

# Annual Report 1999 - 2000

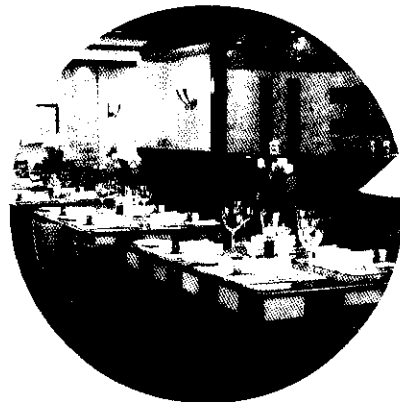


## BHARAT HOTELS LIMITED

## Hotel Inter-Continental New Delhi offers the spectacular entertainment opportunities



**BLUE ELEPHANT**- for Royal Thai Cuisine.  
This international restaurant is also located  
in London, Paris, Brussels, Copenhagen,  
Dubai & Beirut.



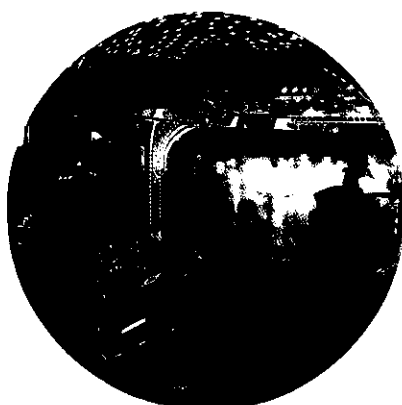
**28 THE GRILL** - for contemporary  
European cuisine. This trendy restaurant is  
located on the Hotel's rooftop, adjacent to  
the Blue Elephant



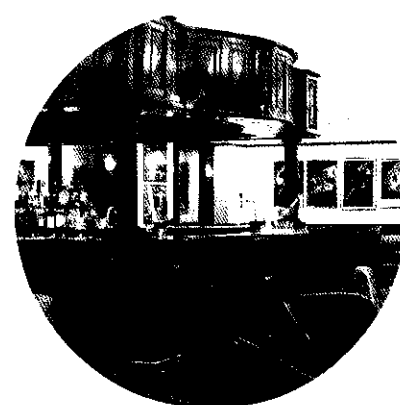
**NOBLE HOUSE** - Chinese specialities  
from mainland China



**BALUCHI** - serving Indian speciality  
cuisine



**ANNABELLES** - The Discotheque with  
great music & dramatic lights



**CHAMPIONS** - the hotel's new bar,  
enhanced by sports memorabilia



**CHAIRMAN-CUM-MANAGING  
DIRECTOR**

Mr. Lalit Suri

**JOINT MANAGING DIRECTOR**

Mrs. Jyotsna Suri

**DIRECTORS**

Mr. Ramesh Suri

Tikka Hanuwant Singh

Mr. Dharam Veer Batra

Mr. Abhay Navalmal Firodia

Mr. Chakor Lalchand Doshi

Mr. Lalit Bhasin

Mr. Vinod Khanna

**VICE PRESIDENT &  
COMPANY SECRETARY**

Mr. Vijay K. Verma

**VICE PRESIDENT-FINANCE**

Mr. Arvind Sachdev

**REGISTERED OFFICE**

Barakhamba Lane

New Delhi - 110001

**STATUTORY AUDITORS**

V. Sankar Aiyar & Co.

Chartered Accountants

Guru Nanak House

B-9, Ranjit Nagar,

Commercial Complex

New Delhi-110008

**BANKERS**

Banque Nationale De Paris

Corporation Bank

Jammu & Kashmir Bank Ltd.

**Equity Shares Listed With:**

- Delhi Stock Exchange Association Limited  
DSE House, 3/1, Asaf Ali Road, New Delhi-110002
- The Stock Exchange Mumbai  
Phiroze, Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
- The National Stock Exchange of India Limited  
Trade World, Senapati Bapat Marg, Lower Parel, Mumbai-400013

**GDRs Listed With:**

- Luxembourg Stock Exchange  
P.O. Box 807, 14, Boulevard, F.D Roosevelt, Luxembourg
- Annual Listing fee paid to All the Stock Exchanges upto date

# BHARAT HOTELS LIMITED

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## National Sales Offices

### NEW DELHI

Hotel Inter-Continental New Delhi  
Barakhamba Avenue,  
Connaught Place,  
New Delhi-110 001  
Tel.: 3411001/3709000  
Fax : 3412233

