

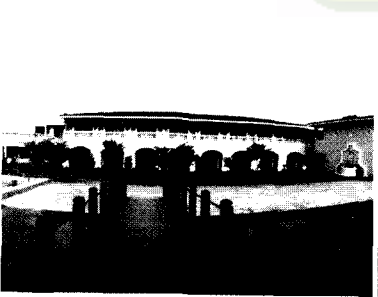


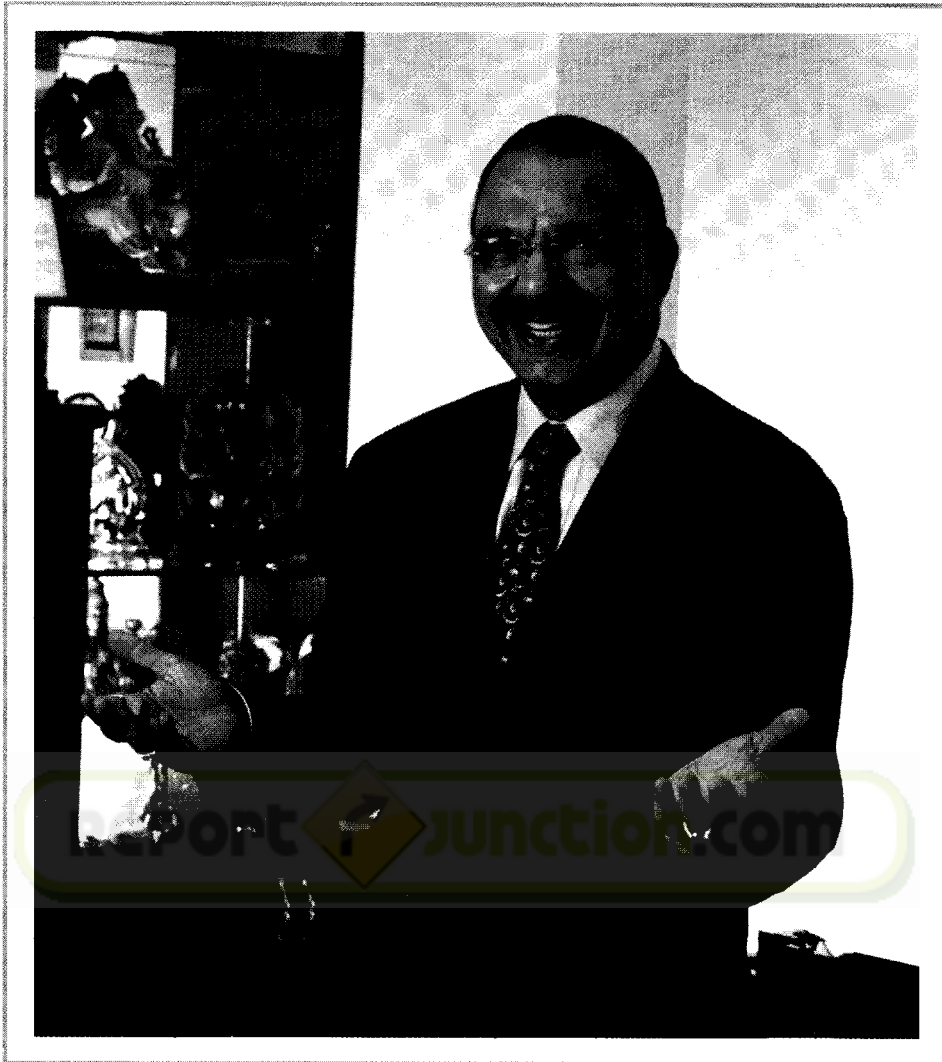
BHARAT HOTELS & LIMITED

ANNUAL REPORT 2007-2008



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Lalit Suri

(November 19, 1946 - October 10, 2006)

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BHARAT HOTELS LIMITED

CHAIRPERSON AND MANAGING DIRECTOR

Ms. Jyotsna Suri

DIRECTORS

Mr. Ramesh Suri
Mr. Hanuwant Singh
Mr. Dharam Veer Batra
Mr. Abhay Navalmal Firodia
Mr. Chakor Lalchand Doshi
Mr. Lalit Bhasin
Mr. Vinod Khanna
Dr. M.Y. Khan
Mr. V.N. Dhoot

PRESIDENT & CHIEF OPERATING OFFICER

Mr. Farhat Jamal

SR. VICE PRESIDENT & COMPANY SECRETARY

Mr. Vijay K. Verma

SR. VICE PRESIDENT-FINANCE

Mr. Arvind Sachdev

SR. VICE PRESIDENT - FINANCE & SYSTEMS

Mr. Madhav Sikka

REGISTERED OFFICE

Barakhamba Lane
New Delhi - 110001, India

STATUTORY AUDITORS

S.R. Batliboi & Associates
Chartered Accountants
Golf View Corporate Tower B
Sector-42, Sector Road
Gurgaon - 122002, Haryana, India

