreign tourist arrivals to India also reduced from that of the previous two years. The World Travel and Tourism Council forecasts a modest 2% to 4% increase in international tourist volumes in 2013. Furthermore, with the increased supply of hotel rooms, prospects for the year 2013 are subdued for the Indian hospitality sector.

The long term outlook for the Indian hospitality industry continues to be positive. According to the World Travel and Tourism Council, demand for travel and tourism in India will grow annually by 8.2% during the period 2010 to 2019. India's travel and tourism sector generates more jobs than the mining industry and communication services. India's middle class of 350-500 million people with a growing disposable income to spend on travel is positive for the hotel industry. This confidence is reflected in substantial planned investments in new hotel projects over the next three years. To keep pace with this growth in travel and tourism, more attention needs to be given to infrastructure development as well as safety and security of tourists, both domestic and international. Visa on arrival from key markets of Europe and North America, better roads and connectivity and a cleaner environment are areas that deserve attention from all stakeholders. While the Cabinet approval of Foreign Direct Investment in aviation is a step in the right direction, more needs to be done for a sector that contributed 6.4% towards India's Gross Domestic Product in 2012.

### **Opportunities, Threats, Risks & Concerns**

Growth in hotel supply in recent times has outstripped demand in a number of Indian cities. Escalating land prices, increasing energy costs, depleting water levels and a scarcity of trained manpower are challenges that will need to be addressed and overcome. With increasing affluence in India, the composition of the market is undergoing a change. Domestic travel and tourism is experiencing rapid growth as is domestic corporate travel. These segments will require due attention whilst we continue to focus on traditional markets. Source markets are changing with demand from the SAARC nations, China, Japan and the Middle East growing steadily. The Tourism Ministry will need to orient itself to this development.

### **Internal Control Systems and Risk Management**

The Company's Internal Audit Department (IAD) continues to conduct regular audits of Hotels, Oberoi Airport Services, Oberoi Flight Services and the Printing Press to ensure that control systems and procedures are followed, under the overall supervision of the Audit Committee of the Board of Directors. The internal audit plan is approved by the Audit Committee at the beginning of the financial year to enable the IAD to conduct its audit smoothly. The Company's Risk Management team keeps the Board informed periodically of the various risks associated with the business of the Company and the measures taken to mitigate these risks.

## **Financial and Operating Performance**

During the financial year 2012-2013, the Company's Total Revenue was ₹ 11,770.07 million compared to ₹ 11,622.11 million in the previous year.

Earnings Before Interest, Depreciation, Taxation, Exceptional items and Amortisation (EBIDTA) was ₹ 2,443.53 million as compared to ₹ 2,913.70 million in the previous year.

Profit Before Tax was ₹ 718.30 million compared to ₹ 1,549.98 million in the previous year.

The Profit After Tax was ₹ 509.64 million as compared to ₹ 1,224.19 million in the previous year.

The Company continues to be largely engaged in hospitality and related services.

## **Business consolidation and expansion**

The flight kitchen at Indira Gandhi International Airport, New Delhi opened in July 2012. This state of the art kitchen will produce 15,000 meals per day to cater to domestic and international airlines. The facility has been well received by the airline industry. The unit has reported a thirty percent increase in overall business.

The 252 key The Oberoi, Dubai is scheduled to open in June 2013. The Oberoi, Dubai will be managed by a wholly owned subsidiary.

Trident Hyderabad consisting of 326 keys is also scheduled to open in June 2013. This hotel will be managed by the Company.

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 is presently in progress.

Planning for a 126 key The Oberoi, Pune is in progress. The hotel will be managed by the Company.

The Oberoi, Marrakech is under construction; this hotel will be managed by a wholly owned overseas subsidiary. In addition to the hotel, branded villas for sale are planned on an adjacent site.

A 160 key Trident is currently under planning in Navi Mumbai. Construction is scheduled to commence shortly. The hotel will be managed by the Company.

Planning for a 61 key The Oberoi, Chandigarh has been completed. Adjoining a 400 acre forest, the 20 acre hotel site will consist of luxury villas and tents with private swimming pools surrounded by extensive landscaped gardens. Construction is expected to begin shortly. The hotel will be managed by the Company.

## **Awards**

Mr. P.R.S. Oberoi received the Lifetime Achievement Award for his outstanding contribution to the Indian Hospitality Industry by the Economic Times, Awards for Corporate Excellence 2012.

Mr. Oberoi was conferred the Lifetime Achievement Award at the International Luxury Travel Market (ILTM) held in Cannes in December 2012. The award was bestowed on Mr. Oberoi as a global recognition of his exceptional leadership, vision and contribution to develop The Oberoi Group as one of the world's leading luxury hotel chains.

The All India Management Association (AIMA) at a function held in New Delhi in February, 2013 had conferred the Lifetime Achievement Award to Mr. P.R.S. Oberoi.

Other major recognitions received by Oberoi Hotels and Resorts during the financial year are:

<b>Hotel</b>	<b>Award</b>	<b>Awarded By</b>
The Oberoi, New Delhi, India	Best Five Star Deluxe Hotel in India	Ministry of Tourism, Government of India, National Tourism Award 2011- 2012
	Best Hotel in New Delhi	Destin Asian Readers' Choice Awards 2012
	Best Business Hotel in New Delhi	<i>Business Traveller</i> , Asia-Pacific Travel Awards 2012
The Oberoi, Mumbai, India	Top 10 Hotels in India (Ranked 6th) Amongst the Top 30 City Hotels in Asia	<i>Condé Nast Traveler</i> , USA, Readers' Choice Awards 2012 <i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2012
The Oberoi Rajvilās, Jaipur, Rajasthan, India	Top Resorts in Asia for Service (Ranked 4th)	<i>Travel + Leisure</i> , World's Best Service Awards, Readers' Survey 2013
	Top 10 Hotels in India (Ranked 2nd)	<i>Condé Nast Traveler</i> , USA, Readers' Choice Awards 2012
	Top 15 Resorts in Asia (Ranked 3rd)	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2012
	Top 100 Hotels in the World (Ranked 28th)	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2012
The Oberoi Amarvilās, Agra, Uttar Pradesh, India	Top 15 Resorts in Asia (Ranked 3rd)	<i>Condé Nast Traveler</i> , USA, Readers' Choice Awards 2012
	Best Leisure Hotels in Asia and the Indian Subcontinent (Ranked 12th)	<i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2012
	Top 15 Resorts in Asia (Ranked 7th)	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2012
	Top 100 Hotels in the World (Ranked 47th)	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2012
The Oberoi Vanyavilās, Ranthambhore, India	Best Wildlife Resort in India (Ranked 1st)	Lonely Planet, The Travel Awards 2013
	Favourite Boutique Hotel in India (Ranked 2nd)	<i>Condé Nast Traveller</i> , India, Readers' Travel Awards 2012
	Top 15 Resorts in Asia (Ranked 2nd)	<i>Condé Nast Traveler</i> , USA, Readers' Choice Awards 2012

<b>Hotel</b>	<b>Award</b>	<b>Awarded By</b>
The Oberoi Udaivilās, Udaipur, Rajasthan, India	Top 10 Resorts in the World for Service (Ranked 3rd)	<i>Travel + Leisure</i> , World's Best Service Awards, Readers' Survey 2013
	Top Resorts in Asia for Service (Ranked 2nd)	<i>Travel + Leisure</i> , World's Best Service Awards, Readers' Survey 2013
	Best Luxury Resort in India (Ranked 1st)	<i>Travel + Leisure</i> , India & South Asia, India's Best Awards 2012
	Best Luxury Hotel in India (Ranked 1st)	Lonely Planet, The Travel Awards 2013
	Top 10 Hotels in India (Ranked 1st)	<i>Condé Nast Traveler</i> , USA, Readers' Choice Awards 2012
	Best Leisure Hotels in Asia and the Indian Subcontinent (Ranked 2nd)	<i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2012
	Top 15 Resorts in Asia (Ranked 1st)	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2012
	Top 100 Hotels in the World (Ranked 4th)	<i>Travel + Leisure</i> , World's Best Awards, Readers' Survey 2012
The Oberoi, Lombok, Indonesia	Amongst the top three Best Hotel for Leisure facilities in Asia	<i>Condé Nast Traveller</i> , UK, The Gold List 2012
	Best Leisure Hotels in Asia & the Indian Subcontinent (Ranked 5th)	<i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2011
The Oberoi, Mauritius	Mauritius' Leading Hotel Best Leisure Hotels in Middle East, Africa and the Indian Ocean (Ranked 6th)	World Travel Awards 2013 <i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2012
Trident, Gurgaon	Asia's leading hotel India's leading hotel	World Travel Awards 2012 World Travel Awards 2012

### Corporate Social Responsibility

The Company is engaged in a number of community development and social service efforts. During the year under review the Company has supported education for underprivileged children as the cornerstone of its future Corporate Social Responsibility. The Company contributed to the Commonwealth Human Rights Initiative, an organization working for the realization of human rights in Commonwealth countries, to "Save our Tigers Campaign" of the Wildlife Conservation Trust, and to Purbachal Udayan Sangha for books and medicines to needy women and children.

The Oberoi, New Delhi supports the Blind School through various activities like voice donation by employees to create audio textbooks. The Trident, Bandra Kurla supports St. Catherine's of Sienna Orphanage through voluntary contribution by the employees. The Trident, Nariman Point and The Oberoi, Mumbai host fund raising events besides partnering the Terry Fox Run and the Mumbai Marathon, the proceeds of which go to charity. The Oberoi, Bangalore organizes lunch and entertainment for children and senior citizens of the Cheshire Home Trust on Christmas and Independence day. The Oberoi,

Udaivilas provides professional training to underprivileged people of the locality in tailoring, cooking, cleaning and gardening. Contributions of linen, uniforms and food are made to NGOs by most hotels.

On environment conservation, all Oberoi and Trident hotels have undertaken water harvesting, water re-cycling and energy saving initiatives. The Oberoi, Vanyavilas is involved in the conservation of wildlife at the tiger reserve and has instituted the Oberoi Scholarship Award, forest guard insurance and waterhole filling to enrich the life of forest guards and their families and to protect the environment. The Oberoi, Bangalore works with an NGO to clean sections of the Mahatma Gandhi Road. Wildflower Hall supports a primary health centre at Kufri by donating medical equipment. A number of the Company's hotels are involved in planting trees to enrich the environment in their proximity.

### **Development in Human Resources and Industrial Relations**

Industrial relations remained stable throughout the year.

The Company's people management systems and processes are designed to enhance employee engagement, organisational capability and superior guests services. The Company's hotels are known for their impeccable service, attributable to the quality of its people. The Human Resource philosophy focuses on attracting and retaining quality talent. The Company believes that its real asset and strength lies in the quality of its manpower.

As on 31st March, 2013 the number of people employed by the group was 9,502.

For and on behalf of the Board

Kolkata  
30th May, 2013

S.K. DASGUPTA  
*Director*

S.S. MUKHERJI  
*Vice Chairman & Chief Executive Officer*

## 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, 2013, the Company had twelve directors on the Board. Four Directors are executive directors. Eight directors are non-executive directors. Six of the non-executive directors are Independent directors.

Mr. Rajeev Gupta was appointed as a director on the Board on 1st November, 2012 in the casual vacancy caused due to resignation of Mr. Robert Henry Burns. Pursuant to Section 262 of the Companies Act, 1956 read with Article 110 of the Articles of Association of the Company, Mr. Gupta will hold office of the director till Mr. Robert Henry Burns normally would have held it. Mr. Gupta, 54, is a B.Tech from IIT, Varanasi and an MBA from Indian Institute of Management, Ahmedabad. Mr. Gupta has over 28 years of industry experience in manufacturing, investment banking and private equity.

Mr. Rajeev Gupta does not hold any shares in the Company. He holds directorship in Cosmo Films Limited, Vardhman Special Steels Limited, VIP Industries Limited, Dalmia Cement (Bharat) Limited, and TVS Capital Funds Limited. He is also a member of audit committee of Cosmo Films Limited.

The Board met five times during the financial year on – 29th May, 2012, 6th August, 2012, 1st November, 2012, 30th January, 2013, and 25th March, 2013.

Details of attendance of directors at board meetings during the financial year and at the Company's Sixty-second 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	Executive Chairman	Executive	5	Yes	8	1**
Mr. S.S. Mukherji	Vice Chairman and Chief Executive Officer	Executive	5	Yes	4	1
Mr. Vikram Oberoi	Chief Operating Officer and Joint Managing Director	Executive	5	Yes	2	2
Mr. Arjun Oberoi	Chief Planning Officer and Joint Managing Director	Executive	5	Yes	3	2

Name	Designation	Category	Attendance		No. of other Directorships*	No. of Board Committees (other than EIH Limited)
			Board Meetings	Last AGM		
Mr. S.K. Dasgupta	Director	Non-executive Independent	5	Yes	2	1**
Mr. Rajan Raheja	Director	Non-executive Independent	1	No	7	4**
Mr. Anil Nehru	Director	Non-executive Independent	5	Yes	4	3**
Mr. L. Ganesh	Director	Non-executive Independent	4	Yes	11	9***
Mrs. Nita Mukesh Ambani	Director	Non-Executive Non-Independent	3!	Yes	Nil	Nil
Mrs. Renu Sud Karnad	Director	Non-Executive Independent	3	Yes	13	6@
Mr. Manoj Harjivandas Modi	Director	Non-Executive Non-Independent	4!	No	2	2**
Mr. Rajeev Gupta#	Director	Non-Executive Independent	3	No	5	1

# Appointed at the Board Meeting held on 1st November, 2012 in the casual vacancy caused due to the resignation of Mr. Robert Henry Burns.

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

\*\* Chairman of one Committee

\*\*\* Chairman of two Committees

@ Chairperson of four Committees

! Attended two meetings by electronic mode

Mr. Arjun Oberoi, Mr. S.K.Dasgupta and Mr. L.Ganesh retire by rotation at the forthcoming Sixty-third Annual General Meeting. They are eligible for re-appointment.

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

All Directors and Members of Senior Management have, as on 31st March, 2013, 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 comprises four board members, namely. Mr. S.K.Dasgupta, Mr. Arjun Oberoi, Mr. Rajan Raheja and Mr. Anil Nehru.

The members of the audit committee 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 four times during the financial year on – 27th May, 2012, 6th August, 2012, 1st November, 2012, and 30th January, 2013. 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 executive chairman, the Vice Chairman and Chief Executive Officer, 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 comprises of five directors viz. Mr. P.R.S. Oberoi, Mr. S.S. Mukherji, Mr. S.K. Dasgupta, Mr. Vikram Oberoi and Mr. Arjun Oberoi. Mr. S.N. Sridhar, Company Secretary, who is also the compliance officer of the Company, acts as Secretary to the committee.

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 five times during the Financial Year on – 5th April, 2012, 27th July, 2012, 26th November, 2012, 28th January, 2013 and 25th March, 2013. Mr. S.K. Dasgupta and Mr. S.S. Mukherji attended all five meetings. Mr. P.R.S. Oberoi, Mr. Vikram Oberoi and Mr. Arjun Oberoi attended one meeting each.

#### **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, 2013, six requests for dematerialisation of shares were pending. These were cleared in the first week of April, 2013. There were 22 pending physical transfer requests as on 31st March, 2013. All valid requests were cleared in the first week of April, 2013.

Twenty complaints were received from investors during the financial year. These related to non-receipt of dividend, annual reports etc. Out of these eighteen complaints were resolved during the year. The pending two complaints as on 31st March, 2013 were also resolved in the first week of April, 2013.



## **5. Remuneration Committee**

### **Composition, Meetings & Attendance threat**

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 comprising 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 the 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 wholtime directors in case the Company has nil or inadequate profits during a Financial Year.

There was no requirement for a meeting during the financial year 2012-2013.

## **6. Corporate Social Responsibility Committee**

### **Composition, Meetings and Attendance**

A Corporate Social Responsibility Committee ("CSR committee") was constituted by the Board at its meeting held on 30th January, 2013. The committee comprises of four members of the Board namely, Mr. Rajeev Gupta (Independent Director), Mr. S.S.Mukherji, Mr. Vikram Oberoi and Mr. Arjun Oberoi.

The quorum of the CSR committee shall be two members. Mr. S.S. Mukherji, Vice Chairman and Chief Executive Officer is the Chairman of the committee.

The committee will meet as and when required. There was no occasion for a meeting during the financial year 2012-13.

## **7. Subsidiary Companies**

The names of the Company's Subsidiary Companies appear on page 35 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.