### MUMBAI

607, Tulsiani Chambers  
Nariman Point,  
Mumbai-400 021  
Tel.: 2873050/2831764  
Fax: 2025413

### CALCUTTA

C/o White House  
5th Floor, 119 Park Street,  
Calcutta-700 016  
Tel.: 297289/290045  
Fax: 291264

### BANGALORE

C/o Brauners Business Centre  
3rd Floor, Monarch Chambers  
122, Infantry Road,  
Bangalore-560 001  
Tel.: 2860337/2861490  
Fax: 2860339

### CHENNAI

C/o DBS Corporate Club  
31/A Cathedral Garden Road,  
Chennai-600 034  
Tel.: 8279186/8274442  
Fax: 8257258

### THE GRAND PALACE, SRINAGAR

Gupkar Road, Srinagar-190 001.  
Jammu & Kashmir  
Tel.: 0194-470101  
Tel/Fax: 0194-453703

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## NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of Bharat Hotels Limited will be held at Sapru House, Barakhamba Road, New Delhi-110 001, on Friday, the 11th August, 2000 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the Financial year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To consider declaration of dividend by the Company for the financial year ended 31st March, 2000.
3. To appoint a Director in place of Shri Abhay Navalmal Firodia, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Tikka Hanuwant Singh, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board  
for BHARAT HOTELS LIMITED

NEW DELHI  
Dated : 28th April, 2000  
Regd Office : Barakhamba Lane,  
New Delhi - 110 001

VIJAY K. VERMA  
VICE PRESIDENT & COMPANY SECRETARY

## BHARAT HOTELS LIMITED

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### NOTES :

1. Register of Members and Share transfer Books of the Company will remain closed from Tuesday the 1st day August, 2000 to Friday the 11th day of August, 2000 to ascertain the entitlement of the members for payment of dividend.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy must be deposited at the Registered Office of the Company at Barakhamba Lane, New Delhi-110001 not later than 48 hours before the commencement of meeting.
3. The dividend, if declared, shall be paid to those members whose names appear in the Register of Members of the Company on 11th August, 2000.
4. THE MEMBERS/PROXIES SHOULD BRING THEIR ATTENDANCE SLIPS SENT HERewith, DULY FILLED IN FOR ATTENDING THE MEETING.
5. WITH A VIEW TO PREVENT THE POSSIBILITY OF FRAUDULENT ENCASHMENT OF DIVIDEND WARRANTS, THE MEMBERS ARE REQUESTED TO INFORM THE DETAILS OF THEIR RESPECTIVE BANK ACCOUNT NO., NAME AND ADDRESS OF THE BANK OF THE SOLE/FIRST SHAREHOLDER SO THAT THE SAME COULD BE INCORPORATED IN THE DIVIDEND WARRANTS TO BE ISSUED TO THE MEMBERS.
6. THE MEMBERS ARE REQUESTED TO NOTIFY ANY CHANGE IN THEIR REGISTERED ADDRESS/ RESIDENTIAL STATUS IMMEDIATELY TO THE REGISTERED OFFICE OF THE COMPANY.





## DIRECTORS' REPORT

### TO THE MEMBERS

The Directors have pleasure in presenting their Nineteenth Annual Report together with the Audited Accounts of the company for the financial year ended 31st March, 2000.

### FINANCIAL RESULTS

	FINANCIAL YEAR ENDED ON (Rs. in lacs)	
	31.3.2000	31.3.1999
GROSS PROFIT	2,252.11	2,368.04
Less: Interest	83.17	8.40
Depreciation	580.96	510.14
PROFIT FOR THE YEAR BEFORE TAXATION	1,587.98	1,849.50
PROVISION FOR TAXATION	200.00	328.99
RESERVE FOR 80HHD WRITTEN OFF	3,000.00	-
PROFIT AFTER TAXATION	4,387.98	1,520.51
PROFIT BROUGHT FORWARD FROM LAST YEAR	2,926.65	,2202.74
<b>TOTAL</b>	<b>7,314.63</b>	<b>3,723.25</b>
<b>APPROPRIATION OF NET PROFIT</b>		
Preliminary & Public Issue Expenses written off	0	3.13
Transfer to Reserve for Bad and Doubtful Debts.	25.00	25.00
Transfer to General Reserve	3,075.00	100.00
Transfer to Reserve u/s 80 HHD of the I. T. Act	450.00	425.00
Interim Dividend	221.33	0
Final Dividend	110.67	221.33
Income Tax on Dividend	50.91	22.13
Surplus Profit Carried to Balance Sheet	3,381.72	2,926.66
<b>TOTAL</b>	<b>7,314.63</b>	<b>3,723.25</b>
Equity Share Capital	2,213.33	2,213.33
Reserves and Surplus	20,726.01	19,745.94
Net Worth	22,939.34	21,959.26
Book Value per share (Rs.)	103.64	99.20
Earning Per Share (Rs.)	6.27	6.87
Dividend (Rs.)	1.50	1.00

