

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		✓



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1997-98

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**JAYPEE HOTELS LIMITED**

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## JAYPEE HOTELS LIMITED

### BOARD OF DIRECTORS

#### CHAIRMAN

Jaiprakash Gaur

#### VICE CHAIRMAN

N.C.Sharma

#### MANAGING DIRECTOR

P.V.Vora

#### DIRECTORS (WHOLE-TIME)

S.N.Endley

Suren Jain

Manju Sharma

Rita Dixit

#### DIRECTORS

Ramesh C. Vaish

Shailendra Swarup

Basant Kumar Goswami

Suresh Kumar

Shree Prakash

Manoj Gaur

S.K.Bansal

J.S.Ahlowalia

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#### COMPANY SECRETARY

P.N.Kumar

#### AUDITORS

LCKailash & Associates,  
Chartered Accountants,  
NBR House, C-124 Preet Vihar,  
DELHI-110 092

#### BANKERS

Indian Overseas Bank  
Janpath, New Delhi

#### REGISTERED OFFICE

Hotel Vasant Continental,  
Basant Lok, Vasant Vihar,  
New Delhi-110 057

### ANNUAL REPORT - 1997- 98

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## JAYPEE HOTELS LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Eighteenth Annual General Meeting of the members of JAYPEE HOTELS LIMITED will be held at 11.00 A.M on Friday, the 25th September, 1998 at the lawns adjacent to Swimming Pool of Hotel Vasant Continental, Basant Lok, Vasant Vihar, New Delhi-110 057 to transact the following business :

#### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 1998 and Profit & Loss Account for the year ended on that date and reports of Directors' and Auditors' thereon.
2. To consider declaration of Dividend on Equity Shares.
3. To appoint a Director in place of Dr. Ramesh C. Vaish, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Suresh Kumar, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next meeting and fix their remuneration.

#### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s), the following resolutions :

#### AS ORDINARY RESOLUTION

6. **"RESOLVED THAT** Shri S.K.Bansal be and is hereby appointed as a Director of the Company liable to retire by rotation".
7. **"RESOLVED THAT** Brig.J.S.Ahlowalia (Retd.) be and is hereby appointed as a Director of the Company liable to retire by rotation".
8. **"RESOLVED THAT** Shri Manoj Gaur be and is hereby appointed as a Director of the Company liable to retire by rotation".
9. **"RESOLVED THAT** Smt. Manju Sharma be and is hereby appointed as a Director of the Company liable to retire by rotation".

**"RESOLVED FURTHER THAT** pursuant to the provisions of the Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII of the Act and subject to any other necessary approval, if any as may be required, the consent and approval of the Company be and is hereby accorded to the appointment of Smt.Manju Sharma as Whole-time Director of the Company for a period of 5 years w.e.f. 1st April, 1998 on the remuneration and terms & conditions mentioned in the Explanatory Statement, annexed hereunto".

**"RESOLVED FURTHER THAT** pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed Explanatory Statement be paid as *minimum remuneration* to Smt.Manju Sharma notwithstanding that in any financial year of the Company during her tenure as Whole-time Director, the Company has made no profits or profits are inadequate".

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto".

10. **"RESOLVED THAT** Smt. Rita Dixit be and is hereby appointed as a Director of the Company liable to retire by rotation".

**"RESOLVED FURTHER THAT** pursuant to the provisions of the Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII of the Act and subject to any other necessary approval, if any as may be required, the consent and approval of the Company be and is hereby accorded to the appointment of Smt.Rita Dixit as Whole-time Director of the Company for a period of 5 years w.e.f. 1st April, 1998 on the remuneration and terms & conditions mentioned in the Explanatory Statement, annexed hereunto".

**"RESOLVED FURTHER THAT** pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed Explanatory Statement be paid as *minimum remuneration* to Smt.Rita Dixit notwithstanding that in any financial year of the Company during her tenure as Whole-time Director, the Company has made no profits or profits are inadequate".

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto".

By Order of the Board

P.N.KUMAR

Company Secretary &  
General Manager (Comm.)

New Delhi  
June 29, 1998



## JAYPEE HOTELS LIMITED

### NOTES

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ANNEXED TO ANNUAL REPORT.**
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 15th September, 1998 to Friday, the 25th September, 1998 (both days inclusive).
4. Those members who have so far not encashed their dividend warrants for the year ended March 31, 1996 may immediately approach the Company with their dividend warrants for revalidation.
5. Members who are holding shares in identical names in more than one folio, are requested to write to the Company

enclosing their share certificates to enable the Company to consolidate their holdings in one folio.

6. Members are requested to quote their folio nos. while corresponding with the Company and also notify the change in registered address/residential status, if any.
7. Shareholders having any question on accounts are requested to send the same 10 days in advance to the Company to enable it to collect the relevant information.
8. Shareholders may please bring their copies of the Annual Report to the meeting.
9. Members/Proxies should bring their attendance slip sent alongwith the Annual Report, duly filled in, for attending the Meeting.