## 8. 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, 2010	The Oberoi Grand, Kolkata	24th August, 2010	11.30 A.M.	None
31st March, 2011	The Oberoi Grand, Kolkata	9th August, 2011	11.30 A.M.	None
31st March, 2012	The Oberoi Grand, Kolkata	7th August, 2012	11.30 A.M.	Reappointment of Mr. P.R.S. Oberoi as Executive Chairman

### ii) Special Resolution passed through postal ballot:

A special resolution under Section 198, 269, 309 and 317 read with Schedule XIII of the Companies Act, 1956, for variation in the terms of appointment of Mr. P.R.S. Oberoi under service agreement dated 8th September, 2012 was sent by postal ballot/e-voting for approval by the shareholders.

Pursuant to Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, Company dispatched the notice and form to the shareholders giving them 30 days from 1st March to 30th March, 2013 to vote on the resolution. The notice specified that the results of postal ballot/e-voting will be declared on 1st April, 2013. On 1st April, 2013 the special resolution has been declared passed with the requisite majority (99.96% votes in favour of the resolution).

### (iii) Person who conducted the postal ballot exercise

Mr. Salil Banerjee, a Practicing Company Secretary, appointed as the Scrutinizer, conducted the postal ballot voting process.

### (iv) Procedure for postal ballot

The postal ballot was conducted as per the procedure set out in Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and the Circular No. CIR/CFD/DIL/6/2012 dated 13th July, 2012 of Securities and Exchange Board of India (SEBI).

### (v) Proposal to pass any Special Resolution through postal ballot

At present, there is no proposal to pass any special resolution by postal ballot.

**9. Remuneration of Executive Directors****A. Salary and other Benefits**

	Salary ₹/million	Perquisites and Retirement Benefits ₹/million
Mr. P.R.S. Oberoi	Nil	9.16
Mr. S.S. Mukherji	12.06	#13.00
Mr. Vikram Oberoi	5.04	*3.52
Mr. Arjun Oberoi	5.04	*3.90

**B. Commission on Profits (Accrued)**

	₹/million
Mr. P.R.S. Oberoi	20.04
Mr. S.S. Mukherji	20.04
Mr. Vikram Oberoi	7.52
Mr. Arjun Oberoi	7.52

#includes encashment of accumulated leave.

\*As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and not included in the above figures.

Apart from sitting fee, no remuneration is paid to non-executive Directors. Non-executive directors who attend Board or committee meetings are paid a sitting fee of ₹ 20,000 per meeting. During the financial year, the total amount paid to non-executive directors for attending board and committee meetings amounted to ₹ 8,20,000.

**10. 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, 2013;
- (iii) all material transactions during the financial year ended 31st March, 2013, 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), forms part of this annual report;
- (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, 2013, 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.

## 11. 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 2012-2013)	Newspapers	8.08.2012	06.08.2012
2	Half-yearly Unaudited Financial Statements (Second Quarter 2012-2013)	Newspapers	02.11.2012	01.11.2012
3	Quarterly Unaudited Financial Statements (Third Quarter 2012-2013)	Newspapers	31.01.2013	30.01.2013
4	Annual Audited Financial Statements 2012-2013	Newspapers	On or before 01.06.2013	30.05.2013

The Financial results are published in The Economic Times, The Times of India, The Financial Express, The Indian Express, Business Standard/Mint and *Ekin/ Eai Samay*.

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

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

**12. General Shareholder Information**

- a. The Sixty-third Annual General Meeting will be held at 11.30 A.M. on Tuesday, 6th August, 2013, at The Oberoi Grand, Kolkata.**

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

Audited Annual Accounts for 2012-2013	Thursday	30th May, 2013
Mailing of Annual Report for 2012-2013	On or before Friday 12th July, 2013	12th July, 2013
Unaudited First Quarter Financial Results 2013-2014	Monday	5th August, 2013
Sixty-third Annual General Meeting	Tuesday	6th August, 2013
Payment of Dividend for 2012-2013	Wednesday	7th August, 2013
Unaudited Second Quarter Financial Results 2013-2014	Wednesday	30th October, 2013

- c. Register of Shareholders**

The Register of Shareholders will remain closed from Thursday, 25th July, 2013 to Tuesday, 6th August, 2013, both days inclusive.

- d. Payment of Dividend**

Dividend warrants in respect of dividend for the financial year 2013-14, if declared by the Company at the Sixty-third Annual General Meeting, will be dispatched on Wednesday, 7th August, 2013 to those shareholders whose names will appear in the register of shareholders of the Company as at the close of business on Wednesday, 24th July, 2013.

- e. Listing of Shares on Stock Exchanges**

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

Name of the Stock Exchange	Stock Code
The Calcutta Stock Exchange Ltd	05
BSE Ltd	500840
The National Stock Exchange of India Ltd	EIHOTEL
The London Stock Exchange (In respect of outstanding Global Depositary Receipts)	EIHD

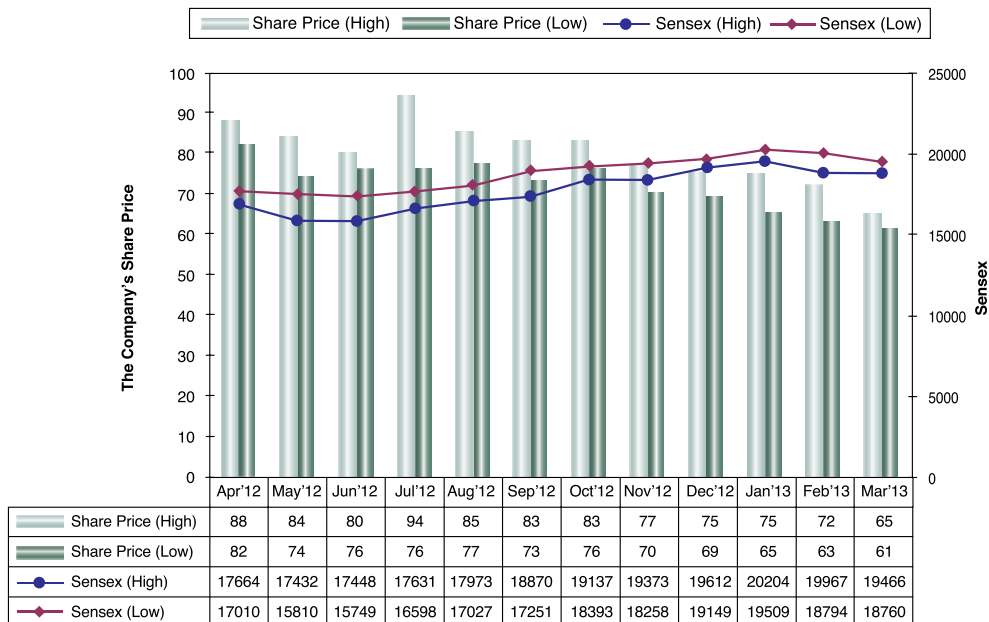
The ISIN Number of the Company's shares in the dematerialised mode is INE 230A01023.

There are no arrears of Listing Fees.

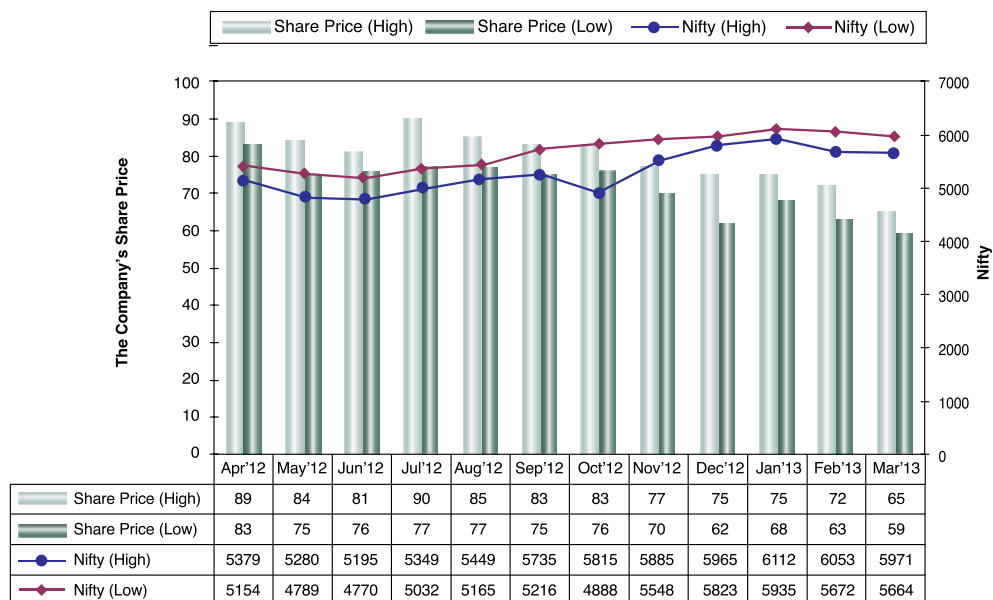
**f. Market Price of the Company's Share *versus* Sensex and Nifty (in Rupees)**

The Company's monthly share price pattern during the Financial Year *versus* the Sensex and the Nifty has been as follows :

**A. The Company's Share Price *versus* Sensex**



**B. The Company's Share Price *versus* 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’. Two reminders were sent earlier to the shareholders. The third reminder was sent on 3rd May, 2013 to all the shareholders at their registered address. The matter will be reviewed thereafter.
- (h) In response to the green initiative of the Ministry of Corporate Affairs, Government of India with regard to paperless compliance, Company has been sending annual reports and accounts, Annual General Meeting and postal ballot notices, circulars etc by e-mail, to those shareholders whose e-mail addresses are made available to the Company by the shareholders. Company is expected to follow this process this year also. Documents e-mailed to shareholders will be available on the Company’s website [www.eihltd.com](http://www.eihltd.com) to enable shareholders to read and download a copy, if required. Physical copies of the documents will be sent to those shareholders who have made a specific request for the same.

### **13. Outstanding Global Depository Receipts**

As on 31st March, 2013, the total shares held as global depository receipts is 0.33 million shares. This constitute 0.06% of the total paid-up share capital of the Company.

### **14. 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 providing 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.

As on 31st March, 2013 558.66 million shares of the Company (representing 97.74% of the total shares issued) were held in the dematerialised form and 12.90 million shares (representing 2.26% of the total shares) were held in the physical form. As on 31st March, 2013, the total number of shareholders are 86763 out of which 67,127 (77.37%) are holding shares in a dematerialised form. The balance 19636 (22.63%) shareholders continue to hold shares in the physical form.

**15. Distribution of Shareholding as on 31st March, 2013**

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares (in million)	% of Shareholding
Upto 1000	69,423	80.02	17.82	3.12
1001-5000	15,065	17.36	30.64	5.36
5001-10000	1,449	1.67	10.03	1.76
10001-50000	687	0.79	12.56	2.20
50001-100000	55	0.06	3.78	0.66
100001 and above	84	0.10	497.74	86.90
<b>Total</b>	<b>86,763</b>	<b>100.00</b>	<b>571.57</b>	<b>100.00</b>

**16. Pattern of Shareholding as on 31st March, 2013**

Category	No. of Shares held (in million)	Percentage of Shareholding
<b>A. Promoter Holding</b>	<b>201.39</b>	<b>35.23</b>
<b>B. Non-Promoter Holding</b>		
Institutional Investors		
a. Mutual Funds	0.53	0.09
b. Banks, Financial Institutions and Insurance Companies	72.01	12.60
c. FII	5.07	0.89
<b>Sub Total</b>	<b>77.61</b>	<b>13.58</b>
Others		
a. Private Corporate Bodies	216.38	37.85
b. Indian Public	74.52	13.04
c. NRIs/OCBs	1.34	0.24
d. Other than above	0.33	0.06
<b>Sub Total</b>	<b>292.57</b>	<b>51.19</b>
<b>Total Non-Promoter Holding</b>	<b>370.18</b>	<b>64.77</b>
<b>GRAND TOTAL</b>	<b>571.57</b>	<b>100.00</b>



**17. Unclaimed Dividends**

All unclaimed dividends upto and including the financial year ended 31st March, 2005, 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.

Pursuant to Section 205C (3) of the Companies Act, 1956 read with Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 ("IEPF Rules"), Company had filed Form 5 INV with the Ministry of Corporate Affairs giving detailed information on unclaimed dividends for the years 2006, 2007, 2008, 2009, 2010 and 2011. The said information has also been uploaded on the Company's website [www.eihltd.com](http://www.eihltd.com).

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 the extant provisions of the Companies Act, 1956, no claims shall lie against the IEPF or the Company in respect of individual dividend amounts which remain unclaimed for a period of 7 years from the date of disbursement. Shareholders who have not encashed their dividend warrants relating to the financial year ended 31st March, 2006 and subsequent years are requested to contact the Investors Services Division.

**18. 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.

**19. 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](mailto:isdho@oberoigroup.com)  
               [invcom@oberoigroup.com](mailto:invcom@oberoigroup.com)

**20. 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.

**21. 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 reappointed at the forthcoming Annual General Meeting is enclosed as an annexure to the notice convening the Annual General Meeting.

**22. 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

Kolkata  
30th May, 2013

S.S. MUKHERJI  
*Vice Chairman & Chief Executive Officer*

**Declaration by the Vice Chairman & Chief Executive Officer under Clause 49(I)(D)(ii) of the listing agreement regarding adherence to the Code of conduct.**

In accordance with sub-clause I (D) of clause 49 of the listing agreement with the Stock Exchanges, I hereby confirm that all directors and senior management personnel of the Company have affirmed compliance with The Oberoi Dharma, the code of conduct, as applicable to them, for the financial year ended 31st March, 2013.

Kolkata  
30th May, 2013

S.S. MUKHERJI  
*Vice Chairman & Chief Executive Officer*

**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) EIIH Corporation Ltd.
- (7) EIH Investments NV
- (8) EIH Management Services BV
- (9) PT Widja Putra Karya
- (10) PT Waka Oberoi Indonesia
- (11) 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, Shimla (An Oberoi Resort)	Trident, Jaipur
The Oberoi Cecil, Shimla	Trident, Udaipur
The Oberoi, Bali	Trident, Cochin
The Oberoi, Lombok	Trident, Bhubaneswar
The Oberoi, Mauritius	
The Oberoi Zahra, Nile Cruiser	

### 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 & Car Leasing

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, 2013 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 and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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.

Kolkata  
30th May, 2013

For RAY & RAY  
*Chartered Accountants*  
Firm's Registration Number 301072E  
R.N. Roy  
*Partner*  
Membership Number 8608

## 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, 2013 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, 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 62nd Annual General Meeting held on 7th August, 2012.
  - (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 there under.

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 they being independent;
- (c) the Directors have complied with the disclosure requirements 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 there under by the Depositories with regard to dematerialization / dematerialization of securities and reconciliation of records of dematerialized 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, 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;

8th May, 2013

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 Ltd British Virgin Islands	Mashobra Resort Limited India	Mumtaz Hotels Limited India	EIH Flight Services Limited Mauritius	Oberoï Kerala Hotels & Resorts Limited India	EIH Holdings Ltd British Virgin Islands	EIH Marrakech Ltd. British Virgin Islands
Financial year ending of the Subsidiary	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13
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	10,085,137 Equity Shares of Rs.10 each, fully paid-up	93,607,800 Ordinary Shares of US \$1 each fully paid-up	25,999,995 Equity Shares of Rs.10 each fully paid-up	12,390,000 Equity Shares of Rs. 10 each fully paid-up	35,338,006 Ordinary Shares of Mauritian Rupee 10 each fully paid-up	2,176,000 Equity Shares of Rs. 10 each fully paid-up	30,085,714 Ordinary Shares of US \$1 each fully paid-up	100 Ordinary Shares of US \$1 each fully paid-up
Extent of Holding as on 31st March, 2013	66.67%	100.00%	78.79%	60.00%	100.00%	80.00%	100.00%	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, 2013	13.27	1.20	150.83	144.16	(151.63)	(0.06)	1.37	-
b) For the subsidiary Company's previous financial years	(4.59)	0.10	(656.99)	208.92	(252.39)	(6.78)	6.02	-
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, 2013	-	1.00	-	61.95	-	-	-	-
b) For the subsidiary Company's previous financial years	10.13	12.28	-	154.88	-	-	-	-

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

Particulars	J&W Hongkong Ltd Hong Kong	EIHH Corporation Ltd Hong Kong	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	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13	31.03.13
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	10,000,000 Ordinary Shares of US \$1 each fully 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	107,689 Shares of Rp 180,000 each	1,560 Ordinary Shares of US\$ 1000 each
Extent of Holding as on 31st March, 2013	100.00%	100.00%	100.00%	100.00%	70.00%	83.23%	60.00%
	US\$ 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, 2013	0.06	–	0.01	(0.34)	9,457.69	(11,025.50)	–
b) For the subsidiary Company's previous financial years	–	–	0.12	1.03	5,536.03	(206,891.34)	–
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, 2013	–	–	–	–	–	–	–
b) For the subsidiary Company's previous financial years	–	–	–	–	–	–	–

Kolkata  
30th May, 2013

S.N. SRIDHAR  
Company Secretary

S. S. MUKHERJI  
VIKRAM OBEROI  
ARJUN OBEROI  
S. K. DASGUPTA  
ANIL NEHRU  
L. GANESH

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

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
EIH Limited

## **Report on the Financial Statements**

We have audited the accompanying financial statements of EIH Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Emphasis of Matter**

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.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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, 2013;
- 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.

