

Transcript of Annual General Meeting of EIH Associated Hotels Limited held on 07th August 2023

Management:

- Mr. Shib Sanker Mukherji, Chairman
- Mr. Arjun Oberoi, Director
- Mr. Vikramjit Oberoi, Managing Director
- Mrs. Radhika Vijay Haribhakti, Independent Director
- Mr. Anil Kumar Nehru, Independent Director
- Mr. Surin Kapadia, Independent Director
- Mr. Samidh Das, Chief Financial Officer
- Mr. Tejasvi Dixit, Company Secretary

Moderator: Over to Chairman Sir.

Shib Sanker Mukherji: Good afternoon, ladies and gentlemen. I welcome you all at this 40th Annual General Meeting of EIH Associated Hotels Limited. As the quorum is present, I seek your permission to commence the meeting. I shall now introduce my colleagues on the Board. On my right, Ms. Radhika Haribhakti, Mr. Anil Nehru, Mr. Vikram Oberoi, myself Mr. S.S. Mukherji. On my left, Mr. Surin Kapadia and Mr. Arjun Oberoi. The Annual Report for the financial year 2022-23 has been with you for some time.

With your permission, I will take this as read. The year under review recorded significant growth over the previous financial year. Your company has surpassed the pre-pandemic levels of financial performance. The total revenue increase from INR3,441 million from INR1,978 million to 3,441 million, which is an increase of 74%. EBITDA increased from INR349 million to INR1,018 million, an increase of INR669 million.

Profit after tax increased from INR129 million to INR646 million. The global macroeconomic scenario was impacted due to Russia-Ukraine conflict and post-pandemic inflation all over. India, through its various prudent fiscal policies, could insulate itself to a great extent. India's presidency of the G20 coupled with India's rich heritage and cultural offering continues to attract tourists from around the world.

The demand for accommodations saw a significant increase driven by domestic leisure, readings, social events, conferences, and also business trips. Our commitment to strong ethics has served as a guiding force in our journey towards success. As we continue to grow, we remain steadfast in upholding these principles. We recognize that holistic growth is the key to long-term success and sustainability remains at the forefront of our strategies as we forge ahead towards robust growth in the years to come.

At EIH Associated Hotels, we have always structured our business model, factoring in the odds. Our continued resilience in the face of market trends, good and bad, stands testament to our strategizing abilities. I assure our stakeholders that we will continue to steer your company along a value-accretive route that ensures the best interests are always upheld and your company's ability to create enduring value is preserved.

It is part of our overall dharma to keep the interest of our stakeholders at the heart of our business. This is what has prompted us to implement exacting standards of health, hygiene, and safety at all -- safety at all Oberoi and Trident properties. We have adopted the best technologies that have enabled our hotels, resorts and restaurants to offer next-generation conveniences for our customers.

From virtual checking and checkouts to e-meals and e-menus to digitalize operations at our front and back offices are amongst the many. Every program such as Oberoi One, Oberoi Select Trident Privilege to remember our customers new community creations, or new cafes and restaurants, are crafting exclusive experience for customers and helping us drive our growth among a wider and younger customer base for unmatched quality and comfort.

Our efforts have own us top honors both in India and abroad. The The Oberoi Rajvilas, Jaipur, ranked first among the top 25 luxury hotels in India by Tripadvisor Travelers' Choice Award 2022. The The Oberoi Rajvilas, was also the recipient of Editor's Choice for Best Leisure Resort Domestic by Travel and Leisure India and South Asia, India's Best Awards 2022.

The Oberoi Shimla ranked first among the top 25 luxury hotels in India by Tripadvisor Traveler's Choice Award of 2021. These accolades are a testimony to the excellent facilities and exceptional services to our guests by a team of passionate and committed individuals. Our sustained focus to promote social inclusion, create opportunities for growth and self-fulfillment for marginalized sections through Project Saksham in various cities and the collaboration with SOS, Children's Village of India continues to be our priorities.

This morning, the Board has met to look at the first quarter results and the first quarter results for the current financial have been approved by the Board at this meeting today. The total revenue for the first quarter has been INR 702 million as against INR 613 million in the same period last year. The EBITDA for the first quarter has been INR 139 million as against INR 123 million in the same period last year. The first quarter resulted in a profit before tax amounting to INR97 million and a profit after tax amounting to INR72 million as against INR81 million and INR57 million respectively in the same period last year.

In conclusion, I would like to thank our shareholders and all stakeholders for their continued support and confidence in our effort to take the company to a new height. I would also take this opportunity to convey my thanks to my colleagues on the Board for their support and invaluable guidance. Last but not the least, my sincere thanks to all our exceptional team members for their commitment and dedication, without which we would not have been able to achieve this growth and retain our customer trust and loyalty. Thank you very much. Thank you, everybody.

