

ElH LIMITED

A member of  *The Oberoi Group*



Annual Report 2010 - 2011

Cover:

In 2011, The Oberoi Udaivilās ranked as the 5th top hotel in the world and the 1st in Asia in a Readers’ Poll conducted by *Travel + Leisure*, USA.



A member of  *The Oberoi Group*

Annual Report 2010-2011

CONTENTS

The Board of Directors	6
The Oberoi Dharma	8
The Oberoi Group Mission	9
Highlights	39
Chairman’s Review	40
Directors’ Report	42
Management Discussion and Analysis	45
Report on Corporate Governance	51
Statement pursuant to Section 212	67
Auditor’s Report	69
Balance Sheet	74
Profit and Loss Account	75
Cash Flow Statement	76
Schedules to Accounts	78
Consolidated Financial Statements	109



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

BOARD

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

Mr. S. S. Mukherji
Vice Chairman

Mr. Vikram Oberoi
Chief Operating Officer & Joint Managing Director

Mr. Arjun Oberoi
Chief Planning Officer & Joint Managing Director

Mr. S. K. Dasgupta

Mr. Anil Nehru

Mr. Rajan Raheja

Mr. L. Ganesh

COMPANY SECRETARY

Mr. Gautam Ganguli

AUDITORS

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

REGISTERED OFFICE

4, Mangoe Lane
Kolkata 700 001



P.R.S. Oberoi, *Chairman*

The Oberoi Dharma

FUNDAMENTAL CODE OF CONDUCT

We, as members of OBEROI Organisation are committed to display through our behaviour and actions the following CONDUCT which applies to all aspects of our Business :

CONDUCT which is of the highest ethical standards–intellectual, financial and moral and reflects the highest levels of courtesy and consideration to others.

CONDUCT which builds and maintains Team work, with mutual trust as the basis of all working relationship.

CONDUCT which puts the customer first, the Company second and the self last.

CONDUCT which exemplifies care for the customer through anticipation of need, attention to detail, excellence, aesthetics and style and respect for privacy along with warmth and concern.

CONDUCT which demonstrates two-way communication accepting constructive debate and dissent whilst acting fearlessly with conviction.

CONDUCT which demonstrates that people are our key asset, through respect for every employee, and leading from the front regarding performance achievements as well as individual development.

CONDUCT which at all times safeguards the safety, security, health and environment of customers, employees and the assets of the Company.

CONDUCT which eschews the short-term quick-fix for the long-term establishment of healthy precedent.

The Oberoi Group Mission

OUR GUESTS

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

OUR PEOPLE

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

OUR DISTINCTIVENESS

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

OUR SHAREHOLDERS

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



The Oberoi Vanyavilās, Ranthambhore

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

In the year 2011, 3 Oberoi hotels have been ranked in the first 15 hotels worldwide and 3 have been ranked 1, 3 and 4 hotels in Asia in a Readers' Poll conducted by *Travel+Leisure*, USA.

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

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



“Every detail, the service, the atmosphere, food, facilities were all incredible. The staff goes above and beyond, especially in the little details that make a huge difference. Room service with a toaster for my gluten free bread is something I have never seen. Thanks to each and everyone who did an outstanding job in making me feel welcome and at home here.”

Ms. Brenda Brainerd, United States of America


The Oberoi
GURGAON
NEW DELHI CAPITAL REGION
INDIA

Hotel opened in April, 2011

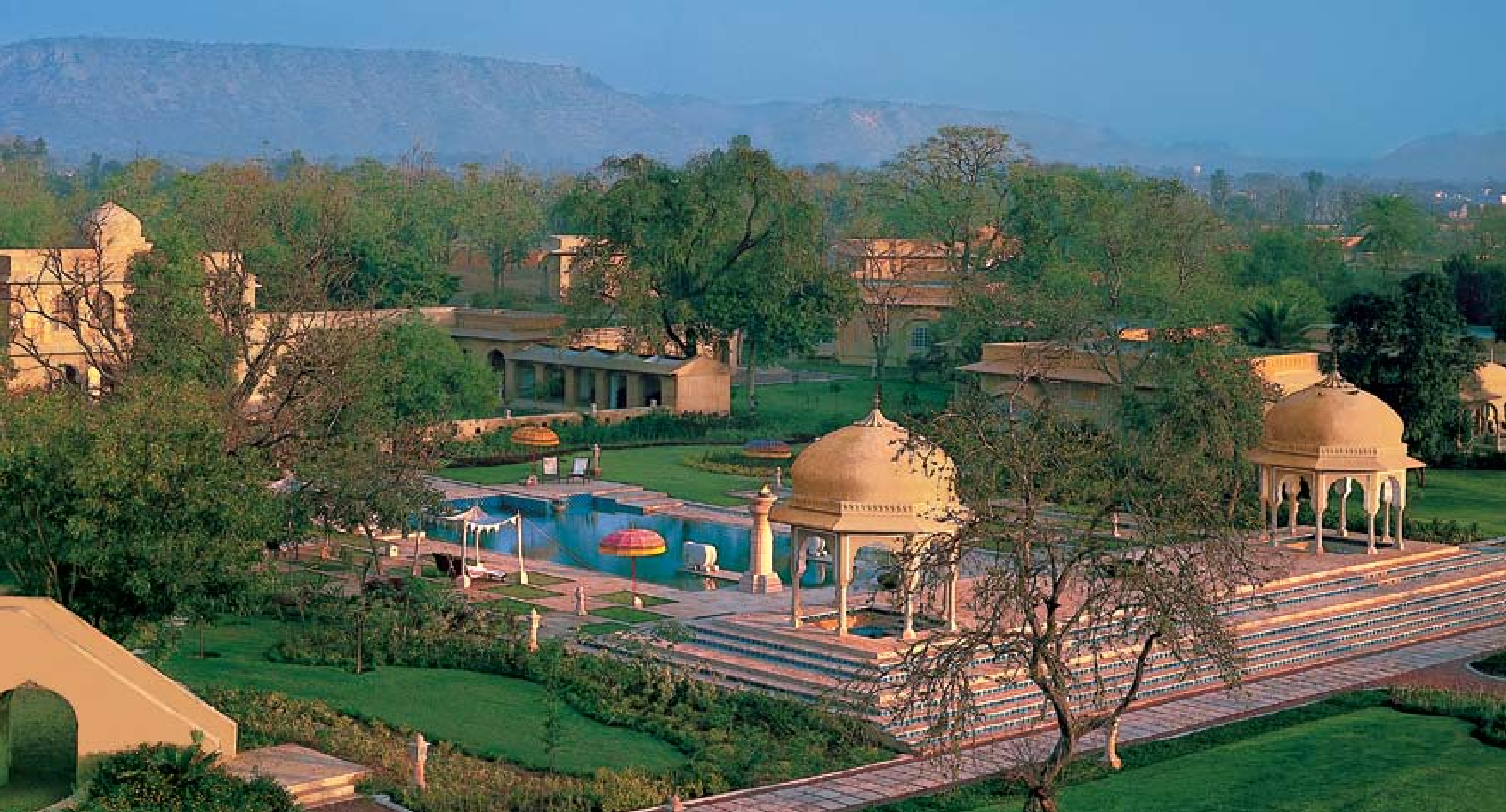


“Flawless! The staff was professional, thoughtful and kind, absolutely outstanding. The ground, facilities and lakeside setting are beautiful. From the moment of arrival to departure, we were well looked after. It is difficult to leave.”

Ms. Tanya Marie Brandes, *United States of America*


The Oberoi
UDAIVILAS
UDAIPUR, INDIA

Ranked the best resort in Asia and the 5th best in the world by the readers of *Travel + Leisure*, USA in 2011.



“In our opinion, the new monuments in India are built by the Oberoi chain. We are doing a Rajasthan tour using the Oberois and I would not imagine coming back and not staying in again! Exceeded our expectations, thank you!!”

Ms. Azpilueta Maria Capilla Eulalia, Spain


The Oberoi
RAJVILĀS
JAIPUR, INDIA

Ranked the 3rd best resort in Asia and the 8th best in the world by the readers of *Travel + Leisure*, USA in 2011.



“Our stay here at The Oberoi Amarvilās was truly amazing. We could not be more pleased! It really made our honeymoon such a memorable experience. Not only do you have a very beautiful hotel, but also the quality of service is superb and we could not have asked for a more friendly and accommodating staff.”

Mr. Gary Rodney and Ms. Joan Oriel, United States of America


The Oberoi
AMARVILĀS
AGRA, INDIA

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



“Everyone here is exceptional in terms of friendliness and courteous service. We thoroughly enjoyed our stay here. The thought, the attention to detail were outstanding. We will highly recommend Vanyavilas to our friends. Thank you!”

Mr. & Mrs. Hwa Y. Kim, *Canada*


The Oberoi
VANYAVILAS
RANTHAMBHORE, INDIA

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



“My wife and I have been travelling around the world for 4 months and had the privilege of staying at many fine hotels and would like to recognise your hotel as the number one hotel we have stayed in on this trip and in the top three we have stayed in during our lifetime. The attention to detail, the luxury, the high quality of service and your excellent staff made our stay memorable. We hope to be back some day! Thanks!”

Mr. & Mrs. Narayan, India



**WILDFLOWER
HALL**
SHIMLA IN THE HIMALAYAS
AN OBEROI RESORT

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



“An experience marked by high end luxury, perfect settings superb service by dedicated staff, and excellence in just anything from smooth transfers to exquisite food. I could not think of a better introduction to the rich culture and heritage of India.”

Dr. Christian Buck, Germany


The Oberoi
NEW DELHI, INDIA

Ranked the 10th best overseas business hotel in world by the readers of *Condé Nast Traveller*, UK in 2010.



“Staff paid extreme attention to details and were always consistent, warm, helpful, efficient, thoughtful and caring professionals. It was a truly amazing experience and I want to return for leisure as there is so much to do and enjoy at the hotel. Rooms were picturesque.”

Ms. Monic Chhabria, United Kingdom


The Oberoi
MUMBAI, INDIA

Ranked the 14th best city hotel in Asia by the readers of *Travel + Leisure*, USA in 2011.



“In 35 years of International travel, I have never experienced a better managed or more professionally staffed hotel anywhere in the world. Our every need was answered. The Oberoi Group should be deeply proud of this extraordinary property and for its superb management & staff.”

Mr. Carl & Ms. Susanne Chiappa, *United States of America*


The Oberoi
GRAND
KOLKATA, INDIA

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



“This week has been perfect and everyone has been a super and a perfect host. We wish we had a second week. We have stayed in Oberoi hotels in India so knew about the splendid service but even better on The Oberoi Zahra. Thank you all.”

Mr. Lowell Schnipper, *United States of America*


The Oberoi
ZAHRA
LUXURY NILE CRUISER

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



“One of the best hotels we have stayed in for a family holiday. The friendliness of all your staff have been outstanding! Beautiful surroundings, lovely, comfortable rooms, good food and top service made this a truly magical holiday!”

Mr. & Mrs. Jon Godfray and family, *United Kingdom*


The Oberoi
MAURITIUS

Ranked the 10th best hotel spa in Africa, Middle East and Indian Ocean by the readers of *Condé Nast Traveller*, UK in 2010.



“Fantastic service, excellent staff. You are all truly lovely and professional. This is what a hotel standard should be like. I will definitely come back.”

Ms. Elaine Shelton, *United Kingdom*


The Oberoi
LOMBOK, INDONESIA

Ranked the 16th best leisure hotel in Asia by the readers of *Condé Nast Traveller*, UK in 2010.

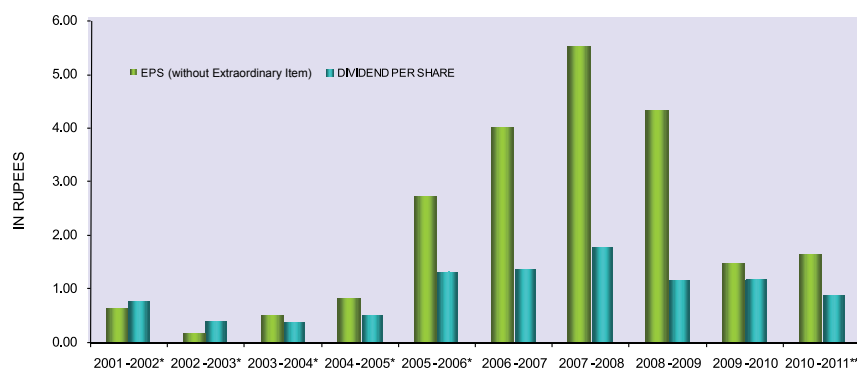
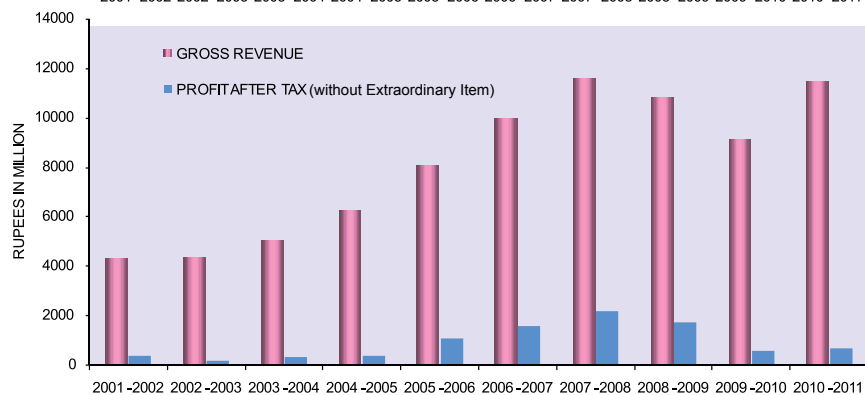
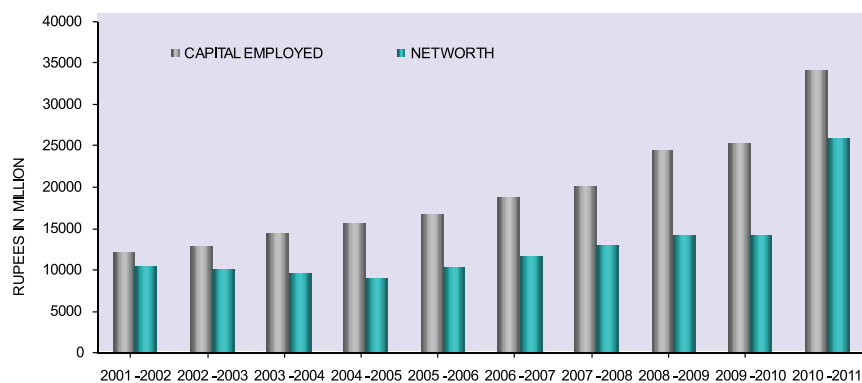
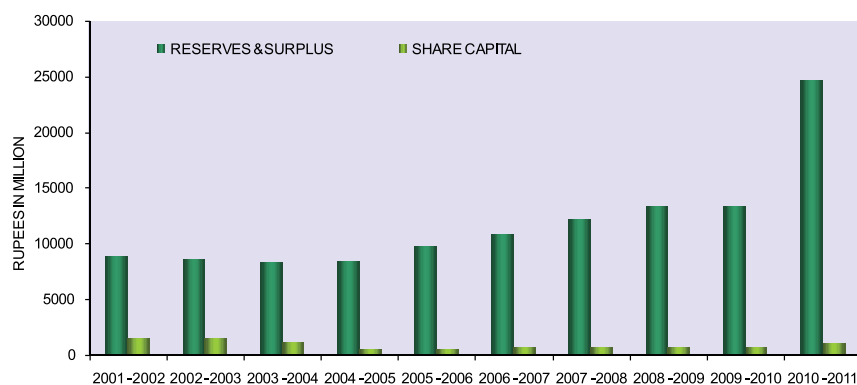


“It was wonderful. My son put it perfectly. The setting is wonderful, the staff outstanding and everything is so elegant and decent that you feel like home. We will come back.”

Ms. Severin Schwarbacher, Austria


The Oberoi
SAHL HASHEESH
RED SEA, EGYPT

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



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

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

HIGHLIGHTS

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

(Conversion Rate : INR 100 = US\$ 2.240)

	2001-2002		2002-2003		2003-2004		2004-2005		2005-2006		2006-2007		2007-2008		2008-2009		2009-2010		2010-2011	
	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$	₹	\$
FOR THE YEAR																				
1. GROSS REVENUE	4273	96	4353	98	5045	113	6252	140	8032	180	9952	223	11551	259	10785	242	9073	203	11429	256
2. PROFIT BEFORE TAX	487	11	275	6	415	9	587	13	2607	58	2964	66	3498	78	2733	61	890	20	870	19
3. PROFIT AFTER TAX	356	8	155	3	282	6	331	7	1886	42	2004	45	2172	49	1704	38	572	13	645	14
4. PROFIT AFTER TAX WITHOUT EXTRAORDINARY ITEM	356	8	155	3	282	6	360	8	1078	24	1575	35	2172	49	1704	38	572	13	645	14
5. DIVIDEND	405	9	248	6	236	5	244	5	524	12	550	12	707	16	472	11	472	11	514	12
6. RETAINED EARNINGS	229	5	233	5	405	9	457	10	1697	38	1787	40	1798	40	1696	38	705	16	934	21
7. FOREIGN EXCHANGE EARNINGS	2543	57	2471	55	2618	59	3431	77	4494	101	5259	118	5973	134	5009	112	3149	71	4795	107
AT YEAR END																				
8. GROSS FIXED ASSETS	14663	328	15769	353	16339	366	16655	373	17273	387	18815	421	21520	482	24158	541	26606	596	27473	615
9. SHARE CAPITAL	1524	34	1524	34	1224	27	524	12	524	12	786	18	786	18	786	18	786	18	1143	26
10. RESERVES AND SURPLUS	8839	198	8621	193	8368	187	8455	189	9776	219	10866	243	12249	274	13390	300	13385	300	24735	554
11. NET WORTH	10363	232	10145	227	9592	215	8979	201	10300	231	11652	261	13035	292	14176	318	14171	317	25878	580
12. BORROWINGS	4648	104	6018	135	7435	167	8091	181	7093	159	7916	177	8129	182	10230	229	12595	282	8240	185
13. CAPITAL EMPLOYED	12106	271	12816	287	14434	323	15599	349	16638	373	18710	419	20153	451	24406	547	25384	569	34118	764
PER SHARE (₹)																				
14. NET WORTH PER EQUITY SHARE	23.83*	0.53	23.27*	0.52	22.63*	0.51	22.85*	0.51	26.21*	0.59	29.65	0.66	33.17	0.74	36.08	0.81	36.06	0.81	45.28**	1.01
15. EARNINGS PER EQUITY SHARE WITH EXTRAORDINARY ITEM	0.65*	0.01	0.16*	0.00	0.49*	0.01	0.74*	0.02	4.80*	0.11	5.10	0.11	5.53	0.12	4.34	0.10	1.46	0.03	1.63**	0.04
16. EARNINGS PER EQUITY SHARE WITHOUT EXTRAORDINARY ITEM	0.65*	0.01	0.16*	0.00	0.49*	0.01	0.82*	0.02	2.74*	0.06	4.01	0.09	5.53	0.12	4.34	0.10	1.46	0.03	1.63**	0.04
17. DIVIDEND PER EQUITY SHARE	0.80*	0.02	0.40*	0.01	0.40*	0.01	0.53*	0.01	1.33*	0.03	1.40	0.03	1.80	0.04	1.20	0.03	1.20	0.03	0.90**	0.02
RATIO																				
18. DEBT : EQUITY RATIO	0.60 : 1		0.77 : 1		0.91 : 1		0.90 : 1		0.69 : 1		0.68 : 1		0.62 : 1		0.72 : 1		0.89 : 1		0.32 : 1	

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

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

Notes :

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

CHAIRMAN'S REVIEW

Ladies and gentlemen,

There was wide expectation that global economies would see a recovery in 2011. Unfortunately, this is not likely to happen. Global economies and the economic environment remain uncertain and volatile. The world has also been confronted with socio-political developments which could have serious consequences for all of us.

In recent months several countries in North Africa and the Middle East have seen social and political unrest. Tunisia and Egypt have seen profound changes in their political systems. People in several other countries in the region are seeking major changes in their political systems; they are demanding an end to decades old dictatorships.

Japan is struggling with the aftermath of the earthquake and the subsequent *Tsunami*. It is too early to predict how this natural calamity will affect global markets.

Considering the events stated above, we are beset with uncertainty and volatility. In these circumstances we need to take steps to strengthen the Company's capacity to withstand such shocks. We must exercise caution in evaluating business opportunities.

India also faces several challenges. The Government has not been able to curb inflation. Increase in interest rates are hampering industrial production and the recent scandals do not auger well for foreign direct investment.

It is unfortunate that the potential of India's travel and tourism industry has not been fully recognised. At a time when the country's balance of payments position is a matter of concern, it is all the more important that the Government gives due importance to the travel and tourism industry which earned US\$ 14.19 billion in the year 2010. Regrettably, the employment potential of the industry has not been fully tapped. The travel and tourism industry presently employs 25 million people directly and an equal number indirectly which could grow exponentially if India gets its fair share of foreign travellers. China gets 50 million foreign visitors whereas we get a mere 5 million!

Many international hospitality brands are establishing their presence in India. This trend will undoubtedly increase competition for us. As I have always maintained, healthy competition is welcome and will encourage us to raise our standards further and dedicate us to service excellence.

The Oberoi Group continues to be recognised internationally by travellers as being amongst the best hospitality groups worldwide. The numerous awards and accolades conferred upon many of our hotels are due to the dedication of our staff who continue to provide our guests with exceptional service. This is a source of pride and satisfaction for us.

Though there has been some improvements in infrastructure, much more needs to be done. Infrastructure is the key to our economic development. We need more power, potable water, roads and more airports planned and built on international standards.

It is widely recognised that we are not doing enough in our urban centres. As per a recent McKinsey Report on urbanisation, there will be many more sizeable urban centres in India over the next two decades. As a result, infrastructure in our present and future urban centres will become more taxed. Our policy makers need to address this problem on a war footing.

I thank my colleagues on the Board for their continued support and guidance. I am grateful to our Shareholders for the Company's successful Rights Issue.

In conclusion, I thank all our employees and other stakeholders for their support.

Thank you.



P.R.S. Oberoi
Chairman
15th June, 2011

DIRECTORS' REPORT

The Board presents the Sixty-first Annual Report together with the Audited Statement of Accounts and the Auditor's Report in respect of the year ended 31st March, 2011.

The financial highlights are set out below:

	Rupees in million	
	2010-2011	2009-2010
Total Revenue	11,429.49	9,072.73
Earnings before Interest, Depreciation, Taxes, Amortisations and Exceptional Items (EBIDTA)	3,340.48	2,579.05
Interest and Finance Charges	1,551.94	1,008.85
Depreciation	874.35	680.31
Exceptional Income/(Expenditure)	(44.18)	Nil
Profit before tax	870.01	889.89
Current tax	53.98	178.10
Deferred tax	170.63	139.52
Profit after tax	645.40	572.27
Dividend	514.41	471.54
Dividend tax	71.39	76.16
Transfer to General Reserve	128.08	100.00
Balance carried over	3,014.73	3,083.21

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 ("the Act") and, based upon representations from the Management, the Board states that:

- in preparing the Annual Accounts, applicable Accounting Standards have been followed and there are no material departures;
- the Directors have selected accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for the year;
- the Directors have taken proper and sufficient care in maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the Annual Accounts of the Company on a "going concern" basis.

The annexed Management Discussion and Analysis forms a part of this Report and covers, amongst other matters, the performance of the Company during the Financial Year 2010-2011 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 Company made a Rights Issue of 178,615,442 Equity Shares of face value ₹ 2 at a premium of ₹ 64 per Equity Share (Issue Price of ₹ 66 per Equity Share). The Rights Issue raised ₹ 11,788,619,172. The proceeds will help the Company to substantially reduce debt, bring down interest costs and enhance profitability.

The Rights Issue opened for subscription on Tuesday, 1st March, 2011 and closed on Tuesday, 15th March, 2011. Equity Shares were allotted to eligible Shareholders, in consultation with the Bombay Stock Exchange Limited, on Saturday, 26th March, 2011. Such Equity Shares became eligible for trading on the Stock Exchanges effective Wednesday, 30th March, 2011.