## **Report on Other Legal and Regulatory Requirements**

1. 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"), we give in the Annexure of statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by Section 227(3) of “the Act”, we report that:
- a. 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;
  - b. 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;
  - c. 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;
  - d. 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;
  - e. on the basis of written representations received from the Directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

For RAY & RAY  
*Chartered Accountants*  
Firm's Registration Number 301072E

R.N. ROY  
*Partner*  
Membership Number 8068

Kolkata  
30th May, 2013

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 1 under the heading Report on Other Legal Requirements)

- 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 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. According, 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.
  - (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, 2013 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	Income Tax	CIT (Appeals), Kolkata for Assessment Years 2000-2001, 2007-2008, 2009-2010 and 2010-2011	224.40
			ITAT, Kolkata for Assessment Years 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007 & 2008-2009	379.50
			<b>TOTAL</b>	<b>603.90</b>

Sl.No.	Name of the Statute	Nature of the dues	Forum where dispute is pending	Amount (Rupees in Million)
2.	Income Tax Act, 1961	Tax Deducted at Source	CIT (Appeals), Delhi for Assessment Years 2004-2005 to 2007-2008, 2010-2011 and 2011-2012	14.16
			TOTAL	14.16
3.	Value Added Tax of various States	VAT/ Sales Tax	Maharashtra Sales Tax Tribunal/Joint Commissioner of Sales Tax, Appeals-II, Mumbai for 1999-2000	7.82
			Appellate and Revisional Board, Kolkata for 2004-2005	4.27
			Commissioner of Sales Tax, Mumbai for 2006-2007	3.07
			Joint Commissioner of Sales Tax, Kolkata 2009-2010	0.62
			Additional Commissioner of Vat, Kolkata for 2008-2009	1.72
			Appellate Deputy Commissioner, Kanchipuram 2005-2006	2.58
			TOTAL	20.08
4.	Customs Act, 1962	Customs Duty	CESTAT/Tribunal for 2008-2009	429.66
			TOTAL	429.66
5.	Central Excise Act, 1944	Excise Duty	Commissioner (Appeals) of Central Excise, Mumbai for 2002-2004	3.53
			Customs, Excise & Service Tax Appellate Tribunal, Mumbai for 2005-2006	69.53
			Customs, Excise & Service Tax Appellate Tribunal, Delhi for 2005-2006	26.01
			TOTAL	99.07

Sl.No.	Name of the Statute	Nature of the dues	Forum where dispute is pending	Amount (Rupees in Million)
6.	Central Excise Act, 1944	Service Tax	Commissioner/ Additional Commissioner, Central Excise and, Service Tax, Delhi for 2004-2006 and 2009-2010	41.80
			Various Show Cause Notices served for 2009-2011 and replied	60.53
			Commissioner of Central Excise (Appeal-I), Kolkata 2001-2006	0.27
			Joint Commissioner of Central Excise (Appeals), Cochin for 2004-2006	1.11
			<b>TOTAL</b>	<b>103.71</b>

- 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 In our opinion and according to the information and explanations given to us, 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 and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, 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 subsidiary companies 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 The Company has not raised any money by way of public issue during the year. Accordingly, the provisions of clause (xx) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- xxi According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For RAY & RAY  
*Chartered Accountants*  
Firm's Registration Number 301072E

Kolkata  
30th May, 2013

R.N. ROY  
*Partner*  
Membership Number 8608

# Balance Sheet as at 31st March, 2013

As at 31st March

	Note	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
SHARE CAPITAL	2	1,143.14		1,143.14
RESERVES AND SURPLUS	3	25,106.10		25,208.36
			26,249.24	26,351.50
<b>NON-CURRENT LIABILITIES</b>				
LONG TERM BORROWINGS	4	1,442.82		1,903.21
DEFERRED TAX LIABILITIES - NET	5	1,738.87		1,631.70
OTHER LONG TERM LIABILITIES	6	32.54		72.59
LONG TERM PROVISIONS	7	128.64		124.37
			3,342.87	3,731.87
<b>CURRENT LIABILITIES</b>				
SHORT TERM BORROWINGS	8	1,953.96		100.94
TRADE PAYABLES	9	675.80		568.73
OTHER CURRENT LIABILITIES	10	1,569.56		1,782.94
SHORT TERM PROVISIONS	11	617.29		756.94
			4,816.61	3,209.55
<b>TOTAL</b>			<b>34,408.72</b>	<b>33,292.92</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>FIXED ASSETS</b>				
TANGIBLE ASSETS	12	21,162.57		20,150.50
INTANGIBLE ASSETS	12	4.18		1.84
CAPITAL WORK-IN-PROGRESS		399.80		1,594.65
NON-CURRENT INVESTMENTS	13	7,057.30		6,163.57
LONG TERM LOANS AND ADVANCES	14	3,214.88		3,134.23
OTHER NON-CURRENT ASSETS	15	—		—
			31,838.73	31,044.79
<b>CURRENT ASSETS</b>				
CURRENT INVESTMENTS	16	—		116.90
INVENTORIES	17	341.15		331.21
TRADE RECEIVABLES	18	1,735.63		1,411.74
CASH AND BANK BALANCES	19	203.64		119.58
SHORT TERM LOANS AND ADVANCES	20	251.95		257.33
OTHER CURRENT ASSETS	21	37.62		11.37
			2,569.99	2,248.13
<b>TOTAL</b>			<b>34,408.72</b>	<b>33,292.92</b>

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

R.N. ROY  
Partner  
Membership Number 8608

Kolkata, 30th May, 2013

S.N. SRIDHAR  
Company Secretary

S. S. MUKHERJI  
VIKRAM OBEROI  
ARJUN OBEROI  
S. K. DASGUPTA  
ANIL NEHRU  
L. GANESH

Vice Chairman and Chief Executive Officer  
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, 2013

		Year ended 31st March	
	Note	2013 Rupees Million	2012 Rupees Million
<b>INCOME</b>			
REVENUE FROM OPERATIONS	22	11,334.98	11,166.75
OTHER INCOME	23	435.09	455.36
<b>TOTAL REVENUE</b>		<b>11,770.07</b>	<b>11,622.11</b>
<b>EXPENSES</b>			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	24	1,686.31	1,548.72
EMPLOYEE BENEFIT EXPENSES	25	3,289.34	3,180.00
FINANCE COSTS	26	450.13	544.11
DEPRECIATION AND AMORTISATION EXPENSE	27	1,007.48	931.07
OTHER EXPENSES	28	4,350.89	3,979.69
<b>TOTAL EXPENSES</b>		<b>10,784.15</b>	<b>10,183.59</b>
<b>PROFIT BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX</b>		<b>985.92</b>	<b>1,438.52</b>
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	29	(150.66)	111.46
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>835.26</b>	<b>1,549.98</b>
EXTRAORDINARY ITEMS - (LOSS)	30	(116.96)	-
<b>PROFIT BEFORE TAX</b>		<b>718.30</b>	<b>1,549.98</b>
<b>TAX</b>			
CURRENT TAX	31	101.49	193.13
DEFERRED TAX		107.17	132.66
<b>PROFIT FOR THE PERIOD</b>		<b>509.64</b>	<b>1,224.19</b>
BASIC AND DILUTED EARNINGS PER SHARE	42		
(in Rupees) Face Value ₹ 2			
– BEFORE EXTRAORDINARY ITEMS		1.10	2.14
– AFTER EXTRAORDINARY ITEMS		0.89	2.14

NOTES TO THE ACCOUNTS  
FORM AN INTEGRAL PART OF THE 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

R.N. ROY  
Partner  
Membership Number 8608

Kolkata, 30th May, 2013

S.N. SRIDHAR  
Company Secretary

S. S. MUKHERJI  
VIKRAM OBEROI  
ARJUN OBEROI  
S. K. DASGUPTA  
ANIL NEHRU  
L. GANESH

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

# Cash Flow Statement

	Year ended 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	718.30	1,549.98
Adjustments for:		
Depreciation	1,007.48	931.07
(Profit) / Loss on Sale of Fixed Assets (Net)	70.13	(18.80)
Provision for diminution in value of investments	116.96	-
Interest Income	(60.98)	(33.60)
Dividend Income	(141.64)	(190.74)
Interest Expenditure	450.13	544.11
Operating Profit before Working Capital Changes	2,160.38	2,782.02
Adjustments for:		
Trade & Other Receivables	(760.80)	137.14
Inventories	(9.94)	5.54
Trade & Other Payables	87.93	(177.19)
Cash Generated from Operations	1,477.57	2,747.51
Payment of Direct Taxes	(141.44)	(411.42)
Net cash from Operating Activities	1,336.13	2,336.09
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(971.75)	(1,163.58)
Sale of Fixed Assets	44.60	95.37
Purchase of Investments	(564.49)	(229.08)
Loan to Subsidiary Companies	45.17	(225.89)
Advance towards Equity	-	(94.90)
Interest Received	61.85	36.64
Dividend Received	141.64	190.74
Changes in other bank balances	6.62	(1.13)
Cash used in Investing Activities	(1,236.36)	(1,391.83)

## Cash Flow Statement — *Contd.*

	Year ended 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings		
Term Loans	2,200.00	200.00
Cash Credit	653.02	100.94
Unsecured Loans	500.00	—
Repayment of		
Term Loans	(1,700.00)	(5,900.00)
Unsecured Loans	(500.00)	—
Interest Paid	(442.48)	(585.82)
Dividend Paid	(627.68)	(512.35)
Tax on Dividend	(91.95)	(71.39)
Net Cash used in Financing Activities	(9.09)	(6,768.62)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	90.68	(5,824.36)
Cash and Cash Equivalents at beginning of year	75.98	5,900.34
Cash and Cash Equivalents at end of year	166.66	75.98

**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

R.N. ROY  
Partner

Membership Number 8608

Kolkata, 30th May, 2013

S.N. SRIDHAR  
Company Secretary

S. S. MUKHERJI  
VIKRAM OBEROI  
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Vice Chairman and Chief Executive Officer  
Chief Operating Officer and Joint Managing Director  
Chief Planning Officer and Joint Managing Director

Directors

# 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 under the Companies (Accounting Standards) Rules, 2006 pursuant to section 211 (3C) 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

Tangible 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.

Intangible Assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on straight line basis over their estimated useful lives.

#### 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 printed 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 capitalized 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 Statement of Profit and Loss under Finance costs.

Operating lease payments are recognized 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 recognized 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 under 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 recognized as an asset in the balance sheet.

Deferred tax is provided and recognized 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 recognized unless there is virtual certainty about availability of future taxable income to realize 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 recognized 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 recognized 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	
		2013 Rupees Million	2012 Rupees Million
<b>2</b>			
<b>SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
1,500,000,000 Equity Shares of ₹ 2 each		3,000.00	3,000.00
(2012 - 1,500,000,000)			
		<u>3,000.00</u>	<u>3,000.00</u>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>			
571,569,414 Equity Shares of ₹ 2 each		1,143.14	1,143.14
(2012 - 571,569,414)			
		<u>1,143.14</u>	<u>1,143.14</u>

a) Reconciliation of Share Capital :

	As at 31st March			
	2013		2012	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Balance at the beginning of the year	571,569,414	1,143.14	571,569,414	1,143.14
Add : Shares issued during the year	—	—	—	—
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. These shares rank *pari passu* in all respects including voting rights and entitlement to dividend.

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

		As at 31st March			
		2013		2012	
		Number of Shares	% holding	Number of Shares	% holding
(1)	Reliance Industries Investment and Holding Private Limited	105,907,273	18.53	105,907,273	18.53
(2)	ITC Limited	85,621,473	14.98	85,621,473	14.98
(3)	Oberoi Hotels Private Limited	83,646,328	14.63	83,646,328	14.63
(4)	Life Insurance Corporation of India	34,747,348	6.08	34,747,348	6.08
(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



## Notes to Accounts — *Contd.*

		As at 31st March	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>3</b>			
<b>RESERVES AND SURPLUS</b>			
<b>CAPITAL REDEMPTION RESERVE</b>			
As per last Account		1,024.21	1,024.21
<b>SECURITIES PREMIUM ACCOUNT</b>			
As per last Account		12,373.41	12,373.41
<b>REVALUATION RESERVE</b>			
As per last Account	2,292.51		2,322.50
Less : Adjustment for Depreciation (Note 36b)	29.99		29.99
		2,262.52	2,292.51
<b>GENERAL RESERVE</b>			
As per last Account	6,150.00		6,000.00
Add : Transfer from Profit & Loss Account	150.00		150.00
		6,300.00	6,150.00
<b>PROFIT AND LOSS ACCOUNT</b>			
As per last Account	3,368.23		3,014.72
Add : Profit during the year as per Statement of Profit & Loss	509.64		1,224.19
	3,877.87		4,238.91
Less : Allocations / Appropriations			
Transfer to General Reserve	150.00		150.00
Proposed Dividend on Equity Shares	514.41		628.73
Tax on Dividend	67.50		91.95
		3,145.96	3,368.23
		25,106.10	25,208.36

Dividend of ₹ 0.90 per share (2012 - ₹ 1.10 per share) amounting to ₹ 514.41 Million (2012 - ₹ 628.73 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	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>4</b>			
<b>LONG TERM BORROWINGS</b>			
Secured Loan from Banks			
ICICI Bank Limited (ICICI)		1,400.00	1,800.00
Long Term maturity of Finance Lease Obligations		42.82	103.21
		<u>1,442.82</u>	<u>1,903.21</u>

### PARTICULARS OF TERM LOANS :

- (i) Term Loan from ICICI carries interest at the rate of 1.5% above bank's base rate, repayable in quarterly installments of ₹ 100 million each. Repayment will be complete in July 2017.
- (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 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		1,905.43	1,755.44
Deferred Tax Assets on account of :			
Accrued Expenses Deductible on Payment	42.90		39.10
Leave Encashment	18.66		18.02
Provision For Debts, Advances and Investments	105.00		66.62
		166.56	123.74
Deferred Tax Liabilities (Net)		<u>1,738.87</u>	<u>1,631.70</u>

# Notes to Accounts — *Contd.*

	As at 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Liability for Capital Expenditure	2.90	2.80
Security Deposits	29.64	69.79
	<u>32.54</u>	<u>72.59</u>
<b>7</b>		
<b>LONG TERM PROVISIONS</b>		
Leave Encashment	128.64	124.37
	<u>128.64</u>	<u>124.37</u>
<b>8</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>SECURED</b>		
Short Term Loan From Banks		
The Hongkong & Shanghai Banking Corporation Limited (HSBC)	200.00	–
ICICI Bank Limited (ICICI)	1,000.00	–
Cash Credit From Banks		
United Bank of India	621.66	11.11
The Hongkong & Shanghai Banking Corporation Limited (HSBC)	132.30	89.83
	<u>1,953.96</u>	<u>100.94</u>

## PARTICULARS OF SHORT TERM BORROWINGS :

Cash credit facilities and short term loan from HSBC 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.

Short term loan from ICICI 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*.