As there are no qualification, observations or comments on the financial statement of the company by the Auditors, I take the audit report as read. Under the Companies Act 2013 and under the listing regulations, remote e-Voting has been made mandatory for all the listed companies. Accordingly, remote e-Voting process for the following three resolutions in the notice of the Annual General Meeting has been completed. Adoption of audited financial statement for the financial year 31st March 2023, declaration of dividend, appointment of Mr. Akshay Raheja, who retires by rotation and being eligible, offer himself for the reappointment.

Members who are present, attending the meeting through video conference and have not cast their votes by means of remote e-Voting will be able to exercise their right to vote up to the conclusion of the meeting through e-Voting module provided by the NSDL. E-Voting during the AGM is integrated with the VC platform at NSDL. Members may click on the voting icon

of the screen to cast their votes. The result of the combined voting will be announced by the company within two days. The result will be displayed on the website of the company, the Stock Exchange and notice board at the register office of the company.

I now request the member who have registered themselves as speakers to come forward and pose questions if any. The moderator will call out the name of the members, speaker one by one. I request members to refrain from repeating the questions raised by the other members. Please restrict the time to only three minutes to give others to give a chance to speak.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. Request everyone to please remain connected while the speaker shareholders assemble. We now invite our first speaker member Mr. Bimal Kumar Agrawal. Please accept the prompt on your screen and you may proceed with your question.

Bimal Kumar Agrawal: Can you hear me?

Moderator: Yes, we can hear you. I am sorry I am unable to hear you due to some possible network issues. Hence, we will invite our next speaker member Mr. Manoj Kumar Gupta please accept the prompt on your screen unmute your audio and video and you may proceed with your question.

Manoj Kumar Gupta: Good afternoon. Respected Chairman, Board of Directors fellow shareholders. My name is Manoj Gupta. Namaskar. Sir, first of all, I thanks to you and the Board for good result of the company for the year 2022-23. I thank the Company's Secretary and his team to help us to join this meeting through VC. Sir, a pandemic COVID-19 has hugely hit two industries of the world and of our country -- in our country, the hotel and aviation business. What's the status as of today? Have we returned to pre-COVID status, because now everything is smooth. So what's the status as of today?

And sir, convey our best wishes to our P.R.S. Oberoi sir. We always wish to God for his healthy and prosperous, safe, long life. And sir, when we see you, we feel proud that we have full faith and confidence on you and your leadership. And sir, what there is impact on our company by the way of GST impact, GST impact on our company.

And sir, Trident is a brand, and Trident is a very valuable brand of Oberoi's. Take this brand throughout the nation, geographical in Tier 2 and Tier 3 cities and hotel business will boom because two big events this year in our country, G20 and ICC World Cup in which city is your hotel? The ICC World Cup match will be there. So how you are ready to honor the guest and welcome the guest on in these two events and sir we are very happy to see that the third generation of our founder is running our organization in well manner and legacy of our founder should carry on in future also by their successors.

And sir, last but not least, I suggest you to split the share to increase the liquidity and market capitalization in future and attract the small investors from INR2 to INR1. Either split the share 5 is to 1 or 10 is to 1 and I strongly support all the resolutions with the hope that company will more forceful and touch the new heights with you and with your all executive support. Thank you sir.

Shib Sanker Mukherji: Thank you Manoj.

Moderator: Thank you. We now invite our next speaker member. Kamal Kishore Jhavar. Please accept the prompt on your screen. Unmute your audio and video and you may proceed with your question. We will wait for a moment while Mr. Jhavar unmutes the audio and video connection. Mr. Jhavar may we request you to unmute your microphone and webcam and speak. It's look like there is some echo challenge with Mr. Jhavar. Hence we'll move on to our next speaker member. Ms K. Elija Devi, please accept the prompt on your screen. Unmute your audio and video and you may proceed with your question.

Kamal Kishore Jhavar: Sir I am filling in for my mother. Chairman and the entire Board of Directors, I'm first of all happy to see you all safe, healthy and fine. Wonderful performance Chairman sir. My hospitality industry is increasing. My brand and my hotels are also revenue increased and occupancy rate has been increased. Wonderful, sir. Chairman sir, you have any future plans of expansions. Basically I am from Hyderabad, Telangana recently I heard news about my Vice Chairman has visited Andhra Pradesh and inaugurated. He has started construction of the new hotels in Andhra Pradesh.

Please let me know these hotels come under EIH Associates or EIH. Please, let me know? Sir, any future, new hotels are coming under this company please let me know? Sir, every year we used to send the discount coupon, sir you're not sending the discount coupons. Please send the discount coupons for the shareholders. We'll be more happy. Chairman, we support all the resistance, my best wishes to you. Thank you for giving this opportunity. God bless you all.

Moderator: Thank you. We now invite once again Mr. Bimal Kumar Agrawal. Please accept the prompt on your screen, unmute your audio and video, and you may proceed with your question.