Out of the ₹ 11,788,619,172 raised through the Rights Issue, ₹ 357,230,884 was credited to Share Capital and ₹ 11,431,388,288 credited to the Securities Premium Account. Rights Issue Expenses totalling ₹ 111,139,686 have been written off against the Securities Premium Account. Therefore, the Company's Equity Share Capital increased from ₹ 785,907,944 to ₹ 1,143,138,828. The Securities Premium Account increased from ₹ 1,053,159,297 to ₹ 12,373,407,899.

The Board thanks all Shareholders for their overwhelming support to the Rights Issue.

The Board recommends a Dividend of ₹ 0.90 per Equity Share of ₹ 2 in respect of the Financial Year 2010-2011.

In view of the Rights Issue of Equity Shares during the Financial Year, the number of Equity Shares issued by the Company increased from 392,953,972 to 571,569,414. Although the Equity Shares were allotted on Saturday, 26th March, 2011, the Shareholders are entitled to a full dividend for the Financial Year.

The Dividend, if approved at the forthcoming Annual General Meeting, will be paid on Wednesday, 10th August, 2011 to Shareholders whose names appear on the Register of Shareholders at the close of business on Tuesday, 26th July, 2011. As per the Income Tax Act, 1961, the Tax on the Dividend will be borne by the Company.

Energy conservation and responsible environmental practices continue to be an area of focus for the Company. New technology, equipment and processes are evaluated and energy sources such as solar and wind energy are under active evaluation and implementation. All hotels have energy conservation committees and periodic energy audits.

Energy conservation measures taken during the year include installation of variable speed drives, high efficiency chillers and cooling towers, high efficiency boilers, advance evaporative cooling systems, occupancy sensors, energy efficient LED, fluorescent and IR lamps.

Measures planned include installation of heat pipes, improved building management systems, more water recycling and conservation devices.

During the Financial Year 2010-2011, the Foreign Exchange earnings of the Company amounted to ₹ 4795.29 million as against ₹ 3149.09 million in the previous year. The expenditure in Foreign Exchange during the Financial Year was ₹ 897.26 million as compared to ₹ 716.05 million in the previous year.

Mr. Rajan Raheja and Mr. L. Ganesh are due to retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

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. Therefore, the Report and Accounts of the Subsidiary Companies have not been attached to this Report. The Central Government 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 110 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 can write to the Company Secretary at the Registered Office.

The Auditors of the Company, Messrs. Ray and Ray, Chartered Accountants, retire and are eligible for re-appointment.

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. However, based on the provisions of Section 219(1)(b) of the Act, the Report and Accounts that are being circulated to Shareholders do not include the Statement of Particulars of Employees under Section 217(2A) of the Act. Any Shareholder interested in obtaining a copy of the above Statement may write to the Company Secretary at the Registered Office of the Company.

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

For and on behalf of the Board

Gurgaon
30th May, 2011

S. S. MUKHERJI
Vice Chairman

P. R. S. OBEROI
Chairman and Chief Executive

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

It was widely expected that the global economy would recover during the current year thus reversing the trend that has prevailed over the last two years. Unfortunately, this is not likely to happen. The US economy has continued to be slow with a recovery that remains elusive. Parts of Europe are still facing a debt crisis. Japan, with a severe earthquake, accompanying *tsunami* and nuclear accident may add to the world's economic problems. If the political upheavals in the Middle East and North African countries intensify, oil prices are likely to be even more volatile.

India's travel and hospitality industries continue to be dependent on visitors from the United States and from Europe. As recovery has been slow, inbound travel to India has been affected. However, there have been some signs of an upturn in the last quarter.

In contrast, the Indian economic environment continues to be buoyant. The Government's recent Economic Survey expects an 8.6% growth in GDP during the current year. Despite concerns over oil price volatility and rising inflation, the Indian economy is expected to continue to grow.

The World Economic Forum's Travel and Tourism Competitiveness Report for 2011 predicts that by 2015 the growth rate of each of China and India's travel and tourism industries will exceed or equal that of the United Kingdom, France and Japan. Such forecasts underscore the attraction of the Indian hospitality market from a global perspective. There has been a continued push by major international hospitality brands to either establish or expand their presence in India. Conservative estimates suggest a near doubling of quality branded hotel supply over the next five years. Though still nascent, numerous brands have made ambitious announcements regarding plans to establish a network of budget hotels. These developments are healthy.

However, there are some significant challenges as hotels constitute only one element of tourism infrastructural development. Modern airports, good air connectivity and a network of roads are all necessary to facilitate easy travel. Whilst considerable progress has been made in the last few years, much remains to be done to handle the anticipated increase in travel volumes, especially arising out of India's continued economic growth. We need to see that the pace of infrastructure development increases, thus facilitating access to a far greater range of destinations that are necessary for business and leisure travellers. A country that is as vast and diverse as India has the potential to be one of the world's major travel destinations. Governments across an increasing number of countries now recognise the role that the travel and tourism sector can play in creating jobs and become a catalyst for development. We hope that the prospect of realising the travel and tourism industry's latent potential seriously exercises the minds and imagination of planners within the Government.

Despite global uncertainty, we expect the overall outlook for the current Financial Year to be stable with a continued revival of demand for hotel rooms that has begun in the recent months.

Trident, Bandra Kurla, Mumbai which completed its full year of operations during the last Financial Year, is helping to consolidate the Company's position in Mumbai. The recent

opening of The Oberoi, Gurgaon further strengthens the Company's position within the New Delhi National Capital Region.

Margins are likely to be impacted by continuing inflation, oil price volatility and rising payroll costs. The Company plans to offset pressure on margins through higher occupancies and modest increases in average room rates. Furthermore, proceeds from the recent Rights Issue will be used to reduce interest costs thus contributing to increased profitability.

Internal Control Systems and Risk Management

The Company has robust internal control systems. It continues to seek ways to further strengthen these systems. A well structured internal audit regularly reviews their efficacy and improves on them. The Company has developed and implemented a risk management framework to identify business risks and take measures to mitigate such risks. This is now an integral part of the overall management process. The Board is periodically informed of these risk management initiatives.

Financial and Operating Performance

During the Financial Year 2010-2011, the Company's Total Revenue was ₹ 11,430 million as compared to ₹ 9,073 million in the previous year, an increase of 26%.

Earnings before Interest, Depreciation, Taxation, Exceptional Items and other Amortisations (EBIDTA) were ₹ 3,340 million as compared to ₹ 2,579 million in the previous year, an increase of approximately 30%.

Profit before Tax was ₹ 870 million as compared to ₹ 890 million in the previous year. The decline is largely on account of exceptional items. The Company accounted for ₹ 968 million and ₹ 527 million under the head "Other Income" during the Financial Years 2008-2009 and 2009-2010 respectively on account of claims for loss of profit due to business interruption caused by the terrorist attack on The Oberoi, Mumbai and Trident, Nariman Point, Mumbai. During the Financial Year 2010-2011, the Insurance Company finally assessed the claim at ₹ 1125 million. The resultant deficit of ₹ 370 million has been treated as an Exceptional Loss. Furthermore, the Company's claim for material damage caused by the terrorist attack referred to above has been assessed by the Insurance Company at ₹ 174 million on a replacement cost basis. The net book value of the assets damaged was ₹ 107 million. The resultant surplus of ₹ 67 million has been treated as an Exceptional Income.

The Profit after Tax was ₹ 645 million as compared to ₹ 572 million in the previous year, an increase of approximately 13%.

The Company continues to be largely engaged in hospitality and related services. The segment wise results and capital employed are given on Page 106 of this Annual Report.

Business consolidation and expansion

The Oberoi, Gurgaon, a managed property, consisting of 202 rooms and suites, three restaurants, large banqueting and meeting facilities, a spa, a Belvedere Club and luxury

retail outlets opened in April, 2011. The hotel has been well received and is positioned to become a leader in the New Delhi National Capital Region.

Two hotels to be managed by the Company at Cyber City, Hyderabad are under construction. Trident, Hyderabad consisting of 326 rooms and suites is expected to open in the third quarter of 2012 followed by The Oberoi which will have 220 rooms and suites and will open in 2013.

Construction of the 252 room The Oberoi, Dubai which is located at Business Bay, is progressing well and the hotel is expected to open in the second quarter of 2012. This hotel will be managed by a wholly owned overseas Subsidiary Company.

Planning of The Oberoi, Marrakech (Morocco) has been completed and construction is expected to commence shortly; this hotel will be managed by a wholly owned overseas Subsidiary Company. The hotel is expected to open in 2014. In addition to the hotel, branded residences for sale are planned on an adjacent site after the hotel opens.

The Oberoi Kabini Jungle Lodge, located in Karnataka, which will consist of 20 luxury tents and 3 villas, will open in 2012. This will be a managed property.

The Company owns a 55 acre beach front site in Goa. Planning approval for a luxury hotel is awaited.

MOUs have been signed in respect of Casablanca and Pune. Planning on these projects is ongoing. A managed resort hotel project at Chandigarh is under active consideration.

Architects for a new 250 room The Oberoi, Bangalore have been selected and planning has commenced. In addition to the hotel, 65 luxury branded residences are planned which will be sold when the hotel opens.

Work on projects in Oman and in Abu Dhabi have been delayed due to debt financing difficulties experienced by the Owners.

A new flight kitchen is under development at New Delhi International Airport and will be fully operational by September 2011.

The Company expects the above developments to increase its future revenues and profitability.

Awards

Mr. P.R.S Oberoi, Chairman and Chief Executive, was conferred the '2010 Corporate Hotelier of the World' award by *HOTELS* magazine at an award ceremony held in New York in November 2010.

It is gratifying that the Company's hotels continued to attract global acclaim from international luxury travellers. The Oberoi Vanyavilās was voted the best hotel globally in *Travel + Leisure's* World's Best Awards 2010 readers' poll. The Oberoi Udaivilās was accorded the same honour in 2007.

The Oberoi Amarvilās, Agra, The Oberoi Rajvilās, Jaipur and The Oberoi Udaivilās, Udaipur were voted the 2nd, 3rd and 4th best respectively in Asia. Four of the Company's hotels were ranked amongst the top 15 hotels in the world, with The Oberoi Amarvilās,

Agra, The Oberoi Rajvilās, Jaipur and The Oberoi Udaivilās, Udaipur being ranked 5th, 13th and 15th respectively globally.

Other major recognitions received by both Oberoi Hotels and Resorts and Trident Hotels during the Financial Year have been:

Hotel	Award	Awarded By
The Oberoi, New Delhi	Best Hotel in New Delhi	DestinAsian Readers' Choice Awards 2011
	Best Overseas Business Hotels (Ranked 10th)	Condé Nast Traveller, UK, Readers' Travel Awards 2010
	Amongst the top 100 Hotels in Asia	Condé Nast Traveler, USA, Readers' Choice Awards 2010
The Oberoi, Mumbai	Amongst the Best Hotels and Resorts in the World	Forbes Traveler 400, The World's Best Hotels and Resorts 2009
The Oberoi Rajvilās, Jaipur	Best Leisure Hotels in Asia and the Indian Subcontinent (Ranked 9th)	Condé Nast Traveller, UK, Readers' Travel Awards 2010
	Top 100 Hotels in Asia (Ranked 8th)	Condé Nast Traveler, USA, Readers' Choice Awards 2010
	Top 100 Hotels in the World (Ranked 27th)	Condé Nast Traveler, USA, Readers' Choice Awards 2010
The Oberoi Amarvilās, Agra	Top 100 Hotels in the World (Ranked 25th)	Condé Nast Traveler, USA, Readers' Choice Awards 2010
	Top 100 Hotels in Asia (Ranked 7th)	Condé Nast Traveler, USA, Readers' Choice Awards 2010
The Oberoi Vanyavilās, Ranthambhore	Top Hotels in Asia for Service (Ranked 2nd)	Travel + Leisure, World's Best Service Awards, Readers' Survey 2010
	Top Hotels in the World for Service (Ranked 7th)	Travel + Leisure, World's Best Service Awards, Readers' Survey 2010
	Top 100 Hotels in the World (Ranked 15th)	Condé Nast Traveler, USA, Readers' Choice Awards 2010
	Top 20 Resorts in Asia (Ranked 2nd)	Condé Nast Traveler, USA, Readers' Choice Awards 2010
The Oberoi Udaivilās, Udaipur	Best Leisure Hotels in Asia and the Indian Subcontinent (Ranked 1st)	Condé Nast Traveller, UK, Readers' Travel Awards 2010
	Top Hotels in Asia for Service (Ranked 3rd)	Travel + Leisure, World's Best Service Awards, Readers' Survey 2010
	Top Hotels in the World for Service (Ranked 9th)	Travel + Leisure, World's Best Service Awards, Readers' Survey 2010
	Top 100 Hotels in Asia (Ranked 5th)	Condé Nast Traveler, USA, Readers' Choice Awards 2010
	Top 100 Hotels in the World (Ranked 20th)	Condé Nast Traveler, USA, Readers' Choice Awards 2010

Hotel	Award	Awarded By
Wildflower Hall, Shimla in the Himalayas	India's Leading Spa Resort Best Leisure Hotels in Asia and the Indian Subcontinent (Ranked 2nd) Favourite Overseas Hotel Spa: Asia & the Indian Subcontinent (Ranked 2nd) Favourite Spas in the World (Ranked 6th)	World Travel Awards 2010 <i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2010 <i>Condé Nast Traveller</i> , UK, Readers' Spa Awards 2010 <i>Condé Nast Traveller</i> , UK, Readers' Spa Awards 2010
The Oberoi, Bali, Indonesia	Amongst the Top 25 Resorts in Asia	<i>Condé Nast Traveler</i> , USA, Readers' Choice Awards 2009
The Oberoi, Lombok, Indonesia	Best Leisure Hotels in Asia and the Indian Subcontinent (Ranked 16th)	<i>Condé Nast Traveller</i> , UK, Readers' Travel Awards 2010
The Oberoi Philae, Nile Cruiser, Egypt	Best Small Ships in the World (Ranked 3rd)	<i>Condé Nast Traveler</i> , USA, Top Cruise Ships 2009, Readers' Survey
The Oberoi, Sahl Hasheesh, Red Sea, Egypt	Favourite Resort/Hotel Spas in Africa and Middle East (Ranked 5th)	<i>Spa</i> , USA, Readers' Choice Awards 2010
The Oberoi, Mauritius	Best Hotels in the Indian Ocean (Ranked 1st) Favourite Overseas Hotel Spa: Africa, Middle East and Indian Ocean (Ranked 10th)	<i>Ultratravel</i> , UK, Top 100 Awards, Readers' Poll 2010 <i>Condé Nast Traveller</i> , UK, Readers' Spa Awards 2010
The Oberoi Zahra, Luxury Nile Cruiser, Egypt	Rated the best Five Star Cruiser on the Nile	Ministry of Tourism, Egypt, 2009
Trident, Gurgaon	Asia's leading hotel Asia's leading luxury hotel India's leading hotel Asia's leading hotel India's leading hotel	World Travel Awards 2010 World Travel Awards 2010 World Travel Awards 2010 World Travel Awards 2009 World Travel Awards 2009
Trident, Bandra Kurla, Mumbai	Amongst the Top 20 Best up and coming hotels Amongst the best new hotels in the world	<i>Travel + Leisure</i> , USA, 2010 <i>Condé Nast Traveller</i> , UK, The Hot List 2010

Corporate Social Responsibility

The Company continues to be committed to environmental conservation and social responsibilities. The Company's hotels pursue initiatives that favourably impact communities located in their vicinity.

The Company contributes to relief funds for emergencies and natural disasters; it supported the reconstruction of a school in the Sundarbans area of West Bengal destroyed by the cyclone *Aila* through Sri Ramakrishna Seva Kendra, a non-profit organisation dedicated to uplifting weaker sections of society.

The Company continues to reduce its carbon footprint with initiatives that include the use of efficient systems that conserve energy and natural resources, reduce waste, ensure recycling and control pollution.

The Oberoi, Bangalore continues to assist the local unit of The Cheshire Homes, India.

The Oberoi Udaivilās, Udaipur and The Oberoi Amarvilās, Agra extend assistance to local chapters of Mother Teresa's Missionaries of Charity.

The Oberoi, New Delhi maintains adjoining areas of the hotel *viz.* Kaka Nagar Flyover and Amir Khusroo Marg. It also supports the aesthetic illumination of the Humayun's Tomb which is in close proximity to the hotel.

The Oberoi Vanyavilās, Ranthambhore assists Tiger Watch, an NGO working for protection and conservation of wildlife at the Ranthambhore Tiger Reserve. The resort has also initiated several programmes to reward and recognise forest guards and their families, including securing personal accident insurance for the forest guards and institution of a scholarship award for their children for higher education. The hotel also compensates villagers who lose their cattle due to tiger attacks.

Trident Nariman Point, Mumbai and The Oberoi, Mumbai work with the Consular Corps of Mumbai to support the underprivileged.

Trident, Gurgaon works with Pallavanjali in offering an environment that provides equal opportunities to young adults who are unable to perform optimally in a traditional academic setting. At present, seven trainees from Pallavanjali are undertaking extensive orientation at the hotel.

Developments in Human Resources and Industrial Relations

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

As on 31st March, 2011, the number of people employed by the Group was 9,605.

For and on behalf of the Board

Gurgaon
30th May, 2011

S. S. MUKHERJI
Vice Chairman

P. R. S. OBEROI
Chairman and Chief Executive

REPORT ON CORPORATE GOVERNANCE

1. The Company's Philosophy on Code of Governance

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

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

2. Board of Directors

As on 31st March, 2011, the Company had eight Directors on the Board. Fifty per cent of the Board comprised of Non-executive Directors. All Non-executive Directors are Independent Directors.

Mr.P.R.S.Oberoi, Chairman and Chief Executive, Mr. S.S.Mukherji, Vice Chairman, Mr. Vikram Oberoi, Chief Operating Officer and Joint Managing Director and Mr. Arjun Oberoi, Chief Planning Officer and Joint Managing Director are Executive Directors. The other four are Non-executive Directors.

The Board met seven times during the Financial Year - on 5th May, 2010, 28th May, 2010, 31st July, 2010, 23rd September, 2010, 28th October, 2010, 24th January, 2011 and 30th March, 2011.

Details of attendance of Directors at Board Meetings during the Financial Year and at the Company's Sixtieth 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 ElH Limited)
			Board Meetings	Last AGM		
Mr. P.R.S. Oberoi	Chairman and Chief Executive	Executive	5	Yes	10	1**
Mr. S.S. Mukherji	Vice Chairman	Executive	7	Yes	5	2
Mr. Vikram Oberoi	Chief Operating Officer and Joint Managing Director	Executive	7	Yes	3	3
Mr. Arjun Oberoi	Chief Planning Officer and Joint Managing Director	Executive	7	Yes	3	2
Mr. S.K. Dasgupta	Director	Non-executive Independent	7	Yes	3	2***
Mr. Rajan Raheja	Director	Non-executive Independent	3	No	7	4**
Mr. Anil Nehru	Director	Non-executive Independent	5	Yes	3	2**
Mr. L. Ganesh	Director	Non-executive Independent	5	No	10	10***

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

** Chairman of one Committee

*** Chairman of two Committees

Mr. Rajan Raheja and Mr. L. Ganesh retire by rotation at the forthcoming Sixty-first Annual General Meeting. They are eligible for re-appointment.

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

All Directors and Members of Senior Management have, as on 31st March, 2011, affirmed their compliance with:-

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

3. Audit Committee

Composition, Meetings and Attendance thereat

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

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

The Audit Committee met on five occasions during the Financial Year - on 28th May, 2010, 31st July, 2010, 28th October, 2010, 24th January, 2011 and 30th March, 2011. Mr. S.K. Dasgupta and Mr. Arjun Oberoi attended all five Meetings. Mr. Anil Nehru attended four Meetings and Mr. Rajan Raheja attended two Meetings.

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

Terms of Reference

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

4. Investors' Grievances Committee

Composition, Meetings & Attendance thereat

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

The quorum for a Meeting is two Directors personally present. A Non-executive Director chairs these Meetings.

The Committee met on four occasions during the Financial Year - on 16th April, 2010, 19th July, 2010, 25th October, 2010 and 17th January, 2011. Mr. S.K. Dasgupta and Mr. S.S. Mukherji attended all four Meetings.

Terms of Reference

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

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

As on 31st March, 2011, pending requests for dematerialisation of shares were 47. These were cleared by the first week of April, 2011. There were 35 physical transfer requests and 2 rematerialisation requests pending as on 31st March, 2011. All valid requests were cleared by 6th April, 2011.

Three complaints were received from investors during the Financial Year. These related to non-receipt of the Company's Annual Report 2009-2010 and were promptly redressed. No complaints were pending as on 31st March, 2011.

5. Remuneration Committee**Composition, Meetings & Attendance threat**

The Board constituted a Remuneration Committee during the Financial Year. The Committee consists 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 are to choose one from amongst those present to chair a Meeting.

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

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

There was no requirement for a Meeting during the Financial Year 2010-2011.

6. Subsidiary Companies

The names of the Company's Subsidiary Companies appear on Page 63 of this Report.

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

7. General Body Meetings

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

Financial Year	Location	Date	Time	Number of Special Resolutions passed
31st March, 2008	The Oberoi Grand, Kolkata	14th August, 2008	11.30 A.M.	Nil
31st March, 2009	The Oberoi Grand, Kolkata	20th August, 2009	11.30 A.M.	Nil
31st March, 2010	The Oberoi Grand, Kolkata	24th August, 2010	11.30 A.M.	Nil

ii) Special Resolution passed through Postal Ballot

A Special Resolution under Section 314(1B) of the Companies Act, 1956 was passed by Postal Ballot on 31st July, 2010.

The Resolution which was approved with 99.86% voting in favour permitted Ms. Priyanka Mukherjee, a relative of a Director, to hold and continue to hold an office or place of profit under the Company at a remuneration in excess of ₹ 50,000 per month.

The required approval from the Central Government, as envisaged under Section 314(1B) of the Companies Act, 1956, has since been received.

iii) Person who conducted the Postal Ballot exercise

Mr. Salil Banerjee, a Practising Company Secretary, appointed as the Scrutiniser, 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, 2001.

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

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

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

	Salary ₹/million	Perquisites and Retirement Benefits ₹/million
Mr. P.R.S. Oberoi	Nil	0.25
Mr. S.S. Mukherji	10.02	1.27
Mr. Vikram Oberoi	5.04	2.84
Mr. Arjun Oberoi	5.04	3.05

B. Commission on Profits (Accrued)

	₹/million
Mr. P.R.S. Oberoi	17.38
Mr. S.S. Mukherji	10.42
Mr. Vikram Oberoi	5.21
Mr. Arjun Oberoi	5.21

Apart from Meeting Fees, no remuneration is paid to Non-executive Directors. Non-executive Directors who attend Board or Committee Meetings are paid ₹ 20,000 per Meeting. During the Financial Year, the total amount paid to Non-executive Directors for attending Board and Committee Meetings amounted to ₹ 800,000.

9. General Disclosures

- (i) A summary of transactions with related parties, in the ordinary course of business, is placed before the Audit Committee;
- (ii) there were no material individual transactions with related parties that were not in the ordinary course of business during the Financial Year ended 31st March, 2011;
- (iii) all material transactions during the Financial Year ended 31st March, 2011, either with related parties or others, were at arms length;
- (iv) there were no materially significant transactions during the Financial Year with related parties such as the Promoters, Directors, key managerial personnel, relatives or subsidiaries that could have potential conflict of interest with the Company;
- (v) the mandatory disclosure of transactions with related parties, in compliance with the Accounting Standard (AS-18), is part of this Annual Report and disclosed on Pages 104 and 105;
- (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, 2011, 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;
- (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; and

- (x) the Company made a Rights Issue of Equity Shares during the Financial Year ended on 31st March, 2011. As already indicated in the Directors' Report, 178,615,442 Equity Shares of face value ₹ 2 were issued at a premium of ₹ 64 per Equity Share for a total amount of ₹ 11,788.62 million. The Issue opened on 1st March, 2011, and closed on 15th March, 2011. The Shares were allotted on 26th March, 2011. Permission to trade in these shares was obtained from the Bombay Stock Exchange and the National Stock Exchange on 30th March, 2011. No other fresh issue of shares took place during the Financial Year ended on 31st March, 2011.