Short term loan from ICICI carries interest at the rate of 1.75% above bank's base rate and short term loan from HSBC carries interest at the rate of 11.25%

# Notes to Accounts — *Contd.*

	As at 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>9</b>		
<b>TRADE PAYABLES</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises (Note 33)	4.10	—
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	671.70	568.73
	<u>675.80</u>	<u>568.73</u>
<b>10</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debt	400.00	700.00
Current Maturities of Finance Lease Obligations	81.81	87.03
Interest accrued but not due on borrowings	10.63	2.98
Advance from Customer	192.60	171.52
Unclaimed Dividend	30.81	29.76
Unclaimed Matured Fixed Deposits	—	1.85
Unclaimed Fractional Share sale proceeds (against Bonus Issue)	0.19	0.19
Other Payables		
Contribution payable towards Gratuity Fund	12.12	33.16
Liability for Capital Expenditure	43.92	49.89
Security Deposits	106.14	69.33
Others (includes taxes payable ₹ 239.23 Million (2012 - ₹ 177.64 Million))	691.34	637.23
	<u>1,569.56</u>	<u>1,782.94</u>
<b>11</b>		
<b>SHORT TERM PROVISIONS</b>		
Leave Encashment	22.68	24.99
Proposed Dividend on Equity Shares	514.41	628.73
Tax on Dividend	67.50	91.95
Wealth Tax (net of advance)	12.70	11.27
	<u>617.29</u>	<u>756.94</u>

## Rupees in Million

	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Original Cost/ Revaluation as at 31st March, 2012	Additions	Sales/ Adjustments	Original Cost/ Revaluation as at 31st March, 2013	As at 31st March, 2012	For the Year	Less: Sales/ Adjustments	As at 31st March, 2013	As at 31st March, 2012
<b>i) TANGIBLE ASSETS</b>									
Freehold Land Including development Cost	1,363.60	19.18	-	1,382.78	-	-	-	1,382.78	1,363.60
Leasehold Land	2,643.62	-	-	2,643.62	64.71	32.36	-	2,546.55	2,578.91
Buildings (Note 35b)	11,046.21	1,138.70	62.77	12,122.14	2,014.17	246.55	42.32	9,903.74	9,032.04
Sanitary Installation	736.29	96.42	11.05	821.66	83.47	14.73	5.08	728.54	652.82
Office Equipment	96.46	3.17	5.99	93.64	43.06	4.15	4.33	50.76	53.40
Plant & Machinery	7,841.14	780.97	194.57	8,427.54	2,841.59	460.89	125.14	5,250.20	4,999.55
Leased Machinery (Note 37)	239.43	-	-	239.43	103.68	83.84	-	51.91	135.75
Furniture & Fittings	1,293.59	64.30	18.70	1,339.19	647.44	89.12	15.99	618.62	646.15
Vehicles	328.89	27.31	16.05	340.15	166.71	34.62	12.01	150.83	162.18
Leased Vehicles (Note 37)	150.98	32.74	31.83	151.89	68.61	37.09	22.93	69.12	82.37
Boats	49.89	0.32	-	50.21	13.65	1.67	-	34.89	36.24
Aircrafts	590.27	-	31.50	558.77	182.78	31.29	29.93	374.63	407.49
Total Tangible Assets	26,380.37	2,163.11	372.46	28,171.02	6,229.87	1,036.31	257.73	21,162.57	20,150.50
Previous Year	26,159.73	580.26	359.62	26,380.37	5,552.28	960.65	283.06	6,229.87	20,150.50
<b>ii) INTANGIBLE ASSETS</b>									
Business Rights	78.72			78.72	78.72			78.72	-
Computer Softwares	5.02	3.50	-	8.52	3.18	1.16	-	4.34	1.84
Total Intangible Assets	83.74	3.50	-	87.24	81.90	1.16	-	83.06	1.84
Previous Year	83.60	0.14	-	83.74	81.49	0.41	-	81.90	1.84

# Notes to Accounts — Contd.

		As at 31st March	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>13</b>			
<b>NON-CURRENT INVESTMENTS</b>			
<b>Investments In Equity Instruments</b>			
<b>Trade Investments</b>			
<b>Quoted -</b>			
25,000 (2012 - 25,000) Equity Shares of ₹ 10 each of Tourism Finance Corporation of India Limited fully paid		0.50	0.50
<b>Associate</b>			
11,215,118 (2012 - 7,071,333) Equity Shares of ₹ 10 each of EIH Associated Hotels Limited fully paid		1,010.72	596.34
<b>Unquoted -</b>			
<b>Joint Ventures</b>			
18,720,000 (2012 - 18,720,000) Equity Shares of ₹ 10 each of L&T Bangalore Airport Hotel Limited fully paid	187.20		187.20
Less: Provision for diminution in value of investments	116.96		—
		70.24	187.20
37,358,400 (2012 - 31,350,000) Equity Shares of ₹ 10 each of Golden Jubilee Hotels Limited fully paid		373.58	313.50
<b>Subsidiary Companies</b>			
93,607,800 (2012 - 89,607,800) Equity Shares of \$1 each of EIH International Limited fully paid		4,215.79	4,010.79
25,999,995 (2012 - 25,999,995) Equity Shares of ₹ 10 each of Mashobra Resort Limited fully paid		260.04	260.04
2,176,000 (2012 - 2,176,000) Equity Shares of ₹ 10 each of Oberoi Kerala Hotels and Resorts Limited fully paid		21.76	21.76
12,390,000 (2012 - 12,390,000) Equity Shares of ₹ 10 each of Mumtaz Hotels Limited fully paid		394.72	394.72
10,085,137 (2012 - 9,277,777) Equity Shares of ₹ 10 each of Mercury Car Rentals Limited fully paid		142.93	115.00
35,338,006 (2012 - 16,014,721) Equity Shares of Mauritius Rupees 10 each of EIH Flight Services Limited, Mauritius fully paid		547.89	244.59
Nil (2012 - 50,000) Equity Shares of ₹ 10 each of EIH Flight Catering Services Limited fully paid		—	0.50
Less: Provision for diminution in value of Investments		—	0.50
		—	—
<b>Other Investments : Unquoted</b>			
849,575 (2012 - 849,575) Equity Shares of ₹ 10 each of Mercury Travels Limited fully paid		18.70	18.70
18,000 (2012 - 18,000) Equity Shares of ₹ 10 each of Green Infra Wind Generation Limited fully paid		0.18	0.18
<b>Investment in Government Securities (Unquoted) Non Trade</b>			
National Savings Certificate (lodged with Government Authorities as Security Deposit)		0.25	0.25
		7,057.30	6,163.57
		Book Value	Market Value
		Rupees	Rupees
		Million	Million
Quoted		1,011.22	1,244.29
		(596.84)	(1,089.59)
Unquoted		6,046.08	
		(5,566.73)	
		7,057.30	
		(6,163.57)	

(Figures in brackets represent figures for 2012)

# Notes to Accounts — Contd.

		As at 31st March	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>14</b>			
<b>LONG TERM LOANS AND ADVANCES (Unsecured)</b>			
(Considered good unless otherwise stated)			
Loans and Advances to Related Parties			
Loans to Subsidiary Company :			
EIH Flight Services Limited, Mauritius		–	348.47
Advances towards Equity in Subsidiary Companies :			
Mashobra Resort Limited (Note 39)	1,361.93		1,361.93
Oberoi Kerala Hotels and Resorts Limited	1.60		1.60
		1,363.53	1,363.53
Advances towards Equity in Other Companies			
Golden Jubilee Hotels Limited		–	26.00
Loans and Advances to Others			
Capital Advances		6.25	51.19
Advances recoverable in cash or in kind or for value to be received		57.13	58.53
Other Advances recoverable - considered doubtful		188.62	186.40
Sundry Deposits		912.33	442.72
Prepaid Expenses		12.85	20.95
Income Tax Advance/Refund (net of provision)		681.66	663.15
MAT credit entitlement (Note 40)		181.13	159.69
		3,403.50	3,320.63
Less: Provision for Doubtful Advances		188.62	186.40
		3,214.88	3,134.23
<b>15</b>			
<b>OTHER NON-CURRENT ASSETS</b>			
Long Term Trade Receivables (Unsecured)			
Considered doubtful		18.01	18.90
Less: Provision for Doubtful Debts		18.01	18.90
		–	–
<b>16</b>			
<b>CURRENT INVESTMENTS</b>			
Investments in Mutual Funds - Quoted			
Birla Sun Life Savings Fund - Inst.-Daily Dividend-Reinvestment			
Nil (2012 - 1,168,253.971 units of ₹ 100.068 each) (valued at Market Price)		–	116.90
		–	116.90

# Notes to Accounts — Contd.

		As at 31st March	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>17</b>			
<b>INVENTORIES</b>			
(At Lower of cost and net realisable value)			
Provisions, Wines & Others		165.79	159.44
(includes stock lying with third party ₹ 8.89 Million (2012 - ₹ Nil))			
Stores & Operating Supplies		175.36	171.77
		<u>341.15</u>	<u>331.21</u>
<b>18</b>			
<b>TRADE RECEIVABLES (Unsecured)</b>			
(Considered good )			
Outstanding for a period exceeding six months from the due date		46.58	27.89
Other Debts		1,689.05	1,383.85
		<u>1,735.63</u>	<u>1,411.74</u>
<b>19</b>			
<b>CASH &amp; BANK BALANCES</b>			
Cash & Cash Equivalents			
Cash in hand	50.84		17.03
Cheques in hand	72.21		13.44
Balances with Banks			
Current Accounts	34.06		37.11
Fixed Deposits with maturity within 3 months	9.55		8.40
		166.66	75.98
Other Bank Balances			
Fixed Deposits maturing within 3-12 months		1.10	0.69
Margin Deposits		4.88	12.96
Unpaid Dividend Accounts		30.81	29.76
Escrow Accounts / Fractional Share sale proceeds (against Bonus Issue)		0.19	0.19
		<u>203.64</u>	<u>119.58</u>
<b>20</b>			
<b>SHORT-TERM LOANS AND ADVANCES</b>			
Unsecured-Considered good			
Advances recoverable in cash or in kind or for value to be received			
Related Parties	1.75		0.46
Others	85.53	87.28	83.76
Prepaid Expenses		109.60	85.08
Sundry Deposits		55.07	88.03
		<u>251.95</u>	<u>257.33</u>
<b>21</b>			
<b>OTHER CURRENT ASSETS</b>			
Interest Accrued on deposits		1.99	2.86
Other Receivables - Considered good (unsecured)		35.63	8.51
		<u>37.62</u>	<u>11.37</u>



## Notes to Accounts — Contd.

		Year ended 31st March	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>22</b>			
<b>REVENUE FROM OPERATIONS</b>			
Rooms	4,356.24		4,482.71
Food and Beverage	4,622.11		4,190.67
Other Services	1,852.69		1,926.22
Sale of Printed Materials	506.69		567.55
		11,337.73	11,167.15
Less: Excise Duty (on certain printed materials)		2.75	0.40
		11,334.98	11,166.75
<b>23</b>			
<b>OTHER INCOME</b>			
Interest (Gross)		60.98	33.60
(includes interest from Income tax ₹ 46.08 Million (2012 - ₹ 20.95 Million))			
Dividend			
From Subsidiary Companies - Long Term Investments (Trade)	117.25		61.95
From Others - Long Term Investments (Trade)	21.24		17.71
From Mutual Fund - Current Investments (Non-trade)	3.15		111.08
		141.64	190.74
Miscellaneous Income		229.89	224.69
Gain on Exchange		2.58	5.53
Profit on Sale of Investment		—	0.80
		435.09	455.36
<b>24</b>			
<b>CONSUMPTION OF PROVISIONS, WINES &amp; OTHERS</b>			
Opening Stock		159.44	137.74
Add: Purchases		1,692.66	1,570.42
		1,852.10	1,708.16
Less : Closing Stock		165.79	159.44
		1,686.31	1,548.72
<b>25</b>			
<b>EMPLOYEE BENEFIT EXPENSES</b>			
Salaries & Wages		2,934.79	2,814.45
Contribution to Provident Fund and Other Funds		151.10	169.95
Staff Welfare Expenses		203.45	195.60
		3,289.34	3,180.00

## Notes to Accounts — *Contd.*

		Year ended 31st March	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>26</b>			
<b>FINANCE COSTS</b>			
Interest Expense		450.13	544.11
		<u>450.13</u>	<u>544.11</u>
<b>27</b>			
<b>DEPRECIATION AND AMORTISATION</b>			
Tangible Assets		1,006.32	930.66
Intangible Assets		1.16	0.41
		<u>1,007.48</u>	<u>931.07</u>
<b>28</b>			
<b>OTHER EXPENSES</b>			
Power & Fuel		947.98	810.28
Rent		237.55	210.41
Repairs :			
Buildings	127.03		156.27
Plant & Machinery	338.00		338.66
Others	<u>132.69</u>		<u>108.61</u>
		597.72	603.54
Insurance		33.79	35.42
Rates & Taxes		421.97	311.73
Expenses on Apartment & Board		172.49	149.65
Royalty		104.68	100.99
Advertisement, Publicity & Other Promotional Expenses		322.32	249.20
Commission to Travel Agents & others		209.91	207.12
Passage & Travelling		338.09	322.60
Postage, Telephone, etc.		122.49	133.39
Professional Charges		154.38	97.10
Linen, Uniform Washing & Laundry Expenses		36.56	30.63
Renewals & Replacement		87.37	89.86
Musical, Banquet & Kitchen Expenses		77.11	77.25
Auditors' Remuneration (Note 41)		11.36	11.28
Directors' Fees and Commission		55.93	92.28
Loss on Sale/Discard of Assets etc. (Net)		70.13	92.66
Provision/write off : Debts & Advances		4.81	14.09
Write off : Investments		0.50	—
Miscellaneous Expenses		343.75	340.21
		<u>4,350.89</u>	<u>3,979.69</u>

## Notes to Accounts — *Contd.*

	Year ended 31st March	
	2013	2012
	Rupees	Rupees
	Million	Million
<b>29</b>		
<b>EXCEPTIONAL ITEMS</b>		
Property Tax (relating to earlier years on settlement of litigation)	(150.66)	–
Profit on sale of Property and Apartment	–	111.46
	<u>(150.66)</u>	<u>111.46</u>

### **30** **EXTRAORDINARY ITEMS**

L&T Bangalore Airport Hotel Limited (BAHL), a joint venture with L&T Urban Infrastructure Limited started construction of a hotel on the land allotted by Bangalore International Airport Limited (BIAL) pursuant to the Framework Agreement with them. The same had to be abandoned due to extraordinary circumstances involving refusal by Airport Authority of India (AAI) to permit the agreed height of the building as per Framework Agreement. BIAL also failed to honour their commitment to give additional land to compensate the reduction in height. BAHL went for arbitration proceedings and the Arbitral Tribunal gave the award directing BIAL to take over the incomplete building and pay compensation fixed by the Tribunal. BAHL has accounted for the award and the resultant loss in its account for the year ended 31.03.13. Consequently, there is a diminution in value of Company's investments to the extent of ₹ 116.96 million, being loss due to extraordinary unusual events.

### **31** **CURRENT TAX**

Income Tax	150.71	263.93
Less : MAT credit entitlement	21.44	3.69
	<u>129.27</u>	<u>260.24</u>
Add : Tax adjustment relating to earlier years after final assessment	(27.78)	(67.11)
	<u>101.49</u>	<u>193.13</u>

## Notes to Accounts — *Contd.*

### 32. 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 not acknowledged as debts :

- (a) Value Added Tax ₹ 20.08 Million (2012 - ₹ 25.92 Million)
- (b) Income Tax ₹ 603.90 Million (2012 - ₹ 528.18 Million)
- (c) Tax Deducted at Source ₹ 14.16 Million (2012 - ₹ 25.88 Million )
- (d) Service Tax ₹ 103.71 Million (2012 - ₹ 64.03 Million )
- (e) Property Tax ₹ 5.93 Million (2012 - ₹ 75.36 Million)
- (f) Entertainment Tax ₹ 10.44 Million (2012 - ₹ 11.62 Million)
- (g) Customs Duty ₹ 429.66 Million (2012 - ₹ 429.66 Million)
- (h) Employees State Insurance dues ₹ 1.57 Million ( 2012 - ₹ 12.61 Million)
- (i) Excise Duty ₹ 99.07 Million (2012 - ₹ 99.07 Million)
- (j) Others ₹ 15.36 Million (2012 - ₹ 22.45 Million)

##### (ii) Guarantees :

- a. Guarantees given to Banks & Financial Institutions for ₹ 1,089.89 Million (2012 - ₹ 1,591.00 Million) against financial facilities availed by the subsidiary companies.
- b. Counter guarantees issued to banks and remaining outstanding ₹ 32.72 Million (2012 - ₹ 30.31 Million).

#### (B) Commitments:

- a. The estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 602.23 Million (2012 - ₹ 340.23 Million).
- b. Investment commitment in subsidiary companies ₹ 424.63 Million (2012 - ₹ 353.92 Million)

### 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, 2013 Rupees Million	As at 31st March, 2012 Rupees Million
Principal amount due and remaining unpaid	4.10	—

There was neither any delay in payment nor any interest is due and remaining unpaid on the above.