INTERNAL AUDITORS

KPMG
4B, DLF Corporate Park,
DLF City, Phase-III,
Gurgaon-122002, Haryana, India

BANKERS

The Jammu & Kashmir Bank Ltd.
Canara Bank

**NOTICE**

Notice is hereby given that the 27th Annual General Meeting of the Members of **Bharat Hotels Limited** will be held on Thursday, the 18th September, 2008 at 12:00 Noon at FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi 110 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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 declare Dividend for the Financial Year ended 31st March, 2008.
3. To appoint a Director in place of Shri Hanuwant Singh, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Lalit Bhasin, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Vinod Khanna, who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, Article 124 of the Articles of Association of the Company be and is hereby altered and substituted as follows:

124. The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given of the Board or Committee of the Board authorised by the Board in that behalf and save as provided in Article 14(a) hereof, one Director and the Secretary of the Company, if any, or some other person appointed by the Board for the purpose shall sign every instrument to which the Seal is affixed. Provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 314(1B) of the Companies Act, 1956 and other applicable provisions, if any, read with Director's Relatives (Office or Place of Profit) Rules, 2003 and subject to the approval of the Central Government, the consent of the company be and is hereby accorded to increase / revise the remuneration of Ms. Deeksha Suri, being related to the Chairperson and Managing Director and a Director of the Company, as General Manager (Corporate) of the company and to hold and continue to hold an office or place of profit with effect from 7th September, 2008 to 6th September, 2013 as per the following terms:

BHARAT HOTELS LIMITED

1. Salary @ Rs.2,50,000/- per month in the scale of Rs.2,50,000 – 25,000 – 2,75,000-25,000 –3,00,000-25,000 -3,25,000-25,000 –3,50,000.
2. Reimbursement of Leave Travel Allowance subject to maximum of one month's salary in a year.
3. Contribution to Provident Fund as per Rules of the Company.
4. Reimbursement of medical expenses subject to maximum of one month's salary in a year.

RESOLVED FURTHER that the Company shall provide a Car with Driver and Telephone and Cell for discharging her duties, which shall not be considered as perquisites for the above said purposes."

9. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 314(1B) of the Companies Act, 1956 and other applicable provisions, if any, read with Director's Relatives (Office or Place of Profit) Rules, 2003 and subject to the approval of the Central Government, the consent of the company be and is hereby accorded to increase / revise the remuneration of Mr. Keshav Suri, being related to the Chairperson and Managing Director and a Director of the Company, as General Manager (Corporate) of the company and to hold and continue to hold an office or place of profit with effect from 7th September, 2008 to 6th September, 2013 as per the following terms:

1. Salary @ Rs.1,50,000/- per month in the scale of Rs.1,50,000 – 15,000 – 1,65,000-15,000 –1,80,000-15,000 -1,95,000-15,000 –2,10,000.
2. Reimbursement of Leave Travel Allowance subject to maximum of one month's salary in a year.
3. Contribution to Provident Fund as per Rules of the Company.
4. Reimbursement of medical expenses subject to maximum of one month's salary in a year.

RESOLVED FURTHER that the Company shall provide a Car with Driver and Telephone and Cell for discharging his duties, which shall not be considered as perquisites for the above said purposes."

By Order of the Board
for BHARAT HOTELS LIMITED

VIJAY K. VERMA
SENIOR VICE PRESIDENT & COMPANY SECRETARY

Dated : 8th August, 2008
Place : New Delhi
Regd. Office : Barakhamba Lane, New Delhi - 110 001



NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE 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 THE MEETING.**
2. The Register of Members and Share Transfer Books of the company remained closed from Monday, the 8th September, 2008 to Thursday, the 18th September, 2008 (both days inclusive) to take record of the shareholders of the company.
3. The members/proxies should bring their attendance slips sent herewith, duly filled in for attending the meeting.
4. Members desirous of obtaining any information concerning accounts or operation of the company are requested to write to the company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
5. The members are requested to notify any change in their registered address/residential status immediately to the Registrar M/s Karvy Computershare Private Limited, Plot No. 17 - 24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad-500081, A.P., India. In case of dematerialised shares, the aforesaid information should be given to the depository participant with which the member has account.
6. Entry in the meeting hall shall be strictly restricted to the members/valid proxies only carrying the attendance slip.
7. As required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1988 as amended, the unpaid/unclaimed dividend for the financial year ended up to 31st March, 1995 was transferred to the general revenue account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies NCT of Delhi and Haryana, Paryavaran Bhawan, C.G.O Complex, New Delhi. In case any assistance is required, members may write to the registrar and share transfer agent of the company.

Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed and/or unpaid for a period of seven years is to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

Accordingly, unclaimed dividend for the financial years till 1999-2000 was transferred to Investor Education & Protection Fund (IEPF) as above. Unclaimed dividend for the financial year 2000-2001 will be transferred to the said fund on or after 11th August, 2008. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the company or the said fund after the said transfer.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

As per Article 124 of the Articles of Association of the Company the Common Seal of the Company can be affixed on any documents in the presence of two Directors and the Secretary of the Company. It is now proposed to amend the Articles for affixation of the Common Seal on any document in the presence of one Director and the Secretary of the Company.