10. Means of Communication

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

The Financial Results of the Company were officially released or would 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 2010-2011)	Newspapers	01.08.2010	31.07.2010
2	Half-yearly Unaudited Financial Statements (Second Quarter 2010-2011)	Newspapers	29.10.2010	28.10.2010
3	Quarterly Unaudited Financial Statements (Third Quarter 2010-2011)	Newspapers	25.01.2011	24.01.2011
4	Publication of Annual Audited Results 2010-2011 in accordance with Clause 41 of the Listing Agreement with the Stock Exchanges	Newspapers	31.05.2011	30.05.2011

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

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

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

11. General Shareholder Information

- a. The Sixty-first Annual General Meeting will be held at 11.30 A.M. on Tuesday, 9th August, 2011, at The Oberoi Grand, Kolkata.**

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

Audited Annual Accounts for 2010-2011	Monday, 30th May, 2011
Mailing of Annual Report for 2010-2011	Friday, 15th July, 2011
Unaudited First Quarter Financial Results 2011-2012	Monday, 8th August, 2011
Sixty-first Annual General Meeting	Tuesday, 9th August, 2011
Payment of Dividend for 2010-2011	Wednesday, 10th August, 2011
Unaudited Second Quarter Financial Results 2011-2012	Monday, 31st October, 2011

- c. Register of Shareholders**

The Register of Shareholders will remain closed from Wednesday, 27th July, 2011 to Tuesday, 9th August, 2011, both days inclusive.

- d. Payment of Dividend**

Warrants relating to dividend in respect of the Financial Year 2010-2011, if declared by the Company at the Sixty-first Annual General Meeting, will be despatched on Wednesday, 10th August, 2011, to those Shareholders whose names will appear in the Register of Shareholders of the Company at the close of business on Tuesday, 26th July, 2011.

- e. Listing of Shares on Stock Exchanges**

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

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

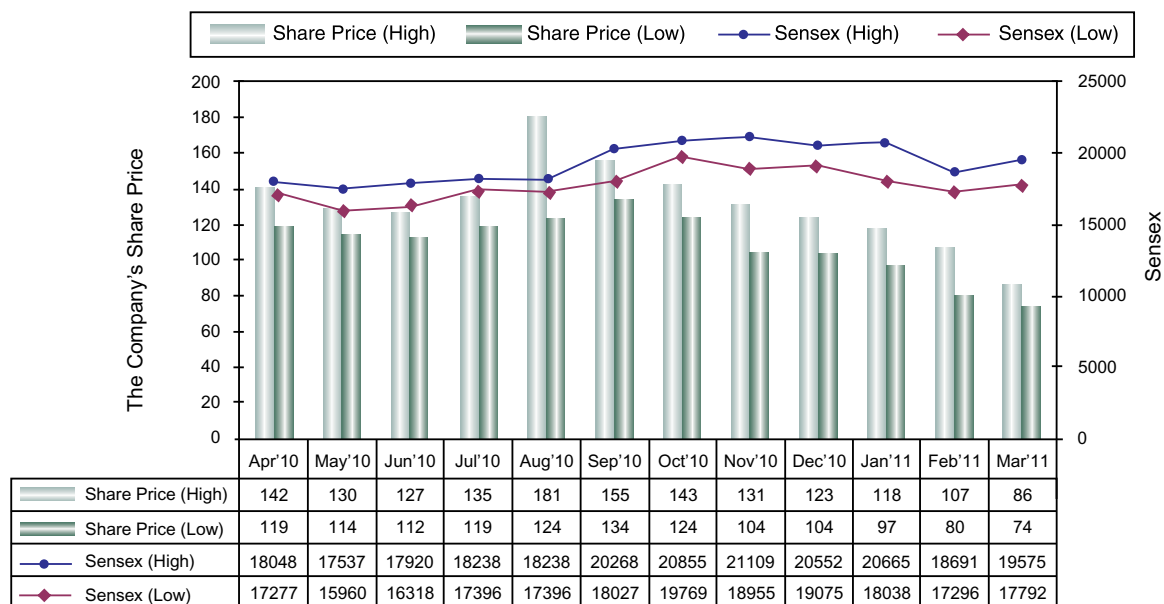
The ISIN Number of the Company's shares in the dematerialised mode is INE 230A01023.

There are no arrears of Listing Fees.

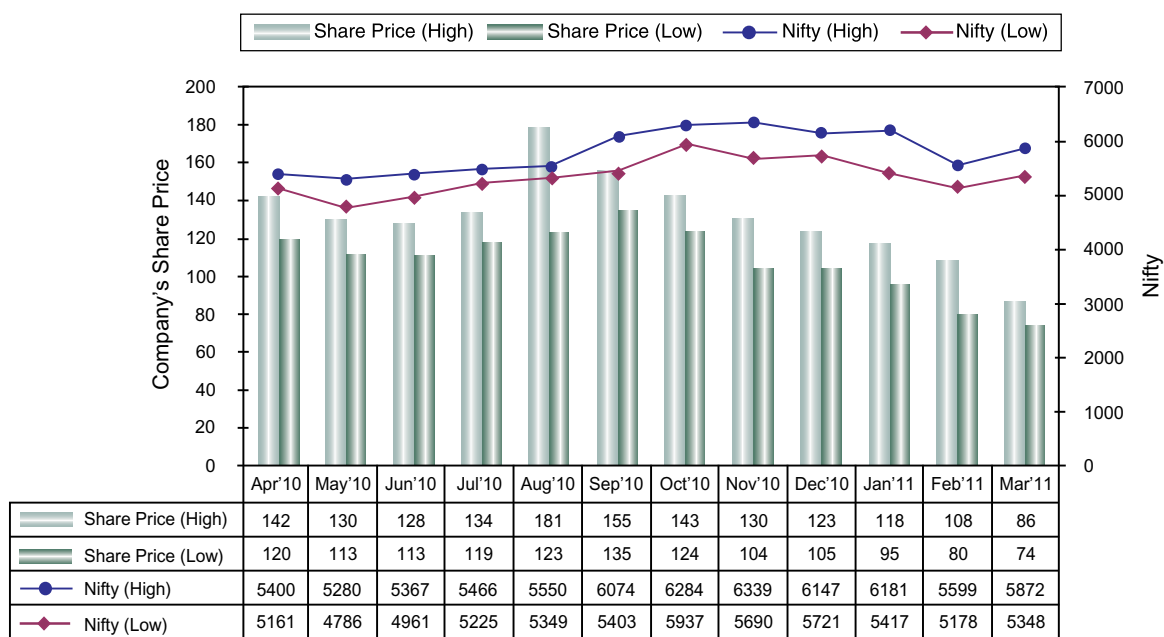
f. Market Price of the Company's Share vis-à-vis Sensex and Nifty (in Rupees)

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

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



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



- (g) Clause 5A of the Listing Agreement requires the Company to open an “Unclaimed Suspense Account” in the dematerialised form with a Depository Participant for crediting physical shares issued to Shareholders consequent upon a public or any other issue of shares by the Company which have remained unclaimed by them. The provisions contemplate that the Company should send at least three reminders to the concerned Shareholders prior to transfer of their shareholding to the “Unclaimed Suspense Account”. One reminder has already been sent by the Company to the registered addresses of the concerned Shareholders. After the third reminder, physical shares lying to the credit of the concerned Shareholders but still unclaimed by them will be transferred to the “Unclaimed Suspense Account”.
- (h) As a further step for moving towards a paperless compliance regime under the Companies Act, 1956, the Company will, effective 1st June, 2011, begin the process of e-mailing documents such as the Annual Report and Accounts, Notices of General Meetings, Circulars and Postal Ballot Notices, to such Shareholders whose e-mail addresses are available to it. The Company has written to all Shareholders for their e-mail addresses. It will also capture Shareholders’ e-mail addresses available with the Depositories as permitted under the Press Release dated 23rd May, 2011 issued by the Ministry of Corporate Affairs. Documents e-mailed to Shareholders will also be readily accessible on the Company’s website www.eihltd.com

12. Outstanding Global Depository Receipts

0.33 million shares of the Company were held as Global Depository Receipts as on 31st March, 2011. These constitute 0.06% of the total Paid-up Share Capital of the Company.

13. Share Transfers

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

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

556.67 million shares of the Company, representing 97.39% of the total shares issued, were held in the dematerialised form as on 31st March, 2011 and 14.90 million shares representing 2.61% of the total shares were held in the physical form. A total of 69,835 (76.75%) Shareholders have, upto 31st March, 2011, dematerialised their shareholdings while the balance 21,151 (23.25%) Shareholders continue to hold shares in the physical form.

14. Distribution of Shareholding as on 31st March, 2011

Shareholding Range	No. of Shareholders	% of Shareholders	No. of Shares (in million)	% of Shareholding
Upto 1000	72,694	79.82	18.68	3.27
1001-5000	15,947	17.59	32.20	5.63
5001-10000	1,487	1.64	10.28	1.80
10001-50000	695	0.77	12.99	2.27
50001-100000	56	0.06	3.81	0.67
100001 and above	107	0.12	493.61	86.36
Total	90,986	100.00	571.57	100.00

15. Pattern of Shareholding as on 31st March, 2011

Category	No. of Shares held (in million)	Percentage of Shareholding
A. Promoter Holding	193.59	33.87
B. Non-Promoter Holding		
Institutional Investors		
a. Mutual Funds	1.55	0.27
b. Banks, Financial Institutions and Insurance Companies	74.17	12.98
c. FII	10.88	1.90
Sub Total	86.60	15.15
Others		
a. Private Corporate Bodies	212.80	37.23
b. Indian Public	77.15	13.50
c. NRIs/OCBs	1.10	0.19
d. Other than above	0.33	0.06
Sub Total	291.38	50.98
Total Non-Promoter Holding	377.98	66.13
GRAND TOTAL	571.57	100.00

16. Unclaimed Dividends

All unclaimed Dividends upto and including the Financial Year ended 31st March, 2003, have been transferred either to the General Revenue Account of the Central Government or to the Investor Education and Protection Fund ("IEPF") as mandated under law.

Shareholders who have not cashed their Dividend Warrants relating to the subsequent Financial Years are reminded by the Investors Services Division from time to time to claim their dividends before transfer to the IEPF. Under law, no claim for uncashed dividends can lie against either the Company or the IEPF after a period of seven years from the date of disbursement. Therefore, Shareholders who have not yet cashed their Dividend Warrants relating to the Financial Year ended 31st March, 2004 and subsequent years are requested to contact the Investors Services Division.

17. Location of Hotels

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

18. Address for Correspondence

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

Correspondence from Shareholders on all matters excepting those relating to the Rights Issue of Equity Shares should be addressed to :

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

Correspondence in relation to the Rights Issue of Equity Shares should be addressed to:

Mr. S. Ganapathy Subramanian/Ms. C. Shobha Anand
Karvy Computershare Private Limited
Plot Nos. 17-24, Vittal Rao Nagar
Madhopur
Hyderabad-500 081
Telephone: +91-40-4465/5151
Fax No. +91-40-2343 1551
e-mail: ganapathy@karvy.com
shobha@karvy.com

Karvy Computershare Private Limited will handle all Rights Issue of Equity Shares related correspondence till 14th March, 2012. Correspondence thereafter will be dealt with directly by the Company's Investors Services Division in Kolkata.

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

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

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

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

21. Compliance Certificate of the Auditors

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

For and on behalf of the Board

Gurgaon
30th May, 2011

S. S. MUKHERJI
Vice Chairman

P. R. S. OBEROI
Chairman and Chief Executive

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

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

B. Companies Not Incorporated in India

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

Locations of the Various Hotels and Other Business Units

A. Hotels owned and managed by EIH Limited

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

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

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

C. Hotels managed by EIH Limited

The Oberoi, Gurgaon
Trident, Gurgaon

D. Other Business Units owned and managed by EIH Limited

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

Luxury Car Hire

Business Aircraft Charters

Note:

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

AUDITOR'S CERTIFICATE

To
The Members of
EIH Limited

We have examined the compliance of conditions of Corporate Governance by EIH Limited for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

For RAY & RAY
Chartered Accountants

A.K. Sharma
Partner

Gurgaon
30th May, 2011

Membership Number 80085
Firm's Registration Number 301072E

Persons constituting Group coming with the definition of “group” for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Sl.No.	Name of the Person
1.	Mr. P.R.S. Oberoi
2.	Mr. S.S. Mukherji
3.	Mr. Vikram Oberoi
4.	Mr. Arjun Oberoi
5.	Mr. Deepak Madhok
6.	Oberoi Hotels Private Limited
7.	Oberoi Properties Private Limited
8.	Oberoi Holdings Private Limited
9.	Oberoi Investments Private Limited
10.	Oberoi Building and Investments Private Limited
11.	Oberoi Plaza Private Limited
12.	Bombay Plaza Private Limited
13.	Oberoi Leasing & Finance Company Private Limited
14.	Aravali Polymers LLP

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

Particulars	Mercury Car Rentals Limited, India	EIH International Limited, British Virgin Islands	Mashobra Resort Limited, India	Mumtaz Hotels Limited, India	EIH Flight Services Limited, Mauritius	Oberoi Kerala Hotels and Resorts Limited, India	EIH Holdings Limited, British Virgin Islands	EIH Marrakech Limited, British Virgin Islands
Financial year ending of the Subsidiary	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11
No. of shares held in the Subsidiary Company or by Subsidiary Company in the Sub-subsidiary Company at the end of financial year of the Subsidiary or Sub-subsidiary Company as the case may be Extent of Holding as on 31st March, 2011	3,277,777 Equity Shares of ₹ 10 each, fully paid-up 66.67%	89,607,800 Ordinary Shares of US\$ 1 each, fully paid-up 100.00%	25,999,995 Equity Shares of ₹ 10 each, fully paid-up 78.79%	12,390,000 Equity Shares of ₹ 10 each, fully paid-up 60.00%	16,014,721 Ordinary Shares of Mauritius Rupee 10 each, fully paid-up 100.00%	2,176,000 Equity Shares of ₹ 10 each, fully paid-up 80.00%	30,085,714 Ordinary Shares of US\$ 1 each, fully paid-up 100.00%	100 Ordinary Shares of US\$ 1 each, fully paid-up 100.00%
	₹ in Million	US\$ in Million	₹ in Million	₹ in Million	Mauritian Rupees in Million	₹ in Million	US\$ in Million	US\$ in Million
Net aggregate amount, so far as it concerns members of the holding Company, and is not dealt with in the Company's accounts, of the subsidiary's profits/(losses)								
a) For the subsidiary Company's financial year ended 31st March, 2011	(10.92)	–	6.84	64.67	(108.71)	(0.05)	2.17	–
b) For the subsidiary Company's previous financial years	(6.53)	–	(689.54)	175.21	(31.60)	(6.66)	14.32	–
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, 2011	–	10.59	–	61.95	–	–	–	–
b) For the subsidiary Company's previous financial years	10.13	1.69	–	30.98	–	–	–	–

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

Particulars	J&W Hongkong Limited, Hongkong	Oberoi Turtle Bay Limited, Mauritius	EIHH Corporation Limited, Hongkong	EIH Investments N.V., Netherlands Antilles	EIH Management Services B.V., The Netherlands	PT Widja Putra Karya, Indonesia	PT Waka Oberoi Indonesia, Indonesia	PT Astina Graha Ubud, Indonesia
Financial year ending of the Subsidiary	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11	31.03.11
No. of shares held in the Subsidiary Company or by Subsidiary Company in the Sub-subsidiary Company at the end of financial year of the Subsidiary or Sub-subsidiary Company as the case may be Extent of Holding as on 31st March, 2011	10,000,000 Ordinary Shares of US\$ each fully paid-up	250 Ordinary Shares of Mauritian Rupee 100 each paid-up	100 Ordinary Shares of \$HK 1 each	6,000 Common Shares of US\$ 1 each	364 Shares of Euros 50 each	7,749 Shares of Rp 100,000 each	19,060 Shares of Rp 1,017,000 each	1,560 Ordinary Shares of US\$ 1000 each
	100.00%	100.00%	100.00%	100.00%	100.00%	70.00%	83.23%	60.00%
	US\$ in Million	Mauritian Rupees in Million	US\$ in Million	US\$ in Million	Euro in Million	Indonesian Rupiah in Million	Indonesian Rupiah in Million	Indonesian Rupiah in Million
Net aggregate amount, so far as it concerns members of the holding Company, and is not dealt with in the Company's accounts, of the subsidiary's profits/(losses)								
a) For the subsidiary Company's financial year ended 31st March, 2011	0.73	(0.04)	–	(0.35)	0.41	6,923.10	8,207.80	–
b) For the subsidiary Company's previous financial years	–	(0.84)	–	0.45	1.10	(10,134.46)	(203,848.83)	–
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, 2011	–	–	–	–	–	–	–	–
b) For the subsidiary Company's previous financial years	–	–	–	–	–	–	–	–

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

Directors

Gurgaon
 30th May, 2011

GAUTAM GANGULI
 Company Secretary

AUDITOR'S REPORT

To
The Members of
EIH Limited

1. We have audited the attached Balance Sheet of EIH LIMITED ("the Company") as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956 ('the Act'), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i) we have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - v) on the basis of written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with Schedules 1 to 24 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, 2011;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For RAY & RAY
Chartered Accountants

A. K. Sharma
Partner

Membership Number 80085
Firm's Registration Number 301072E

Gurgaon
30th May, 2011

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- i (a) The Company has 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 are being reconciled.
- (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 has 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 and have been properly dealt with in the books of account.
- iii (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- (b) In view of our comments in paragraph iii (a) above, the provisions of Clauses iii (b), iii (c) and iii (d) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- (c) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- (d) In view of our comment in paragraph iii (c) above, clauses iii (f) and iii (g) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- iv In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system of the Company.
- v On the basis of our examination of the books of account and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Act have been so entered. According to the information and explanations given to us, there are no transactions during the year that need to be entered into the Register maintained under Section 301 of the Act and therefore, clause v(b) of paragraph 4 of the aforesaid Order is not applicable to the Company.
- vi The Company has not accepted any deposit from the public during the year under

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

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

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

- (b) According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, wealth tax, service tax, value added tax/sales tax, customs duty, excise duty and cess which were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of wealth tax, and cess which have not been deposited on account of any dispute other than disputed income tax, value added tax/sales tax, customs duty, excise duty and service tax as indicated below:

Sl.No.	Name of the Statute	Nature of the dues	Forum where dispute is pending	Amount (Rupees in Million)
1	Income Tax Act, 1961	i) Income Tax	CIT (Appeals) for Assessment Years 2007-08 & 2008-09	220.45
			ITAT, Kolkata for Assessment Years 2002-03, 2003-04, 2004-05, 2005-06 & 2006-07	370.54
		ii) Fringe Benefit Tax	CIT(Appeals) for Assessment Years 2006-07 & 2007-08	2.63
			TOTAL	593.62
2.	Income Tax Act, 1961	Tax Deducted at Source	Commissioner of Income Tax (Appeals) for Assessment Years 2005-06 & 2007-08	5.25
			Commissioner of Income Tax (Appeals) Delhi for 2004-2005 to 2007-2008	9.37
			TOTAL	14.62

Sl.No.	Name of the Statute	Nature of the dues	Forum where dispute is pending	Amount (Rupees in Million)
3.	Sales Tax Acts of various States	Sales Tax	Maharashtra Sales Tax Tribunal, Mumbai for 1999-2000 to 2004-05	15.14
			Additional Commissioner (Appellate Board)/Tribunal, Kolkata for 2004-05	4.27
			Deputy Commissioner, Sales Tax, Mumbai for 2005-06	3.07
			Sr. Jt. Commissioner of Sales Tax/ Additional Commissioner of Sales Tax for 2005-06 & 2007-08	6.11
			High Court, Chennai for 2005-06	2.58
			TOTAL	31.17
4.	Customs Act, 1962	Custom Duty	CESTAT/Tribunal for 2008-09	429.66
			TOTAL	429.66
5.	Central Excise Act, 1944	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal for 2002-03 to 2005-06	35.33
			TOTAL	35.33
6.	Service Tax	Service Tax	Commissioner of Service Tax for 2004-05 to 2006-07	30.81
			CESTAT, Delhi for 2004-05 & 2005-06	3.86
			Show Cause Notice served, Appeal is yet to be filed for 2004-05 to 2007-08 and 2009-10	14.33
			Commissioner of Central Excise (Appeals), Cochin for 2004-05 to 2006-07	1.11
			Appeal is in process of being filed for 2002 to 2006 to Commissioner of Central Excise.	0.27
			TOTAL	50.38

- x The Company has no accumulated losses and has not incurred any cash loss during the year covered by our Report and in the immediately preceding financial year.
- xi Based on our audit procedures and, according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. There are no debenture holders.
- xii The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- xiii In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, the provisions of Clause (xiii) of paragraph 4 of the aforesaid order are not applicable to the Company.

- xiv In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. However, reasonable records have been maintained of shares and securities held as investments. All the shares and securities held by the Company as investments are in its own name. However, the provisions of Clause (xiv) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- xv The Company has given guarantees for loans taken by its subsidiaries and associate company from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions on which the Company has given guarantees for loans taken from banks and financial institutions are not, *prima-facie*, prejudicial to the interest of the Company.
- xvi According to the information and explanations given to us, the term loans raised by the Company have been applied for the purpose for which they were raised.
- xvii According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- xviii According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies/firms covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (xviii) of paragraph 4 of the aforesaid order are not applicable to the Company.
- xix The Company has not issued unsecured debentures during the year under audit. Accordingly, the provisions of clause (xix) of paragraph 4 of the aforesaid Order are not applicable to the Company.
- xx We have verified the end use of money raised by the Rights Issue of Equity Shares as disclosed in Note 3 of Notes to the Accounts (Schedule 24).
- xxi During the course of our audit of the books of accounts of the Company, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the Management.

For RAY & RAY
Chartered Accountants

A. K. SHARMA
Partner

Gurgaon
30th May, 2011

Membership Number 80085
Firm's Registration Number 301072E

Balance Sheet

as at 31st March, 2011

			As at 31st March	
SOURCES OF FUNDS	Schedule	Rupees Million	2011 Rupees Million	2010 Rupees Million
SHAREHOLDERS' FUNDS				
CAPITAL	1	1,143.14		785.91
RESERVES AND SURPLUS	2	24,734.84		13,384.98
			25,877.98	14,170.89
LOAN FUNDS				
SECURED LOANS	3	8,239.68		11,745.37
UNSECURED LOANS	4	—		850.00
			8,239.68	12,595.37
DEFERRED TAX - NET	5		1,499.04	1,328.41
TOTAL			35,616.70	28,094.67
APPLICATIONS OF FUNDS				
FIXED ASSETS	6			
GROSS BLOCK		26,196.91		24,860.88
Less : DEPRECIATION		5,633.78		4,880.54
NET BLOCK		20,563.13		19,980.34
CAPITAL WORK-IN-PROGRESS		1,275.87		1,744.64
			21,839.00	21,724.98
INVESTMENTS	7		6,051.39	3,782.37
CURRENT ASSETS, LOANS AND ADVANCES				
INTEREST ACCRUED		5.89		3.27
INVENTORIES	8	336.74		300.61
SUNDRY DEBTORS	9	1,265.57		992.19
CASH AND BANK BALANCES	10	5,942.81		137.72
LOANS AND ADVANCES	11	2,928.72		3,693.15
		10,479.73		5,126.94
Less : CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES	12	2,000.36		1,870.19
PROVISIONS	13	753.06		669.43
		2,753.42		2,539.62
NET CURRENT ASSETS			7,726.31	2,587.32
TOTAL			35,616.70	28,094.67
SIGNIFICANT ACCOUNTING POLICIES	23			
NOTES TO THE ACCOUNTS	24			

Schedules 1 to 13, 23 & 24 referred to above form an integral part of the Balance Sheet.