## Notes to Accounts — Contd.

34. Defined Benefit Plans/Long Term Compensated Absences on 31st March, 2013 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, 2013		Year ended 31st March, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>I Components of Employer Expenses</b>				
1 Current Service Cost	22.92	40.73	21.08	40.22
2 Interest Cost	31.97	11.95	29.02	11.02
3 Expected return on Plan Assets	(38.36)	—	(33.70)	—
4 Curtailment Cost/(Credit)	—	—	—	—
5 Settlement Cost/(Credit)	—	—	—	—
6 Past Service Cost	—	—	—	—
7 Actuarial Losses/(Gains)	18.48	(19.97)	37.84	(7.86)
8 <b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>35.01</b>	<b>32.71</b>	<b>54.24</b>	<b>43.38</b>
The Gratuity Expenses have been recognised in “Contribution to Provident Fund and other Funds” and Leave Encashment in “Salaries & Wages”.				
<b>II Net Asset / (Liability) recognised in Balance Sheet as at 31st March, 2013</b>				
1 Present Value of Defined Benefit Obligation	406.17	151.32	399.58	149.36
2 Fair Value of Plan Assets	394.05	—	366.42	—
3 Status [Surplus/(Deficit)]	(12.12)	(151.32)	(33.16)	(149.36)
4 Unrecognised Past Service Cost	—	—	—	—
5 <b>Net Asset/(Liability) recognised in Balance Sheet</b>	<b>(12.12)</b>	<b>(151.32)</b>	<b>(33.16)</b>	<b>(149.36)</b>
<b>III Change in Defined Benefit Obligations (DBO) during the year ended 31st March, 2013</b>				
1 Present Value of DBO at the beginning of year	399.58	149.36	362.74	137.76
2 Current Service Cost	22.92	40.73	21.08	40.22
3 Interest Cost	31.97	11.95	29.02	11.02
4 Curtailment Cost/(Credit)	—	—	—	—
5 Settlement Cost/(Credit)	—	—	—	—
6 Plan Amendments	—	—	—	—
7 Acquisitions	—	—	—	—
8 Actuarial (Gains)/Losses	18.48	(19.97)	37.84	(7.86)
9 Benefits Paid	(66.78)	(30.75)	(51.10)	(31.78)
10 <b>Present Value of DBO at the end of year</b>	<b>406.17</b>	<b>151.32</b>	<b>399.58</b>	<b>149.36</b>
<b>IV Change in Fair Value of Assets during the year ended 31st March, 2013</b>				
1 Plan Assets at the beginning of year	366.42	—	317.45	—
2 Acquisition Adjustment	—	—	—	—
3 Actuarial Return on Plan Assets	38.36	—	33.70	—
4 Actuarial Gains/(Losses)	—	—	—	—
5 Actual Company Contribution	56.05	—	66.37	—
6 Benefits Paid	(66.78)	—	(51.10)	—
7 <b>Plan Assets at the end of year</b>	<b>394.05</b>	<b>—</b>	<b>366.42</b>	<b>—</b>
<b>V Investments Details</b>				
Invested with LIC in Group Gratuity Scheme				
<b>VI Actuarial Assumptions</b>				
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, 2013		Year ended 31st March, 2012		Year ended 31st March, 2011		Year ended 31st March, 2010	
	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	406.17	151.32	399.58	149.36	362.74	137.76	311.55	116.88
2. Fair Value of Plan Assets	394.05	–	366.42	–	317.45	–	294.11	–
3. Status [Surplus/(Deficit)]	(12.12)	(151.32)	(33.16)	(149.36)	(45.29)	(137.76)	(17.44)	(116.88)
4. Experience Adjustments on Plan Liabilities [Loss/(Gain)]	18.48	(19.97)	37.84	(7.86)	50.23	4.47	22.23	21.45
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 (2012 - ₹ 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 ₹ 391.32 Million (2012 - ₹ 390.41 Million) being assets acquired between 1st April, 2001 to 31st March, 2013. These include an amount of ₹ 32.74 Million (2012 - ₹ 44.32 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 ₹ 120.93 Million (2012 - ₹ 103.43 Million) being depreciation charged on these assets.

## Notes to Accounts — Contd.

The year-wise break-up of the outstandings as on 31st March, 2013 in respect of these assets are as under:

	Year ended 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>Assets taken on lease</b>		
Total Minimum Lease Payments at the year end	146.26	219.43
Present value of Minimum Lease Payments	124.63	190.24
<b>Not later than one year</b>		
Minimum Lease Payments	92.44	102.73
Present value	85.53	96.41
<b>Later than one year but not later than five years</b>		
Minimum Lease Payments	53.82	116.70
Present value	39.10	93.83
<b>Later than five years</b>		
Minimum Lease Payments	—	—
Present value	—	—

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) The Company gives shops located at various hotels on operating lease arrangements. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving a notice. Some shops have been given under non-cancellable operating lease, the future minimum lease payments recoverable by the company are as under:-

	Year ended 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>As Lessor</b>		
Not later than one year	134.54	136.63
Later than one year but not later than five years	162.84	226.25
Later than five years	78.42	86.41

Rent in respect of the above is credited to the Statement of Profit and Loss.

- b) The Company has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services and residential premises for its employees. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving a notice. The future minimum lease payments payable by the company for office space taken under non-cancellable operating lease, are as under:-

Year ended 31st March

	2013 Rupees Million	2012 Rupees Million
<b>As Lessee</b>		
Not later than one year	3.59	1.60
Later than one year but not later than five years	5.54	—
Later than five years	—	—

Rent in respect of the above is charged to the Statement of Profit and Loss.

## Notes to Accounts — *Contd.*

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.

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.

MRL is earning profits in the last couple of years and has accumulated funds of ₹ 247.51 Million in fixed deposit pursuant to Court direction.

40. The Company has calculated its tax liability after considering Minimum Alternate Tax (MAT). MAT credit entitlement has been shown under Long Term Loans & Advances.

	Year ended 31st March	
	2013	2012
	Rupees	Rupees
	Million	Million
41. Auditor's Remuneration (excluding Service tax)		
As Auditor	10.12	10.12
For Tax Audit	0.50	0.50
For Taxation Matters	0.40	0.38
For Other Matters (Certification)	0.34	0.28
	<u>11.36</u>	<u>11.28</u>
42. Earnings per Equity Share :		
Net Profit after Tax before Extraordinary Items	626.60	1,224.19
Net Profit after Tax after Extraordinary Items	509.64	1,224.19
Weighted average number of Equity Shares outstanding	571,569,414	571,569,414
Basic and Diluted earnings per Equity Share of face value ₹ 2 (in Rupees)		
– Before Extraordinary Items	1.10	2.14
– After Extraordinary Items	0.89	2.14
43. Value of Imports calculated on C.I.F. basis in respect of :		
(i) Provisions, Wines & Others	81.92	99.21
(ii) Components & Spares	26.12	39.45
(iii) Capital Goods	140.17	425.29
	<u>248.21</u>	<u>563.95</u>



## Notes to Accounts — *Contd.*

44. (a) Inventory of Provision, Wines & Others includes Stock of Paper, Ink etc. at year end ₹ 56.92 Million (2012 - ₹ 58.42 Million)  
 (b) Consumption of Provisions, Wines and Others includes consumption of Paper, Ink etc. ₹ 325.62 Million (2012 - ₹ 355.60 Million)

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

	Year ended 31st March	
	2013	2012
	Rupees	Rupees
	Million	Million
(a) Number of non-resident shareholder	1	1
(b) Number of equity shares held	333,030	333,030
(c) Amount of dividend paid	0.37	0.30
(d) Year to which dividend relates	2011-12	2010-11

46. (a) Expenditure in foreign currencies :		
(i) Professional & Consultancy	53.35	70.23
(ii) Foreign Sales Office Expenses	294.98	246.58
(iii) Other Matters	184.27	161.79
(b) Earnings in foreign currencies :		
(i) On Sales (as per return submitted to DGFT)	4,689.16	4,499.57
(ii) Consultation fees	50.88	37.73
(iii) Export of Printing and other materials on FOB basis	29.39	92.39
(iv) Dividend	55.30	—

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

	Year ended 31st March, 2013		Year ended 31st March, 2012	
	₹ Million	Percentage	₹ Million	Percentage
Imported	74.98	4.45%	97.47	6.29%
Indigenous	1,611.33	95.55%	1,451.25	93.71%
	<u>1,686.31</u>	<u>100.00%</u>	<u>1,548.72</u>	<u>100.00%</u>

48. Unhedged Foreign Currency exposure outstanding :

Currency	As at 31st March, 2013			As at 31st March, 2012		
	Receivable	Payable	Net	Receivable	Payable	Net
EURO	4,505	51,842	(47,337)	5,676	300,776	(295,100)
US Dollar	180,548	963,533	(782,985)	528,024	4,346,712	(3,818,688)
Mauritius Rupee	10,567,823	—	10,567,823	5,508,682	—	5,508,682
Swiss Franc	—	—	—	—	127,700	(127,700)
Hong Kong Dollar	500	—	500	2,977	395,878	(392,901)
GBP	1,020	33,070	(32,050)	349	3,577	(3,228)

## Notes to Accounts — *Contd.*

49. 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 Ltd.	British Virgin Islands
(viii)	EIH Marrakech Ltd.	British Virgin Islands
(ix)	J&W Hongkong Limited	Hongkong
(x)	EIH Corporation Limited	Hongkong
(xi)	EIH Investments N.V.	Netherlands Antilles
(xii)	EIH Management Services B.V.	The Netherlands
(xiii)	PT Widja Putra Karya	Indonesia
(xiv)	PT Waka Oberoi Indonesia	Indonesia
(xv)	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
(IV)	Key Management Personnel	
(i)	Mr. P.R.S. Oberoi - Executive Chairman	
(ii)	Mr. S.S. Mukherji - Vice Chairman and Chief Executive Officer	
(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.

Transactions with Related Parties for the year ended 31st March, 2013 and Outstanding Balances as on 31st March, 2013.

NATURE OF TRANSACTIONS	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2013 Rupees Million	2012 Rupees Million	2013 Rupees Million	2012 Rupees Million	2013 Rupees Million	2012 Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>PURCHASES</b>								
<b>Purchase of Goods &amp; Services</b>								
Mercury Car Rentals Limited	106.80	88.40	—	—	—	—	—	—
Mashobra Resort Limited	0.41	0.40	—	—	—	—	—	—
Mumtaz Hotels Limited	0.94	1.14	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	8.31	5.89	—	—	—	—
<b>Total</b>	<b>108.15</b>	<b>89.94</b>	<b>8.31</b>	<b>5.89</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Purchase of Fixed Assets</b>								
EIH Associated Hotels Limited	—	—	—	0.15	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.15</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>EXPENSES</b>								
<b>Rent</b>								
Oberoi Kerala Hotels & Resorts Limited	0.39	0.37	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	0.89	—	—	—	—	—
Oberoi Hotels Private Limited	—	—	—	—	0.36	0.36	—	—
Mrs. Goodie Oberoi ,W/o Mr. P.R.S.Oberoi	—	—	—	—	—	—	0.36	0.36
<b>Total</b>	<b>0.39</b>	<b>0.37</b>	<b>0.89</b>	<b>—</b>	<b>0.36</b>	<b>0.36</b>	<b>0.36</b>	<b>0.36</b>
<b>Royalty</b>								
Oberoi Hotels Private Limited	—	—	—	—	104.68	100.99	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>104.68</b>	<b>100.99</b>	<b>—</b>	<b>—</b>
<b>Remuneration</b>								
Mr. P.R.S. Oberoi	—	—	—	—	—	—	29.20	41.98
Mr.S.S. Mukherji	—	—	—	—	—	—	45.10 *	36.26
Mr. V.S. Oberoi	—	—	—	—	—	—	16.08	20.35
Mr. A.S. Oberoi	—	—	—	—	—	—	16.46	22.90
Ms. Priyanka Mukherjee, D/o Mr. S.S. Mukherji	—	—	—	—	—	—	1.12	0.85
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>107.96</b>	<b>122.34</b>
* Includes Encashment of accumulated leave Rs. 10.99 Million.								
<b>SALES</b>								
<b>Sale of Goods and Services</b>								
Mercury Car Rentals Limited	3.86	1.55	—	—	—	—	—	—
Mashobra Resort Limited	4.37	3.82	—	—	—	—	—	—
Mumtaz Hotels Limited	21.47	22.01	—	—	—	—	—	—
EIH Flight Services Ltd, Mauritius	0.18	1.38	—	—	—	—	—	—
PT Widja Putra Karya	2.78	3.24	—	—	—	—	—	—
PT Waka Oberoi Indonesia	0.02	0.07	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	77.99	82.46	—	—	—	—
Golden Jubilee Hotels Limited	—	—	52.67	3.44	—	—	—	—
Oberoi Mauritius Ltd	—	—	0.31	0.70	—	—	—	—
<b>Total</b>	<b>32.68</b>	<b>32.07</b>	<b>130.97</b>	<b>86.60</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Sale of Fixed Assets</b>								
Mercury Car Rentals Limited	—	1.67	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	0.54	0.41	—	—	—	—
<b>Total</b>	<b>—</b>	<b>1.67</b>	<b>0.54</b>	<b>0.41</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>INCOME</b>								
<b>License Agreement</b>								
Mercury Car Rentals Limited	2.00	1.36	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	0.24	0.24	—	—	—	—
Oberoi Holdings Private Limited	—	—	—	—	0.63	0.61	—	—
Oberoi Investments Private Limited	—	—	—	—	0.12	0.11	—	—
Oberoi Buildings & Investment Private Limited	—	—	—	—	1.06	1.03	—	—
Oberoi Plaza Private Limited	—	—	—	—	2.18	2.11	—	—
Bombay Plaza Private Limited	—	—	—	—	1.73	1.65	—	—
<b>Total</b>	<b>2.00</b>	<b>1.36</b>	<b>0.24</b>	<b>0.24</b>	<b>5.72</b>	<b>5.51</b>	<b>—</b>	<b>—</b>
<b>Management Contract</b>								
Mumtaz Hotels Limited	66.56	53.90	—	—	—	—	—	—
EIH Flight Services Limited, Mauritius	8.97	9.73	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	132.14	123.13	—	—	—	—
<b>Total</b>	<b>75.53</b>	<b>63.63</b>	<b>132.14</b>	<b>123.13</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Interest Income</b>								
Mercury Car Rentals Limited	—	0.68	—	—	—	—	—	—
Mashobra Resort Limited	0.59	—	—	—	—	—	—	—
<b>Total</b>	<b>0.59</b>	<b>0.68</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Dividend Received</b>								
Mumtaz Hotels Limited	61.95	61.95	—	—	—	—	—	—
EIH International Ltd	55.30	—	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	21.21	17.68	—	—	—	—
<b>Total</b>	<b>117.25</b>	<b>61.95</b>	<b>21.21</b>	<b>17.68</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