**By Order of the Board**

**Place : New Delhi  
Dated : June 29, 1998**

**P.N.KUMAR  
Company Secretary &  
General Manager (Comm.)**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### ITEM NO.6

Shri S.K.Bansal joined the Board w.e.f. March 25, 1998 in the casual vacancy caused due to the resignation of Shri G.P.Gaur and by virtue of Section 262(2) of the Companies Act, 1956, read with Article 132 of the Articles of Association of the Company, Shri Bansal holds the office upto the date of the Annual General Meeting. The Company has received notice in writing alongwith a deposit of Rs.500/- from a member of the Company in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri S.K.Bansal for the office of Director. Shri S.K.Bansal is a very senior Architect and is associated with this Company for last about 16 years.

Your Directors feel that the appointment of Shri S.K.Bansal is in the interest of the Company and recommend the same for your approval.

None of the Directors except Shri S.K.Bansal himself is interested in the said resolution.

### ITEM NO.7

Brig.J.S.Ahlowalia (Retd.) joined the Board w.e.f. March 25, 1998 in the casual vacancy caused due to the resignation of Shri S.K.Dixit and by virtue of Section 262(2) of the Companies Act, 1956, read with Article 132 of the Articles of Association of the Company, Brig. Ahlowalia (Retd.) holds the office upto the date of the Annual General Meeting. The Company has received notice in writing alongwith a deposit of Rs.500/- from a member of the

Company in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Brig.J.S.Ahlowalia (Retd.) for the office of Director. Brig.J.S. Ahlowalia (Retd.) has been associated with the hotels of this Company for last about 18 years.

Your Directors feel that the appointment of Brig.J.S.Ahlowalia (Retd.) is in the interest of the Company and recommend the same for your approval.

None of the Directors except Brig. J.S.Ahlowalia (Retd.) himself is interested in the said resolution.

### ITEM NO. 8

Shri Manoj Gaur was appointed by the Board of Directors at their meeting held on March 25, 1998 as Additional Director of the Company w.e.f. March 25, 1998. In terms of Section 260 of the Companies Act, 1956, he shall hold office only upto the date of the Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a member of the Company u/s 257 of the Companies Act, 1956, proposing the candidature of Shri Manoj Gaur for the office of Director. Shri Manoj Gaur is Managing Director of M/s.Jaiprakash Industries Ltd.

In view of the valuable experience of Shri Manoj Gaur, it will be in the interest of the Company that Shri Manoj Gaur continues as Director of the Company.

The Directors recommend the resolution for approval of





## JAYPEE HOTELS LIMITED

the shareholders.

Except Shri Jaiprakash Gaur, Smt. Rita Dixit and Shri Manoj Gaur, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

### ITEM NOS. 9 & 10

Smt. Manju Sharma and Smt. Rita Dixit were working with the Company as Executive Vice President (Comm.). They were appointed by the Board of Directors at their meeting held on March 25, 1998 as Additional Directors of the Company w.e.f. March 25, 1998.

The Company has received notices in writing along with a deposit of Rs. 500/- each from members of the Company in terms of Section 257 of the Companies Act, 1956, signifying their intention to propose the candidatures of Smt. Manju Sharma and Smt. Rita Dixit for the office of the Directors of the Company.

The Board of Directors in their meeting held on March 25, 1998 have also appointed Smt. Manju Sharma and Smt. Rita Dixit as Whole-time Directors of the Company for a period of 5 years w.e.f. April 01, 1998 on the following terms and conditions (within the limits prescribed in Schedule XIII) :

**TERM OF OFFICE** : 5 Years w.e.f. 01.04.1998

**SALARY** : Rs. 12,500/- (Rupees Twelve Thousand Five Hundred Only) per month in the scale of Rs. 12,500-500-14,500.

**PERQUISITES** : Perquisites shall be allowed in addition to salary. Perquisites shall be restricted to an amount equivalent to annual salary or Rs. 1,50,000 per annum, whichever is less. Perquisites are classified into three categories i.e. A, B & C as under :

### CATEGORY 'A'

#### HOUSING

a) In case of unfurnished accommodation hired by the Company, the expenditure incurred by the Company on hiring of such accommodation shall not exceed 60% of salary, over and above 10% payable by the appointee.

b) In case the accommodation is owned by the Company then 10% of the salary of the appointee shall be deducted by the Company.

c) In case no accommodation is provided by the Company, the appointee shall be entitled to House Rent Allowance subject to the ceiling laid down in (a) above.

### EXPLANATION :

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962 subject to a ceiling of 10% of the salary of the appointee.

### MEDICAL REIMBURSEMENT

Expenses incurred for the appointee and her family subject

to a ceiling of one month's salary in a year or three months' salary over a period of three years.

### LEAVE TRAVEL CONCESSION

For the appointee and his family once in a year incurred in accordance with the rules specified by the Company.

### CLUB FEES

Fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fee.

### PERSONAL ACCIDENT INSURANCE

Personal accident insurance for an amount, annual premium of which does not exceed Rs. 2,000/-.