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

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E
Gurgaon, 30th May, 2011

GAUTAM GANGULI
Company Secretary

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

Profit and Loss Account for the year ended 31st March, 2011

	Schedule	Year ended 31st March	
		2011 Rupees Million	2010 Rupees Million
INCOME			
GUEST ACCOMMODATION, RESTAURANTS, BARS & BANQUETS, ETC.	14	9,686.01	7,741.31
OTHER INCOME	15	1,743.48	1,331.42
		<u>11,429.49</u>	<u>9,072.73</u>
EXPENDITURE			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	16	1,385.12	1,190.15
EMPLOYEES' REMUNERATION & WELFARE EXPENSES	17	3,188.78	2,448.02
UPKEEP & SERVICE COST	18	1,496.39	1,203.10
ADMINISTRATIVE, SELLING AND OTHER EXPENSES	19	2,018.72	1,652.41
INTEREST AND FINANCE CHARGES (Note 15)	20	1,551.94	1,008.85
DEPRECIATION (Note 9)		874.35	680.31
		<u>10,515.30</u>	<u>8,182.84</u>
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX AND EXCEPTIONAL ITEMS		914.19	889.89
EXCEPTIONAL ITEMS - LOSS (NET)	21	(44.18)	-
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX		870.01	889.89
TAX	22	224.61	317.62
PROFIT FROM ORDINARY ACTIVITIES AFTER TAX		645.40	572.27
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		3,083.21	3,158.64
		<u>3,728.61</u>	<u>3,730.91</u>
APPROPRIATIONS			
GENERAL RESERVE		128.08	100.00
PROPOSED DIVIDEND ON			
EQUITY SHARES		514.41	471.54
TAX ON DIVIDEND		71.39	76.16
BALANCE CARRIED TO BALANCE SHEET		3,014.73	3,083.21
		<u>3,728.61</u>	<u>3,730.91</u>
SIGNIFICANT ACCOUNTING POLICIES	23		
NOTES TO THE ACCOUNTS	24		
BASIC AND DILUTED EARNINGS PER SHARE (in Rupees) Face Value ₹ 2 (Note 17)		1.63	1.46

Schedules 14 to 24 referred to above
form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred
to in our report of even date.

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E
Gurgaon, 30th May, 2011

GAUTAM GANGULI
Company Secretary

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

Cash Flow Statement

	Year ended 31st March	
	2011 Rupees Million	2010 Rupees Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	870.01	889.89
Adjustments for :		
Depreciation	874.35	680.31
(Profit)/Loss on Sale of Fixed Assets (Net) - Including Exceptional profit of ₹ 325.65 Million (2010 - ₹ Nil)	(242.08)	25.80
Provision for diminution in value of investments	0.50	–
Interest Income	(42.12)	(50.71)
Dividend Income	(941.12)	(23.83)
Interest Expenditure	1,551.94	1,008.85
Operating Profit before Working Capital Changes	2,071.48	2,530.31
Adjustments for :		
Trade & Other Receivables	560.98	(330.09)
Inventories	(36.13)	3.02
Trade Payables	172.15	(400.93)
Cash Generated from Operations	2,768.48	1,802.31
Interest Paid	(1,562.49)	(990.03)
Payment of Direct Taxes	(363.60)	(262.98)
Net cash from Operating Activities	842.39	549.30
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,358.05)	(2,656.99)
Sale of Fixed Assets	581.79	25.08
Purchase of Investments	(2,102.10)	(284.25)
Interest Received	35.59	178.46
Dividend Received	941.12	23.83
Cash used in Investing Activities	(1,901.65)	(2,713.87)

Cash Flow Statement — *Contd.*

	Year ended 31st March	
	2011 Rupees Million	2010 Rupees Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue of Equity Shares	11,788.62	–
Share Issue expenses	(111.14)	–
Proceeds from Borrowings		
Term Loans	4,100.00	2,400.00
Cash Credit	–	532.44
Unsecured Loan	–	850.00
Repayment of		
Term Loans	(7,061.60)	(1,431.70)
Cash Credit	(532.44)	–
Unsecured Loans	(850.00)	–
Dividend Paid	(469.09)	(469.63)
Net Cash used in Financing Activities	6,864.35	1,881.11
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	5,805.09	(283.46)
Cash and Cash Equivalents at the beginning of the year	137.72	421.18
Cash and Cash Equivalents at the end of the year	5,942.81	137.72

Notes :

1. 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.
2. Cash and Cash Equivalents represent Cash and Bank balances.
3. Additions to Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between the beginning and the end of the year and are treated as part of Investing Activities.

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

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E

Gurgaon, 30th May, 2011

GAUTAM GANGULI
Company Secretary

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

Schedules to Accounts

		As at 31st March	
		2011 Rupees Million	2010 Rupees Million
1			
SHARE CAPITAL			
AUTHORISED			
1,500,000,000 Equity Shares of ₹ 2 each		3,000.00	3,000.00
(2010 - 1,500,000,000)			
		<u>3,000.00</u>	<u>3,000.00</u>
ISSUED, SUBSCRIBED, CALLED & PAID UP			
571,569,414 Equity Shares of ₹ 2 each, fully paid up (Note 3)		1,143.14	785.91
(2010 - 392,953,972)			
		<u>1,143.14</u>	<u>785.91</u>

NOTES :

Out of the above the following were allotted :

- (a) as fully paid up shares -
 - (i) 3,219,125 shares of ₹ 2 each in 1965-66 as fully paid up pursuant to a contract without payments being received in cash.
 - (ii) 181,720 shares of ₹ 2 each in 1968-69 in terms of the Order of the Calcutta High Court dated 9th September, 1968 under the Scheme of Compromise/Arrangement without payments being received in cash.
- (b) as fully paid up Bonus Shares -
 - (i) 6,688,725 shares of ₹ 2 each in 1979-80 by capitalisation of General Reserve.
 - (ii) 24,765,655 shares of ₹ 2 each in 1984-85 by capitalisation of General Reserve.
 - (iii) 23,603,520 shares of ₹ 2 each in 1992-93 by capitalisation of Securities Premium Account.
 - (iv) 87,321,495 shares of ₹ 2 each in 1996-97 by capitalisation of Securities Premium Account.
 - (v) 130,984,657 shares of ₹ 2 each in 2006-07 by capitalisation of Securities Premium Account.
- (c) 178,615,442 shares of face value ₹ 2 each have been allotted as fully paid up shares at a premium of ₹ 64 per share to the shareholders on Rights basis during 2010-11.

Schedules to Accounts — *Contd.*

		As at 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
2			
RESERVES AND SURPLUS			
CAPITAL REDEMPTION RESERVE			
As per last Account		1,024.21	1,024.21
SECURITIES PREMIUM ACCOUNT			
As per last Account	1,053.16		1,053.16
Add : Premium on Rights Issue of shares during current year	11,431.39		—
(Note 3)	12,484.55		1,053.16
Less : Share Issue expenses written off (Note 3)	111.14		—
		12,373.41	1,053.16
REVALUATION RESERVE (Note 8a)			
As per last Account	2,352.48		2,382.47
Less : Adjustment for Depreciation (Note 9b)	29.99		29.99
		2,322.49	2,352.48
GENERAL RESERVE			
As per last Account	5,871.92		5,771.92
Add : Transfer from Profit & Loss Account	128.08		100.00
		6,000.00	5,871.92
PROFIT AND LOSS ACCOUNT			
As per annexed Account		3,014.73	3,083.21
		24,734.84	13,384.98

Schedules to Accounts — *Contd.*

	As at 31st March	
	2011 Rupees Million	2010 Rupees Million
3		
SECURED LOANS (Note 3)		
TERM LOAN FROM BANKS	8,239.68	11,212.93
CASH CREDIT FROM BANKS	—	532.44
	<u>8,239.68</u>	<u>11,745.37</u>
PARTICULARS OF TERM LOANS		
TERM LOANS FROM BANKS		
STATE BANK OF INDIA - T/L I		
₹ 600 Million (2010 - ₹ 450 Million) repayable within one year	600.00	1,050.00
INTEREST ACCRUED AND DUE ON STATE BANK OF INDIA - T/L I	5.35	—
STATE BANK OF INDIA - T/L II		
₹ 1,100 Million (2010 - ₹ 600 Million) repayable within one year	3,800.00	4,400.00
INTEREST ACCRUED AND DUE ON STATE BANK OF INDIA - T/L II	34.33	—
UNITED BANK OF INDIA - T/L I		
₹ Nil (2010 - ₹ 720 Million) repayable within one year	—	720.00
INTEREST ACCRUED AND DUE ON UNITED BANK OF INDIA - T/L I	—	25.77
UNITED BANK OF INDIA - T/L II		
₹ Nil (2010 - ₹ 83.30 Million) repayable within one year	—	1,000.00
INTEREST ACCRUED AND DUE ON UNITED BANK OF INDIA - T/L II	—	25.56
AXIS BANK LIMITED		
₹ Nil (2010 - ₹ 425 Million) repayable within one year	—	425.00
STATE BANK OF HYDERABAD - T/L I		
₹ 800 Million (2010 - ₹ 500 Million) repayable within one year	800.00	1,300.00
STATE BANK OF HYDERABAD - T/L II		
₹ Nil (2010 - ₹ 366.60 Million) repayable within one year	—	366.60
THE HONGKONG & SHANGHAI BANKING CORPORATION LIMITED (HSBC)		
₹ 500 Million (2010 - ₹ Nil) repayable within one year	1,000.00	1,000.00
HDFC BANK LIMITED	—	900.00
ICICI BANK LIMITED	2,000.00	—
	<u>8,239.68</u>	<u>11,212.93</u>

PARTICULARS OF SECURITIES:

Term Loan from State Bank of India (T/L I) is secured by way of equitable mortgage by deposit of title deeds in respect of the Company's hotel in Mumbai known as Trident, Nariman Point.

Term Loan from State Bank of India (T/L II) is secured by way of first charge on movable fixed assets of the Company's hotel in Mumbai known as Trident, Bandra Kurla, both present and future and by way of equitable mortgage by deposit of title deeds of the said hotel property.

Term Loan from State Bank of Hyderabad (T/L - I) is secured by way of equitable mortgage by deposit of title deeds of the Company's hotel in Kolkata known as The Oberoi Grand.

Term loans from HSBC and ICICI Bank Limited are 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*. Creation of equitable mortgage in favour of ICICI Bank Limited, ranking *pari passu*, is in progress.

	Rupees Million	Rupees Million
CASH CREDIT FROM BANKS		
UNITED BANK OF INDIA	—	509.06
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	—	23.38
	<u>—</u>	<u>532.44</u>

Cash Credit arrangements are secured by way of hypothecation of all stocks 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.

Schedules to Accounts — *Contd.*

		As at 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
4			
UNSECURED LOANS			
SHORT TERM LOANS FROM BANKS			
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED		–	100.00
THE ROYAL BANK OF SCOTLAND N.V.		–	750.00
		–	850.00
5			
DEFERRED TAX - NET			
DEFERRED TAX LIABILITIES			
DEPRECIATION		1,632.95	1,481.08
DEFERRED TAX ASSETS			
UNABSORBED DEPRECIATION	9.15		–
ACCRUED EXPENSES DEDUCTIBLE ON PAYMENT	38.35		74.14
LEAVE ENCASHMENT	14.60		7.84
PROVISION FOR DEBTS AND ADVANCES	71.81		70.69
		133.91	152.67
DEFERRED TAX LIABILITIES (NET)		1,499.04	1,328.41

Schedules to Accounts — Contd.

6 FIXED ASSETS	Rupees in Million									
	GROSS BLOCK					DEPRECIATION				NET BLOCK
	Original Cost/ Revaluation as at 31st March, 2010	Additions	Sales/ Adjustments	Original Cost/ Revaluation as at 31st March, 2011	As at 31st March, 2010	For the Year	Less: Sales/ Adjustments	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Business Rights (Intangible Assets)	78.72	-	-	78.72	78.72	-	-	78.72	-	-
Freehold Land including development cost	1,514.76	23.09	228.14	1,309.71	-	-	-	-	1,309.71	1,514.76
Leasehold Land	2,636.62	-	-	2,636.62	11.03	26.77	-	37.80	2,598.82	2,625.59
Buildings (Note 8b)	10,117.54	894.81	105.32	10,907.03	1,675.45	207.05	41.53	1,840.97	9,066.06	8,442.09
Sanitary Installation	591.77	149.14	15.96	724.95	68.28	12.45	5.76	74.97	649.98	523.49
Plant & Machinery	7,508.12	490.18	80.04	7,918.26	2,220.90	450.01	52.97	2,617.94	5,300.32	5,287.22
Leased Machinery (Note 10)	239.43	-	-	239.43	18.59	17.77	-	36.36	203.07	220.84
Furniture & Fittings	1,173.48	137.61	23.66	1,287.43	511.50	93.30	22.14	582.66	704.77	661.98
Vehicles	253.32	75.29	13.87	314.74	120.68	31.90	9.95	142.63	172.11	132.64
Leased Vehicles (Note 10)	107.34	56.30	23.55	140.09	47.65	30.69	18.69	59.65	80.44	59.69
Boats	49.51	0.40	0.25	49.66	10.71	1.34	0.06	11.99	37.67	38.80
Aircrafts	590.27	-	-	590.27	117.03	33.06	-	150.09	440.18	473.24
Capital Work-in-Progress including Capital advances considered good	24,860.88	1,826.82	490.79	26,196.91	4,880.54	904.34	151.10	5,633.78	20,563.13	19,980.34
₹ 217.97 Million; (2010 - ₹ 42.70 Million)	1,744.64	1,254.41	1,723.18	1,275.87	-	-	-	-	1,275.87	1,744.64
Previous year	26,605.52	3,081.23	2,213.97	27,472.78	4,880.54	904.34	151.10	5,633.78	21,839.00	21,724.98
	24,158.39	8,750.01	6,302.88	26,605.52	4,329.21	710.30	158.97	4,880.54	21,724.98	

Schedules to Accounts — *Contd.*

		As at 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
7			
INVESTMENTS			
Long Term Investments			
Trade Investments			
Quoted –			
7,071,333 (2010 - 7,071,333) Equity Shares of ₹ 10 each of EIH Associated Hotels Limited fully paid		596.34	596.34
200,000 (2010 - 200,000) Equity Shares of ₹ 10 each of Royale Manor Hotels and Industries Limited fully paid		2.00	2.00
25,000 (2010 - 25,000) Equity Shares of ₹ 10 each of Tourism Finance Corporation of India Limited fully paid		0.50	0.50
Unquoted –			
18,720,000 (2010 - 18,720,000) Equity Shares of ₹ 10 each of L&T Bangalore Airport Hotel Limited fully paid (Note 27)		187.20	187.20
25,950,000 (2010 - 25,950,000) Equity Shares of ₹ 10 each of Golden Jubilee Hotels Limited fully paid		259.50	259.50
Subsidiary Companies			
Unquoted			
89,607,800 (2010 - 44,607,800) Equity Shares of \$1 each of EIH International Limited fully paid		4,010.79	1,908.74
25,999,995 (2010 - 25,999,995) Equity Shares of ₹ 10 each of Mashobra Resort Limited fully paid		260.04	260.04
2,176,000 (2010 - 2,176,000) Equity Shares of ₹ 10 each of Oberoi Kerala Hotels and Resorts Limited fully paid		21.76	21.76
12,390,000 (2010 - 12,390,000) Equity Shares of ₹ 10 each of Mumtaz Hotels Limited fully paid		394.72	394.72
3,277,777 (2010 - 3,277,777) Equity Shares of ₹ 10 each of Mercury Car Rentals Limited fully paid		55.00	55.00
16,014,721 (2010 - 5,386,839) Equity Shares of Mauritius Rupees 10 each of EIH Flight Services Limited, Mauritius fully paid		244.59	77.17
50,000 (2010 - 50,000) Equity Shares of ₹ 10 each of EIH Flight Catering Services Limited fully paid	0.50		0.50
<i>Less : Provision for diminution in value of investments</i>	0.50		–
		–	0.50

Schedules to Accounts — *Contd.*

	Rupees Million	As at 31st March	
		2011 Rupees Million	2010 Rupees Million
7			
INVESTMENTS - <i>Contd.</i>			
Others - Investments			
– in Shares (Unquoted)			
849,575 (2010 - 849,575) Equity Shares of ₹ 10 each of Mercury Travels Limited fully paid		18.69	18.69
Nil (2010 - 75,000) Equity Shares of ₹ 10 each of CCA Leisure Services Private Limited fully paid	–		0.75
<i>Less</i> : Provision for diminution in value of Investments	–		0.75
		–	–
– in Government Securities (Unquoted) Non Trade			
7 year National Savings Certificate (Note 6)		0.26	0.21
		6,051.39	3,782.37
		Book Value Rupees Million	Market Value Rupees Million
Quoted		598.84 (598.84)	1,085.06 (926.13)
Unquoted		5,452.55 (3,183.53)	
		6,051.39 (3,782.37)	

(Figures in brackets represent figures for 2010)

In 2010, 6,525,391.931 Units of HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvest at cost were purchased and sold at a price of ₹ 80.00 Million. (Non Trade)

Schedules to Accounts — *Contd.*

		As at 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
8			
INVENTORIES (Note 13)			
Provisions, Wines & Others (Notes 23)		137.73	128.50
Stores & Operating Supplies		199.01	172.11
		<u>336.74</u>	<u>300.61</u>
9			
SUNDRY DEBTORS (Unsecured)			
Debts outstanding for a period exceeding six months			
Considered good	27.39		30.68
Considered doubtful	29.69		26.13
	<u>57.08</u>		<u>56.81</u>
Other Debts			
Considered good	1,238.18		961.51
		1,295.26	1,018.32
Less : Provision for Doubtful Debts		29.69	26.13
		<u>1,265.57</u>	<u>992.19</u>
Note:			
Amounts due from Subsidiary Companies (Considered good)			
– For a period exceeding six months		–	–
– Other Debts			
Mashobra Resort Limited		–	0.60
Mumtaz Hotels Limited		22.88	24.01
EIH Flight Services, Mauritius		4.94	–
Oberoi Kerala Hotels & Resorts Limited		–	0.01

Schedules to Accounts — *Contd.*

		As at 31st March	
10	Rupees Million	2011 Rupees Million	2010 Rupees Million
CASH & BANK BALANCES			
Cash in hand including cheques in hand ₹ 48.41 Million (2010 - ₹ 25.32 Million)		72.82	44.92
Bank Balances :			
With Scheduled Banks :			
Current Accounts (Note 3)	520.78		25.40
Fixed Deposits (Note 3 & 6)	5,309.34		31.96
Unpaid Dividend Accounts	27.69		25.24
Margin Accounts	2.21		1.90
Escrow Accounts / Fractional Share sale proceeds (against Bonus Issue)	0.20		0.21
		5,860.22	
With Others :			
Fixed Deposits with Mashreqbank, Dubai (Maximum Balance during the year ₹ 0.61 Million; 2010 - ₹ 0.70 Million)		0.61	0.61
Current Accounts with :			
Citibank, New York (Maximum Balance during the year ₹ 5.69 Million; 2010 - ₹ 6.00 Million)		0.02	0.11
The Hongkong and Shanghai Banking Corporation Limited, Singapore (Maximum Balance during the year ₹ 3.73 Million; 2010 - ₹ 3.58 Million)		0.14	0.08
Hongkong Bank of Australia Limited, Sydney (Maximum Balance during the year ₹ 5.10 Million; 2010 - ₹ 3.31 Million)		0.11	0.06
The Hongkong and Shanghai Banking Corporation Limited, London (Maximum Balance during the year ₹ 13.36 Million; 2010 - ₹ 8.93 Million)		7.72	6.51
Mashreqbank, Dubai (Maximum Balance during the year ₹ 1.61 Million; 2010 - ₹ 2.22 Million)		1.17	0.72
		5,942.81	137.72

Schedules to Accounts — *Contd.*

		As at 31st March	
11	Rupees Million	2011 Rupees Million	2010 Rupees Million
LOANS AND ADVANCES (Unsecured)			
(Considered good, unless otherwise stated)			
Loans to Subsidiary Companies : (Note 14)			
Mashobra Resort Limited (Maximum Balance during the year ₹ 1,115.13 Million; 2010 - ₹ 1,087.63 Million)	–		1,083.63
EIH Flight Services Limited, Mauritius (Maximum Balance during the year ₹ 122.58 Million; 2010 - ₹ Nil)	<u>122.58</u>		–
		122.58	
Advances towards Equity in : Subsidiary Companies :			
Mashobra Resort Limited (Note 14)	1,293.03		130.00
Oberoi Kerala Hotels and Resorts Limited	1.60		1.60
EIH Flight Services Limited, Mauritius	<u>–</u>		167.43
		1,294.63	
Advances towards Equity in : Private Limited Companies in which two of the Directors are Directors :			
CCA Leisure Services Private Limited - considered doubtful		–	0.31
Other Companies :			
Mara Hotels Limited - considered doubtful		2.50	2.50
Advances recoverable in cash or in kind or for value to be received :			
Considered good	200.52		283.67
Considered doubtful	<u>183.98</u>		179.04
		384.50	
Loan to Associate: EIH Associated Hotels Limited (Maximum Balance during the year ₹ 320.00 Million; 2010 - ₹ 320.00 Million)		–	320.00
Insurance Claim Receivable		–	694.36
Prepaid Expenses		119.63	85.50
Sundry Deposits		586.80	559.77
Fringe Benefit Tax (net of Provision)		7.70	7.70
Income Tax Advance/Refund (net of Provision)		440.86	359.49
MAT credit entitlement (Note 19)		<u>156.00</u>	–
		3,115.20	3,875.00
Less : Provision for Doubtful Advances		<u>186.48</u>	181.85
		2,928.72	3,693.15

Schedules to Accounts — *Contd.*

12	Rupees Million	As at 31st March	
		2011 Rupees Million	2010 Rupees Million
CURRENT LIABILITIES			
Sundry Creditors			
Total outstanding dues of Micro Enterprises and Small Enterprises (Note 5)	0.35		—
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (including amount due to Subsidiary Companies)	1,124.49		955.36
		1,124.84	955.36
Contribution towards Gratuity		45.29	17.44
Security Deposits		151.06	146.26
Liability for Leased Assets (Note 10)		234.49	254.21
Interest accrued but not due		5.01	3.91
Other Liabilities		408.25	463.08
Unclaimed Fractional Share sale proceeds (against Bonus Issue)		0.20	0.21
Unclaimed Dividend		27.69	25.24
Investor Education and Protection Fund :			
Interest on Unclaimed Deposits		0.28	0.23
Unclaimed Cheques and Warrants - Fixed Deposits		3.25	4.25
		2,000.36	1,870.19
Note:			
Amounts due to Subsidiary companies			
Mashobra Resort Limited		0.50	—
Mercury Car Rentals Limited		12.18	10.01
Oberoi Kerala Hotels & Resorts Limited		0.08	—
13			
PROVISIONS			
Proposed Dividend on Equity Shares		514.41	471.54
Tax on Dividend		71.39	76.16
Wealth Tax (net of Advance)		29.50	4.85
Leave Encashment		137.76	116.88
		753.06	669.43

Schedules to Accounts — *Contd.*

		Year ended 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
14			
INCOME FROM GUEST ACCOMMODATION, RESTAURANTS, BARS & BANQUETS, ETC.			
Rooms		4,277.47	3,238.28
Food and Beverage		3,658.13	2,984.14
Other Services		1,750.41	1,518.89
		<u>9,686.01</u>	<u>7,741.31</u>
15			
OTHER INCOME			
Interest (Gross)			
Loans (Tax at source ₹ 2.99 Million; 2010 - ₹ 4.00 Million)	29.90		30.40
Banks (Tax at source ₹ 0.68 Million; 2010 - ₹ 1.21 Million)	9.84		7.12
Others (Tax at source ₹ 0.23 Million; 2010 - ₹ 0.24 Million)	2.38		2.41
Income Tax Refund	—		10.78
		42.12	50.71
Dividend (Gross)			
From Subsidiary Companies - Long Term Investments (Trade)	930.48		12.99
From Others - Long Term Investments (Trade)	10.64		10.62
From Mutual Fund - Current Investments (Non-trade)	—		0.22
		941.12	23.83
Sale of Printing Materials		589.04	492.71
Miscellaneous Income		169.83	237.41
Insurance Claim - Business Interruption Loss		—	526.76
Gain on Exchange		1.37	—
		<u>1,743.48</u>	<u>1,331.42</u>
16			
CONSUMPTION OF PROVISIONS, WINES & OTHERS (Note 23)			
Opening Stock		128.50	157.14
Add : Purchases		1,394.35	1,161.51
		<u>1,522.85</u>	<u>1,318.65</u>
Less : Closing Stock		137.73	128.50
		<u>1,385.12</u>	<u>1,190.15</u>
17			
EMPLOYEES' REMUNERATION & WELFARE EXPENSES			
Salaries, Wages & Bonus		2,802.34	2,109.39
Contribution to Provident Fund		111.08	87.17
Workmen & Staff Welfare Expenses		176.22	163.60
Commission to Directors (Note 18)		38.22	54.91
Gratuity		60.92	32.95
		<u>3,188.78</u>	<u>2,448.02</u>

Schedules to Accounts — *Contd.*

		Year ended 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
18			
UPKEEP & SERVICE COST			
Linen, Uniform Washing & Laundry Expenses		27.19	23.88
Expenses on Apartment & Board		120.22	119.44
Power & Fuel		726.88	588.68
Renewals & Replacement		88.76	80.06
Repairs :			
Buildings	152.42		107.98
Plant & Machinery	304.02		214.58
Others	76.90		68.48
		533.34	
		1,496.39	1,203.10
19			
ADMINISTRATIVE, SELLING & OTHER EXPENSES			
Rent		231.28	253.75
Royalty, Franchise Fees & Membership Fees		90.52	79.79
Advertisement, Publicity & Other Promotional Expenses		283.17	219.22
Commission to Travel Agents & others		164.75	129.60
Rates & Taxes		325.36	229.65
Insurance		49.54	47.84
Passage & Travelling		286.72	248.57
Postage, Telephone, etc.		124.43	99.19
Musical, Banquet & Kitchen Expenses		65.50	44.25
Directors' Fees		0.80	0.64
Loss on Sale/Discard of Assets (Net)		83.57	25.80
Loss on exchange		–	0.59
Provision/write off : Debts & Advances		16.20	8.32
Auditor's Remuneration (Note 16)		10.15	8.88
Provision/write off : Investments		1.25	–
Miscellaneous Expenses		285.48	256.32
		2,018.72	1,652.41

Schedules to Accounts — *Contd.*

	Year ended 31st March	
	2011 Rupees Million	2010 Rupees Million
20		
INTEREST AND FINANCE CHARGES (Note 15)		
On Fixed Loans	1,499.05	959.79
On Others	52.89	49.06
	<u>1,551.94</u>	<u>1,008.85</u>
21		
EXCEPTIONAL ITEMS		
Shortfall arising on final settlement of insurance claim for loss due to business interruption (Note 4(i))	(369.83)	—
Surplus arising on final settlement of insurance claim for damage (Note 4(ii))	67.05	—
Profit on sale of land/apartments	258.60	—
	<u>(44.18)</u>	<u>—</u>
22		
TAX		
Income Tax	156.00	171.00
Wealth Tax	15.10	4.10
Deferred Tax	170.63	139.52
	<u>341.73</u>	<u>314.62</u>
<i>Less : MAT credit entitlement (Note 19)</i>	<u>156.00</u>	<u>—</u>
	<u>185.73</u>	<u>314.62</u>
<i>Add : Tax adjustment relating to earlier years after final assessment</i>	<u>38.88</u>	<u>3.00</u>
	<u>224.61</u>	<u>317.62</u>

Schedules to Accounts — *Contd.*

23

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

USE OF ESTIMATES

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

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

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

FIXED ASSETS

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

Assets acquired on lease basis are stated at their cash values less depreciation/amortisation.