# Notes to Accounts — *Contd.*

NATURE OF TRANSACTIONS	Subsidiaries		Associate & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2013 Rupees Million	2012 Rupees Million	2013 Rupees Million	2012 Rupees Million	2013 Rupees Million	2012 Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>FINANCE</b>								
<b>PAYMENTS</b>								
<b>Loans</b>								
EIH Flight Services Limited, Mauritius	167.51	225.89	—	—	—	—	—	—
Mashobra Resort Limited	17.00	—	—	—	—	—	—	—
Mercury Car Rentals Limited	—	20.00	—	—	—	—	—	—
<b>Total</b>	<b>184.51</b>	<b>245.89</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Advance against Equity Shares</b>								
Mashobra Resort Limited	—	68.90	—	—	—	—	—	—
Golden Jubilee Hotels Limited	—	—	—	26.00	—	—	—	—
<b>Total</b>	<b>—</b>	<b>68.90</b>	<b>—</b>	<b>26.00</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Investment in Equity Shares</b>								
Mercury Car Rentals Limited	27.93	60.00	—	—	—	—	—	—
EIH Flight Services Limited, Mauritius	303.30	—	—	—	—	—	—	—
EIH International Ltd	205.00	—	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	414.38	—	—	—	—	—
Golden Jubilee Hotels Limited	—	—	60.08	54.00	—	—	—	—
<b>Total</b>	<b>536.23</b>	<b>60.00</b>	<b>474.46</b>	<b>54.00</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>RECEIPTS</b>								
<b>Loans &amp; Advances received back</b>								
Mercury Car Rentals Limited	—	20.00	—	—	—	—	—	—
EIH Flight Services Limited, Mauritius	212.68	—	—	—	—	—	—	—
Mashobra Resort Limited	17.00	—	—	—	—	—	—	—
<b>Total</b>	<b>229.68</b>	<b>20.00</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Guarantee Released</b>								
Mercury Car Rentals Limited	60.00	—	—	—	—	—	—	—
Mashobra Resort Limited	550.00	—	—	—	—	—	—	—
Mumtaz Hotels Limited	—	414.00	—	—	—	—	—	—
<b>Total</b>	<b>610.00</b>	<b>414.00</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>OUTSTANDING BALANCES</b>								
<b>PAYABLES</b>								
<b>For Goods &amp; Services</b>								
Mercury Car Rentals Limited	14.70	8.56	—	—	—	—	—	—
Mashobra Resort Limited	2.13	0.70	—	—	—	—	—	—
Mumtaz Hotels Limited	0.02	0.19	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	2.85	2.06	—	—	—	—
<b>Total</b>	<b>16.85</b>	<b>9.45</b>	<b>2.85</b>	<b>2.06</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Royalty</b>								
Oberoio Hotels Private Limited	—	—	—	—	—	0.15	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.15</b>	<b>—</b>	<b>—</b>
<b>Security Deposit</b>								
Bombay Plaza Private Limited	—	—	—	—	0.50	0.50	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.50</b>	<b>0.50</b>	<b>—</b>	<b>—</b>
<b>LOANS &amp; ADVANCES AND RECEIVABLES</b>								
<b>For Goods &amp; Services</b>								
Mercury Car Rentals Limited	0.64	0.48	—	—	—	—	—	—
Mashobra Resort Limited	0.54	0.46	—	—	—	—	—	—
Oberoio Kerala Hotels and Resorts Limited	—	0.01	—	—	—	—	—	—
Mumtaz Hotels Limited	7.06	5.11	—	—	—	—	—	—
EIH Flight Services Limited Mauritius	1.88	0.46	—	—	—	—	—	—
PT Widja Putra Karya	0.01	0.10	—	—	—	—	—	—
PT Waka Oberoi Indonesia	—	0.01	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	11.50	11.32	—	—	—	—
Golden Jubilee Hotels Limited	—	—	42.07	0.49	—	—	—	—
Oberoio Mauritius Ltd.	—	—	0.02	—	—	—	—	—
<b>Total</b>	<b>10.13</b>	<b>6.63</b>	<b>53.59</b>	<b>11.81</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Advance against Equity Shares</b>								
Mashobra Resort Limited	1,361.93	1,361.93	—	—	—	—	—	—
Oberoio Kerala Hotels and Resorts Limited	1.60	1.60	—	—	—	—	—	—
Golden Jubilee Hotels Limited	—	—	—	26.00	—	—	—	—
<b>Total</b>	<b>1,363.53</b>	<b>1,363.53</b>	<b>—</b>	<b>26.00</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Loans</b>								
EIH Flight Services Limited, Mauritius	—	348.47	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>348.47</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Management Contract</b>								
Mumtaz Hotels Limited	30.32	25.84	—	—	—	—	—	—
EIH Flight Services Limited Mauritius	17.65	9.47	—	—	—	—	—	—
EIH Associated Hotels Limited	—	—	53.73	53.68	—	—	—	—
<b>Total</b>	<b>47.97</b>	<b>35.31</b>	<b>53.73</b>	<b>53.68</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>OUTSTANDING FINANCIAL FACILITIES</b>								
<b>Against Corporate Guarantees</b>								
Mercury Car Rentals Limited	—	30.00	—	—	—	—	—	—
Mashobra Resort Limited	—	19.64	—	—	—	—	—	—
EIH Flight Services Limited Mauritius	1,041.39	836.29	—	—	—	—	—	—
<b>Total</b>	<b>1,041.39</b>	<b>885.93</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## Notes to Accounts — Contd.

**50. Segment Reporting :**

There is no reportable segment other than hotel as per Accounting Standard (AS-17) on Segment Reporting.

**51. 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	16.41	16.41	0.31	0.37
Mashobra Resort Limited	78.79	-do-	852.76	852.76	217.99	67.15
Mumtaz Hotels Limited	60.00	-do-	724.58	724.58	484.12	339.96
Golden Jubilee Hotels Limited	16.00	-do-	1241.66	1241.66	–	7.03
L&T Bangalore Airport Hotel Limited	26.00	-do-	1018.36	1018.36	2.69	118.62
Mercury Car Rentals Limited	66.67	-do-	797.94	797.94	859.35	846.08
Oberoi Mauritius Limited	50.00	-do-	1223.17	1223.17	269.07	316.22

- 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 ₹ nil (2012 - ₹ 610.00 Million) against financial facilities availed by the jointly controlled entities.
- b) EIH Limited's share of the contingent liabilities of the joint ventures themselves: ₹ 141.55 Million (2012 - ₹ 12.98 Million)
- c) EIH Limited is not liable for the liabilities of the other venturers of any joint venture.
- d) EIH Limited has a capital commitment for ₹ 260.20 Million (2012 - ₹ nil) in relation to its interest in joint ventures and there are no other 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 ₹ 171.05 Million (2012 - ₹ 162.18 Million).

- 52.** 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.



**ElH 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 31.03.2013**

**(Amount in ₹ Million)**

Particulars	Mercury Car Rentals Limited	ElH International Ltd	ElH Flight Services Limited	Oberooi Kerala Hotels and Resorts Limited	Mashobra Resort Limited	Mumtaz Hotels Limited	ElH Holdings Ltd	ElH Marrakech limited	J & W Hong Kong Limited	ElHH Corporation Ltd	ElH Investments NV	ElH Management Services BV	PT Widja Putra Karya	PT Waka Oberoi Indonesia	PT Asfina Graha Ubud
Capital	151.28	4,215.79	547.89	27.20	330.00	206.50	1,868.24	0.01	548.10	-	0.33	1.33	36.15	627.57	142.51
Reserves	90.66	(351.75)	(735.31)	(8.55)	(642.43)	541.17	350.26	-	-	-	7.02	74.93	90.89	(1,972.76)	-
Total Assets	1,196.85	4,792.66	901.91	20.52	1,082.32	1,207.64	2,224.01	0.01	548.10	-	910.39	965.97	227.38	155.57	352.06
Total Liabilities	1,196.85	4,792.66	901.91	20.52	1,082.32	1,207.64	2,224.01	0.01	548.10	-	910.39	965.97	227.38	155.57	352.06
Details of Investment (except in case of investment in subsidiaries)															
1,078,826 shares of Tourism Investment Company	-	41.87	-	-	-	-	102.77	-	-	-	-	-	-	-	-
Sahil Hashesh	-	-	-	-	-	-	313.73	-	-	-	-	-	-	-	-
2,400 shares of La Roseaie	-	-	-	-	-	-	416.50	-	-	-	-	-	-	-	-
De L'Atlas SA, Marrakech	-	41.87	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	1,288.96	69.47	320.90	0.39	276.67	806.87	89.72	-	3.51	-	19.31	25.54	472.16	186.16	-
Profit before Taxation	22.67	65.31	(281.08)	0.01	85.22	361.55	78.40	-	3.51	-	0.89	(23.76)	108.67	2.26	-
Provision for Taxation	2.77	-	-	0.09	(106.23)	121.28	3.47	-	-	-	0.26	-	27.39	(0.78)	-
Profit after Taxation	19.90	65.31	(281.08)	(0.08)	191.44	240.27	74.93	-	3.51	-	0.64	(23.76)	81.28	3.04	-
Proposed Dividend	-	-	-	-	-	206.50	-	-	-	-	-	-	-	-	-



# INDEPENDENT AUDITOR'S REPORT on Consolidated Financial Statements

To  
The Board of Directors,  
EIH Limited

We have audited the accompanying consolidated financial statements of EIH Limited ("the Company") its subsidiaries, Associates and jointly controlled entities (collectively referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issue by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Emphasis of Matter**

Without expressing a qualified opinion, we draw attention as a Matter of Emphasis to Note No. 44 of Notes to the Accounts relating to the pending issue of shares by Mashobra Resort Limited against the advances made by the Company.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of its subsidiaries, Associates and Jointly Controlled Entities as noted below, the consolidated financial statements 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, 2013.
- 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 for the year ended on that date.

## **Other Matters**

We did not audit the financial statements of twelve subsidiaries and three jointly controlled entities whose financial statements reflect total assets (net) of ₹ 6,697.56 million as at 31st March, 2013, total revenues of ₹ 2,079.46 million and net cash outflows amounting to ₹ 65.42 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For RAY & RAY  
Chartered Accountants  
Firm's Registration Number 301072E

Kolkata  
30th May, 2013

R.N. ROY  
Partner  
Membership Number 8068

# Balance Sheet

## as at 31st March, 2013

As at 31st March

	Note	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
SHARE CAPITAL	4	1,143.14		1,143.14
RESERVES AND SURPLUS	5	24,810.25		24,774.62
			25,953.39	25,917.76
MINORITY INTEREST			547.76	411.90
<b>NON-CURRENT LIABILITIES</b>				
LONG TERM BORROWINGS	6	3,818.75		3,476.85
DEFERRED TAX LIABILITIES - NET	7	1,700.70		1,687.97
OTHER LONG TERM LIABILITIES	8	463.97		504.51
LONG TERM PROVISIONS	9	143.40		136.28
			6,126.82	5,805.61
<b>CURRENT LIABILITIES</b>				
SHORT TERM BORROWINGS	10	2,896.66		918.21
TRADE PAYABLES	11	849.37		770.97
OTHER CURRENT LIABILITIES	12	2,175.11		2,430.66
SHORT TERM PROVISIONS	13	719.08		816.34
			6,640.22	4,936.18
<b>TOTAL</b>			<b>39,268.19</b>	<b>37,071.45</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>FIXED ASSETS</b>				
TANGIBLE ASSETS	14	24,746.82		23,679.64
INTANGIBLE ASSETS	14	11.89		8.57
CAPITAL WORK-IN-PROGRESS		2,299.78		3,161.53
GOODWILL (ON CONSOLIDATION)		3,264.05		3,088.05
NON-CURRENT INVESTMENTS	15	1,909.07		1,233.26
LONG TERM LOANS AND ADVANCES	16	2,306.82		1,995.25
OTHER NON-CURRENT ASSETS	17	0.43		11.45
			34,538.86	33,177.75
<b>CURRENT ASSETS</b>				
CURRENT INVESTMENTS	18	106.98		116.90
INVENTORIES	19	450.18		435.54
TRADE RECEIVABLES	20	2,054.01		1,691.18
CASH AND BANK BALANCES	21	1,525.80		1,252.13
SHORT TERM LOANS AND ADVANCES	22	552.03		373.62
OTHER CURRENT ASSETS	23	40.33		24.33
			4,729.33	3,893.70
<b>TOTAL</b>			<b>39,268.19</b>	<b>37,071.45</b>

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

R.N. ROY  
Partner

Membership Number 8608  
Kolkata, 30th May, 2013

S.N. SRIDHAR  
Company Secretary

S. S. MUKHERJI  
VIKRAM OBEROI  
ARJUN OBEROI  
S. K. DASGUPTA  
ANIL NEHRU  
L. GANESH

Vice Chairman and Chief Executive Officer  
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, 2013

		Year ended 31st March	
	Note	2013 Rupees Million	2012 Rupees Million
<b>INCOME</b>			
REVENUE FROM OPERATIONS	24	14,684.77	14,071.82
OTHER INCOME	25	360.89	420.40
<b>TOTAL REVENUE</b>		<b>15,045.66</b>	<b>14,492.22</b>
<b>EXPENSES</b>			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	26	1,950.87	1,816.41
EMPLOYEE BENEFIT EXPENSES	27	3,918.41	3,683.60
FINANCE COSTS	28	716.48	704.18
DEPRECIATION AND AMORTISATION EXPENSE	29	1,411.35	1,297.57
OTHER EXPENSES	30	6,040.99	5,413.73
<b>TOTAL EXPENSES</b>		<b>14,038.10</b>	<b>12,915.49</b>
<b>PROFIT BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX</b>		<b>1,007.56</b>	<b>1,576.73</b>
EXCEPTIONAL ITEMS - PROFIT / (LOSS)	31	(150.66)	111.46
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>856.90</b>	<b>1,688.19</b>
EXTRAORDINARY ITEMS - (LOSS)	32	(116.96)	-
<b>PROFIT BEFORE TAX</b>		<b>739.94</b>	<b>1,688.19</b>
<b>TAX</b>			
CURRENT TAX	33	258.63	342.64
DEFERRED TAX		11.94	137.75
<b>PROFIT AFTER TAX BEFORE MINORITY'S SHARE</b>		<b>469.37</b>	<b>1,207.80</b>
Less: MINORITY'S SHARE IN PROFIT AFTER TAXATION		127.11	28.12
<b>EIH'S SHARE IN PROFIT/(LOSS)</b>		<b>342.26</b>	<b>1,179.68</b>
Add: SHARE IN PROFIT OF ASSOCIATES		75.47	43.47
<b>PROFIT FOR THE PERIOD</b>		<b>417.73</b>	<b>1,223.15</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	46		
(in Rupees) Face Value ₹ 2			
– BEFORE EXTRAORDINARY ITEMS		0.94	2.14
– AFTER EXTRAORDINARY ITEMS		0.73	2.14

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

R.N. ROY  
Partner  
Membership Number 8608

Kolkata, 30th May, 2013

S.N. SRIDHAR  
Company Secretary

S. S. MUKHERJI  
VIKRAM OBEROI  
ARJUN OBEROI  
S. K. DASGUPTA  
ANIL NEHRU  
L. GANESH

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

# Cash Flow Statement

	Year ended 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	739.94	1,688.19
Adjustments for:		
Depreciation	1,411.35	1,297.57
Effect of Exchange Rate	140.80	3.77
Liabilities written back	(4.11)	(4.52)
(Profit) / Loss on Sale of Fixed Assets (Net)	60.95	(32.82)
Provision for doubtful advances	13.37	2.20
Provision for diminution in value of investments	116.96	-
Interest Income	(103.89)	(66.92)
Dividend Income	(10.77)	(115.24)
Interest Expenditure	716.48	704.18
Operating Profit before Working Capital Changes	3,081.08	3,476.41
Adjustments for:		
Trade & Other Receivables	(752.41)	(30.53)
Inventories	(8.65)	14.28
Trade & Other Payables	64.80	(175.55)
Cash Generated from Operations	2,384.82	3,284.61
Payment of Direct Taxes	(312.51)	(506.69)
Net cash from Operating Activities	2,072.31	2,777.92
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,767.24)	(1,909.67)
Sale of Fixed Assets	100.03	143.51
Purchase of Investments	(738.45)	(229.08)
Interest Received	125.91	54.39
Sale of Investments	(106.97)	-
Decrease in advance for Capital Contract	1.47	6.99
Increase / (Decrease) in Other Bank balances	(40.45)	(62.40)
Dividend Received	10.77	194.87
Cash used in Investing Activities	(2,414.93)	(1,801.39)

## Cash Flow Statement — Contd.

	Year ended 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	281.03	139.60
Proceeds from Borrowings		
Term Loans	3,925.99	767.01
Cash Credit from Banks	653.02	102.57
Short Term Borrowing	787.87	780.00
Inter corporate deposits	869.67	–
Unsecured Loans	500.00	10.00
Repayment of		
Term Loans from Banks	(3,633.87)	(6,271.93)
Inter corporate deposits	(731.17)	–
Cash Credit from Banks	(30.00)	(86.13)
Short Term Borrowing	–	(557.75)
Unsecured Loans	(514.97)	(44.29)
Interest Paid	(769.74)	(794.74)
Dividend Paid	(681.26)	(615.60)
Tax on Dividend	(91.95)	(88.14)
Net Cash used in Financing Activities	564.62	(6,659.40)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	222.00	(5,682.87)
Cash and Cash Equivalents at beginning of year	941.82	6,624.69
Cash and Cash Equivalents at end of year	1,163.82	941.82

**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

R.N. ROY  
Partner

Membership Number 8608

Kolkata, 30th May, 2013

S.N. SRIDHAR  
Company Secretary

S. S. MUKHERJI  
VIKRAM OBEROI  
ARJUN OBEROI  
S. K. DASGUPTA  
ANIL NEHRU  
L. GANESH

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

Directors

# 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 under the Companies (Accounting Standards) Rules, 2006 pursuant to Section 211 (3C) 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) .
  - (ii) In case of foreign subsidiaries and foreign jointly controlled entity, revenue items are consolidated at the average exchange rate prevailing during the year. Assets and liabilities are converted at exchange rates prevailing at the respective Balance Sheet dates. 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 recognized 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).
  - (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 Limited *	Hong Kong	100.00%
x) EIIH Corporation Limited *	Hong Kong	100.00%
xi) EIH Investments N.V. *	Netherlands Antilles	100.00%
xii) EIH Management Services B.V. *	The Netherlands	100.00%
xii) PT Widja Putra Karya *	Indonesia	70.00%
xiv) PT Waka Oberoi Indonesia *	Indonesia	83.23%
xv) 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	36.81%

3. The carrying amount of investments includes goodwill (net) arising on acquisition in the associates EIH Associated Hotels Limited of ₹ 182.46 Million (2012 - ₹ 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	
	2013 Rupees Million	2012 Rupees Million
<b>4</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,500,000,000 Equity Shares of ₹ 2 each (2012 - 1,500,000,000)	3,000.00	3,000.00
	<b>3,000.00</b>	<b>3,000.00</b>
<b>ISSUED, SUBSCRIBED, &amp; FULLY PAID UP</b>		
571,569,414 Equity Shares of ₹ 2 each, as per last account (2012 - 571,569,414)	1,143.14	1,143.14
	<b>1,143.14</b>	<b>1,143.14</b>

a) Reconciliation of Share Capital :

	As at 31st March			
	2013		2012	
	Number of Shares	₹ in Million	Number of Shares	₹ in Million
Balance at the beginning of the year	571,569,414	1,143.14	571,569,414	1,143.14
Add : Shares issued during the year	—	—	—	—
Balance at the end of the year	<b>571,569,414</b>	<b>1,143.14</b>	<b>571,569,414</b>	<b>1,143.14</b>

b) The Company has one class of equity shares having a par value of ₹ 2 per share. These shares rank *pari passu* in all respects including voting rights and entitlement to dividend.