Bimal Kumar Agrawal: Hello, can you hear me?

Moderator: Yes, sir. We can hear you.

Bimal Kumar Agrawal: Hello. Good afternoon to everyone. First of all, I thank the Company Secretary and his team and also the staff and the shareholders also. As we have completed four decades in hotel industry what are our plans in next one decade more, when we will finish half century in the hotel industry and what are our earnings in dollars as dollar prices are increasing, what are [inaudible 0:49:02] any rather than hotels we got in a growth and always keep the meeting online as we are joining from Bombay it's like some people will get from Bombay also who can join from other part also. That's all from me and thank you and try to give some token of appreciation to some shareholders who have join the meetings. That's all from me. Thank you very much.

Moderator: Thank you. We now invite our last speaker member Kamal Kishore Jhavar. Please unmute your audio.

Kamal Kishore Jhavar: Chairman sir greetings to you all. This is the first time I am doing this video conference and I am very good from Hyderabad and your Chairman speech was very wonderful. Today, Oberoi Group all over India is very famous and in abroad also it is very famous. We are very small

investors. Sir every year you keep video conference like this. Wherever meeting is there we can attend and with video conference everybody expenses are saved. Sir two things, three things I want to say that I am also in this field from last 35 years to 40 years.

The way you give the donation in CSR or money you give and from last one year I come to know from the company CFO, MD, Chairman that according to CSR activities people give the donation which they open in the form of trust and open the bank account and everything they open and they spread the file in all the company. Company MD has sent please go and see what is good in the company. Whatever money they are taking they are distributing among themselves and this way they are doing the business.

Please note this or in other company you are Director please note this. I am in this field from last 35 years, 40 years. How this business will be good 1 share, 2 share in this way they are doing the drama and forging the company. Five people, six people are saying please help us and they are doing the drama.

The company people has told us that all these things are happening so we also got shocked what business they are doing and by doing this they are not willing to do the work and do the job. So, all over 1,000 company are there how we can compensate the money and please spread all over India that this way they are running the business.

Please note this and making the declaration and they are doing the drama in CSR and sir we are small investors whosoever are attending the company please send them the gift voucher like you take Director Sitting INR1 lakh, travelling expenses sent them the gift coupon or dry fruit with your happiness and I want to wish for the upcoming festival Dussehra, Diwali everything remain good and you do progress and Company Secretary, CFO greetings to all. Thank you.

Moderator: That was the last question. I now hand over the meeting to the Chairman for further proceedings. Over to you, sir.

Shib Sanker Mukherji: Thank you. I will request Mr. Vikram Oberoi to answer your queries to the extent possible. Vikram you don't have to do anything take it forward, take the mike forward.

Vikramjit Oberoi: Good afternoon, ladies and gentlemen. Thank you, Mr. Mukherji and my colleagues on the board. Manoj ji thank you for your questions. First of all, I'd like to thank you for your best wishes to Mr. Oberoi, Mr. Oberoi touch wood is doing well. Have we returned to pre-COVID levels was I think the first question you asked.

I'm very happy to share with you that we've actually surpassed pre-COVID levels. If I look at two key figures, Revenue for financial year 20 was INR258 crores. For financial year 23, that's gone up to INR344 crores and profit after tax increased from INR38 crores in financial year 20 to just under INR65 crores in financial year 23.

You asked a question on GST, we pay 18% GST across all our hotels, other than on liquor. And of course, we get input credit for that as well. You also asked about the World Cup and G20. I think hotels and certainly our hotels, or some of our hotels, have benefited from that.

Specifically for EIH Associated, there will be matches held in Chennai and we'll benefit from those matches and increased demand with people visiting.

Mr. Devi I'm not sure. I know it wasn't Ms. Devi, but it was a I think Ms. Devi's son had asked a question on new hotels. We have -- we're working on a number of initiatives to grow the number of hotels, and I hope we'll be able to share some positive information in the not too distant future. On discount coupons, in fact, Mr. Agrawal, or Mr. Agrawal also asked about discount coupons along with Ms. Devi son.

We are giving discount coupons this year. There'll be two coupons of INR10,000 each on which a 25% discount will be applicable. So I hope you will all receive the discount coupons shortly. Our foreign exchange earnings were INR52.2 crores in financial year 23. I think that was asked by Mr. Agrawal and Mr. Agrawal also asked the same question on future growth, which I've already answered. I hope we'll have good news to share and our endeavor will be to continue to grow the company. With that, thank you very much. Thank you, Mr.Mukherji.

Shib Sanker Mukherji:

With this, we have come to the conclusion of today's meeting. I thank all the Board members, Statutory Auditors, Secretarial auditor who attended this meeting. Thank you all shareholders for taking time out and joining the Annual General Meeting. E-Voting is in progress and will be disabled 15 minutes from now. In case you have not voted so far, please do vote. Thank you so much, ladies and gentlemen. Thank you.