Capital work-in-progress comprises outstanding advances paid/payable to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use in the reporting date.

DEPRECIATION

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

REVENUE RECOGNITION

- Revenue from hospitality services is recognised when the services are rendered and the same becomes chargeable. Revenue from sale of printing and other materials is recognised on despatch of materials.
- Revenue from 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.
- Revenue from Shop Licence Fee, Management and Marketing Fee included under "Other Services" is recognised on accrual basis as per terms of contract.

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.

Schedules to Accounts — *Contd.*

LEASES

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

Operating lease payments are recognised as expenditure in the Profit and Loss Account 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.

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 Profit and Loss Account.

EMPLOYEE BENEFITS

Short Term Employee Benefit is recognised as expense in the Profit and Loss Account 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.
- (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.

Schedules to Accounts — *Contd.*

BORROWING COST

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

SHARE ISSUE EXPENSES

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

TAXES ON INCOME

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

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

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

PROPOSED DIVIDEND

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

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

Contingent Assets are not recognised in the Financial Statements.

Schedules to Accounts — *Contd.*

24

NOTES TO THE ACCOUNTS

1. The estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 357.28 Million (2010 - ₹ 597.03 Million).
2. Contingent Liabilities not provided for in respect of -
 - (i) Claims against the Company pending appellate/judicial decisions :
 - (a) Sales Tax ₹ 31.17 Million (2010 - ₹ 24.64 Million)
 - (b) Income Tax ₹ 593.62 Million (2010 - ₹ 572.07 Million)
 - (c) Tax Deducted at Source ₹ 14.62 Million (2010 - ₹ Nil)
 - (d) Service Tax ₹ 50.38 Million (2010 - ₹ Nil)
 - (e) Property Tax ₹ 7.40 Million (2010 - ₹ 170.64 Million)
 - (f) Entertainment Tax ₹ 12.93 Million (2010 - ₹ 9.65 Million)
 - (g) Customs Duty ₹ 429.66 Million (2010 - ₹ 452.50 Million)
 - (h) ESI dues ₹ 12.22 Million (2010 - ₹ 11.12 Million)
 - (i) Excise Duty ₹ 35.33 Million (2010 - ₹ 19.49 Million)
 - (j) Others ₹ 14.92 Million (2010 - ₹ 21.47 Million)
 - (ii) Guarantees given to Banks & Financial Institutions for ₹ 1,947.00 Million (2010 - ₹ 2,249.50 Million) against financial facilities availed of by the subsidiary, joint venture and associate companies.
 - (iii) Counter guarantees issued to banks and remaining outstanding ₹ 128.91 Million (2010 - ₹ 14.27 Million)
3. The Company issued 178,615,442 Equity Shares of ₹ 2 each on rights basis at a premium of ₹ 64 per share. These shares were allotted on 26th March, 2011 and the total proceeds of the Rights Issue was ₹ 11,788.62 Million. Accordingly, Share Capital of the Company has gone up by ₹ 357.23 Million and Securities Premium has gone up by ₹ 11,431.39 Million. Expenses incurred in relation to the Rights Issue, ₹ 111.14 Million have been written off against Securities Premium.

	Rupees Million	Rupees Million
Proceeds from the Rights Issue were utilised as below :		
Amount raised through Rights Issue		11,788.62
Utilisation :		
Repayment/Prepayment of Term Loan	4,610.00	
General Corporate Purposes	1,568.56	
Issue related expenses	111.14	
	6,289.70	
Temporary surplus invested in Fixed Deposit with Scheduled Banks as at 31st March, 2011	5,250.00	
		11,539.70
Balance in Current Account		248.92
Term Loans repaid/prepaid includes ₹ 2,100.00 Million availed during the year.		

Schedules to Accounts — *Contd.*

4. (i) The Company accounted for ₹ 967.60 Million and ₹ 526.76 Million under the head “Other Income” during the Financial Years 2008-09 and 2009-10 respectively, on estimated basis on account of claims for loss of profit due to business interruption caused by terrorist attack on 26th November, 2008 in Mumbai. During the year, the Insurance Company finally assessed the claim at ₹ 1,124.53 Million. Accordingly the resultant deficit of ₹ 369.83 Million has been treated as exceptional loss.
- (ii) The claim of the Company for material damage caused by terrorist attack on 26th November, 2008 in Mumbai has been assessed by the Insurance Company at ₹ 174.22 Million on replacement value basis. The net book value of the assets damaged was ₹ 107.17 Million. The resultant surplus of ₹ 67.05 Million has been treated as exceptional income.
5. 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, 2011 Rupees Million	As at 31st March, 2010 Rupees Million
(a) Principal amount due and remaining unpaid	0.35	-
(b) Interest due on (a) above & the unpaid interest	-	-
(c) Interest paid on all delayed payments under the MSMED Act	-	-
(d) Payment made beyond the appointed day During the year	-	-
(e) Interest due & payable for the period of delay other than (c) above	-	-
(f) Interest accrued & remaining unpaid on 31st March 2011	-	-
(g) Amount of further interest remaining due & payable in succeeding years.	-	-

6. Fixed Deposits & 7 Year National Savings Certificates aggregating to ₹ 13.38 Million (2010 - ₹ 20.17 Million) have been lodged with the Banks/Government Authorities for obtaining guarantees or as Security Deposits.

Schedules to Accounts — *Contd.*

7. Defined Benefit Plans/Long Term Compensated Absences on 31st March, 2011 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, 2011		Year ended 31st March, 2010	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		(Funded)	(Unfunded)	(Funded)	(Unfunded)
I	Components of Employer Expenses				
1	Current Service Cost	15.63	44.10	15.52	37.75
2	Interest Cost	24.92	9.35	22.54	9.75
3	Expected return on Plan Assets	(29.86)	-	(27.33)	-
4	Curtailement Cost/(Credit)	-	-	-	-
5	Settlement Cost/(Credit)	-	-	-	-
6	Past Service Cost	-	-	-	-
7	Actuarial Losses/(Gains)	50.23	4.47	22.23	(21.45)
8	Total expenses recognised in the Statement of Profit and Loss Account	60.92	57.92	32.96	26.05
The Gratuity Expenses have been recognised in “Contribution to Gratuity Funds” and Leave Encashment in “Salaries/Wages and Bonus” under Schedule 17.					
II	Net Asset / (Liability) recognised in Balance Sheet as at 31st March, 2011				
1	Present Value of Defined Benefit Obligation	362.74	137.76	311.55	116.88
2	Fair Value of Plan Assets	317.45	-	294.11	-
3	Status [Surplus/(Deficit)]	(45.29)	(137.76)	(17.44)	(116.88)
4	Unrecognised Past Service Cost	-	-	-	-
5	Net Asset/(Liability) recognised in Balance Sheet	(45.29)	(137.76)	(17.44)	(116.88)
III	Change in Defined Benefit Obligations (DBO) during the year ended 31st March, 2011				
1	Present Value of DBO at the beginning of year	311.55	116.88	281.79	121.92
2	Current Service Cost	15.63	44.10	15.52	37.75
3	Interest Cost	24.92	9.35	22.54	9.75
4	Curtailement Cost/(Credit)	-	-	-	-
5	Settlement Cost/(Credit)	-	-	-	-
6	Plan Amendments	-	-	-	-
7	Acquisitions	-	-	-	-
8	Actuarial (Gains)/Losses	50.23	4.47	22.23	(21.46)
9	Benefits Paid	(39.59)	(37.04)	(30.53)	(31.08)
10	Present Value of DBO at the end of year	362.74	137.76	311.55	116.88
IV	Change in Fair Value of Assets during the year ended 31st March, 2011				
1	Plan Assets at the beginning of year	294.11	-	280.18	-
2	Acquisition Adjustment	-	-	-	-
3	Actuarial Return on Plan Assets	29.86	-	27.33	-
4	Actuarial Gains/(Losses)	-	-	-	-
5	Actual Company Contribution	33.07	-	17.13	-
6	Benefits Paid	(39.59)	-	(30.53)	-
7	Plan Assets at the end of year	317.45	-	294.11	-
V	Investments Details				
	Invested with LIC in Group Gratuity Scheme	100%		100%	
VI	Actuarial Assumptions				
1	Discount Rate (%)	8%	8%	8%	8%
2	Expected rate of return	9.40%	-	9.40%	-
3	Salary Escalation (%)	3%	3%	3%	3%
4	Mortality	Indian assured lives mortality (1994-96) (modified) Ultimate		Indian assured lives mortality (1994-96) (modified) Ultimate	

Schedules to Accounts — *Contd.*

	Year ended 31st March, 2011		Year ended 31st March, 2010		Year ended 31st March, 2009		Year ended 31st March, 2008	
	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	362.74	137.76	311.55	116.88	281.79	121.92	276.42	109.24
2. Fair Value of Plan Assets	317.45	–	294.11	–	280.18	–	262.81	–
3. Status [Surplus/(Deficit)]	(45.29)	(137.76)	(17.44)	(116.88)	(1.61)	(121.92)	(13.61)	(109.24)
4. Experience Adjustments on Plan Liabilities [Loss/(Gain)]*	–	(4.47)	–	(21.46)	–	(2.92)	–	(7.43)
5. Experience Adjustments on Plan Assets [Gain/(Loss)]*	–	–	–	–	–	–	–	–

*Figures for Experience Adjustments in respect of gratuity are not available.

8. (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 Re. 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.
9. (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 (Schedule-6) includes ₹ 29.99 Million (2010 - ₹ 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.
10. Fixed Assets acquired under finance lease amounted to ₹ 379.52 Million (2010 - ₹ 346.77 Million) being the assets acquired between 1st April, 2001 to 31st March, 2011. These include an amount of ₹ 56.30 Million (2010 - ₹ 32.39 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 ₹ 48.46 Million (2010 - ₹ 42.08 Million) being depreciation charged on these assets.

Schedules to Accounts — *Contd.*

The year-wise break-up of the outstandings as on 31st March, 2011 in respect of these assets are as under:

	Year ended 31st March	
	2011 Rupees Million	2010 Rupees Million
Assets taken on lease		
Total Minimum Lease Payments at the year end	271.00	293.49
Present value of Minimum Lease Payments	234.49	254.21
Not later than one year		
Minimum Lease Payments	94.98	82.40
Present value	90.29	79.12
Later than one year but not later than five years		
Minimum Lease Payments	176.02	211.09
Present value	144.20	175.09
Later than five years		
Minimum Lease Payments	—	—
Present value	—	—
(a) Contingent rents recognised as expense in the Statement of Profit and Loss for the year	—	—
(b) The total of future minimum sub-lease payments expected to be received under non-cancellable sub-leases at the Balance Sheet date	—	—

11. Disclosures in respect of Company's operating lease arrangements entered on or after 1st April, 2001 under Accounting Standard (AS-19) on Leases.
 - (a) General description of the Company's operating lease arrangements :
The Company has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services and residential premises for its employees. Some of the significant terms and conditions of the arrangements are :
 - agreements are not non-cancellable in nature and may generally be terminated by either party by serving a notice;
 - the lease arrangements which are not non-cancellable are generally renewable by mutual consent on mutually agreeable terms.
 - (b) The Company has given shops on rental basis which are not non cancellable and can be terminated by either party by serving a notice.
 - (c) Rent in respect of the above are charged/credited to the Profit and Loss Account.
12. 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. Earnings on investments are accounted for on accrual basis.
13. 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.
14. 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, 2011 requested MRL to account for the entire amount of ₹ 1,293.03 Million provided to MRL upto 31st March, 2011 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 ₹ 1,293.03 Million as 'Advance Towards Equity' in its books. Considering this and the intrinsic value of the hotel property, the 'Advance Towards Equity' in MRL has been considered good.

Schedules to Accounts — *Contd.*

15. Interest debited to the Profit and Loss Account is net of interest capitalised amounting to ₹ 17.73 Million (2010 - ₹ 253.14 Million).

	Year ended 31st March	
	2011	2010
	Rupees	Rupees
	Million	Million
16. Auditor's Remuneration (excluding Service tax)		
As Auditor	8.47	7.59
For Tax Audit	0.20	0.17
For Taxation Matters	0.34	0.60
For Other Matters (Certification)	1.14	0.52
	<u>10.15</u>	<u>8.88</u>

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

17. Earnings per Equity Share :

Profit computation for both Basic and Diluted earnings per share of ₹ 2 each

Net Profit after Taxation as per Profit and Loss Account	645.40	572.27
Weighted average number of Equity Shares outstanding	395,890,116	392,953,972
Basic and Diluted earnings per Equity Share of face value ₹ 2 (in Rupees)	1.63	1.46

	Year ended 31st March	
	2011	2010
	Rupees	Rupees
	Million	Million
18. Directors' Remuneration		
Salaries	20.10	20.10
Contribution to Provident Fund	2.41	2.41
Monetary Value of Perquisites	5.00	4.68
Commission to Directors	38.22	54.91
Sitting fees to other Directors	0.80	0.64
	<u>66.53</u>	<u>82.74</u>

As the future liability for Gratuity and Leave Encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Directors is not ascertainable and not included above.

Schedules to Accounts — *Contd.*

		Year ended 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
COMPUTATION OF NET PROFIT UNDER SECTION 349 OF THE COMPANIES ACT, 1956 :			
Profit before Taxation		870.01	889.89
<i>Add:</i> Directors' Remuneration	66.53		82.74
Loss on Sale/Discard of Fixed Assets (Net)	83.57		25.80
Provision/write off of Investments	1.25		–
Depreciation charged in Accounts	874.35		680.31
		1,025.70	
		1,895.71	1,678.74
<i>Less:</i> Depreciation under Section 350 of the Companies Act, 1956	874.35		680.31
Surplus arising on final settlement of insurance claim for damage	67.05		–
Profit on sale of land/apartments	258.60		–
Provision for diminution in value of investments no longer required, written back	0.75		–
		1,200.75	680.31
Profit for the purpose of Directors' Commission		694.96	998.43
Commission to:			
Chairman @ 2.5% of Profit		17.38	24.95
Vice Chairman @ 1.5% of Profit		10.42	14.98
Two Joint Managing Directors each @ 0.75% of Profit		10.42	14.98
		38.22	54.91
19.	The Company has calculated its tax liability after considering Maximum Alternative Tax (MAT). This has not resulted in an additional expense as MAT is to be set off against any future tax liability and accordingly MAT credit entitlement has been shown under Loans & Advances in the Balance Sheet.		
20.	The Company is not required to give any quantitative and value-wise information in respect of purchase, consumption, turnover, stocks etc. as the same is exempted vide Notification No. S.O. 301(E) dated 8th February, 2011 issued under Section 211(3) of the Companies Act, 1956 by the Ministry of Corporate Affairs, Government of India.		
21.	In respect of printing business, the installed printing capacity as on 31st March, 2011 was 850 Million standard impressions (2010 – 850 Million). The actual production during the year was 690 Million standard impressions (2010 – 575 Million). The installed printing capacity and actual production have been certified by the management and relied upon by the Auditors, being a technical matter.		
22.	Value of Imports calculated on C.I.F. basis in respect of :		
		Year ended 31st March	
		2011	2010
		Rupees	Rupees
		Million	Million
(i)	Provisions, Wines & Others	88.93	68.15
(ii)	Components & Spares	20.88	178.52
(iii)	Capital Goods	306.15	114.51
		415.96	361.18

23. (a) Inventory of Provision, Wines & Others includes Stock of Paper, Ink etc. at year end ₹ 57.19 Million (2010 - ₹ 50.87 Million)
 (b) Consumption of Provisions, Wines and Others includes consumption of Paper, Ink etc. ₹ 382.28 Million (2010 - ₹ 402.27 Million)

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

	Year ended 31st March	
	2011	2010
	Rupees	Rupees
	Million	Million
(a) Number of non-resident shareholder	1	1
(b) Number of equity shares held	333,030	399,072
(c) Amount of dividend paid	0.40	0.48
(d) Year to which dividend relates	2009-10	2008-09

25. (a) Expenditure in foreign currencies :

(i) Professional	37.90	11.47
(ii) Consultancy	7.27	24.82
(iii) Foreign Sales Office Expenses	198.91	146.00
(iv) Other Matters	237.22	172.58

- (b) Earnings in foreign currencies :

(i) On Sales (as per return submitted to DGFT)	3,861.39	3,092.89
(ii) Consultation fees	19.85	12.94
(iii) Export of Printing and other materials on FOB basis	57.91	43.26
(iv) Dividend	856.14	–

26. Foreign Exchange :

	As at 31st March	
	2011	2010
	Rupees	Rupees
	Million	Million
(a) Derivative Instrument outstanding:		
Interest Rate and Currency Swap for hedging FCNR Loan from HSBC	1,000.00	1,000.00
(b) Unhedged Foreign Currency exposure outstanding	178.49	109.31

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

Schedules to Accounts — *Contd.*

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

Schedules to Accounts — *Contd.*

(B)
Transactions with Related Parties during the Financial Year and Outstanding Balances as on 31.03.2011
NATURE OF TRANSACTIONS

	Subsidiaries		Associates & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2011 Rupees Million	2010 Rupees Million	2011 Rupees Million	2010 Rupees Million	2011 Rupees Million	2010 Rupees Million	2011 Rupees Million	2010 Rupees Million
PURCHASES								
Purchase of Goods & Services								
Mercury Car Rentals Limited	73.30	47.04	-	-	-	-	-	-
Mashobra Resort Limited	0.35	0.39	-	-	-	-	-	-
Mumtaz Hotels Limited	0.70	0.17	-	-	-	-	-	-
ElH Associated Hotels Limited	-	-	6.17	1.81	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	1.57	0.98	-	-
Total	74.35	47.60	6.17	1.81	1.57	0.98	-	-
Purchase of Fixed Assets								
ElH Associated Hotels Limited	-	-	2.22	-	-	-	-	-
Total	-	-	2.22	-	-	-	-	-
EXPENSES								
Rent								
Oberoï Kerala Hotels & Resorts Limited	0.38	0.19	-	-	-	-	-	-
Wife of Mr. P.R.S. Oberoi	-	-	-	-	-	-	0.36	0.36
Oberoï Hotels Private Limited	-	-	-	-	0.36	0.36	-	-
Total	0.38	0.19	-	-	0.36	0.36	0.36	0.36
Royalty								
Oberoï Hotels Private Limited	-	-	-	-	90.52	79.79	-	-
Total	-	-	-	-	90.52	79.79	-	-
Salary & Commission								
Mr. P.R.S. Oberoi	-	-	-	-	-	-	17.62	25.80
Mr. S.S. Mukherji	-	-	-	-	-	-	21.72	26.57
Mr. V.S. Oberoi	-	-	-	-	-	-	13.09	14.91
Mr. A.S. Oberoi	-	-	-	-	-	-	13.30	14.81
Daughter of Mr. S.S. Mukherji	-	-	-	-	-	-	0.70	0.19
Total	-	-	-	-	-	-	66.43	82.28
SALES								
Sale of Goods and Services								
Mercury Car Rentals Limited	1.35	1.96	-	-	-	-	-	-
Mashobra Resort Limited	3.34	2.31	-	-	-	-	-	-
Mumtaz Hotels Limited	19.07	15.43	-	-	-	-	-	-
Golden Jubilee Hotels Limited	-	-	0.09	1.51	-	-	-	-
ElH Associated Hotels Limited	-	-	51.95	42.38	-	-	-	-
L & T Bangalore Airport Hotel Limited	-	-	-	0.73	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	2.58	0.68	-	-
PT Widja Putra Karya	3.55	-	-	-	-	-	-	-
PT Waka Oberoi Indonesia	0.58	-	-	-	-	-	-	-
Oberoï Mauritius Ltd.	5.89	-	-	-	-	-	-	-
Total	33.78	19.70	52.04	44.62	2.58	0.68	-	-
Sale of Fixed Assets								
Mashobra Resort Limited	0.05	-	-	-	-	-	-	-
ElH Associated Hotels Limited	-	-	2.24	0.65	-	-	-	-
Total	0.05	-	2.24	0.65	-	-	-	-
INCOME								
License Agreement								
Mercury Car Rentals Limited	1.02	0.77	-	-	-	-	-	-
ElH Associated Hotels Limited	-	-	0.24	0.24	-	-	-	-
Oberoï Holdings Private Limited	-	-	-	-	0.69	0.69	-	-
Oberoï Investments Private Limited	-	-	-	-	0.13	0.13	-	-
Oberoï Buildings & Investments Private Limited	-	-	-	-	1.17	1.17	-	-
Oberoï Plaza Private Limited	-	-	-	-	2.41	2.41	-	-
Bombay Plaza Private Limited	-	-	-	-	1.88	1.87	-	-
Total	1.02	0.77	0.24	0.24	6.28	6.27	-	-
Management/Technical fees								
Mumtaz Hotels Limited	39.28	38.86	-	-	-	-	-	-
ElH Flight Services Limited, Mauritius	4.59	-	-	-	-	-	-	-
Golden Jubilee Hotels Limited	-	-	-	8.75	-	-	-	-
ElH Associated Hotels Limited	-	-	113.96	97.77	-	-	-	-
L & T Bangalore Airport Hotel Limited	-	-	-	3.75	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	1.54	2.01	-	-
Total	43.87	38.86	113.96	110.27	1.54	2.01	-	-
Interest Received								
ElH Associated Hotels Limited	-	-	29.90	30.40	-	-	-	-
Total	-	-	29.90	30.40	-	-	-	-
Dividend Received								
Mercury Car Rentals Limited	-	0.60	-	-	-	-	-	-
Mumtaz Hotels Limited	74.34	12.39	-	-	-	-	-	-
ElH International Ltd	856.14	-	-	-	-	-	-	-
ElH Associated Hotels Limited	-	-	10.61	10.61	-	-	-	-
Total	930.48	12.99	10.61	10.61	-	-	-	-

Schedules to Accounts — Contd.