## BHARAT HOTELS LIMITED

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### OPERATIONS

All facilities and services of Company's Hotel Inter-Continental, New Delhi have been upgraded on an ongoing basis as per international standards. Consequent upon the tie up with Inter-Continental Hotels Corporation, Company's Hotel at Srinagar is being renamed shortly as "The Grand Palace Inter-Continental, Srinagar". The hotel has been completely renovated with additional facilities such as Health Club, Heated Swimming Pool, Squash Court, Barber Shop, a new Lobby, coffee shop and shopping Arcade.

You would observe from the Annual Accounts that the Turnover of the Company has been Rs.77.64 crores as against Rs. 81.65 crores last year - whereas the Profit After Interest and Depreciation has been Rs.15.88crores as against Rs. 18.49 crores last year. The company has provided for taxation a sum of Rs. 2.00 crores this year and the profit after tax has been Rs. 13.88crores as against Rs. 15.20 crores last year.

### TIE UP WITH INTER-CONTINENTAL HOTELS CORPORATION

The Company has tie-ups under Operating and Management Agreements with Inter-Continental Hotels Corporation, an internationally known hotel chain in respect of company's hotels at New Delhi and The Grand Palace - Srinagar as well as proposed hotels under construction at Mumbai and Goa.

### DIVIDEND

The Board of Directors has recommended a final dividend of 5% for the Financial Year ended 31st March, 2000 in addition to an interim dividend of 10% declared on 31st March, 2000. Hence the total dividend for the financial year ended 31st March, 2000 amounts to 15% i.e. Re.1.50 per equity share of Rs10/-.

### EXPANSION & FUTURE PROSPECTS

After carrying out massive renovations, additions, alterations and replacements in Company's hotel The Grand Palace at Srinagar, the hotel is fully operational with all modern facilities.

The company commenced the construction works in full swing for its hotel projects at Mumbai and Goa after obtaining all necessary approvals and clearances from authorities during the year.

In Mumbai company has already completed and handed over the flats under Slum Rehabilitation Scheme of the State Government and the Slum dwellers have been shifted in the flats. The civil work for the building for Commercial Complex is almost complete and Hotel building is under construction in full swing. The commercial complex and the Hotel Building are expected to be operational by April, 2001.

Work in respect of Company's Goa Project has been held up due to stay of construction obtained by Goa Foundation. Work is expected to resume as the Writ Petition has been dismissed by Hon'ble Bombay High Court. The Special Leave Petition filed by Goa Foundation before the Hon'ble Supreme Court is coming up for final hearing in the first week of May, 2000.

### DIRECTORS

Shri Abhay Navalmal Firodia and Tikka Hanuwant Singh, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

PARTICULARS REQUIRED TO BE DISCLOSED AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

#### (1) CONSERVATION OF ENERGY

- a) Various energy conservation measures adopted by the company are as follows:
  - Over 1000 energy saving electrical fittings have been installed in illuminated areas which are active round the clock.





- Timers and photo cell switches have been installed for controlling the exterior lights.
- With a view to enhance light effects and reduce electricity consumption, the Company has finalised a lighting plan under which Garden lights and Porch lights have been changed. The lights in the Lobby are also replaced into energy saving.
- All Air Handling Units have been fitted with thermostatic controls; supply and exhaust blowers are controlled from a centralised Control Panel for effective operation. Automatic timers have been fitted for various supply and exhaust blowers to avoid wasteful running and have a programmed cycle of operations; all party rooms, conference halls and Restaurants have been fitted with dimmerstat controls; maximum possible area has been covered with fluorescent lightings; proper utilisation of waste steam from laundry and kitchen areas worked out and saving of water also planned.

(b) The implementation of Energy Conservation Programme:-

The company has installed the vapour absorption machine of 500 Ton to enhance and achieve the air-conditioning temperatures. The company has already rectified all the capacitor banks to save energy, unloading the installed equipments and city distribution system by maintaining power factors.

