

Annual Report 1998-99



You're among friends



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

Manoj Gaur

Suresh Kumar

J.S.Ahlowalia

S.K.Bansal

Shree Prakash

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

Jaypee Palace Hotel,

Near Tora Village, Fatehabad Road,

AGRA-282 003 (U.P.)

HEAD OFFICE

Jaypee Hotels Limited,

Hotel Vasant Continental

Vasant Vihar,

New Delhi-110057

ANNUAL REPORT - 1998-99

CONTENTS

Notice _____	1
Directors' Report _____	3
Auditors' Report _____	5
Balance Sheet _____	7
Profit & Loss Account _____	8
Schedules _____	9
Cash flow Statement _____	18
Balance Sheet Abstract _____	19



JAYPEE HOTELS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of JAYPEE HOTELS LIMITED will be held at 9.30 A.M. on Wednesday, the 29th September, 1999 at the premises of Jaypee Palace Hotel, Near Tora Village, Fatehabad Road, Agra-282 003 (U.P.) to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 1999 and Profit & Loss Account for the year ended on that date and reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Jaiprakash Gaur, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri N.C.Sharma, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B.K.Goswami, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Shree Prakash, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri S.N.Endley, who retires by rotation, and being eligible, offers himself for re-appointment.
7. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next meeting and fix their remuneration. M/s. LC Kailash & Associates, Chartered Accountants have offered themselves for re-appointment.

AS SPECIAL BUSINESS

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

AS SPECIAL RESOLUTION

8. "RESOLVED THAT pursuant to the provision of Section 31 and other applicable provisions of the Companies Act, 1956 and subject to approval of the shareholders in the general meeting, the Articles of Association of

the Company be and are hereby altered in the manner and to the extent set out below.

After Articles 57, the following new Article be inserted as Article 57A and be read as follows :

57 A. Notwithstanding anything contained in Article 57 or in any other law for the time being in force, where a nomination has been made as per Section 109A of the Companies Act, 1956 conferring on the nominee the right on the shares or debentures of the Company, the nominee shall, on the death of the shareholder(s) or holder(s) of debentures of the Company, become entitled to all the rights in shares or debentures of the Company in relation to such shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner and the provisions contained in Section 109A or Section 109B of the Companies Act, 1956 shall be applicable to such cases.

AS ORDINARY RESOLUTION

9. "RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage and/or charge any/all immoveable/moveable properties of the Company, wherever situated, present or future and /or conferring power to enter upon and to take possession of the assets of the Company in certain events to or in favour of any bank or financial institution to secure "Term Loan not exceeding Rs. 75.00 Crore" (Rupees Seventy Five Crore) together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premium on repayment or redemption, costs, charges, expenses and other monies payable by the Company, to such bank or financial institution, under the agreements signed/to be signed and the terms and conditions in respect of the said loan."

"RESOLVED FURTHER THAT the mortgage/charge created or to be created and/or all agreements/documents to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors shall be confirmed and ratified."


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 Thursday, the 16th September 1999 to Wednesday, the 29th September, 1999 (both days inclusive).
4. Those members who have so far not encashed their dividend warrants for the year ended March 31, 1996 or March 31, 1998, 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

P.N.KUMAR

**Company Secretary &
Vice President (Comml.)**

Place : New Delhi

Dated : July 30, 1999

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956
ITEM NO.8

An amendment has been made in the Companies Act, 1956 through the Companies Amendment Act, 1999 which provides for the nomination facility to the shareholders of the Company as it is done in the case of Provident Fund etc. The newly inserted Section 109A and 109B provides that every shareholder(s) or debenture holder(s) has right to appoint his/their nominee(s) who shall have all the rights in such shares/debentures of the Company after the death of such shareholder(s)/debentureholder(s).

Therefore, it has become necessary that provision should also be made in our Articles of Association to provide such nomination facility to our shareholder(s)/debentureholder(s) and such amendment in Articles of Association is placed for your approval.

None of the directors is interested in the resolution.

ITEM NO. 9

The members in Extra Ordinary General Meeting held on 18.12.1998 authorised the Board to increase its borrowing power from Rs. 50.00 Crore to Rs. 75.00 Crore to meet the requirements of expanding business activities.

Pursuant to the said decision it is essential to authorise the Board to create the mortgage or charge on the moveable/immoveable assets of the Company to secure the loans which the Company may have to obtain from banks/financial institutions in future.

The consent of members is required for mortgage or charge on the property as per Section 293(1)(a) of the Companies Act, 1956. Therefore, a resolution for authorising the Board to create a mortgage or charge is placed for the approval of the members.

None of the directors is concerned or interested in the resolution.

INSPECTION

Copy of the Articles of Association of the Company together with proposed alterations, will be available for inspection.

By Order of the Board

P.N. KUMAR

**Company Secretary &
Vice President (Comml.)**

Place : New Delhi

Dated : July 30, 1999



JAYPEE HOTELS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Nineteenth Annual Report and the Audited Accounts of the Company for the financial year ended March 31, 1999.