NATURE OF TRANSACTIONS

	Subsidiaries		Associates & Joint Ventures		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2011 Rupees Million	2010 Rupees Million	2011 Rupees Million	2010 Rupees Million	2011 Rupees Million	2010 Rupees Million	2011 Rupees Million	2010 Rupees Million
FINANCE								
PAYMENTS								
Loans & Advances								
Mashobra Resort Limited	-	82.00	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	122.58	-	-	-	-	-	-	-
Total	122.58	82.00	-	-	-	-	-	-
Advance against Equity Shares								
Mashobra Resort Limited	79.40	-	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	-	167.43	-	-	-	-	-	-
Total	79.40	167.43	-	-	-	-	-	-
Investment in Equity Shares								
Mercury Car Rentals Limited	-	50.00	-	-	-	-	-	-
Golden Jubilee Hotels Limited	-	-	-	211.50	-	-	-	-
EIH International Ltd	2,102.05	-	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius*	167.42	32.18	-	-	-	-	-	-
EIH Flight Catering Services Limited	-	0.50	-	-	-	-	-	-
Total	2,269.47	82.68	-	211.50	-	-	-	-
RECEIPTS								
Loans & Advances received back								
EIH Associated Hotels Limited	-	-	320.00	-	-	-	-	-
Mashobra Resort Limited	-	4.00	-	-	-	-	-	-
Total	-	4.00	320.00	-	-	-	-	-
*Allotted against advance against Equity Shares.								
GUARANTEE ISSUED								
Mercury Car Rentals Limited	20.00	40.00	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	40.00	860.00	-	-	-	-	-	-
Total	60.00	900.00	-	-	-	-	-	-
GUARANTEE RELEASED								
Mercury Car Rentals Limited	50.00	-	-	-	-	-	-	-
Mumtaz Hotels Limited	96.00	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	104.00	-	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	135.50	-	-	-
Total	146.00	-	104.00	-	135.50	-	-	-
OUTSTANDING BALANCES								
Payables								
For Goods & Services								
Mercury Car Rentals Limited	12.18	10.01	-	-	-	-	-	-
Mashobra Resort Limited	0.50	-	-	-	-	-	-	-
Oberoi Kerala Hotels & Resorts Limited	0.08	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	2.01	0.65	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	0.01	0.89	-	-
Total	12.76	10.01	2.01	0.65	0.01	0.89	-	-
Royalty								
Oberoi Hotels Private Limited	-	-	-	-	25.35	-	-	-
Total	-	-	-	-	25.35	-	-	-
Security Deposit								
Bombay Plaza Private Limited	-	-	-	-	0.50	0.50	-	-
Total	-	-	-	-	0.50	0.50	-	-
Loans & Advances and Receivables								
For Goods & Services								
Mashobra Resort Limited	-	0.60	-	-	-	-	-	-
Mumtaz Hotels Limited	22.88	24.01	-	-	-	-	-	-
Oberoi Kerala Hotels and Resorts Limited	-	0.01	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	4.94	-	-	-	-	-	-	-
Golden Jubilee Hotels Limited	-	-	-	0.01	-	-	-	-
EIH Associated Hotels Limited	-	-	9.17	6.34	-	-	-	-
L & T Bangalore Airport Hotel Limited	-	-	0.12	0.39	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	-	1.40	-	-
Total	27.82	24.62	9.29	6.74	-	1.40	-	-
Advance against Equity Shares								
Mashobra Resort Limited	1,293.03	130.00	-	-	-	-	-	-
Oberoi Kerala Hotels and Resorts Limited	1.60	1.60	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	-	167.43	-	-	-	-	-	-
Total	1,294.63	299.03	-	-	-	-	-	-
Loans & Advances								
Mashobra Resort Limited	-	1,083.63	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	320.00	-	-	-	-
Total	-	1,083.63	-	320.00	-	-	-	-
Management/Technical fees								
Mumtaz Hotels Limited	17.85	-	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	51.47	43.62	-	-	-	-
EIH Flight Services Limited, Mauritius	4.94	-	-	-	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	1.19	0.70	-	-
Total	22.79	-	51.47	43.62	1.19	0.70	-	-
Outstanding Financial Facilities								
Against Corporate Guarantees								
Mashobra Resort Limited	98.21	176.79	-	-	-	-	-	-
Mumtaz Hotels Limited	43.20	121.03	-	-	-	-	-	-
Mercury Car Rentals Limited	60.00	32.82	-	-	-	-	-	-
EIH Flight Services Limited, Mauritius	873.66	613.23	-	-	-	-	-	-
EIH Associated Hotels Limited	-	-	-	104.00	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	-	-	135.50	-	-
Total	1,075.07	943.87	-	104.00	-	135.50	-	-

Schedules to Accounts — *Contd.*

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

	Year Ended 31.3.2011	Year Ended 31.3.2010
	Rupees Million	Rupees Million
Segment Revenue		
a. Hotels	10,827.84	8,568.31
b. Others	601.65	504.42
Total	11,429.49	9,072.73
Segment Results		
Profit before Interest and Tax from each segment :		
a. Hotels	4,141.91	3,596.84
b. Others	(151.86)	(264.13)
Total	3,990.05	3,332.71
<i>Less :</i>		
i. Interest	1,551.94	1,008.85
ii. Other unallocable expenditure	1,523.92	1,433.97
Profit before Tax and exceptional item	914.19	889.89
Exceptional items - Loss (Net)	(44.18)	–
Profit before Tax	870.01	889.89
Segment Assets		
Hotels	34,958.47	27,267.18
Others	2,807.10	2,999.92
Total	37,765.57	30,267.10
Segment Liabilities		
Hotels	1,728.47	2,928.88
Others	378.24	410.70
Total	2,106.71	3,339.58

Schedules to Accounts — *Contd.*

30. 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	16.79	0.45	0.29	0.34
Mashobra Resort Limited	78.79	-do-	697.02	100.97	152.49	145.65
Mumtaz Hotels Limited	60.00	-do-	722.75	289.93	382.58	280.73
Golden Jubilee Hotels Limited	16.00	-do-	555.99	303.15	0.01	0.85
L&T Bangalore Airport Hotel Limited	26.00	-do-	795.04	608.64	—	0.49
Mercury Car Rentals Limited	66.67	-do-	444.18	396.95	533.72	544.64
Oberoi Mauritius Limited	50.00	-do-	1,084.17	676.62	250.21	246.63

- 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 and Financial Institutions for ₹ 1,024.00 Million (2010 - ₹ 1,150.00 Million) against financial facilities availed by the jointly controlled entities.

- b) EIH Limited's share of the contingent liabilities of the joint ventures themselves : ₹ 39.95 Million (2010 - ₹ 11.87 Million).
- c) EIH Limited is not liable for the liabilities of the other venturers of any joint venture.
- d) There are no capital commitments of EIH Limited in relation to its interest in joint ventures and there are no capital commitments that have been incurred jointly with other venturers.
- e) EIH Limited's share of capital commitments of the joint ventures themselves amounts to ₹ 414.65 Million (2010 - ₹ 209.42 Million).

31. 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.

Schedules to Accounts — *Contd.*

32. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet abstract and Company's General Business Profile :

(I) Registration Details

Registration Number	17981
State Code	21
Balance Sheet Date	31.03.2011

(II) Capital raised during the year *(Rupees in Million)*

Public Issue	NIL
Rights Issue	357.23
Bonus Issue	NIL
Private Placement	NIL

(III) Position of mobilisation and deployment of funds *(Rupees in Million)*

Total Liabilities	38,370.12
Total Assets	38,370.12

Sources of Funds

Paid-up Capital	1,143.14
Reserves & Surplus	24,734.84
Secured Loans	8,239.68
Unsecured Loans	—
Deferred Tax Liabilities	1,499.04

Applications of Funds

Net Fixed Assets including Capital Work-in-Progress	21,839.00
Investments	6,051.39
Net Current Assets	7,726.31
Miscellaneous Expenditure	Nil
Accumulated Losses	Nil

(IV) Performance of the Company *(Rupees in Million)*

Turnover (including Other Income)	11,429.49
Total Expenditure	10,515.30
Profit (+)/Loss(-) before Tax and Exceptional Items	914.19
Profit (+)/Loss(-) after Tax including Deferred Tax and Fringe Benefit Tax	645.40
Basic and Diluted Earnings per Equity Share (in Rupees)	1.63
Dividend (on Equity Shares) Rate (%)	45.00%

(V) Generic Names of Principal products/services of the Company as per monetary terms

Item Code No. (ITC Code)	591001006
Product Description	HOTELS
Item Code No. (ITC Code)	390001002
Product Description	RESTAURANTS

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 31.03.2011

(Amount in ₹ Million)

Particulars	Mercury Car Rentals Limited	EIH International Limited	EIH Flight Services Limited	Oberoï Kerala Hotels and Resorts Limited	Mashobra Resort Limited	Mumtaz Hotels Limited	EIH Holdings Limited	EIH Marrakech Limited	J&W Hongkong Limited	Oberoï Turtle Bay Limited	EIHH Corporation Limited	EIH Investments NV	EIH Management Services BV	PT Widja Putra Karya	PT Waka Oberoï Indonesia	PT Astina Graha Ubud
Capital	49.17	4,010.79	244.59	27.20	330.00	206.50	1,343.33	-	446.50	0.04	-	1.15	1.15	29.45	511.24	116.09
Reserves	22.37	-	-	-	-	514.86	226.02	-	-	-	-	119.71	119.15	19.87	-	-
Total Assets	666.26	3,712.46	1,113.57	20.99	884.68	1,204.59	1,601.08	-	446.50	0.04	-	849.45	845.52	205.50	143.77	273.93
Total Liabilities	595.42	11.43	1,084.84	0.57	128.15	483.22	31.74	-	-	1.39	-	728.60	725.22	223.35	1,229.47	157.84
Details of Investment (except in case of investment in subsidiaries)																
1,078,826 shares of Tourism Investment Company at Sahl Hashesh and 1,000 shares of La Roseaie De L'Atlas SA, Marrakech	-	62.59	-	-	-	-	277.67	-	-	-	-	-	-	-	-	-
Total	-	62.59	-	-	-	-	277.67	-	-	-	-	-	-	-	-	-
Turnover	800.58	540.42	172.50	0.36	193.55	637.63	158.96	-	33.51	-	-	19.52	44.52	373.00	155.29	-
Profit before Taxation	(23.66)	483.11	(169.28)	0.06	10.43	239.51	109.05	-	33.51	-	-	(20.72)	26.55	70.19	(4.61)	-
Provision for Taxation	(7.29)	-	-	0.12	1.75	69.77	9.96	-	-	-	-	0.28	-	23.07	(1.07)	-
Profit after Taxation	(16.38)	483.11	(169.28)	(0.06)	8.68	169.74	99.09	-	33.51	-	-	(21.01)	-	47.12	(3.54)	-
Proposed Dividend	-	-	-	-	-	103.25	-	-	-	-	-	-	-	-	-	-

AUDITOR'S REPORT on Consolidated Financial Statements

To
The Board of Directors,
EIH Limited

We have audited the attached Consolidated Balance Sheet of EIH Limited ("the Company") and its subsidiaries/Associates/jointly controlled entities (collectively referred to as "the Group") as at 31st March, 2011 the Consolidated Profit and Loss Account for the year then ended annexed thereto and also the Consolidated Cash Flow Statement for the year then ended. The preparation of these Financial Statements is the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

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

1. We have not audited the Financial Statements of thirteen subsidiaries and three jointly controlled entities whose Financial Statements reflect total assets of ₹ 5,580.53 Million as at 31st March, 2011, total revenues of ₹ 1,646.80 Million and the net Cash Flows amounting to ₹ (-52.32) Million for the year then ended. These Financial Statements have been audited by other auditors whose audit reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, and joint ventures is based solely on the report of the other auditors.
2. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS-21), - "Consolidated Financial Statements", read with Accounting Standard (AS-23), - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS-27), - "Financial Reporting of Interests in Joint Ventures" notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate Audited Financial Statements of the Company and its subsidiaries, associates and jointly controlled entities, included in the Consolidated Financial Statements.
3. Based on our audit as aforesaid and on consideration of reports of other auditors on the separate financial statements/consolidated financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements read in conjunction with schedules 1 to 25, 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, 2011;
 - b) in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date and
 - c) in the case of the Consolidated Cash Flow Statement of the cash flows of the Group for the year ended on that date.

For RAY & RAY
Chartered Accountants

A. K. SHARMA
Partner

Gurgaon
30th May, 2011

Membership Number 80085
Firm's Registration Number 301072E

Balance Sheet

as at 31st March, 2011

As at 31st March

		Rupees Million	2011 Rupees Million	2010 Rupees Million
SOURCES OF FUNDS	Schedule			
SHAREHOLDERS' FUNDS				
CAPITAL	1	1,143.14		785.91
ADVANCE AGAINST SHARES		4.40		—
RESERVES AND SURPLUS	2	24,316.06	25,463.60	13,161.58
				13,947.49
MINORITY INTEREST			356.45	349.66
LOAN FUNDS				
SECURED LOANS	3	10,639.44		13,501.50
UNSECURED LOANS	4	44.00		855.00
			10,683.44	14,356.50
DEFERRED TAX - NET	5		1,550.84	1,385.46
TOTAL			38,054.33	30,039.11
APPLICATIONS OF FUNDS				
GOODWILL (ON CONSOLIDATION)			3,049.65	224.56
FIXED ASSETS	6			
GROSS BLOCK		31,554.05		27,687.32
Less : DEPRECIATION		7,446.36		5,852.32
NET BLOCK		24,107.69		21,835.00
CAPITAL WORK-IN-PROGRESS		2,221.89		3,033.07
		26,329.58		24,868.07
PRE-OPERATIVE EXPENSES	6a	134.30		62.61
			26,463.88	24,930.68
INVESTMENTS				
IN ASSOCIATES	7a	802.54		768.88
IN OTHERS	7b	361.71		1,642.40
			1,164.25	2,411.28
CURRENT ASSETS, LOANS & ADVANCES				
INTEREST ACCRUED		7.37		3.50
INVENTORIES	8	446.00		337.19
SUNDRY DEBTORS	9	1,513.60		1,159.16
CASH AND BANK BALANCES	10	6,856.40		648.68
LOANS AND ADVANCES	11	2,200.80		3,107.65
		11,024.17		5,256.18
Less : CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES	12	2,832.84		2,101.53
PROVISIONS	13	823.35		691.53
		3,656.19		2,793.06
NET CURRENT ASSETS			7,367.98	2,463.12
MISCELLANEOUS EXPENDITURE (to the extent not amortised or adjusted)	14		8.57	9.47
TOTAL			38,054.33	30,039.11

SIGNIFICANT ACCOUNTING POLICIES 24
NOTES TO THE ACCOUNTS 25

Schedules 1 to 14, 24 & 25 referred to above form an integral part of the Balance Sheet.

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

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E
Gurgaon, 30th May, 2011

GAUTAM GANGULI
Company Secretary

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

Profit and Loss Account for the year ended 31st March, 2011

		Year ended 31st March	
		2011	2010
	Schedule	Rupees Million	Rupees Million
INCOME			
GUEST ACCOMMODATION, RESTAURANTS, BARS & BANQUETS, ETC.	15	11,262.66	8,450.82
OTHER INCOME	16	1,706.06	2,026.55
		12,968.72	10,477.37
EXPENDITURE			
CONSUMPTION OF PROVISIONS, WINES & OTHERS	17	1,565.72	1,236.30
EMPLOYEES' REMUNERATION & WELFARE EXPENSES	18	3,602.84	2,658.00
UPKEEP & SERVICE COST	19	1,961.66	1,470.59
ADMINISTRATIVE, SELLING AND OTHER EXPENSES	20	2,736.94	2,073.88
MISCELLANEOUS EXPENDITURE AMORTISED		0.09	0.14
INTEREST AND FINANCE CHARGES (Note 17)	21	1,690.21	1,103.13
DEPRECIATION (Note 11)		1,165.55	877.57
		12,723.01	9,419.61
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX AND EXCEPTIONAL ITEMS		245.71	1,057.76
EXCEPTIONAL ITEMS - LOSS (NET)	22	(44.18)	-
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX		201.53	1,057.76
TAX	23	329.03	347.88
PROFIT AFTER TAX BEFORE MINORITY'S SHARE		(127.50)	709.88
Less : MINORITY'S SHARE IN PROFIT/(LOSS) AFTER TAXATION		(41.52)	55.80
EIH'S SHARE IN PROFIT/(LOSS) TAX		(85.98)	654.08
Add : SHARE IN PROFIT OF ASSOCIATES		33.66	8.97
		(52.32)	663.05
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		2,615.12	2,600.71
Add/(Less) : Adjustment of earlier loss/(profit) on account of cessation of Subsidiary		0.11	0.65
Add/(Less) : Adjustment on account of inclusion of Subsidiaries/Jointly Controlled Entity		261.27	-
BALANCE CARRIED TO BALANCE SHEET		2,824.18	3,264.41
APPROPRIATIONS			
GENERAL RESERVE		148.08	89.90
INTERIM DIVIDEND ON EQUITY SHARES		41.30	-
TAX ON INTERIM DIVIDEND		17.15	-
PROPOSED DIVIDEND ON EQUITY SHARES		555.71	479.80
TAX ON DIVIDEND		88.14	79.59
BALANCE CARRIED TO BALANCE SHEET		1,973.80	2,615.12
		2,824.18	3,264.41
SIGNIFICANT ACCOUNTING POLICIES	24		
NOTES TO THE ACCOUNTS	25		
BASIC AND DILUTED EARNINGS PER SHARE (in Rupees) Face Value ₹ 2 (Note 23)		(0.13)	1.69

Schedules 15 to 25 referred to above
form an integral part of the Profit and Loss Account.
This is the Profit and Loss Account referred
to in our report of even date.

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E
Gurgaon, 30th May, 2011

GAUTAM GANGULI
Company Secretary

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

Cash Flow Statement

	Year ended 31st March	
	2011 Rupees Million	2010 Rupees Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	201.53	1,057.76
Adjustments for :		
Miscellaneous Expenditure Amortised	0.09	0.14
Depreciation	1,165.55	877.57
Non-cash miscellaneous expenses / (income)	(41.35)	2.24
Effect of Rate Exchange	(87.74)	(290.43)
(Profit)/Loss on Sale of Fixed Assets (Net) – Including Exceptional profit of ₹ 325.65 Million (2010 - ₹ Nil)	(269.78)	5.01
Provision for diminution in value of investments	0.50	–
Interest Income	(66.43)	(82.77)
Dividend Income	(21.88)	(11.58)
Interest Expenditure	1,690.21	1,103.13
Operating Profit before Working Capital Changes	2,570.70	2,661.07
Adjustments for :		
Trade & Other Receivables	1,558.80	(3.01)
Inventories	(48.89)	7.74
Trade Payables	280.79	(496.88)
Cash Generated from Operations	4,361.40	2,168.92
Interest Paid	(1,697.22)	(1,089.83)
Payment of Direct Taxes	(475.77)	(294.93)
Net cash from Operating Activities	2,188.41	784.16
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,399.77)	(3,763.77)
Purchase of Furniture, Fixtures & Equipment from Provision for Furniture, Fixtures & Equipment	(11.51)	–
Sale of Fixed Assets	667.74	95.56
Purchase of Investments	(2,102.10)	(183.17)
Sale of Investments	4.80	213.40
Interest Received	46.29	208.19
Dividend Received	21.87	11.58
Cash used in Investing Activities	(3,772.68)	(3,418.21)

Cash Flow Statement — *Contd.*

	Year ended 31st March	
	2011 Rupees Million	2010 Rupees Million
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue of Shares	11,788.62	—
Rights Issue Expenses	(111.14)	—
Proceeds from Borrowings		
Term Loans	4,575.88	3,332.08
Cash Credit from Banks	72.63	548.62
Unsecured Loans	—	850.00
Loan from Finance Companies	19.64	42.11
Proceeds from Short Term Loan	538.10	—
Proceeds from Unsecured Loans	39.00	—
Proceeds from issue of shares (Minority Interest)	—	25.00
Proceeds from advance against equity	4.40	—
Repayment of		
Term Loans from Banks	(7,592.27)	(1,770.62)
Cash Credit from Banks	(532.80)	(59.83)
Unsecured Loans	(850.00)	(4.55)
Loan from Finance Companies	(28.97)	(22.57)
Housing Loans	(4.00)	(4.00)
Loan syndication fees and upfront fees	—	(9.33)
Dividend Paid	(518.65)	(481.50)
Net Cash used in Financing Activities	7,400.44	2,445.41
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	5,816.17	(188.64)
Cash and Cash Equivalents at beginning of year	648.68	787.43
Less : Adjustment on account of cessation as Subsidiary	0.41	—
Add : Adjustment on account of inclusion as Subsidiaries/ Jointly Controlled Entity	391.96	49.89
Cash and Cash Equivalents at the end of the year	6,856.40	648.68

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.
- Cash and Cash Equivalents represent Cash and Bank Balances.
- Additions to Fixed Assets are stated inclusive of movements of Capital Work-In-Progress between the beginning and the end of the year and are treated as part of Investing Activities.

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

For RAY & RAY
Chartered Accountants

A.K. SHARMA
Partner

Membership Number 80085
Firm's Registration Number 301072E
Gurgaon, 30th May, 2011

GAUTAM GANGULI
Company Secretary

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

Schedules to Accounts

		As at 31st March	
		2011 Rupees Million	2010 Rupees Million
1			
SHARE CAPITAL			
AUTHORISED			
1,500,000,000 Equity Shares of ₹ 2 each		3,000.00	3,000.00
(2010-1,500,000,000)		<u>3,000.00</u>	<u>3,000.00</u>
ISSUED, SUBSCRIBED, CALLED & PAID UP			
571,569,414 Equity Shares of ₹ 2 each, fully paid up (Note 6)		1,143.14	785.91
(2010-392,953,972)		<u>1,143.14</u>	<u>785.91</u>

NOTES :

Out of the above the following were allotted :

- (a) as fully paid up shares -
 - (i) 3,219,125 shares of ₹ 2 each in 1965-66 as fully paid up pursuant to a contract without payments being received in cash.
 - (ii) 181,720 shares of ₹ 2 each in 1968-69 in terms of the Order of the Calcutta High Court dated 9th September, 1968 under the Scheme of Compromise/Arrangement without payments being received in cash.
- (b) as fully paid up Bonus Shares -
 - (i) 6,688,725 shares of ₹ 2 each in 1979-80 by capitalisation of General Reserve.
 - (ii) 24,765,655 shares of ₹ 2 each in 1984-85 by capitalisation of General Reserve.
 - (iii) 23,603,520 shares of ₹ 2 each in 1992-93 by capitalisation of Securities Premium Account.
 - (iv) 87,321,495 shares of ₹ 2 each in 1996-97 by capitalisation of Securities Premium Account.
 - (v) 130,984,657 shares of ₹ 2 each in 2006-07 by capitalisation of Securities Premium Account.
- (c) 178,615,442 shares of face value ₹ 2 each have been allotted as fully paid up shares at a premium of ₹ 64 per share to the shareholders on Rights basis during 2010-11.