In terms of Section 31 of the Companies Act, 1956, any amendment in the Articles of Association can be made only with the approval of shareholders at a general meeting.

Accordingly, resolution at Item No. 7 is placed before the shareholders for approval by way of special resolution.

None of the Directors of the Company may be deemed to be concerned or interested in the said resolution.

ITEM NO. 8

Ms. Deeksha Suri was appointed as General Manager (Corporate) with effect from 1st September, 2002 and presently she is drawing remuneration of Rs. 1,10,000/- per month and the perquisites as approved by the members of the company and the Central Government. She is looking after man power planning and Human Resources Developments besides General Administration of the company at Corporate level. Her terms of appointment is expiring on 7th September, 2009. In view of the hard work put in by Ms. Deeksha Suri, her salary has become quite incommensurate with the work / responsibilities shouldered by her.

Accordingly, the Management of the company has recommended to the Board to increase the remuneration of Ms. Deeksha Suri. The Board referred the recommendation of the Management to the Selection committee, which is duly constituted according to Director's Relatives (Office or Place of Profit) Rules, 2003. The Selection Committee has approved the proposed increase/revision in the remuneration of Ms. Deeksha Suri.

In terms of the provisions of Section 314(1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003, the appointment of relative of Director of the Company on a remuneration exceeding Rs. 50,000 p.m. requires the approval of the members by way of special resolution and the Central Government.

Accordingly, resolution at Item No. 8 is placed before the members for approval by way of special resolution.

None of the directors except Ms. Jyotsna Suri, Chairperson and Managing Director and Mr. Ramesh Suri, Director of the Company being relatives are interested or concerned in this Resolution.

ITEM NO. 9

Mr. Keshav Suri was appointed as General Manager (Corporate) with effect from 1st July, 2007 and presently he is drawing remuneration of Rs. 40,000/- per month and the perquisites as approved by the members of the company. Mr. Keshav Suri is MSC in International Management and Masters in Law from Kings College, London. Presently, he is looking after operations and projects of the company at corporate level. In view of the hard work put in by Mr. Keshav Suri, his salary has become quite incommensurate with the work / responsibilities shouldered by him.



Accordingly, the Management of the company has recommended to the Board to increase the remuneration of Mr. Keshav Suri. The Board referred the recommendation of the Management to the Selection committee, which is duly constituted according to Director's Relatives (Office or Place of Profit) Rules, 2003. The Selection Committee has approved the proposed increase / revision in the remuneration of Mr. Keshav Suri.

In terms of the provisions of Section 314(1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003, the appointment of relative of Director of the Company on a remuneration exceeding Rs. 50,000 p.m. requires the approval of the members by way of special resolution and the Central Government.

Accordingly, resolution at Item No. 9 is placed before the members for approval by way of special resolution.

None of the directors except Ms. Jyotsna Suri, Chairperson and Managing Director and Mr. Ramesh Suri, Director of the Company being relatives are interested or concerned in this Resolution.

By Order of the Board
for BHARAT HOTELS LIMITED

VIJAY K. VERMA
SENIOR VICE PRESIDENT & COMPANY SECRETARY

Dated : 8th August, 2008
Place : New Delhi
Regd. Office : Barakhamba Lane, New Delhi - 110 001

BHARAT HOTELS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting twenty-seventh Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rs. in lacs)

	2007-08	2006-07
Income from operations	43,168.94	37,868.43
Other income	4,339.56	2,121.65
Total Income	47,508.50	39,990.08
Profit before Depreciation, Interest and Tax	16,338.97	14,839.11
Less: Depreciation	2,738.68	(2,337.60)
Less: Interest	2,236.50	1,473.41
Profit before tax	11,363.79	15,703.30
Less: Provision for tax including deferred tax	4,314.04	5,269.17
Profit after tax	7,049.75	10,434.13
Add: Balance brought forward from the previous year	18,584.23	9,641.18
Less: Loss of Khajuraho Hotels Limited up to year ended March 31, 2007	747.95	—
Profit available for appropriation	24,886.03	20,075.31

APPROPRIATIONS

Proposed final dividend	751.85	718.92
Tax on proposed dividend	127.78	122.18
Transfer to/(from) reserve for bad and doubtful debts	(310.00)	50.00
Transfer to general reserve	600.00	600.00
Surplus carried to Balance Sheet	23,716.40	18,584.23

The Financial Statements for the Financial Year ended 31st March, 2008 have been approved by the Audit Committee.

OPERATIONS

In our Group of hotels seven hotels are operational and nine are under restoration/construction/announced projects. These include InterContinental 'The Grand' hotels in New Delhi, Mumbai, Goa & Srinagar; The Grand Ashok Bangalore, The Grand Laxmi Vilas Palace Udaipur and The Grand Temple View Khajuraho. Soon to open hotels are – The Grand Great Eastern Kolkata along with other The Grand hotels in Jaipur, Bekal (Kerala), Ahmedabad, Chandigarh, Noida, Amritsar, Dubai and Thailand. Our new projects will commission between 2008 to 2010.