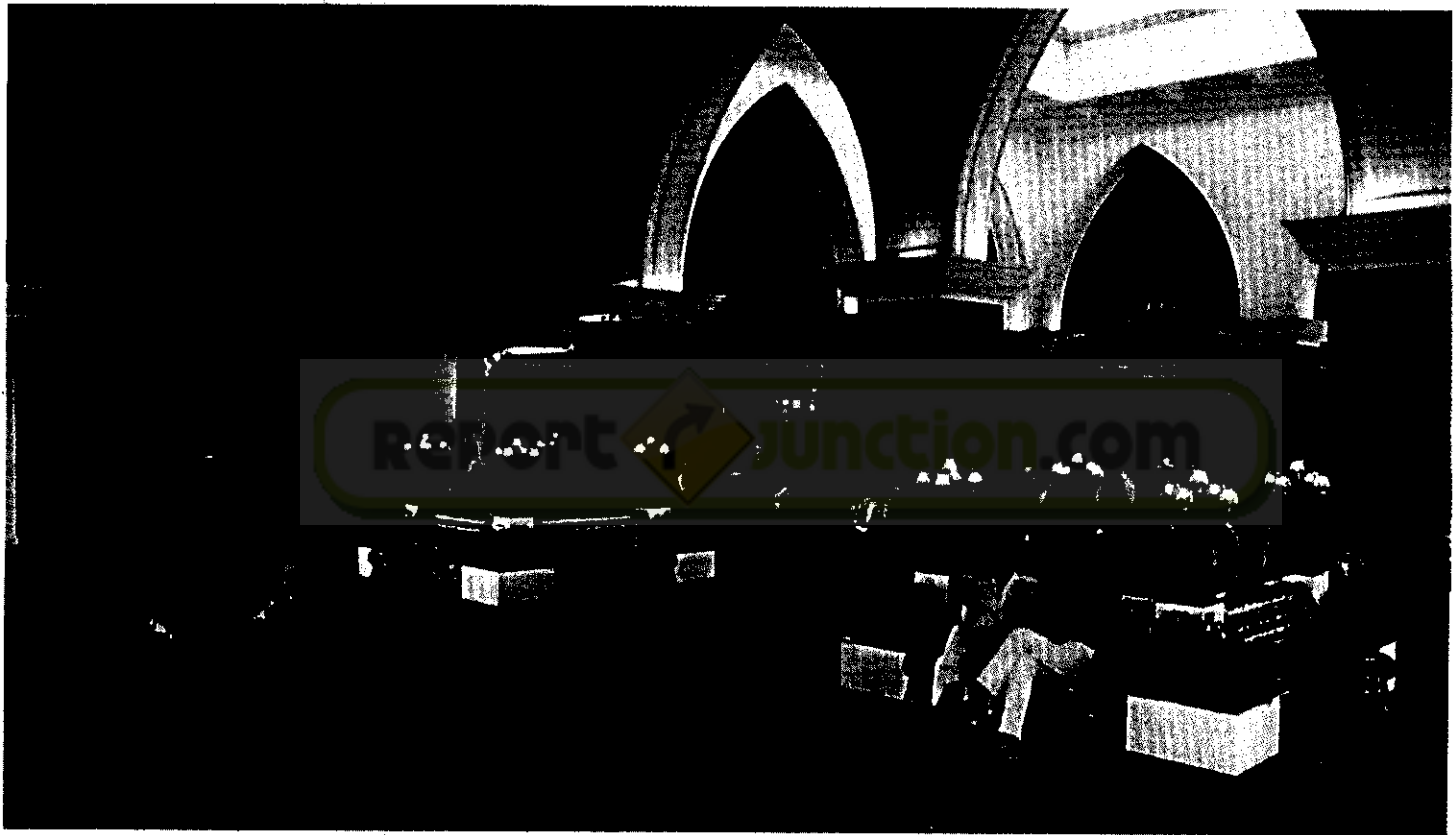




Annual Report 1998-99



Atrium Lobby





RENAISSANCE
GOA RESORT

RAMADA HOTELS (INDIA) LIMITED

BOARD OF DIRECTORS Mr. Sunder G. Advani (Chairman & Managing Director)
Mr. Prakash V. Mehta
Mr. Anil Harish
Mr. Suresh Talwar
Mrs. Menaka S. Advani
Mr. Haresh G. Advani (Executive Director)

