

MINUTES OF THE PROCEEDINGS OF THE THIRTIETH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF EIH ASSOCIATED HOTELS LIMITED HELD AT 3.30 P.M. ON THURSDAY, 8TH AUGUST, 2013, AT TRIDENT, 1/24, G.S.T. ROAD, MEENAMBAKKAM, CHENNAI – 600 027

PRESENT

Mr. S.S. Mukherji	-	Director (In the Chair)
Mr. Vikram Oberoi	-	Managing Director
Mr. L. Ganesh	-	Director
Mr. Sudipto Sarkar	-	Director

Ms. Indrani Ray	-	Company Secretary
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BY INVITATION

Mr. Anil K. Sharma	-	Partner, Ray & Ray, Chartered Accountants
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Mr. Joseph Renji	-	Proprietor, Balan Renji & Associates, Chartered Accountants
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AND

88 other Shareholders present in person or by proxy as per separate List.

1. Chairman

In absence of Mr. P.R.S. Oberoi, the Chairman of the Company's Board of Directors, Mr. S.S. Mukherji, Director, with the consent of all Shareholders present, took the Chair.

2. Quorum

The quorum being present, the Chairman called the Meeting to order.

It was noted that 3 proxies had been lodged for a total of 6832377 shares. These were in order.

He then introduced the Directors on the dais.

3. **Register of Directors' Shareholding**

The Chairman advised that the Register of Directors' Shareholding maintained pursuant to Section 307 of the Companies Act, 1956, was on the table. It was thus open and accessible to Shareholders throughout the Meeting.

4. **Notice of Meeting**

The Chairman with the consent of the Shareholders present, took the Notice dated 29th May, 2013, convening the Thirtieth Annual General Meeting, as read.

5. **The Chairman's Opening Remarks**

Addressing the attending Shareholders, the Chairman stated that the hospitality sector has been facing unprecedented challenges on account of the sluggish Indian economy, influx of new supply of rooms and weak economic environment in the source markets in the United States and Europe. He further added that there is a supply-demand mismatch in India, which is putting room rates and RevPar under pressure. During the year, the RevPar of the Company had grown by about 4% even though Indian hospitality sector registered a decline of 7% .

The Chairman then emphasized on Travel and Tourism sector in general, low foreign visitor arrivals in India, factors that adversely affect the attractiveness of India as a key tourist destination and the Government's apathy towards improvement of infrastructure that is vital for economic growth and development. He stressed the need to develop a vibrant and globally relevant travel and tourism sector which will be attractive to foreign and domestic travelers for the benefit of the overall economy.

The Chairman thanked the Shareholders for their overwhelming support to the Company's Rights Issue of Equity Shares which successfully concluded in October 2012. He informed that proceeds of the Issue, net of Issue-related expenses, have since been fully utilized for pre-payment and/or re-payment of the Company's debts.

Referring to the merger of Island Hotel Maharaj Limited ("IHML"), the Company's wholly-owned subsidiary, with the Company, the Chairman stated that the Scheme of Amalgamation was approved by the Madras High Court on 6th February, 2013. Effective 1st April,

2011, the entire undertaking of IHML stands transferred to the Company as a “going concern”.

The Chairman then summarized the Company’s performance during the Financial Year 2012-2013. He mentioned that the results of the first quarter of the current financial year have improved in comparison to the corresponding quarter of the previous year.

The Chairman concluded his opening remarks, saying that barring unforeseen circumstances, the Board expects the Company to continue performing better during the remaining part of the current Financial Year.

6. Auditor’s Report

Upon completion of his opening remarks, the Company Secretary, Ms. Indrani Ray, upon being instructed by the Chairman read out the Auditor’s Report.

7. Adoption of the Audited Accounts for the year ended 31st March, 2013

The Chairman proposed the following Ordinary Resolution for adoption of the Audited Accounts for the year ended 31st March, 2013, together with the Directors’ and Auditor’s Reports:

“RESOLVED THAT the Audited Accounts of the Company for the year ended 31st March, 2013, together with the Directors’ and Auditor’s Reports thereon, as circulated to the Shareholders and laid before this Meeting be and the same are hereby approved and adopted.”