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

	As at 31st March			
	2013		2012	
	Number of Shares	% holding	Number of Shares	% holding
(1) Reliance Industries Investment and Holding Private Limited	105,907,273	18.53	105,907,273	18.53
(2) ITC Limited	85,621,473	14.98	85,621,473	14.98
(3) Oberoi Hotels Private Limited	83,646,328	14.63	83,646,328	14.63
(4) Life Insurance Corporation of India	34,747,348	6.08	34,747,348	6.08
(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



## Notes to Accounts — Contd.

		As at 31st March	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>5</b>			
<b>RESERVES AND SURPLUS</b>			
EXCHANGE FLUCTUATION RESERVE		98.20	44.47
CAPITAL REDEMPTION RESERVE			
As per last Account		1,024.21	1,024.21
SECURITIES PREMIUM ACCOUNT			
As per last Account	12,714.76		12,714.76
Add: Additions during the year	29.79		—
		12,744.55	12,714.76
REVALUATION RESERVE			
As per last Account	2,292.51		2,322.50
Less : Adjustment for Depreciation	29.99		29.99
		2,262.52	2,292.51
GENERAL RESERVE			
As per last Account	6,185.00		6,020.00
Add: Transfer from Profit & Loss Account	174.10		165.00
		6,359.10	6,185.00
PROFIT AND LOSS ACCOUNT			
As per last Accounts	2,253.22		1,973.80
Add: Profit during the year as per Statement of Profit and Loss	417.73		1,223.15
	2,670.95		3,196.95
Less: Allocations / Appropriations			
Transfer to General Reserve	174.10		165.00
Interim Dividend paid on Equity Shares	41.30		—
Proposed Dividend on Equity Shares	555.72		670.03
Tax on Dividend	101.79		108.70
		1,798.04	2,253.22
		24,286.62	24,514.17
Less : Adjustment on acquisition		(632.14)	(359.03)
Less : Minority Interest		108.51	98.58
		24,810.25	24,774.62

Dividend of ₹ 0.90 per share (2012 - ₹ 1.10 per share) amounting to ₹ 514.41 Million (2012 - ₹ 628.73 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	
	2013 Rupees Million	2012 Rupees Million
<b>6</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
From Banks :		
ICICI Bank Limited	1,400.00	1,800.00
ICICI Bank Limited - T/L II	60.49	75.09
ICICI Bank Limited - T/L III	96.75	–
Yes Bank Limited	11.09	–
HDFC Bank Limited	16.32	74.85
Dhanlakshmi Bank Limited	14.46	22.24
State Bank of Mauritius	1,088.58	701.24
PT Bank Internasional Indonesia Tbk	–	13.64
Others	781.55	479.60
From Financing Companies :		
Kotak Mahindra Primus Limited	95.06	63.11
Reliance Capital Limited	63.65	88.37
Tata Capital Limited	59.88	42.30
BMW India Financial Services Limited	72.00	–
Long Term maturity of Finance Lease Obligations	53.92	111.41
<b>Unsecured Loans</b>		
From Government of Himachal Pradesh	5.00	5.00
	<u>3,818.75</u>	<u>3,476.85</u>

## Notes to Accounts — *Contd.*

6

### LONG TERM BORROWINGS (Contd.)

#### PARTICULARS OF TERM LOANS

- (i) Term Loan from ICICI bank limited carries interest at the rate of 1.5% above bank's base rate, repayable in quarterly installments of Rs.100 million each. Repayment will be complete in July 2017.
- (ii) Term Loan from Dhanlakshmi Bank, ICICI Bank Limited (T/L II), ICICI Bank Limited (T/L III), Yes Bank 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 carries interest at 500 basis points over 3 months LIBOR. Loan will be repayable in 20 equal quarterly installments.
- (iv) Loans from Finance Companies are repayable in monthly payment of equated installments starting from the month subsequent to taking on finance lease and carries interest between 10% to 12.50%. The monthly installments are payable in 36 to 48 months.
- (v) Term Loans from Banks (Others) in case of Golden Jubilee Hotels Limited carries interest at the rate of base rate plus 4% p.a.
- (vi) 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

- (i) 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*.
- (ii) Term Loan from Dhanlakshmi Bank, ICICI Bank Limited (T/L II), Yes Bank 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 ICICI Bank Limited (T/L III) against Hire Purchase arrangement in case of Mercury Car Rentals Limited are secured by hypothecation of vehicles and book debts of lease vertical.
- (iv) 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.
- (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 are secured by first *pari passu* mortgage/charge on all the present and future immovable and movable assets of the Company relating to the project excluding current assets created out of any working capital facilities that may be availed by the Company, an equitable mortgage of the leasehold right on the land together with buildings and structures constructed or to be constructed thereon & first charge on the profits of the Company, after provision for taxation and dividend, if any. Further, the loan has been guaranteed by the corporate guarantee of Core Hotels Venture Pvt Ltd, the Holding Company.

# Notes to Accounts — *Contd.*

		As at 31st March	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>7</b>			
<b>DEFERRED TAX LIABILITIES - NET</b>			
Deferred Tax Liabilities on account of :			
Depreciation	2,205.60		2,030.21
Accelerated Capital Allowance	22.93		21.97
Translation Adjustment	1.01		0.47
		2,229.54	2,052.65
Deferred Tax Assets on account of :			
Depreciation	229.51		213.71
Unabsorbed Loss Carried Forward Under Income Tax Act	102.42		–
Accrued Expenses Deductible on Payment	48.03		45.34
Gratuity Provision	1.48		1.13
Leave Encashment	31.49		28.25
Provision For Debts, Advances & Investments	105.49		66.73
Allowance For Loss In Operating Equipment	1.44		1.33
Reserve For Furniture Fixture & Equipment	8.98		8.19
		528.84	364.68
Deferred Tax Liabilities (Net)		1,700.70	1,687.97
<b>8</b>			
<b>OTHER LONG TERM LIABILITIES</b>			
Liability For Capital Expenditure		22.56	7.19
Security Deposits		42.27	74.79
Others		399.14	422.53
		463.97	504.51
<b>9</b>			
<b>LONG TERM PROVISIONS</b>			
Leave Encashment		138.80	129.34
Gratuity		4.60	6.94
		143.40	136.28

## Notes to Accounts — Contd.

	2013 Rupees Million	As at 31st March 2012 Rupees Million
<b>10</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
Short Term Loans from Banks :		
- Syndicate Bank	–	780.00
- Indusind Bank Limited	793.00	–
- ICICI Bank Limited	1,000.00	–
- The Hongkong and Shanghai Banking Corporation Limited	200.00	–
- HDFC Bank Limited	–	30.00
- Others	11.20	–
Cash Credit from Banks :		
- United Bank of India	621.66	11.11
- Hongkong and Shanghai Banking Corporation Limited	132.30	89.84
- State Bank of Mauritius	–	7.26
Inter Corporate Deposits From :		
- L&T Urban Infrastructure Ltd	138.50	–
	<b>2,896.66</b>	<b>918.21</b>

### PARTICULARS OF SHORT TERM BORROWINGS :

- (i) Short 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.
- (ii) Short term loan from ICICI bank limited carries interest at 1.75% over bank's base rate and short term loan from HSBC bank limited carries interest at the rate of 11.25%
- (iii) Short Term loan from Indusind Bank in case of L&T Bangalore Airport Hotel Limited is secured by a first charge by way of hypothecation in favour of the lenders on all movable assets comprising plant & machinery and equipment etc, both existing and future at the hotel site.  
  
The above Loan carries interest at 1% over base rate repayable within 12 months from the date of first disbursement (due in December, 2013).
- (iv) 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.

# Notes to Accounts — *Contd.*

	As at 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>11</b>		
<b>TRADE PAYABLES</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises	4.10	–
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	845.27	770.97
	<u>849.37</u>	<u>770.97</u>
<b>12</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debt	637.91	1,098.26
Current Maturities of Finance Lease Obligations	86.30	90.14
Interest accrued but not due on borrowings	14.73	7.07
Interest accrued and due on borrowings	12.64	11.76
Advance from Customer	210.94	174.04
Unclaimed Dividend	30.81	29.76
Unclaimed Matured Fixed Deposits	–	1.85
Unclaimed Fractional Share sale proceeds (against Bonus Issue)	0.19	0.19
Other Payables		
Contribution payable towards Gratuity Fund	12.12	33.16
Liability for Capital Expenditure	50.02	58.84
Security Deposits	129.72	92.20
Others (includes Statutory dues)	989.73	833.39
	<u>2,175.11</u>	<u>2,430.66</u>
<b>13</b>		
<b>SHORT TERM PROVISIONS</b>		
Leave Encashment	24.00	26.05
Proposed Dividend on Equity Shares	597.02	670.03
Tax on Dividend	85.04	108.70
Gratuity	0.21	0.18
Wealth Tax (net of advance)	12.81	11.38
	<u>719.08</u>	<u>816.34</u>

Notes to Accounts — *Contd.*

**Note:**

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# Notes to Accounts — Contd.

	As at 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>15</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>Investments In Equity Instruments</b>		
<b>Trade Investments : Quoted -</b>		
25,000 (2012 - 25,000) Equity Shares of ₹ 10 each of Tourism Finance Corporation of India Limited fully paid	0.50	0.50
<b>Associate (Note 3)</b>		
11,215,118 (2012 - 7,071,333) Equity Shares of ₹ 10 each of EIH Associated Hotels Limited fully paid	1,296.97	828.34
<b>Others Investments : Unquoted</b>		
849,575 (2012 - 849,575) Equity Shares of ₹ 10 each of Mercury Travels Limited fully paid	18.70	18.70
18,000 (2012 - 18,000) Equity Shares of ₹ 10 each of Green Infra Wind Generation Limited fully paid	0.18	0.18
1,078,826 (2012 - 1,078,826) Equity Shares of Egyptian Pound 10 each of Tourism Investments Company at Sahl Hasheesh fully paid	278.74	257.12
2,400 (2012 - 1,000) Equity Shares of La Roseaie De L'Atlas SA, Marrakech of Face Value Moroccan Dirham 1,000 per share fully paid	313.73	128.17
<b>Investment in Government Securities (Unquoted) Non Trade</b>		
National Savings Certificate (lodged with Government Authorities as Security Deposit)	0.25	0.25
	<u>1,909.07</u>	<u>1,233.26</u>
	Book Value Rupees Million	Market Value Rupees Million
Quoted	1,297.47 (828.84)	1,244.29 (1,089.59)
Unquoted	611.60 (404.42)	
	<u>1,909.07</u> (1,233.26)	

(Figures in brackets represent figures for 2012)



## Notes to Accounts — Contd.

	As at 31st March	
	2013 Rupees Million	2012 Rupees Million
<b>16</b>		
<b>LONG TERM LOANS AND ADVANCES (Unsecured)</b>		
<b>(Considered good unless otherwise stated)</b>		
Loans and Advances to Others		
Capital Advances	77.40	144.09
Advances recoverable in cash or in kind or for value to be received	330.50	274.56
Other Advances recoverable - considered doubtful	188.62	186.40
Sundry Deposits	924.83	647.27
Prepaid Expenses	47.87	55.66
Income Tax Advance/Refund (net of provision)	745.08	709.55
MAT credit entitlement	181.13	164.12
	<u>2,495.43</u>	<u>2,181.65</u>
Less: Provision for Doubtful Advances	188.61	186.40
	<u>2,306.82</u>	<u>1,995.25</u>
<b>17</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
<b>Long Term Trade Receivables (Unsecured)</b>		
Considered doubtful	19.04	19.09
Less : Provision for Doubtful Debts	19.04	19.09
	<u>—</u>	<u>—</u>
Interest accrued on bank deposits	0.43	—
Fixed Deposits maturing beyond 12 months	<u>—</u>	<u>11.45</u>
	<u>0.43</u>	<u>11.45</u>
<b>18</b>		
<b>CURRENT INVESTMENTS</b>		
<b>Investments in Mutual Funds - Quoted *</b>		
Reliance Money Manager Fund-Inst.-Daily Dividend-Plan 106,829.401 units of ₹ 1001.3715 each (valued at Market Price)	106.98	—
Birla Sun Life Savings Fund - Inst.-Daily Dividend-Reinvestment Nil (2012 - 1,168,253.971 units of ₹ 100.068 each) (Valued at Market Price)	<u>—</u>	<u>116.90</u>
	<u>106.98</u>	<u>116.90</u>

# Notes to Accounts — Contd.

		As at 31st March	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>19</b>			
<b>INVENTORIES</b>			
(At Lower of cost and net realisable value)			
Provisions, Wines & Others (includes stock lying with third parties ₹ 8.89 Million (2012 - ₹ Nil))		195.81	190.68
Stores & Operating supplies		254.37	244.86
		<u>450.18</u>	<u>435.54</u>

Inventories are valued at cost which is based on First-In-First-Out method or net realisable value, whichever is lower. In the case of PT Widja Putra Karya inventory is valued at weighted average cost. Unserviceable/damaged/discarded stocks and shortages are charged to the Profit and Loss Account.

## **20** **TRADE RECEIVABLES (Unsecured)**

Debts Outstanding for a period exceeding six months-

Considered good		50.46	39.04
Other Debts			
Considered good	2,003.55		1,652.14
Considered doubtful	<u>0.52</u>		<u>0.11</u>
		2,004.07	1,652.25
		<u>2,054.53</u>	<u>1,691.29</u>
Less : Provision for Doubtful Debts		0.52	0.11
		<u>2,054.01</u>	<u>1,691.18</u>

## **21** **CASH & BANK BALANCES**

Cash & Cash Equivalents

Cash in hand	54.97		20.48
Cheques in hand	89.03		20.42
Balances with Banks :			
Current Accounts	931.16		724.79
Fixed Deposits with maturity within 3 months	<u>88.66</u>		<u>176.13</u>
		1,163.82	941.82
Other Bank Balances			
Earmarked Balances*	247.53		184.52
Fixed Deposits maturing between 3-12 months	32.04		79.44
Margin Deposits	51.41		16.40
Unpaid Dividend Accounts	30.81		29.76
Escrow Accounts / Fractional Share sale proceeds (against Bonus Issue)	<u>0.19</u>		<u>0.19</u>
		361.98	310.31
		<u>1,525.80</u>	<u>1,252.13</u>

\*Earmarked Balances represent the deposit maintained by Mashobra Resort Limited 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	
	2013 Rupees Million	2012 Rupees Million
<b>22</b>		
<b>SHORT TERM LOANS AND ADVANCES (Unsecured)</b>		
<b>(Considered good unless otherwise stated)</b>		
Advances recoverable in cash or in kind or for value to be received	151.63	153.63
Prepaid Expenses	135.51	114.56
Sundry Deposits	264.89	105.43
Other Loans & Advances (considered doubtful)	11.88	–
Less: Provision for Doubtful Advances	(11.88)	–
	<u>552.03</u>	<u>373.62</u>

<b>23</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued on deposits	4.66	15.73
Other Receivables - Considered good (Unsecured)	35.67	8.60
	<u>40.33</u>	<u>24.33</u>

		Year ended 31st March	
	Rupees Million	2013 Rupees Million	2012 Rupees Million
<b>24</b>			
<b>REVENUE FROM OPERATIONS</b>			
Rooms	5,653.47		5,604.90
Food and Beverage	5,421.06		4,934.10
Other Services	1,960.67		2,043.30
Sale of Printed Materials	501.14		561.63
Transport & Car Hire Charges	1,151.18		928.29
		14,687.52	14,072.22
Less: Excise Duty (on certain printed materials)		2.75	0.40
		<u>14,684.77</u>	<u>14,071.82</u>