COMPANY SECRETARY Mr. Vijay P. Shenoy

AUDITORS Messrs. J. G. Verma & Co. Chartered Accountants

SOLICITORS Messrs. Malvi Ranchhoddas & Co.
Messrs. Crawford Bayley & Co.

BANKERS Bank of Baroda
Bank of India

REGISTERED OFFICE 145, Maker Chambers VI,
Nariman Point,
Mumbai - 400 021.

LOCATION OF RESORT Colva Beach,
Varca Village,
Margao, Dist. Salcette,
Goa.

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RENAISSANCE
GOA RESORT

RAMADA HOTELS (INDIA) LIMITED

Notice

Notice is hereby given that the Twelfth Annual General Meeting of the Members of RAMADA HOTELS (INDIA) LIMITED will be held on Thursday, 30th September, 1999 at 4.00 p.m. at the KAMALNAYAN BAJAJ HALL, BAJAJ BHAWAN, 226 NARIMAN POINT, MUMBAI - 400 021 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 1999 and the Balance Sheet as on that date and Directors' Report and the Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Haresh G. Advani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Prakash V. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modifications as a Special Resolution the following :
 "RESOLVED THAT subject to the approval of the Central Government under Section 21 and other applicable provisions, if any, of the Companies Act, 1956, the name of the Company be changed from Ramada Hotels (India) Limited to "Advani Hotels & Resorts (India) Ltd." and that on receipt of the aforesaid approval, the name "Advani Hotels & Resorts (India) Ltd." be substituted for the Company's present name wherever occurring in the Company's Memorandum and Articles of Association."

NOTES :

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A proxy form duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
- b. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item 6 stated above is annexed hereto.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 1999 to 30th September, 1999 (both days inclusive).
- d. The Dividend as recommended by the Board if sanctioned at the Meeting shall be paid to those Members whose names appear on the Register of Members of the Company as on 30th September, 1999.
- e. Members are hereby informed that pursuant to Section 205A of the Companies Act, 1956, Dividends which remain unclaimed / unencashed for a period of 7 years in the unpaid Dividend Account maintained by the Company (i.e. 7 years from the date of transfer of unclaimed Dividends to such unpaid Dividend Account) have to be transferred by the Company to the Investor Education & Protection Fund established by the Central Government under Sec. 205C of the Companies Act, 1956. It may please be noted that no claim shall be made by the Shareholders for the unclaimed Dividends which have been transferred to the credit of the Investor Education & Protection Fund of the Central Government established under Section 205C of the Act.
 In view of the aforesaid the Shareholders are advised to send all the unencashed Dividend Warrants to the Registrar & Share Transfer Agents of the Company for revalidation and for encashing them before the due date for transfer to the Central Government.
- f. Members / Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- g. Members are requested to bring their copy of the Annual Reports to the Annual General meeting.

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1. Members seeking any clarifications / explanations on any point pertaining to this Annual Report are kindly requested to submit their queries at the Registered office of the Company at least 7 days in advance.
2. Members are requested to notify the Company's Registrar and Share Transfer Agents of any changes in their address (in full) with the postal area pin code number, quoting their folio numbers.
3. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars and Share Transfer Agents enclosing their share certificates, to enable the Company to consolidate their holdings in one folio.
4. The Registrars and Share Transfer Agents of the Company are

Datamatics Financial Services Ltd.

Plot No. A/16 & 17,
MIDC, Part B, Cross Lane,
Marol, Andheri (East),
Mumbai - 400 093.

Members are requested to contact them for any matter relating to the Shares and Transfers.

By Order of the Board of Directors

SUNDER G. ADVANI
Chairman & Managing Director

Dated : 27th July, 1999
Place : Mumbai.