Schedules to Accounts — *Contd.*

		As at 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
2			
RESERVES AND SURPLUS			
EXCHANGE FLUCTUATION RESERVE		38.75	213.71
CAPITAL REDEMPTION RESERVE			
As per last Account		1,024.21	1,024.21
SECURITIES PREMIUM ACCOUNT			
As per last Account	1,394.51		1,361.18
Add : Premium on Rights Issue of shares during current year (Note 6)	11,431.39		—
	12,825.90		1,361.18
Add : Addition during the year	—		33.33
	12,825.90		1,394.51
Less: Share Issue expenses written off (Note 6)	111.14		—
		12,714.76	1,394.51
REVALUATION RESERVE (Note 10(a))			
As per last Account	2,352.48		2,382.47
Less : Adjustment for Depreciation (Note 11(b))	29.99		29.99
		2,322.49	2,352.48
GENERAL RESERVE			
As per last Account	5,871.92		5,782.02
Add : Transfer from Profit & Loss Account	148.08		89.90
		6,020.00	5,871.92
PROFIT AND LOSS ACCOUNT			
As per Annexed Account		1,973.80	2,615.12
		24,094.01	13,471.95
Less/(Add) : Adjustment on acquisition		(320.63)	211.79
Less : Minority Interest		98.58	98.58
		24,316.06	13,161.58

Schedules to Accounts — *Contd.*

3	As at 31st March	
	2011 Rupees Million	2010 Rupees Million
SECURED LOANS		
TERM LOAN FROM BANKS	9,886.89	12,833.20
SHORT TERM LOANS FROM:		
– STATE BANK OF MAURITIUS (repayable within one year)	19.65	–
– ORIENTAL BANK OF COMMERCE (repayable within one year)	232.37	–
– UCO BANK (repayable within one year)	160.73	–
– UNITED BANK OF INDIA (repayable within one year)	145.00	–
HOUSING LOAN FROM ICICI HOME FINANCE LIMITED – ₹ 2 Million (2010 - ₹ 4 Million) repayable within one year	2.00	6.00
LOAN FROM FINANCING COMPANIES :		
– KOTAK MAHINDRA PRIMUS LIMITED ₹ 20.88 Million (2010 - ₹ 20.24 Million) repayable within one year	76.14	56.50
– RELIANCE CAPITAL LIMITED ₹ 13.05 Million (2010 - ₹ 28.51 Million) repayable within one year	27.84	56.81
CASH CREDIT FROM BANKS :		
– UNITED BANK OF INDIA	–	509.06
– HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	–	23.38
– HDFC BANK LIMITED	83.18	16.18
– IDBI BANK LIMITED	–	0.37
– STATE BANK OF MAURITIUS	5.64	–
	<u>10,639.44</u>	<u>13,501.50</u>
PARTICULARS OF TERM LOANS:		
TERM LOAN FROM BANKS		
STATE BANK OF INDIA - T/L I ₹ 600 Million (2010 - ₹ 450 Million) repayable within one year	600.00	1,050.00
INTEREST ACCRUED AND DUE ON STATE BANK OF INDIA - T/L I	5.35	–
STATE BANK OF INDIA - T/L II ₹ 1,100 Million (2010 - ₹ 600 Million) repayable within one year	3,800.00	4,400.00
INTEREST ACCRUED AND DUE ON STATE BANK OF INDIA - T/L II	34.33	–
STATE BANK OF INDIA - T/L III ₹ 72 Million (2010 - ₹ 80 Million) repayable within one year	70.00	150.00
UNITED BANK OF INDIA - T/L I ₹ Nil (2010 - ₹ 720 Million) repayable within one year	–	720.00
INTEREST ACCRUED AND DUE ON UNITED BANK OF INDIA - T/L I	–	25.78
UNITED BANK OF INDIA - T/L II ₹ Nil (2010 - ₹ 83.30 Million) repayable within one year	–	1,000.00
INTEREST ACCRUED AND DUE ON UNITED BANK OF INDIA - T/L II	–	25.56
UNITED BANK OF INDIA - T/L III	–	112.65
AXIS BANK LIMITED ₹ Nil (2010 - ₹ 425 Million) repayable within one year	–	425.00
STATE BANK OF HYDERABAD - T/L I ₹ 800 Million (2010 - ₹ 500 Million) repayable within one year	800.00	1,300.00
STATE BANK OF HYDERABAD - T/L II ₹ Nil (2010 - ₹ 366.60 Million) repayable within one year	–	366.60

Schedules to Accounts — *Contd.*

	As at 31st March	
	2011 Rupees Million	2010 Rupees Million
3		
SECURED LOANS – <i>Contd.</i>		
THE HONGKONG & SHANGHAI BANKING CORPORATION LIMITED (HSBC)		
₹ 500 Million (2010 - ₹ Nil) repayable within one year	1,000.00	1,000.00
ICICI BANK LIMITED - T/L I		
₹ Nil (2010 - ₹ 22.86 Million) repayable within one year	–	45.72
ICICI BANK LIMITED - T/L II		
₹ 78.57 Million (2010 - ₹ 78.57 Million) repayable within one year	98.21	176.79
ICICI BANK LIMITED - T/L III		
₹ 1.05 Million (2010 - ₹ 11.55 Million) repayable within one year	2.61	16.25
ICICI BANK LIMITED	2,000.00	–
HDFC BANK LIMITED - T/L I	–	900.00
HDFC BANK LIMITED - T/L II		
₹ 89.32 Million (2010 - ₹ 63.32 Million) repayable within one year	223.30	190.19
DHANLAKSHMI BANK LIMITED		
₹ 6.30 Million (2010-Nil) repayable within one year	35.55	–
UCO BANK	–	127.97
STATE BANK OF MAURITIUS	871.58	128.02
₹ 114.03 Million (2010 - ₹ 38.40 Million) repayable within one year		
PT BANK INTERNASIONAL INDONESIA Tbk		
₹ 32.15 Million repayable within one year	78.73	587.86
OTHERS	267.23	84.81
	9,886.89	12,833.20

PARTICULARS OF SECURITIES

Term Loan from State Bank of India (T/L I) is secured by way of equitable mortgage by deposit of title deeds in respect of the Company's hotel in Mumbai known as Trident, Nariman Point.

Term Loan from State Bank of India (T/L II) is secured by way of first charge on movable fixed assets of the Company's hotel in Mumbai known as Trident, Bandra Kurla, both present and future and by way of equitable mortgage by deposit of title deeds of the said hotel property.

Term Loan from State Bank of Hyderabad (T/L - I) is secured by way of equitable mortgage by deposit of title deeds of the Company's hotel in Kolkata known as The Oberoi Grand.

Term loans from HSBC and ICICI Bank Limited are 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*. Creation of equitable mortgage in favour of ICICI Bank Limited, ranking *pari passu*, is in progress.

Term Loan from State Bank of India (T/L III) in case of Mumtaz Hotels Limited are secured by joint mortgage of fixed and movable assets, present and future, other than Residential Complex. The Term Loan is additionally secured by corporate guarantee of EIH Limited - the Holding Company and personal guarantee of three Directors.

Term Loan from ICICI Bank Limited (T/L II) in case of Mashobra Resort Limited is secured by the charge on its immovable properties by deposit of title deeds and hypothecation of movable properties including movable plant & machinery, both present & future (save & except book debts), whether installed or not.

Term Loan from Dhanlakshmi Bank, ICICI Bank Limited (T/L III) and HDFC Bank Limited (T/L II) against Hire Purchase arrangement in case of Mercury Car Rentals Limited are secured by hypothecation of vehicles.

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.

Term Loan from PT Bank Internasional Indonesia Tbk in case of PT Widja Putra Karya, Indonesia is secured by a charge on land and buildings, including all premises inside and on the land and buildings of the company's hotel in Indonesia known as The Oberoi Bali.

Schedules to Accounts — *Contd.*

3

SECURED LOANS – *Contd.*

Term Loans from Banks (Others) in case of Golden Jubilee Hotels Limited by a first mortgage and charge on *pari passu* basis on all the immovable and movable assets relating to the project excluding current assets created out of any working capital facilities that may be availed by the company. The loans are additionally secured by corporate guarantee of Core Hotels Ventures Private Limited - its Holding Company and a first charge in favour of the lenders on the profits of the Company, after provision for taxation and dividend, if any.

Short Term loan from State Bank of Mauritius is secured by a fixed charge on Catering Complex & additionally secured by floating charges on all the assets of the Company

Short Term Loans from Oriental Bank of Commerce, UCO Bank and United Bank of India in case of L&T Bangalore Airport Hotel Limited are secured by lien on Fixed Deposits of ₹ 2,240 Million. In the name of L&T Urban Infrastructure Ltd. - Holding Company.

Housing Loan from ICICI Home Finance Limited in case of Mumtaz Hotels Limited is secured by first mortgage of Land & Building of Residential Complex; corporate guarantee of EIH Limited - the Holding Company & personal guarantee of two Directors.

Loans from Finance Companies against Hire Purchase arrangement in case of Mercury Car Rentals Limited are secured by hypothecation of vehicles.

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 from IDBI Bank Limited relates to Mercury Car Rentals Limited and is secured by hypothecation of all present and future goods (other than vehicles) and other movable assets and book debts. The loan is additionally secured by means of a corporate guarantee by EIH Limited - the Holding Company which stands released as on 31st March 2011.

Cash Credit from HDFC Bank Limited relates to Mercury Car Rentals Limited and is to be secured by hypothecation of all present and future Current Assets. Relevant documentation are being done. The loan is additionally secured by means of a corporate guarantee by EIH Limited - the Holding Company of ₹ 60 Million.

Cash Credit from State Bank of Mauritius is secured by a floating charge on all the Assets of the Company. It is additionally secured by a corporate guarantee by EIH Limited - the Holding Company.

		As at 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
4			
UNSECURED LOANS			
SHORT TERM LOANS			
FROM BANKS			
– THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED		–	100.00
– THE ROYAL BANK OF SCOTLAND		–	750.00
OTHER LOANS AND ADVANCES			
FROM OTHERS			
– FROM GOVERNMENT OF HIMACHAL PRADESH		5.00	5.00
INTER CORPORATE DEPOSITS FROM			
– L&T URBAN INFRASTRUCTURE LTD		13.00	–
– L&T INFOCITY LTD		26.00	–
		<u>44.00</u>	<u>855.00</u>
5			
DEFERRED TAX - NET			
DEFERRED TAX LIABILITIES			
DEPRECIATION	1,905.82		1,759.11
MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT AMORTISED	–		0.02
ACCELERATED CAPITAL ALLOWANCE	<u>23.02</u>		–
		1,928.84	1,759.13
DEFERRED TAX ASSETS			
ACCRUED EXPENSES DEDUCTIBLE ON PAYMENT	43.98		78.25
GRATUITY PROVISION	1.16		–
LEAVE ENCASHMENT	23.38		10.56
PROVISION FOR DEBTS AND ADVANCES	72.80		71.09
UNABSORBED DEPRECIATION CARRIED FORWARD	227.40		213.77
ALLOWANCE FOR LOSS IN OPERATING EQUIPMENT	2.76		–
RESERVE FOR FURNITURE FIXTURE & EQUIPMENT	6.30		–
TRANSLATION ADJUSTMENT	<u>0.22</u>		–
		378.00	373.67
DEFERRED TAX LIABILITIES (NET)*		<u>1,550.84</u>	<u>1,385.46</u>

*Including adjustment on account of inclusion of Subsidiaries / Jointly Controlled Entities during the year.

Schedules to Accounts — Contd.

6 FIXED ASSETS

Rupees in Million														
	GROSS BLOCK					DEPRECIATION					NET BLOCK			
	Original Cost/ Revaluation as at 31st March, 2010	Less : adjustment on account of cessation of Jointly Controlled Entity	Add : adjustment on account of inclusion of Subsidiaries/ Jointly Controlled Entity	Add : Translation adjustment	Additions	Deductions	Original Cost/ Revaluation as at 31st March, 2011	As at 31st March, 2010	Add : adjustment on account of inclusion of Subsidiaries/ Jointly Controlled Entity	Add : Translation adjustment	For the Year	Deductions	As at 31st March, 2011	As at 31st March, 2010
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Freehold Land including development cost	1,666.48	-	263.88	1.30	23.09	228.14	1,726.61	-	-	-	-	-	-	1,666.48
Leasehold Land	2,662.92	-	-	-	-	-	2,662.92	13.25	-	27.57	-	40.82	2,622.10	2,649.67
Buildings (Note 10b)	11,264.26	-	659.37	11.75	1,445.45	105.33	13,275.50	1,840.55	298.35	8.57	258.30	41.53	2,264.24	9,423.71
Sanitary Installation	623.92	-	-	-	224.67	15.97	832.62	72.90	-	-	21.43	5.76	88.57	551.02
Plant & Machinery including Computers	8,223.41	-	205.33	2.23	966.65	99.79	9,297.83	2,641.05	191.36	1.96	544.98	71.97	3,307.38	5,582.36
Furniture & Fittings	1,346.72	-	216.56	6.24	157.73	25.64	1,701.61	639.20	193.35	5.77	116.73	23.98	931.07	707.52
Vehicles	797.84	-	10.85	0.36	304.48	204.47	909.06	341.28	7.03	0.28	140.20	145.52	343.27	456.56
Aircrafts	590.27	-	-	-	-	-	590.27	117.03	-	-	33.06	20.19	150.09	473.24
Leased Vehicles (Note 12)	117.04	-	-	-	67.84	27.38	157.50	53.16	-	-	33.90	66.87	90.63	63.88
Leased Machinery (Note 12)	239.43	-	-	-	-	-	239.43	18.59	-	-	17.77	-	36.36	220.84
Boats	49.51	-	-	-	0.40	0.25	49.66	10.71	-	-	1.34	0.06	11.99	38.80
Intangible Assets -														
Business Rights	78.72	-	-	-	-	-	78.72	78.72	-	-	-	-	78.72	-
Trademarks	22.60	-	-	-	-	-	22.60	22.60	-	-	-	-	22.60	-
Licensed Software	4.20	-	-	-	5.52	-	9.72	3.28	-	-	1.10	-	4.38	0.92
	27,687.32	-	1,355.99	21.88	3,195.83	706.97	31,554.05	5,852.32	690.09	16.58	1,196.38	309.01	7,446.36	21,835.00
Capital Work-in-Progress including project advances-considered good	3,033.07	-	54.66	-	1,593.39	2,459.23	2,221.89	-	-	-	-	-	2,221.89	3,033.07
	30,720.39	-	1,410.65	21.88	4,789.22	3,166.20	33,775.94	5,852.32	690.09	16.58	1,196.38	309.01	7,446.36	24,868.07
Previous year	27,247.03	0.01	130.42	-	9,842.89	6,499.94	30,720.39	5,241.10	-	-	909.79	298.57	5,852.32	24,868.07

Note: Depreciation for the year ₹ 1,196.38 Million (31.03.2010 - ₹ 909.79 Million) of which ₹ 29.99 Million (31.03.2010 - ₹ 29.99 Million) has been adjusted with Revaluation Reserve and ₹ 0.08 Million (31.03.10 - ₹ 0.05 Million) has been transferred to Pre-operative Expenses (Refer Schedule 6a) and ₹ 0.76 Million (31.03.10 - ₹ 2.18 Million) has been transferred to Capital Work In Progress. Balance ₹ 1,165.55 Million (31.03.10 - ₹ 877.57 Million) has been charged to Profit and Loss Account.

Schedules to Accounts — *Contd.*

		As at 31st March	
6a	Rupees Million	2011 Rupees Million	2010 Rupees Million
PRE-OPERATIVE EXPENSES			
As per last Account		62.61	25.62
Add : Incurred during the year		71.69	36.99
		<u>134.30</u>	<u>62.61</u>
7a			
INVESTMENTS			
- IN ASSOCIATES (Note 2)			
Long Term Investments			
Trade Investments -			
In shares - Quoted			
7,071,333 (31.03.2010 - 7,071,333) Equity Shares of ₹ 10 each of EIH Associated Hotels Limited fully paid		802.54	768.88
		<u>802.54</u>	<u>768.88</u>
7b			
INVESTMENTS			
- IN OTHERS			
Long Term Investments			
Trade Investments -			
Shares - Quoted			
200,000 (31.03.2010 - 200,000) Equity Shares of ₹ 10 each of Royale Manor Hotels and Industries Limited fully paid		2.00	2.00
25,000 (31.03.2010 - 25,000) Equity Shares of ₹ 10 each of Tourism Finance Corporation of India Limited fully paid		0.50	0.50
Other Investments -			
(a) Shares - Unquoted			
Nil (31.03.2010 - 75,000) Equity Shares of ₹ 10 each of CCA Leisure Services Private Limited fully paid	—		0.75
Less : Provision for diminution in value of Investments	—		0.75
		—	—
849,575 (31.03.2010 - 849,575) Equity Shares of ₹ 10 each of Mercury Travels Limited fully paid		18.69	18.69
(b) Government Securities - Unquoted			
7 year National Savings Certificate		0.26	0.22
Long Term Investments of Subsidiaries - Unquoted			
Investment in EIH Holdings Ltd., Oberoi Mauritius Ltd., PT Widja Putra Karya PT Waka Oberoi Indonesia, J&W Hongkong Limited and EIH Marrakech Limited which have become subsidiaries during the year		—	1,581.99
1,078,826 (31.03.2010 - 297,353) Shares of Egyptian Pound 10 each of Tourism Investments Company at Sahl Hasheesh fully paid		227.07	34.20
1,000 (31.03.2010 - Nil) Shares of La Roseraie De L'Atlas SA, Marrakech of Face Value Moroccan Dirham 1,000 per share fully paid		113.19	—
Current Investments of Jointly Controlled Entities - Quoted			
Nil units (31.03.2010 - 2,997,272.482 units) of Baroda Pioneer Treasury Advantage Fund- Institutional Daily Dividend Plan		—	4.80
		<u>361.71</u>	<u>1,642.40</u>
Total : 7(a) + 7(b)		<u>1,164.25</u>	<u>2,411.28</u>

Schedules to Accounts — *Contd.*

	Book Value Rupees Million	Market Value Rupees Million
Quoted	805.04 (776.18)	1,085.06 (930.93)
Unquoted	359.21 (1,635.10)	
	1,164.25 (2,411.28)	

(Figures in brackets represent figures for 2010)

In 2010, 6,525,391.931 Units of HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvest at cost were purchased and sold at a price of ₹ 80.00 Million (Non Trade).

		As at 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
8			
INVENTORIES (Note 16)			
Provisions, Wines & Others (Note 15(a))		164.80	137.62
Stores & Operating Supplies		281.20	199.57
		446.00	337.19

9			
SUNDRY DEBTORS (Unsecured)			
Debts outstanding for a period exceeding six months			
Considered good	37.96		77.45
Considered doubtful	30.96		27.23
	68.92		104.68
Other Debts			
Considered good	1,475.64		1,081.71
Considered doubtful	0.13		—
		1,544.69	1,186.39
Less : Provision for Doubtful Debts		31.09	27.23
		1,513.60	1,159.16

Schedules to Accounts — *Contd.*

10	Rupees Million	As at 31st March	
		2011 Rupees Million	2010 Rupees Million
CASH & BANK BALANCES			
Cash in hand including cheques in hand ₹ 48.41 Million (2010 - ₹ 25.37 Million)		85.75	49.54
Bank Balances :			
With Scheduled Banks :			
Current Accounts	645.80		103.78
Fixed Deposits (Notes 6, 8 & 21)	5,599.31		370.78
Unpaid Dividend Accounts	27.69		25.24
Margin Accounts	5.78		7.18
Escrow Accounts / Fractional Share sale proceeds (against Bonus Issue)	0.20		0.21
		6,278.78	
With Others :			
Fixed Deposits with Mashreqbank, Dubai (Maximum Balance during the year ₹ 0.61 Million; 2010 - ₹ 0.70 Million)		0.61	0.61
Current Accounts with :			
Citibank, New York (Maximum Balance during the year ₹ 5.69 Million; 2010 - ₹ 6.00 Million)		0.02	0.11
The Hongkong and Shanghai Banking Corporation Limited, Singapore (Maximum Balance during the year ₹ 3.73 Million; 2010 - ₹ 3.58 Million)		0.14	0.08
Hongkong Bank of Australia Limited, Sydney (Maximum Balance during the year ₹ 5.10 Million; 2010 - ₹ 3.31 Million)		0.11	0.06
The Hongkong and Shanghai Banking Corporation Limited, London (Maximum Balance during the year ₹ 13.36 Million; 2010 - ₹ 8.93 Million)		7.72	6.51
Mashreqbank, Dubai (Maximum Balance during the year ₹ 1.61 Million; 2010 - ₹ 2.22 Million)		1.17	0.73
Bank Balances of Overseas Subsidiaries		482.10	83.85
		6,856.40	648.68

Schedules to Accounts — *Contd.*

		As at 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
11			
LOANS AND ADVANCES (Unsecured)			
(Considered good, unless otherwise stated)			
Advances towards Equity in :			
Private Limited Companies in which two of the Directors are Directors –			
CCA Leisure Services Private Limited - considered doubtful		–	0.31
Other Companies			
Mara Hotels Limited - considered doubtful		2.50	2.50
Advances recoverable in cash or in kind or for value to be received :			
Considered good	506.94		889.19
Considered doubtful	185.87		179.12
		692.81	
Loan to Associate: EIH Associated Hotels Limited (Maximum Balance during the year ₹ 320.00 Million; 2010 - ₹ 320.00 Million)		–	320.00
Insurance Claim Receivable		–	694.36
Balance with Customs, Excise, etc.		36.89	26.11
Prepaid Expenses		140.29	97.15
Sundry Deposits		803.82	571.51
Fringe Benefit Tax (net of Provision)		7.74	7.74
Income Tax Advance/Refund (net of Provision)		486.84	410.75
MAT Credit Entitlement (net of availed)		218.28	90.84
		2,389.17	3,289.58
Less: Provision for Doubtful Advances		188.37	181.93
		2,200.80	3,107.65
12			
CURRENT LIABILITIES			
Sundry Creditors			
Total outstanding dues of Micro Enterprises and Small Enterprises (Note 9)	0.35		–
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (including amount due to Subsidiary Companies)	1,454.86		1,097.22
		1,455.21	1,097.22
Contribution towards Gratuity		45.29	17.44
Security Deposits		175.72	147.95
Liability for Leased Assets (Note 12)		246.42	258.87
Interest accrued but not due		11.13	13.74
Other Liabilities		867.65	536.38
Unclaimed Fractional Share sale proceeds (against Bonus Issue)		0.20	0.21
Unclaimed Dividend		27.69	25.24
Investor Education and Protection Fund :			
Interest on Unclaimed Deposits		0.28	0.23
Unclaimed Cheques and Warrants - Fixed Deposits		3.25	4.25
		2,832.84	2,101.53

Schedules to Accounts — *Contd.*

	Rupees Million	As at 31st March	
		2011 Rupees Million	2010 Rupees Million
13			
PROVISIONS			
Proposed Dividend on Equity Shares		555.71	479.80
Tax on Dividend		88.14	79.59
Wealth Tax (net of Advance)		29.60	4.85
Gratuity		3.76	3.01
Leave Encashment		146.14	124.28
		823.35	691.53
14			
MISCELLANEOUS EXPENDITURE			
(to the extent not amortised or adjusted)			
As per last Account			
Deferred Borrowing Cost	9.47		–
Preliminary expenses	0.09		0.23
		9.56	0.23
Add : Adjustment on account of inclusion of jointly controlled entity			
Deferred borrowing cost		–	0.59
Add : Amount paid during the year			
Deferred borrowing cost		–	9.33
Less : Amortised/Capitalised during the year			
Deferred borrowing cost	0.90		0.45
Preliminary expenses	0.09		0.14
		0.99	0.59
Balance		8.57	9.56
<i>Less : Adjustment on acquisition</i>		–	0.06
<i>Less : Minority Interest</i>		–	0.03
Balance carried to Balance Sheet		8.57	9.47
Details of Closing Balance			
Deferred borrowing cost		8.57	9.47
		8.57	9.47