Mr. Srinivasan B. seconded the Resolution.

Before putting the Resolution to vote, the Chairman invited comments from attending Shareholders. He stated that in accordance with Clause 49 of the Listing Agreement, Mr. L. Ganesh, Chairman of the Audit Committee, was available to respond to Shareholder queries.

Several Shareholders present at the Meeting, viz. Mr. R. Sivakumar, Mr. C.R. Balasubramanian, Mr. Srinivasan B., Mr. G. Sivasankar, Mr. Viswanathan N., chose to make submissions on various aspects of Accounts and Secretarial matters.

Amongst the most prominent observations were those relating to furnishing details of Related Party Transactions and reasons for increase in certain expense heads, viz., Royalty, Technical Services Fees, and Salaries, Wages & Bonus during the Financial Year 2012-2013.

Further, suggestions were received for incorporating a tabular presentation of the Top 10 Shareholders holding more than 5% of the Company's shares in the Report on Corporate Governance in 2013-2014; convening and holding of Annual General Meeting on a date proximal to Board approval of Annual Accounts 2013-2014 and strengthening the follow-up procedure for Unpaid/Unclaimed Dividend.

Upon the Shareholders completing their submissions, the Chairman responded to each Shareholder's observations and queries.

Upon all issues raised from the floor having been responded to, the Chairman put the Resolution to vote. On a show of hands, the Resolution was carried unanimously.

8. Declaration of Dividend

Mr. Balasubramanian R. proposed the following as an Ordinary Resolution:

“THAT a Dividend @ Re.1.00 per share on the Company's Share Capital of Rs 304.68 million absorbing thereby Rs 30.47 million, excluding Dividend Distribution Tax of Rs 5.18 million as at 31st March, 2013, be and the same is hereby declared for payment to those holders of Equity Shares whose names appear in the Register of Shareholders of the Company as on 24th July, 2013.”

The Resolution was seconded by Mr. D. Gopinathan.

Upon being put to vote on a show of hands, the Resolution was carried unanimously.

9. Re-appointment of Mr. Rajan Raheja as a Director

Mr. R. Sivakumar proposed the following as an Ordinary Resolution:

“THAT Mr. Rajan Raheja, who retires by rotation at this Meeting, be and is hereby re-appointed a Director of the Company.”

The Resolution was seconded by Mr. Ramakrishnan B.

Upon being put to vote on a show of hands, the Resolution was carried unanimously.

10. **Re-appointment of Mr. L. Ganesh as a Director**

Mr. K.S. Gopal proposed the following as an Ordinary Resolution:

“THAT Mr. L. Ganesh, who retires by rotation at this Meeting, be and is hereby re-appointed a Director of the Company.”

The Resolution was seconded by Mr. K. Thyagarajan.

Upon being put to vote on a show of hands, the Resolution was carried unanimously.

11. **Appointment and Remuneration of Auditors**

Mr. Balasubramanian R proposed the following as an Ordinary Resolution:

“THAT Ray & Ray, Chartered Accountants, Kolkata (Firm’s Registration No. 301072E) be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of the Thirtieth Annual General Meeting till the conclusion of the Thirty-first Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company.”

The Resolution was seconded by Mr. S. Ravindran.

Upon being put to vote on a show of hands, the Resolution was carried unanimously.

12. **Appointment of Balan Renji & Associates, Chartered Accountants, as Branch Auditor in respect of the Company’s Hotel at Trident, Cochin**

Mr. Venkatesh R. proposed the following as an Ordinary Resolution:

“RESOLVED THAT Balan Renji & Associates, Chartered Accountants, Cochin (Firm’s Registration No. 000344S) be and are hereby appointed Branch Auditor in respect of the

Company's Hotel at Trident, Cochin, in terms of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 on such terms and conditions as to remuneration, etc. as the Board may deem fit.”

The Resolution was seconded by Mr. Krishna Prasad M.

Upon being put to vote on a show of hands, the Resolution was carried unanimously.

There being no other business to transact, the Meeting terminated with a vote of thanks to the Chair.

CHAIRMAN