Registered Office :
45, Maker Chambers VI,
Variman Point,
Mumbai - 400 021.

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RAMADA HOTELS (INDIA) LIMITED

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No.6

In a Memorandum of Understanding entered into between Mr. Sunder G. Advani and Ramada Hotels South Asia Ltd., there is a provision that the Company will enter into a Name Licence Agreement with Ramada which will provide that the Company will cease within a reasonable time to use the name "Ramada" if Ramada Hotels are obliged to sell all their shares in the Company.

HPI England Limited which is the successor in title to Ramada (U.K.) Limited has entered into an Agreement with Mr. Sunder G. Advani to sell all HPI shares held by it in the Company to Mr. Sunder G. Advani and his associates. Consequently, the Company is obliged to change the name of the Company so as to cease use of the name "Ramada" as part of the Company's corporate name. Change of name requires the consent of the shareholders by a special resolution. The special resolution at item No. 6 seeks such consent.

The Registrar of Companies has also made available the new name to the Company. The change of name after the special resolution is passed will have to be approved by the Regional Director.

None of the directors is interested in this resolution.

It may be clarified that the sale of shares by HPI England Limited does not in any way affect the Franchise Agreement which HPI (now Renaissance Hotel Holdings Inc.) has entered into with the Company on 27th November, 1998 under which the Company's hotel will be given all the benefits of technical and marketing facilities for the Renaissance brand of Marriott International Inc.

By Order of the Board
for RAMADA HOTELS (INDIA) LIMITED

SUNDER G. ADVANI
Chairman & Managing Director

Dated : 27th July, 1999
Place : Mumbai.

Registered Office :
145, Maker Chambers VI,
Nariman Point,
Mumbai - 400 021.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors' have pleasure in presenting the TWELFTH Annual Report of the Company along with Audited Accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS

	Rupees in Crores	
	Year Ended 31.3.1999	Year Ended 31.3.1998
Total Income	21.73	26.16
Operating Expenditure	<u>15.31</u>	<u>16.16</u>
Operating Profit	6.42	10.00
Less : Interest	<u>3.26</u>	<u>3.11</u>
Cash Profit	3.16	6.89
Less : Depreciation	2.59	2.42
Less : Amortisation of Expenses	0.11	0.11
Less : Expenses of Prev. Years	<u>0.04</u>	<u>0.07</u>
Profit before Tax	0.42	4.29
Less : Provision for Taxation	<u>0.06</u>	<u>0.48</u>
Profit after Tax	0.36	3.81
Tax adjustment for prior year	-	0.01
Balance brought forward	<u>0.22</u>	<u>0.26</u>
• Distributable Profit	<u>0.58</u>	<u>4.08</u>
Dividend & Tax thereon	0.51	1.86
Transfer to Capital redemption Reserve	-	1.00
Transfer to General Reserve	-	1.00
Balance in Profit and Loss Account	0.07	0.22
Total Foreign Exchange Earnings (Rupees)	18.42	23.95
Percentage (%) of Foreign Exchange Earning to total income	84.77	95.55

2. OPERATING PERFORMANCE

Due to continued recession in the Tourism Industry and the sluggishness in the economy, the company's total income decreased marginally from Rs.26.16 Crores to Rs. 21.73 Crores. The hotel was closed for renovation for 2½ months and this has also contributed to a drop in the revenue. Due to increase in the expenditure on all fronts the operating profits have shrunk from Rs. 10.00 Crores to Rs. 6.42 Crores. The foreign exchange earnings of the company were lower at Rs. 18.42 crores, mainly due to the fact that foreign tourists of the high spending category avoided Goa and India as a consequence of the nuclear tests and the burning of Christian missionaries. After providing for depreciation of Rs. 2.59 Crores and amortisation of expenses the profit before tax is Rs. 0.42 Crores which is substantially lower than Rs.4.29 Crores reflected last year. In spite of the drop in profits the company has been able to meet all its financial commitments. During the year the company raised fresh funds from IDBI and Bank of Bahrain and Kuwait for meeting the renovation cost and the long term working capital needs of the company.