<b>25</b>			
<b>OTHER INCOME</b>			
Interest (Gross)		103.89	66.92
(includes interest from Income tax ₹ 46.08 Million (2012 - ₹ 20.95 Million))			
Dividend			
From Others - Long Term Investments (Trade)		0.03	0.03
From Mutual Fund - Current Investments (Non-Trade)		10.74	115.21
Miscellaneous Income		242.11	232.92
Profit on Sale of Investment		0.01	0.80
Liabilities written back / Bad Debts recovered		4.11	4.52
		<u>360.89</u>	<u>420.40</u>

# Notes to Accounts — *Contd.*

	Year ended 31st March	
	2013	2012
	Rupees	Rupees
	Million	Million
<b>26</b>		
<b>CONSUMPTION OF PROVISIONS, WINES &amp; OTHERS</b>		
Opening Stock	190.68	164.80
Add: Purchases	1,956.00	1,842.29
	2,146.68	2,007.09
Less: Closing Stock	195.81	190.68
	1,950.87	1,816.41
<b>27</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Bonus	3,495.20	3,248.92
Contribution to Provident fund and Other Funds	164.09	182.11
Staff Welfare Expenses	259.12	252.57
	3,918.41	3,683.60
<b>28</b>		
<b>FINANCE COSTS</b>		
Interest Expenses	706.46	703.11
Other Borrowing Costs	10.02	1.07
	716.48	704.18
Interest Expense includes interest capitalised ₹ 0.97 Million (2012 - ₹ 0.89 Million)		
<b>29</b>		
<b>DEPRECIATION AND AMORTISATION</b>		
Tangible Assets	1,408.22	1,295.41
Intangible Assets	3.13	2.16
	1,411.35	1,297.57

## Notes to Accounts — Contd.

		Year ended 31st March	
30		2013	2012
<b>OTHER EXPENSES</b>	<b>Rupees Million</b>	<b>Rupees Million</b>	<b>Rupees Million</b>
Power & Fuel		1,151.88	996.12
Rent		276.23	243.87
Repairs & Maintenance :			
Buildings	190.91		216.62
Plant & Machinery	570.18		395.01
Others	282.49		286.03
		1,043.58	897.66
Insurance		66.84	63.55
Rates & Taxes		446.19	346.07
Expenses on Apartment & Board		250.72	220.84
Royalty		161.53	149.41
Advertisement, Publicity & Other Promotional Expenses		387.72	303.06
Commission to Travel Agents & others		285.07	268.28
Passage & Travelling		273.03	267.61
Postage, Telephone, etc.		143.47	154.78
Professional Charges		192.52	139.69
Linen, Uniform Washing & Laundry Expenses		58.16	50.40
Renewals & Replacement		97.76	98.75
Auditors' Remuneration		21.31	23.67
Vehicle Operating Fee		318.72	276.82
Musical, Banquet & Kitchen Expenses		88.85	88.18
Directors' Fees and Commission		55.93	92.28
Loss on Sale/Discard of Assets (Net)		60.95	78.62
Provision/write off : Debts & Advances		18.59	16.79
Provision/ write off : Investments		0.50	—
Miscellaneous Expenses		513.60	622.45
Loss on exchange (Net)		127.84	14.83
		6,040.99	5,413.73
<b>31</b>			
<b>EXCEPTIONAL ITEMS</b>			
Property Tax		(150.66)	—
(relating to earlier years on settlement of litigation)			
Profit on sale of Property and Apartment		—	111.46
		(150.66)	111.46
<b>32</b>			
<b>EXTRAORDINARY ITEMS</b>			
L&T Bangalore Airport Hotel Limited (BAHL), a joint venture with L&T Urban Infrastructure Limited started construction of a hotel on the land allotted by Bangalore International Airport Limited (BIAL) pursuant to the Framework Agreement with them. The same had to be abandoned due to extraordinary circumstances involving refusal by Airport Authority of India (AAI) to permit the agreed height of the building as per Framework Agreement. BIAL also failed to honour their commitment to give additional land to compensate the reduction in height. BAHL went for arbitration proceedings and the Arbitral Tribunal gave the award directing BIAL to take over the incomplete building and pay compensation fixed by the Tribunal. BAHL has accounted for the award and the resultant loss in its account for the year ended 31.03.13. Consequently, there is a diminution in value of Company's investments to the extent of ₹ 116.96 million, being loss due to extraordinary unusual events.			
<b>33</b>			
<b>TAX</b>			
Income Tax		298.20	381.44
Less: MAT Credit Entitlement / (Reversal)		26.14	(28.31)
		272.06	409.75
Add: Tax adjustment relating to earlier years after final assessment		(13.43)	(67.11)
		258.63	342.64

## Notes to Accounts — *Contd.*

### 34. 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 not acknowledged as debts:

- (a) Value Added Tax ₹ 28.13 Million (2012 - ₹ 30.31 Million)
- (b) Income Tax ₹ 748.18 Million (2012 - ₹ 589.70 Million)
- (c) Tax deducted at Source - ₹ 14.16 Million (2012 - ₹ 25.88 Million)
- (d) Service Tax - ₹ 108.88 Million (2012 - ₹ 69.19 Million)
- (e) Property Tax ₹ 5.93 Million (2012 - ₹ 75.36 Million)
- (f) Entertainment Tax ₹ 10.45 Million (2012 - ₹ 11.62 Million)
- (g) ESI Claim ₹ 1.57 Million (2012 - ₹ 12.61 Million)
- (h) Stamp Duty ₹ 10.23 Million (2012 - ₹ 10.23 Million)
- (i) Expenditure Tax ₹ 0.10 Million (2012 - ₹ 0.10 Million)
- (j) Customs Duty ₹ 477.96 Million (2012 - ₹ 429.66 Million)
- (k) Excise Duty ₹ 99.38 Million (2012 - ₹ 99.38 Million)
- (l) Others ₹ 22.99 Million (2012 - ₹ 22.69 Million)

##### (ii) Counter guarantees issued to banks and remaining outstanding ₹ 93.35 Million (2012 - ₹ 78.65 Million).

#### (B) Commitments:

- a. The estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 773.50 Million (2012 - ₹ 504.56 Million).
- b. Investment commitment in subsidiary companies ₹ 424.63 Million (2012 - ₹ 353.92 Million).

### 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.

	<b>As at 31st March, 2013 Rupees Million</b>	<b>As at 31st March, 2012 Rupees Million</b>
Principal amount due and remaining unpaid	<b>4.10</b>	—

There was neither any delay in payment nor any interest is due and remaining unpaid on the above.

## Notes to Accounts — *Contd.*

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) Depreciation for the year as per Fixed Asset Schedule (Note-14) includes ₹ 29.99 Million (2012 - ₹ 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.
38. Fixed Assets acquired under Finance Lease amounted to ₹ 413.30 Million (2012 - ₹ 408.63 Million) being the Assets acquired between 1st April, 2001 and 31st March, 2013. These include an amount of ₹ 41.12 Million (2012 - ₹ 50.08 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 ₹ 125.11 Million (2012 - ₹ 107.11 Million) being depreciation charged on these assets.

The year-wise break up of the outstanding lease obligations as on 31st March, 2013 in respect of these assets are as under:

	Year ended 31st March	
	2013	2012
	Rupees	Rupees
	Million	Million
<b>Assets taken on lease</b>		
Total minimum lease payments at the year end	166.54	234.04
Present value of minimum lease payments	140.22	201.55
<b>Not later than one year</b>		
Minimum Lease payments	98.68	107.15
Present value	90.76	99.82
<b>Later than one year but not later than five years</b>		
Minimum Lease Payments	67.86	126.89
Present value	49.46	101.73
<b>Later than five years</b>		
Minimum Lease Payments	—	—
Present value	—	—

## Notes to Accounts — Contd.

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) The Company gives shops located at various hotels and vehicles on operating lease arrangements. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving a notice. Some shops have been given under non-cancellable operating lease, the future minimum lease payments recoverable by the company are as under:-

	Year ended 31st March	
	2013	2012
	Rupees	Rupees
	Million	Million
<b>As Lessor</b>		
Not later than one year	177.84	144.03
Later than one year but not later than five years	239.45	226.25
Later than five years	78.42	86.41

Rent in respect of the above is credited to the Statement of Profit and Loss.

- (b) The Company has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services and residential premises for its employees. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving a notice. The future minimum lease payments payable by the company for office space taken under non-cancellable operating lease, are as under:-

	Year ended 31st March	
	2013	2012
	Rupees	Rupees
	Million	Million
<b>As Lessee</b>		
Not later than one year	25.37	20.63
Later than one year but not later than five years	29.26	23.53
Later than five years	—	—

Rent in respect of the above is charged to the Statement of Profit and Loss.

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 which has not been ascertained.
41. a) Inventory of Provisions, Wines & Others includes Stock of Paper, Ink etc. at year end ₹ 56.92 Million (2012 - ₹ 58.42 Million).  
b) Consumption of Provisions, Wines and Others includes consumption of Paper, Ink etc. ₹ 325.62 Million (2012 - ₹ 355.60 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. a) Repairs & Maintenance includes running, maintenance and tax expenses relating to vehicles in respect of Mercury Car Rentals ₹ 179.26 Million (2012 - ₹ 148.81 Million).  
b) In case of PT Waka Oberoi Indonesia & PT Widja Putra Karya provision for replacement has been made at 3% of hotel revenue instead of charging the actual expenses which has been included in Other Expenses.



Notes to Accounts — *Contd.*

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.

MRL is earning profits in the last couple of years and has accumulated funds of ₹ 247.51 Million in fixed deposit pursuant to Court direction.

45. In case of Mumtaz Hotels Limited, Other Current Assets 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	
	2013	2012
	<b>Rupees</b>	<b>Rupees</b>
	<b>Million</b>	<b>Million</b>
Net Profit after Tax before Extraordinary Items	534.69	1,223.15
Net Profit after Tax after Extraordinary Items	417.73	1,223.15
Weighted average number of Equity Shares outstanding	571,569,414	571,569,414
Basic and Diluted earnings per Equity Share of face value ₹ 2 (in Rupees)		
– Before Extraordinary Items	0.94	2.14
– After Extraordinary Items	0.73	2.14

## 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

**(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

# Notes to Accounts — Contd.

**Transactions with Related Parties for the year ended 31st March, 2013 and Outstanding Balances as on 31st March, 2013**

NATURE OF TRANSACTIONS	Associate & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2013	2012	2013	2012	2013	2012
	Rupees Million		Rupees Million		Rupees Million	
<b>PURCHASES</b>						
<b>Purchase of Goods &amp; Services</b>						
EIH Associated Hotels Limited	8.31	5.89	–	–	–	–
<b>Total</b>	<b>8.31</b>	<b>5.89</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Purchase of Fixed Assets</b>						
EIH Associated Hotels Limited	–	0.15	–	–	–	–
<b>Total</b>	<b>–</b>	<b>0.15</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>EXPENSES</b>						
<b>Rent</b>						
EIH Associated Hotels Limited	0.89	–	–	–	–	–
Oberoï Hotels Private Limited	–	–	0.36	0.36	–	–
Mrs. Goodie Oberoi, W/o Mr. P.R.S. Oberoi	–	–	–	–	0.36	0.36
<b>Total</b>	<b>0.89</b>	<b>–</b>	<b>0.36</b>	<b>0.36</b>	<b>0.36</b>	<b>0.36</b>
<b>Royalty</b>						
Oberoï Hotels Private Limited	–	–	104.68	100.99	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>104.68</b>	<b>100.99</b>	<b>–</b>	<b>–</b>
<b>Remuneration</b>						
Mr. P.R.S. Oberoi	–	–	–	–	29.20	41.98
Mr. S.S. Mukherji	–	–	–	–	45.10 *	36.26
Mr. V.S. Oberoi	–	–	–	–	16.08	20.35
Mr. A.S. Oberoi	–	–	–	–	16.46	22.90
Ms. Priyanka Mukherjee, D/o Mr. S.S. Mukherji	–	–	–	–	1.12	0.85
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>107.96</b>	<b>122.34</b>
* Includes Encashment of accumulated leave Rs. 10.99 Million.						
<b>SALES</b>						
<b>Sale of Goods and Services</b>						
EIH Associated Hotels Limited	77.99	82.46	–	–	–	–
<b>Total</b>	<b>77.99</b>	<b>82.46</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Sale of Fixed Assets</b>						
EIH Associated Hotels Limited	0.54	0.41	–	–	–	–
<b>Total</b>	<b>0.54</b>	<b>0.41</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>INCOME</b>						
<b>License Agreement</b>						
EIH Associated Hotels Limited	0.24	0.24	–	–	–	–
Oberoï Holdings Private Limited	–	–	0.63	0.61	–	–
Oberoï Investments Private Limited	–	–	0.12	0.11	–	–
Oberoï Buildings & Investment Private Limited	–	–	1.06	1.03	–	–
Oberoï Plaza Private Limited	–	–	2.18	2.11	–	–
Bombay Plaza Private Limited	–	–	1.73	1.65	–	–
<b>Total</b>	<b>0.24</b>	<b>0.24</b>	<b>5.72</b>	<b>5.51</b>	<b>–</b>	<b>–</b>
<b>Management Contract</b>						
EIH Associated Hotels Limited	132.14	123.13	–	–	–	–
<b>Total</b>	<b>132.14</b>	<b>123.13</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Dividend Received</b>						
EIH Associated Hotels Limited	21.21	17.68	–	–	–	–
<b>Total</b>	<b>21.21</b>	<b>17.68</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>FINANCE</b>						
<b>PAYMENTS</b>						
<b>Investment in Equity Shares</b>						
EIH Associated Hotels Limited	414.38	–	–	–	–	–
<b>Total</b>	<b>414.38</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>OUTSTANDING BALANCES</b>						
<b>PAYABLES</b>						
For Goods & Services						
EIH Associated Hotels Limited	2.85	2.06	–	–	–	–
<b>Total</b>	<b>2.85</b>	<b>2.06</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Royalty</b>						
Oberoï Hotels Private Limited	–	–	–	0.15	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.15</b>	<b>–</b>	<b>–</b>
<b>Security Deposit</b>						
Bombay Plaza Pvt. Ltd.	–	–	0.50	0.50	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>0.50</b>	<b>0.50</b>	<b>–</b>	<b>–</b>
<b>LOANS &amp; ADVANCES AND RECEIVABLES</b>						
<b>For Goods &amp; Services</b>						
EIH Associated Hotels Limited	11.50	11.32	–	–	–	–
<b>Total</b>	<b>11.50</b>	<b>11.32</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Management Contract</b>						
EIH Associated Hotels Limited	53.73	53.68	–	–	–	–
<b>Total</b>	<b>53.73</b>	<b>53.68</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Notes to Accounts — *Contd.*

### 48. 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	16.41	16.41	0.31	0.37
Mashobra Resort Limited	78.79	-do-	852.76	852.76	217.99	67.15
Mumtaz Hotels Limited	60.00	-do-	724.58	724.58	484.12	339.96
Golden Jubilee Hotels Limited	16.00	-do-	1,241.66	1,241.66	—	7.03
L&T Bangalore Airport Hotel Limited	26.00	-do-	1,018.36	1,018.36	2.69	118.62
Mercury Car Rentals Limited	66.67	-do-	797.94	797.94	859.35	846.08
Oberoi Mauritius Limited	50.00	-do-	1,223.17	1,223.17	269.07	316.22

- 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 ₹ Nil (2012 - ₹ 610.00 Million) against financial facilities availed by the jointly controlled entities.
- b) EIH Limited's share of the contingent liabilities of the joint ventures themselves: ₹ 141.55 Million (2012 - ₹ 12.98 Million)
- c) EIH Limited is not liable for the liabilities of the other venturers of any joint venture.
- d) EIH Limited has capital commitments for ₹ 260.20 Million (2012 - ₹ Nil) in relation to its interest in joint ventures and there are no other 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 ₹ 171.05 Million (2012 - ₹ 162.18 Million).

49. 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.



## 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
Delhi	Maidens Hotel
Ranthambhore	The Oberoi Vanyavilās
Shimla	The Oberoi Cecil
Udaipur	The Oberoi Udaivilās
Cochin	Motor Vessel Vrinda (A luxury backwater cruiser)

### EGYPT

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

Marrakech	The Oberoi
Casablanca	The Oberoi

### INDIA

Rajgarh, Madhya Pradesh	The Oberoi, Rajgarh Palace
Hyderabad	The Oberoi
Pune	The Oberoi
Chandigarh	The Oberoi
Bangalore	The Oberoi
Goa	The Oberoi
Navi Mumbai	Trident