### EXPLANATION

For the purpose of Category 'A', family means the spouse, the dependent children and dependent parents of the appointee.

### CATEGORY 'B'

Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.

Earned leave with full pay and allowances as per the rules of the Company but not exceeding one month's leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

### CATEGORY 'C'

The Company shall provide car and telephone facility at the residence of appointee. Provision of car for use on Company's business and telephone facility at the residence will not be considered as perquisites.

Personal long distance calls shall be billed by the Company to the appointee.

Except Smt. Rita Dixit, Shri Jaiprakash Gaur and Shri Manoj Gaur in case of appointment of Smt. Rita Dixit and except Smt. Manju Sharma and Shri N.C. Sharma in case of appointment of Smt. Manju Sharma, none of the other Directors is interested in proposed resolutions.

By Order of the Board

New Delhi  
June 29, 1998

P.N.KUMAR  
Company Secretary &  
General Manager (Comm.)



## JAYPEE HOTELS LIMITED

### DIRECTORS' REPORT

#### TO THE MEMBERS

The Directors have pleasure in presenting the Eighteenth Annual Report and the Audited Accounts of the Company for the financial year ended March 31, 1998.

#### FINANCIAL RESULTS

PARTICULARS	1997-98 (Lac/Rs.)	1996-97 (Lac/Rs.)
Gross Revenue	<u>4411.92</u>	<u>4448.03</u>
Gross Operating Profit	<u>785.20</u>	<u>975.39</u>
Less:		
a) Interest & Financial charges	<u>32.11</u>	<u>4.82</u>
b) Loss on sale of shares and construction machinery	—	<u>1023.95</u>
c) Depreciation	<u>157.85</u>	<u>160.86</u>
	<u>595.24</u>	<u>(214.24)</u>
Less:		
Preliminary expenses written off	<u>24.80</u>	<u>24.80</u>
Less:		
Provision for tax	<u>60.00</u>	—
Profit after tax	<u>510.44</u>	<u>(239.04)</u>
Add:		
Other adjustments from earlier years	<u>(205.42)</u>	<u>0.07</u>
Brought forward from the previous year	<u>428.12</u>	<u>320.52</u>
Profits available for appropriation	<u>733.14</u>	<u>81.55</u>
Transferred to/from Tourism Development Reserve	—	<u>(353.00)</u>
Transferred to/from Investment Reserve	—	<u>(7.02)</u>
Expenditure Tax/Dividend paid on redemption of Preference Shares	—	<u>13.45</u>
Proposed Dividend :		
i) on Equity Shares	<u>354.90</u>	—
ii) Tax on Dividend	<u>35.49</u>	—
Balance carried to Balance Sheet	<u>342.75</u>	<u>428.12</u>

#### DIVIDEND

Keeping in view the current year's profits and the overall financial position of the Company, the Board of Directors of the Company have recommended the dividend @ 10% on Equity capital of the Company for the financial year 1997-98.

### OPERATING RESULTS

During the year under report, the hotel business in the country has witnessed a significant fall. Despite various odds, your hotels namely Hotel Vasant Continental and Hotel Siddharth at New Delhi and Hotel Residency Manor, at Mussoorie have shown very stable performance in comparison to the other hotels. Hotel Residency Manor is now appearing on the Tourist's Map and the business is improving year after year.

#### HOTEL PROJECT AT AGRA

The construction of Hotel-cum-Convention Centre at Agra has almost been completed. The Plant and Machinery are under installation. Orders have been placed for the major supplies. The hotel is likely to commence its commercial operations by the end of this year.

#### CURRENT OUTLOOK

As already mentioned above, the tourism has declined due to various factors and general economic recession in the country. However, with dedicated team and careful business strategy, it is hoped that it will be possible to maintain the turnover of the hotels at Delhi and significant improvement in the business of Hotel Residency Manor at Mussoorie.

The Company initiated various steps for efficiently managing a cross section of Company's operations including Sales & Marketing, quality control and cost control etc. Such measures would strengthen the Company's profit base in the future.

#### DIRECTORATE

During the period since last report, Shri S.K.Dixit and Shri Gyan Prakash Gaur resigned from the Directorship of the Company. The Board expresses its appreciation for the services rendered by them during their Directorship. The casual vacancies arising from their resignations were filled by the appointment of Shri S.K.Bansal and Brig.J.S.Ahlowalia (retd.) w.e.f. March 25, 1998.

Dr. Ramesh C. Vaish and Shri Suresh Kumar, Directors retire by rotation and being eligible, offer themselves for re-appointment.

During the year Shri Manoj Gaur was appointed as Additional Director w.e.f. 25.03.1998. Smt.Manju Sharma and Smt.Rita Dixit who were working as Executive Vice President (Commercial) in the Company, were elevated to the position of Whole-time Directors w.e.f. 01.04.1998. The terms and conditions of their appointment as Whole-time Directors have been given in the Explanatory Statement attached with the notice of Annual General Meeting.