The company's project at Jaipur has not yet been cleared by the Government and the Goa Fort continues to be a complicated legal affair with our company obtaining a stay against retendering of the same.

- With the recent renovation and better prospects for the millennium year, we are quite hopeful of showing improved results in the current financial year.

3. DIVIDEND

The Directors have recommended a small Dividend of 5% (Previous year - 18%) due to meagre profits in the current year. This will also preserve the record of a consistently Dividend paying Company. We are sure that



RENAISSANCE
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RAMADA HOTELS (INDIA) LIMITED

the Shareholders will approve of this cautious approach. Your Directors are hopeful of compensating the Shareholders handsomely in better times.

4. AWARD

During the year an award was received at ITB, Berlin from the Pacific Area Travel Writers Association (PATWA) for the "Best Resort Hotel" in 1998.

5. EXPORT HOUSE STATUS

During the year the Company was also accorded the Status of an "EXPORT HOUSE" by the Government of India, Ministry of Commerce, Office of the Joint Director General of Foreign Trade. This Certificate is valid for a period of 3 years from 1st April, 1998 to 31st March, 2001.

6. ADDITIONAL INFORMATION

In terms of section 217(1)(e) of the Companies Act (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the additional information is given below :-

a. Conservation of Energy and technology absorption

Due consideration has been given to the very important aspect of energy conservation. The plant generating air-conditioning is fitted with a HEAT RECOVERY UNIT. This pre-heats the hot water required for the entire hotel. This in turn reduces the input heat of hot water and decreases the electrical load.

A micro processor is incorporated in the laundry and dish washing units to closely monitor various inputs of heat and power to these equipments.

Micro processor controlled units are provided in majority of the rooms in the original wing. This unit raises the room temperature when the guest is out, derives the light intensities of various fittings as well as fan speed, controls the A.C. fan coil unit's speed and temperature. For better efficiency of A.C. air handling units, several units have been replaced totally or in part as required. Insulation of A.C. pipes and ducts has been redone in several areas.

b. Technology Absorption

The Company has no "Research and Development" activity. The question of technology absorption or adaption or Innovation is not applicable to your Company, which is a service Company.

c. Foreign Exchange Earnings and Outgo

The information relating to Foreign Exchange Earnings and Outgo is in Note No. 9(ii) and 9(iii) mentioned in part of Schedule K. The company has also remitted Rs. 3.42 crores towards the installments due for repayment of foreign currency loans during the year.

7. Y2K COMPLIANCE

Your Company has taken reasonable steps to ensure that we are prepared for the year 2000 date change. The entire process of identification of the impact of year 2000 change has been completed and necessary action taken to gear your Company for a smooth change over into a new millennium.

8. DIRECTORS

Mr. K. Raghavan, Nominee Director of IDBI ceased to be a Director as per IDBI directives. The Board places on record the valuable services rendered by Mr. Raghavan during his tenure as Nominee Director.

In accordance with the provisions of the Companies Act, 1956 and Article of Association of the Company, Mr. Haresh G. Advani and Mr. Prakash V. Mehta will retire by rotation and being eligible offer themselves for reappointment.

9. AUDITORS

M/s. J. G. Verma & Co. Chartered Accountants, Mumbai, the Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Auditors in para 5 in their report and in annexure to the said report have made certain comments which are self explanatory and in the opinion of the Directors do not call for any further explanation.

10. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in the Annexure appended hereto and forms part of this Report.

11. ACKNOWLEDGMENT

The Directors express their appreciation to the foreign collaborators, institutions, banks, Department of Tourism, Government of India and the Government of Goa. The Directors also place on record their appreciation of the employees at all levels for their high level of dedication and commitment.

For and on behalf of the Board

SUNDER G. ADVANI
Chairman & Managing Director

Dated : 27th July, 1999
Place : Mumbai.

Registered Office :
145, Maker Chambers VI,
Nariman Point,
Mumbai - 400 021.