The company has been continuously studying fuel and utility bills; measuring the results of tracking energy consumptions and the objectives of record keeping; having commitment to and accountability for energy conservation at all levels of the Hotel's operations; established an energy conservation committee; making a walk-through inspection of the hotel to identify wasteful conditions; implementing changes in operating procedures by instructions to the staff regarding wasteful energy practices, setting realistic energy saving objectives.

- (c) Energy conservation efforts are being greatly enhanced by a strong planned Preventive Maintenance Programme. Each month the Maintenance Department compiles an Energy Consumption Report for the hotel that is a valuable energy conservation tool. Discussions with regard to the same are held on a continuous basis to achieve more better results.
- (d) Internal energy audit's are carried out to balance total energy inputs with use to identify all of the energy streams into a facility and to quantify energy use according to discrete functions.
- (e) During renovation of the property the process of changing (renewal) from incandescent bulbs to low wattage compact fluorescent lamps is being done substantially to conserve energy thereby cutting energy costs, at the same time keeping the aesthetic value of the property in tact and still going on.
- (f) As a result of the aforesaid measures taken and firm commitment of the management, considerable saving in Electrical unit, LDO & HSD has been achieved. The company continues to make all efforts to keep consumption at optimum level. As an example: Vapour Absorption machine of 500 Tons installed.

## **(2) TECHNOLOGY ABSORPTION**

As required under Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, to the extent applicable, the steps taken by the company in Technology Absorption are detailed in the prescribed Form B which is annexed hereto as Annexure 'A' and forms part of this report.

## **(3) FOREIGN EXCHANGE EARNING & OUTGO**

- (a) The company has earned foreign exchange equivalent to Rs. 34.68 crores which is about 56.10% of the total revenue earned by the Company from Hotel operations during the year. The company has also earned Rs.543.09 lacs as interest on deposits in respect of GDR issue proceeds invested abroad.
- (b) The foreign exchange outgo during the year is equivalent to Rs. 4.44 crores which is around 12.80% of the total foreign exchange earning from Hotel operations during the year.

## BHARAT HOTELS LIMITED

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### AUDITORS' OBSERVATIONS

The observations of the Auditors have been explained wherever necessary in the Notes on Accounts.

### FIXED DEPOSITS

The company has neither invited nor accepted deposits from the public during the year. There is no unpaid or unclaimed deposits lying with the company.

### AUDITORS

M/s. V.Sankar Aiyar & Company, Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The company has received a certificate from them pursuant to section 224(1B) of the Companies Act, 1956 confirming their eligibility for re-appointment.

### YEAR 2000 COMPLIANCE

Your company successfully completed the year 2000 compliance project in November, 1999. All the hardware, application software, systems software were replaced and upgraded wherever required for Y2K compliance. The company had also prepared and successfully tested the Contingency Plan. The company gave special training and created general awareness among the staff about the necessity and the requirement of Y2K compliance. The rollover to the next millennium was absolutely smooth and successful. The company spent about Rs.8 lacs for Year 2000 Compliance project.

### DEMATERIALISATION OF SHARES

In line with your company's continuous endeavour to provide best services to the shareholders and the investors, the equity shares of your company can be dematerialised in the electronic form in the Depository systems operated by National Securities Depository Limited and Central Depository Services (India) Limited since 1st February, 2000.

### LISTING OF SHARES

The Company shares are listed and traded at Delhi Stock Exchange, Mumbai Stock Exchange and National Stock Exchange. GDRs issued by the company are listed at the Luxembourg Stock Exchange. The company has paid listing fees due to all the said Stock Exchanges.

### PARTICULARS OF EMPLOYEES

As required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the Particulars of Employees are annexed as Annexure 'B' and forms part of this report.

### ACKNOWLEDGEMENT

The Directors acknowledge with gratitude the whole-hearted support and the co-operation extended by all associated with the commercial operations of Company's Hotel at New Delhi. They also express their appreciation to the employees at all levels for their dedication and sincerity at work. The employee-management relations through out the year were extremely cordial.

The Directors also express their gratitude to the members of the Company, valued customers and clients, Banks and members of public for their continuous support given and confidence reposed in the management of the company.

For and on behalf of the Board

New Delhi  
Dated: 28th April, 2000

LALIT SURI  
CHAIRMAN CUM MANAGING DIRECTOR