Schedules to Accounts — *Contd.*

		Year ended 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
15			
INCOME FROM GUEST ACCOMMODATION, RESTAURANTS, BARS & BANQUETS, ETC.			
Rooms		5,198.37	3,739.99
Food and Beverage		4,172.54	3,188.44
Other Services		1,891.75	1,522.39
		<u>11,262.66</u>	<u>8,450.82</u>
16			
OTHER INCOME			
Interest (Gross)			
– Loans (Tax at source ₹ 2.99 Million; 2010 - ₹ 4.00 Million)	29.90		45.45
– Banks (Tax at source ₹ 0.91 Million; 2010 - ₹ 1.67 Million)	34.15		23.99
– Others (Tax at source ₹ 0.23 Million; 2010 - ₹ 0.24 Million)	2.38		2.41
– Income Tax Refund	–		10.92
		66.43	82.77
Dividend (Gross)			
From Subsidiary Companies - Long Term Investments (Trade)	10.64		10.61
From Others - Long Term Investments (Non-trade)	5.72		0.02
From Mutual Fund - Current Investments (Non-trade)	5.52		0.95
		21.88	11.58
Sale of Printing Materials		583.80	489.18
Miscellaneous Income		229.50	239.15
Transport & Car Hire Charges		674.26	670.99
Insurance Claim - Business Interruption Loss		–	526.76
Gain on Exchange		125.50	–
Liabilities written back / Bad Debts recovered		4.69	6.12
		<u>1,706.06</u>	<u>2,026.55</u>
17			
CONSUMPTION OF PROVISIONS, WINES & OTHERS (Note 15(b))			
Opening Stock		137.62	167.19
Add: Adjustment on account of inclusion of Subsidiaries / Jointly controlled entity		1.17	–
Add : Purchases		1,591.73	1,206.73
		<u>1,730.52</u>	<u>1,373.92</u>
Less : Closing Stock		164.80	137.62
		<u>1,565.72</u>	<u>1,236.30</u>

Schedules to Accounts — *Contd.*

		Year ended 31st March	
	Rupees Million	2011 Rupees Million	2010 Rupees Million
18			
EMPLOYEES' REMUNERATION & WELFARE EXPENSES			
Salaries, Wages & Bonus		3,159.20	2,286.18
Contribution to Provident Fund and other funds		121.74	94.01
Workmen & Staff Welfare Expenses		221.17	189.65
Commission to Directors		38.22	54.91
Gratuity		62.51	33.25
		<u>3,602.84</u>	<u>2,658.00</u>
19			
UPKEEP & SERVICE COST			
Linen, Uniform Washing & Laundry Expenses		41.09	25.07
Expenses on Apartment & Board		168.99	133.91
Power & Fuel		869.29	647.64
Renewals & Replacement		99.45	85.78
Repairs & Maintenance :			
Buildings	190.51		122.61
Plant & Machinery	491.02		378.49
Others	101.31		77.09
		<u>782.84</u>	
		<u>1,961.66</u>	<u>1,470.59</u>
20			
ADMINISTRATIVE, SELLING AND OTHER EXPENSES			
Rent (Note 13)		267.03	304.33
Royalty, Franchise Fees & Membership Fees		122.01	111.87
Advertisement, Publicity & Other Promotional Expenses		346.55	238.59
Commission to Travel Agents & others		214.82	164.54
Rates & Taxes		346.62	241.81
Insurance		70.36	62.26
Passage & Travelling		245.24	214.13
Vehicle Operating Fees		184.46	145.41
Postage, Telephone, etc.		146.50	115.56
Musical, Banquet & Kitchen Expenses		76.11	48.41
Directors' Fees		1.32	0.64
Loss on Sale/Discard of Assets (Net)		55.87	5.01
Provision/write off : Debts & Advances		19.50	8.32
Auditor's Remuneration		38.19	10.65
Provision/write off : Investments		1.25	—
Miscellaneous Expenses		601.11	401.65
Loss on Exchange (Net)		—	0.70
		<u>2,736.94</u>	<u>2,073.88</u>

Schedules to Accounts — *Contd.*

	Year ended 31st March	
	2011 Rupees Million	2010 Rupees Million
21		
INTEREST AND FINANCE CHARGES (Note 17)		
On Fixed Loans	1,629.42	1,049.79
On Others	60.79	53.34
	<u>1,690.21</u>	<u>1,103.13</u>
22		
EXCEPTIONAL ITEMS		
Shortfall arising on final settlement of insurance claim for loss due to business interruption (Note 7(i))	(369.83)	—
Surplus arising on final settlement of insurance claim for damage (Note 7(ii))	67.05	—
Profit on sale of land/apartments	258.60	—
	<u>(44.18)</u>	<u>—</u>
23		
TAX		
Income Tax	270.72	163.50
Wealth Tax	15.20	4.12
Deferred Tax	158.87	175.78
	<u>444.79</u>	<u>343.40</u>
<i>Less: MAT credit entitlement</i>	<u>161.22</u>	<u>—</u>
	<u>283.57</u>	<u>343.40</u>
<i>Add: Tax adjustment relating to earlier years after final assessment</i>	<u>45.46</u>	<u>4.48</u>
	<u>329.03</u>	<u>347.88</u>

Schedules to Accounts — *Contd.*

24

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

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

2. Principles of Consolidation

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

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

These are set out under "Significant Accounting Policies" as given in the respective Financial Statements of EIH Limited and its subsidiaries, associates and jointly controlled entities.

Schedules to Accounts — *Contd.*

25

NOTES TO THE ACCOUNTS

1. (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 Hongkong Ltd *	Hongkong	100.00%
x) Oberoi Turtle Bay Ltd *	Mauritius	100.00%
xi) EIIH Corporation Ltd *	Hongkong	100.00%
xii) EIH Investments NV *	Netherlands Antilles	100.00%
xiii) EIH Management Services BV *	The Netherlands	100.00%
xiv) PT Widja Putra Karya *	Indonesia	70.00%
xv) PT Waka Oberoi Indonesia *	Indonesia	83.23%
xvi) PT Astina Graha Ubud *	Indonesia	60.00%

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

Out of the above Subsidiary Companies, Oberoi Kerala Hotels & Resorts Limited, Mashobra Resort Limited, Mercury Car Rentals Limited, Mumtaz Hotels Limited, PT Widja Putra Karya, PT Waka Oberoi Indonesia and PT Astina Graha Ubud are also Jointly Controlled Entities.

EIH Flight Catering Services Limited has ceased to be a Subsidiary during the year. The procedure for dissolution has already been initiated.

- (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 Entities	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.

Schedules to Accounts — *Contd.*

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

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

EIH International Ltd has acquired the equity interest of Amex Investment Ltd, the Joint Venture Partner, in its Joint Venture Company, EIH Holdings Ltd, on 30th June, 2010 resulting in EIH Holdings Ltd becoming a wholly owned subsidiary of EIH International Ltd. As a result of this acquisition, companies shown against Sl Nos. (vii) to (xvi) in Note 1(A) have been consolidated as subsidiary companies and the Company shown against Sl. No. (iii) in Note 1(B) has been consolidated as a jointly controlled entity effective 1st July, 2010. The financial statements of these companies have been consolidated with EIH International Ltd, which in turn has been consolidated by EIH Limited.

As a result of the inclusion of these subsidiary companies and the jointly controlled entity into the Consolidated Financial Statements of the Company, Consolidated Total Income for the year has gone up by ₹ 296.24 Million. Company's share in Consolidated Loss after Tax has been increased by ₹ 316.92 Million, Consolidated Total Assets have gone up by ₹ 634.89 Million and Consolidated Total Liabilities have gone up by ₹ 635.64 Million.

2. The carrying amount of investments includes goodwill (net) arising on acquisition in the associates EIH Associated Hotels Limited of ₹ 124.42 Million (2010 - ₹ 124.42 Million) computed as per Accounting Standard on “Accounting for Investments in Associates in Consolidated Financial Statements”(AS-23).
3. The estimated amount of contracts remaining to be executed on capital account and not provided for net of advances ₹ 579.66 Million (2010 - ₹ 807.10 Million).
4. Contingent Liabilities not provided for in respect of :
 - (i) Claims against the Company /Companies pending appellate/judicial decisions :
 - (a) Sales Tax ₹ 49.01 Million (2010 - ₹ 24.64 Million)
 - (b) Income-tax ₹ 628.65 Million (2010 - ₹ 578.48 Million)
 - (c) Tax deducted at Source - ₹ 5.25 Million (2010-NIL)
 - (d) Service Tax - ₹ 50.38 Million (2010-NIL)
 - (e) Property Tax ₹ 7.40 Million (2010 - ₹ 170.64 Million)
 - (f) Entertainment Tax ₹ 12.93 Million (2010 - ₹ 9.65 Million)
 - (g) ESI Claim ₹ 12.22 Million (2010 - ₹ 11.12 Million)
 - (h) Stamp Duty ₹ 10.23 Million (2010 - ₹ 10.23 Million)
 - (i) Entry Tax ₹ 0.66 Million (2010 - ₹ 0.66 Million)
 - (j) Expenditure Tax ₹ 0.97 Million (2010 - ₹ 0.10 Million)
 - (k) Customs Duty ₹ 429.66 Million (2010 - ₹ 452.50 Million)
 - (l) Excise Duty ₹ 35.63 Million (2010 - ₹ 19.79 Million)
 - (m) Others ₹ 31.58 Million (2010 - ₹ 27.06 Million)
 - (ii) Guarantees given to Banks & Financial Institutions for NIL (2010 - ₹ 239.50 Million) against financial facilities availed by other Companies.
 - (iii) Counter guarantees issued to banks and remaining outstanding ₹ 166.32 Million (2010 - ₹ 30.61 Million).
5. EIH Flight Services Limited, Mauritius has commenced operation on 12th July, 2010.

Schedules to Accounts — *Contd.*

6. The Company issued 178,615,442 equity shares of ₹ 2 each on rights basis at a premium of ₹ 64 per share. These shares were allotted on 26th March, 2011. The total proceeds of the Rights Issue was ₹ 11,788.62 Million. Accordingly, Share Capital of the Company has gone up by ₹ 357.23 Million and Securities Premium has gone up by ₹ 11,431.39 Million. Expenses incurred in relation to the Rights Issue, ₹ 111.14 Million has been written off against Securities Premium.

	Rupees Million	Rupees Million
Proceeds from the Rights Issue were utilised as below :		
Amount raised through Rights Issue		11,788.62
Utilisation :		
Repayment/Prepayment of Term Loan	4,610.00	
General Corporate Purposes	1,568.56	
Issue related expenses	111.14	
	6,289.70	
Temporary surplus invested in Fixed Deposit with Scheduled Banks as at 31st March, 2011	5,250.00	
		11,539.70
Balance in Current Account		248.92

Term Loans repaid/prepaid includes ₹ 2,100.00 Million availed during the year.

7. (i) The Company accounted for ₹ 967.60 Million and ₹ 526.76 Million under the head "Other Income" during the Financial Years 2008-09 and 2009-10 respectively, on estimated basis on account of claims for loss of profit due to business interruption caused by terrorist attack on 26th November, 2008 in Mumbai. During the year, the Insurance Company finally assessed the claim at ₹ 1,124.53 Million. Accordingly the resultant deficit of ₹ 369.83 Million has been treated as exceptional loss.
- (ii) The claim of the Company for material damage caused by terrorist attack on 26th November, 2008 in Mumbai has been assessed by the Insurance Company at ₹ 174.22 Million on replacement value basis. The net book value of the assets damaged was ₹ 107.17 Million. The resultant surplus of ₹ 67.05 Million has been treated as exceptional income.
8. Fixed Deposits & 7 Year National Savings Certificate aggregating to ₹ 25.61 Million (2010 - ₹ 20.56 Million) have been lodged with the Banks/Government Authorities for obtaining guarantees or as Security Deposits.

Schedules to Accounts — *Contd.*

9. 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, 2011 (Rupees in Million)	As at 31st March, 2010 (Rupees in Million)
(a) Principal amount due and remaining unpaid	0.35	-
(b) Interest due on (a) above & the unpaid interest	-	-
(c) Interest paid on all delayed payments under the MSMED Act	-	-
(d) Payment made beyond the appointed day during the year	-	-
(e) Interest due & payable for the period of delay other than (c) above	-	-
(f) Interest accrued & remaining unpaid on 31st March 2011	-	-
(g) Amount of further interest remaining due & payable in succeeding years.	-	-
10. (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 Re.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.		
11. (a) Depreciation has been provided for in the Accounts on "Straight Line Method" at the rates prescribed in Schedule XIV to the Companies Act, 1956 except for specific assets which are depreciated over the useful lives of the assets, which are not less than those prescribed under the Companies Act, 1956.		
(b) The depreciation for the year as per Fixed Asset Schedule (Schedule-6) includes ₹ 29.99 Million (2010 - ₹ 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 entities 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.		

Schedules to Accounts — *Contd.*

12. Fixed Assets acquired under Finance Lease amounted to ₹ 396.93 Million (2010 - ₹ 356.47 Million) being the Assets acquired between 1st April, 2001 and 31st March, 2011. These include an amount of ₹ 67.84 Million (2010 - ₹ 37.07 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 ₹ 51.67 Million (2010 - ₹ 43.79 Million) being depreciation charged on these assets.

The year-wise break up of the outstanding lease obligations as on 31st March, 2011 in respect of these assets are as under :

	Year ended 31st March	
	2011	2010
	Rupees Million	Rupees Million
Assets taken on lease		
Total minimum lease payments at the year end	285.82	299.42
Present value of minimum lease payments	246.42	258.87
Not later than one year		
Minimum Lease payments	99.31	84.50
Present value	93.71	66.14
Later than one year but not later than five years		
Minimum Lease Payments	186.51	214.92
Present value	152.71	192.73
Later than five years		
Minimum Lease Payments	—	—
Present value	—	—
(a) Contingent rents recognised as expense in the statement of Profit and loss for the year :	—	—
(b) The total of future minimum sublease payments expected to be received under non-cancellable subleases at the Balance sheet date :	—	—

13. Disclosures in respect of Company's operating lease arrangements entered on or after 1st April, 2001 under Accounting Standard (AS-19) on Leases.
- (a) General description of the Company's operating lease arrangements :
The Company has entered into operating lease arrangements primarily for office premises, site offices, airport/flight services and residential premises for its employees. Some of the significant terms and conditions of the arrangements are :
- agreements are not non-cancellable in nature and may generally be terminated by either party by serving a notice;
 - the lease arrangements which are not non-cancellable are generally renewable by mutual consent on mutually agreeable terms.
- (b) The Company has given shops on rental basis which are not non-cancellable and can be terminated by either party by serving a notice.
- (c) Rent in respect of the above is charged/credited to the Profit and Loss Account.
14. The Group has adopted Accounting Standard 15 (AS-15) (revised 2005) on "Employee Benefits". These Consolidated Financial Statements include the obligations as per requirement of this Standard except for those subsidiaries which are incorporated outside India who have determined the valuation / provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.

Schedules to Accounts — *Contd.*

15. (a) Inventory of Provision, Wines & Others includes Stock of Paper, Ink etc. at year end ₹ 57.19 Million (2010 - ₹ 50.87 Million).
(b) Consumption of Provisions, Wines and Others includes consumption of Paper, Ink etc. ₹ 382.28 Million (2010 - ₹ 402.27 Million).
16. 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 Profit and Loss Account.
17. Interest debited to Profit & Loss Account is net of interest capitalised amounting to ₹ 17.76 Million (2010 - ₹ 285.23 Million).
18. 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.
19. Repairs & Maintenance – Plant & Machinery includes running, maintenance and tax expenses relating to vehicles in respect of Mercury Car Rentals ₹ 139.11 Million (2010 - ₹ 144.76 Million).
20. 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, 2011 requested MRL to account for the entire amount of ₹ 1,293.03 Million provided to MRL upto 31st March, 2011 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 ₹ 1,293.03 Million as ‘Advance Towards Equity’ in its books. Considering this and the intrinsic value of the hotel property, the ‘Advance Towards Equity’ in MRL has been considered good.
21. In respect of Mashobra Resort Limited Deposit Accounts with Banks includes an amount of ₹ 127.36 Million (2010 - ₹ 101.26 Million) represents the amount deposited with a Nationalised Bank as per directions of the High Court on 17th December, 2003 relating to the dispute between EIH Limited & Government of Himachal Pradesh.
22. In case of Mumtaz Hotels Limited Advances Recoverable includes cost of land of ₹ 5.19 Million acquired by the Uttar Pradesh Shasan Van Anubhag. The Company’s claim for compensation is pending adjudication before the Additional District Judge Agra, Uttar Pradesh.

23. Earnings per Equity share :	Year ended 31st March	
	2011	2010
	Rupees	Rupees
	Million	Million
Profit computation for both Basic and Diluted earnings per share of ₹ 2 each		
Net Profit after Taxation as per Profit and Loss Account	(52.32)	663.05
Weighted average number of Equity Shares outstanding	395,890,116	392,953,972
Basic and Diluted earnings per Equity Share of face value ₹ 2 (in Rupees)	(0.13)	1.69

Schedules to Accounts — *Contd.*

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

(A) Name of the Related Parties

(I) Associate

- (i) EIH Associated Hotels Limited

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

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

(III) Key Management Personnel

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

(B)
Transactions with Related Parties during the Financial Year and Outstanding Balances as on 31.03.2011

NATURE OF TRANSACTIONS

	Associate & Joint Venture		Enterprises in which Key Management Personnel have significant influence		Key Management Personnel/ Relative of Key Management Personnel	
	2011 Rupees Million	2010 Rupees Million	2011 Rupees Million	2010 Rupees Million	2011 Rupees Million	2010 Rupees Million
PURCHASES						
Purchases of Goods & Services						
ElH Associated Hotels Limited	8.56	1.81	-	-	-	-
Island Hotel Maharaj Limited	-	-	1.72	0.98	-	-
Oberoï Hotels Private Limited	-	-	0.12	-	-	-
Total	8.56	1.81	1.84	0.98	-	-
Purchase of Fixed Assets						
ElH Associated Hotels Limited	2.22	0.05	-	-	-	-
Total	2.22	0.05	-	-	-	-
EXPENSES						
Rent						
Wife of Mr. P.R.S. Oberoi	-	-	-	-	0.36	0.36
Oberoï Hotels Private Limited	-	-	0.36	0.36	-	-
Total	-	-	0.36	0.36	0.36	0.36
Royalty						
Oberoï Hotels Private Limited	-	-	97.56	79.79	-	-
Total	-	-	97.56	79.79	-	-
Salary & Commission						
Mr. P.R.S. Oberoi	-	-	-	-	17.62	25.80
Mr. S.S. Mukherji	-	-	-	-	21.72	26.57
Mr. V.S. Oberoi	-	-	-	-	13.09	14.91
Mr. A.S. Oberoi	-	-	-	-	13.30	14.81
Daughter of Mr. S.S. Mukherji	-	-	-	-	0.70	0.19
Total	-	-	-	-	66.43	82.28
SALES						
Sale of Goods and Services						
ElH Associated Hotels Limited	62.39	42.38	-	-	-	-
Island Hotel Maharaj Limited	-	-	2.58	0.68	-	-
Total	62.39	42.38	2.58	0.68	-	-
Sale of Fixed Assets						
ElH Associated Hotels Limited	2.24	0.65	-	-	-	-
Total	2.24	0.65	-	-	-	-
INCOME						
License Agreement						
ElH Associated Hotels Limited	0.24	0.24	-	-	-	-
Oberoï Holdings Private Limited	-	-	0.69	0.69	-	-
Oberoï Investments Private Limited	-	-	0.13	0.13	-	-
Oberoï Buildings & Investments Private Limited	-	-	1.17	1.17	-	-
Oberoï Plaza Private Limited	-	-	2.41	2.41	-	-
Bombay Plaza Private Limited	-	-	1.88	1.87	-	-
Total	0.24	0.24	6.28	6.27	-	-
Management/Technical fees						
ElH Associated Hotels Limited	113.96	97.77	-	-	-	-
Island Hotel Maharaj Limited	-	-	1.54	2.01	-	-
Total	113.96	97.77	1.54	2.01	-	-
Interest Received						
ElH Associated Hotels Limited	29.90	30.40	-	-	-	-
Total	29.90	30.40	-	-	-	-
Dividend Received						
ElH Associated Hotels Limited	10.61	10.60	-	-	-	-
Total	10.61	10.60	-	-	-	-
Finance						
RECEIPTS						
Loans & Advances received back	-	-	-	-	-	-
ElH Associated Hotels Limited	320.00	-	-	-	-	-
Total	320.00	-	-	-	-	-
Guarantee released						
ElH Associated Hotels Limited	104.00	-	-	-	-	-
Island Hotel Maharaj Limited	-	-	135.50	-	-	-
Total	104.00	-	135.50	-	-	-
OUTSTANDING BALANCES						
Payables						
For Goods & Services						
ElH Associated Hotels Limited	2.06	0.65	0.14	-	-	-
Island Hotel Maharaj Limited	-	-	0.16	0.89	-	-
Total	2.06	0.65	0.30	0.89	-	-
Royalty						
Oberoï Hotels Private Limited	-	-	27.86	-	-	-
Total	-	-	27.86	-	-	-
Security Deposit						
Bombay Plaza Private Limited	-	-	0.50	0.50	-	-
Total	-	-	0.50	0.50	-	-
Loans & Advances and Receivables						
For Goods & Services						
ElH Associated Hotels Limited	13.53	6.34	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	1.40	-	-
Total	13.53	6.34	-	1.40	-	-
Loans & Advances						
ElH Associated Hotels Limited	-	320.00	-	-	-	-
Total	-	320.00	-	-	-	-
Management/Technical fees						
ElH Associated Hotels Limited	51.47	43.62	-	-	-	-
Island Hotel Maharaj Limited	-	-	1.19	0.70	-	-
Total	51.47	43.62	1.19	0.70	-	-
Outstanding Financial Facilities						
Against Corporate Guarantees						
ElH Associated Hotels Limited	-	104.00	-	-	-	-
Island Hotel Maharaj Limited	-	-	-	135.50	-	-
Total	-	104.00	-	135.50	-	-

Schedules to Accounts — *Contd.*

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

	Year Ended 31st March	
	2011 Rupees Million	2010 Rupees Million
Segment Revenue		
a. Hotels	11,495.45	9,269.29
b. Others	1,473.27	1,208.08
Total	12,968.72	10,477.37
Segment Results		
Profit before Interest and Tax from each segment :		
a. Hotels	3,665.89	3,893.40
b. Others	(206.04)	(298.53)
Total	3,459.85	3,594.87
Less :		
i. Interest	1,690.21	1,103.13
ii. Other un-allocable expenditure	1,523.93	1,433.98
Profit before Tax before exceptional items	245.71	1,057.76
Exceptional item - Loss (Net)	(44.18)	—
Profit before tax	201.53	1,057.76
Segment Assets		
Hotels	37,625.16	26,712.29
Others	3,363.96	5,601.08
	40,989.12	32,313.37
Total Liabilities		
Hotels	12,692.51	16,042.58
Others	973.66	542.73
	13,666.17	16,585.31

Schedules to Accounts — *Contd.*

26. 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 FIH 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	16.79	0.45	0.29	0.34
Mashobra Resort Limited	78.79	-do-	697.02	100.97	152.49	145.65
Mumtaz Hotels Limited	60.00	-do-	722.75	289.93	382.58	280.73
Golden Jubilee Hotels Limited	16.00	-do-	555.99	303.15	0.01	0.85
L&T Bangalore Airport Hotel Limited	26.00	-do-	795.04	608.64	–	0.49
Mercury Car Rentals Limited	66.67	-do-	444.18	396.95	533.72	544.64
Oberoi Mauritius Limited	50.00	-do-	1,084.17	676.62	250.21	246.63

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

Guarantees given to Banks and Financial Institutions for ₹ 1,024.00 Million (2010 - ₹ 1,150.00 Million) against financial facilities availed by the jointly controlled entities.

- b) FIH Limited's share of the contingent liabilities of the joint ventures themselves : ₹ 39.95 Million (2010 - ₹ 11.87 Million).
- c) FIH Limited is not liable for the liabilities of the other venturers of any joint venture.
- d) There are no capital commitments of FIH Limited in relation to its interest in joint ventures and there are no capital commitments that have been incurred jointly with other venturers.
- e) FIH Limited's share of capital commitments of the joint ventures themselves amounts to ₹ 414.65 Million (2010 - ₹ 209.42 Million).

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

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



The Oberoi Group

OBEROI HOTELS & RESORTS

INDIA

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

EGYPT

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

INDONESIA

Bali	The Oberoi
Lombok	The Oberoi

MAURITIUS

Mauritius	The Oberoi
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SAUDI ARABIA

Madina	Madina Oberoi
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TRIDENT HOTELS

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

OTHER BUSINESS UNITS

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



PROJECTS UNDER CONSTRUCTION OR DEVELOPMENT

INTERNATIONAL

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

INDIA

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