FINANCIAL RESULTS

PARTICULARS	1998-99 (Lac/Rs.)	1997-98 (Lac/Rs.)
Gross Revenue	4378.02	4411.92
Gross Operating Profit	664.87	785.20
Less:		
a) Interest & Financial charges	36.80	32.11
b) Depreciation	193.66	157.85
	434.41	595.24
Less :		
Preliminary expenses written off	24.80	24.80
Less :		
Provision for tax	43.50	60.00
Profit after tax	366.11	510.44
Add :		
Other adjustments from earlier years	(17.80)	(205.42)
Brought forward from the previous year	342.75	428.12
Profits available for appropriation	691.06	733.14
Proposed Dividend :		
i) on Equity Shares	—	354.90
ii) Tax on Dividend	—	35.49
Balance carried to Balance Sheet	691.06	342.75

DIVIDEND

Keeping in view, the need to conserve the Company's resources and to meet the enhanced working capital requirements, the Directors are constrained not to recommend any dividend for the financial year 1998-99.

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 consistent performance. Jaypee Palace Hotel at Agra started commercial operations w.e.f. 1st March, 1999 and thus it's contribution to the aggregate results of the Company is nominal.

FUTURE OUTLOOK

The tourism in India depends mainly on the economic and political conditions and improvement in infrastructure facilities. The trend in the economy of the country in the recent past has been a matter of great concern but is now showing signs of turn around. Your Company therefore expects better results in the current year.

DIRECTORATE

Shri Jaiprakash Gaur, Shri N.C.Sharma, Shri B.K.Goswami, Shri Shree Prakash and Shri S.N.Endley Directors retire by rotation and being eligible, offer themselves for re-appointment.

JAYPEE PALACE HOTEL, AGRA

This hotel-cum-convention centre has started commercial operations from 1st March, 1999. The hotel has international standard of facilities and services and is being developed as a 'Destination' in itself. All the visiting guests have expressed very high appreciation of the hotel. In the first phase 200 rooms with other facilities have been opened. Very shortly, the Convention Centre, having capacity of 1200 persons will be opened. Balance 150 rooms and other facilities will be operational by the end of the year.

HOTEL RESIDENCY MANOR, MUSSOORIE

The Company has concluded its present arrangement with Jaiprakash Industries Ltd., for the management of Hotel Residency Manor, Mussoorie at the close of the financial year under report and new arrangement will be effective from 01.04.1999 under which the Company shall be responsible for marketing and operation of the said hotel, which will yield better results for your Company.

REGISTERED OFFICE

During the year, the Company completed the process of shifting of the Registered Office of the Company from the National Capital Territory of Delhi to the State of Uttar Pradesh. After confirmation of the orders of Company Law Board, by the Registrars of Delhi & Uttar Pradesh, the registered office is now located at Jaypee Palace Hotel, Tora Village, Fatehabad Road, Agra.

LISTING OF SHARES

The shares of your Company are listed on Kanpur, Delhi and Mumbai Stock Exchanges and pursuant to Clause 38 of the Listing Agreement, the annual listing fee for the year 1999-2000 has been paid.

Y2K COMPLIANCE

The Company made a detailed study of the software and hardware systems which are being used in different departments of the Company and its hotels, and identified



the areas which required action to make the systems Y2K compliant. Necessary hardware and software are being installed and commissioned and the training and testing process is in progress and will be completed well in time.

PARTICULARS OF EMPLOYEES & DISCLOSURE OF INFORMATION

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is annexed and forms part of this report. The information as per Section 217(1)(e) of the Act read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988 is also annexed to this report.

AUDITORS

M/s.LCKailash & Associates, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and, being eligible, offer themselves for re-appointment.

NOTES ON ACCOUNT

The observations of the Auditors and Notes on Accounts are self explanatory and have been suitably dealt with in the Schedules and Notes.

APPRECIATION

Your Directors place on record their appreciation of Indian Overseas Bank for their valuable financial support and guidance, and of UPSTDC, Deptt. of Tourism, Local Administration of Agra and Dehradun, Govt. of Uttar Pradesh and authorities of Govt. of India for their valuable co-operation. The Directors also thank the shareholders for their continued support and the officers, employees/ staff working at various units of the Company for their dedication, efforts and co-operation.

By the order of the Board

Place : New Delhi
Dated : July 30, 1999

JAIPRAKASH GAUR
CHAIRMAN

ANNEXURE-I

Statement Under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee's) Rules 1975 for the year ended March 31, 1999.

Employed for the part of the year

S. No.	Name of the Employee(s)	Age	Designation/ Nature of Duties	Gross Remuneration (In Rupees)	Qualification	Experience (Year)	Date of Commencement of Employment	Particulars of Previous Employment
1.	Mr. Pradeep Kalra	47	Vice President (Sales & Marketing)	50,996	B.Com (Hons.)	25	01.03.1999	East India Hotels Ltd. as Regional Manager (Sales & Marketing)
Gross Remuneration include Salary, Accommodation/House Rent and other prerequisites like Medical Reimbursement, Leave Travel Assistance, Personal Insurance, Company's Contribution to Provident Fund etc.								

ANNEXURE-II

INFORMATION AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY

The Company is making continuous efforts for reducing energy costs at all levels. The various measures taken by the Company include inter-alia :

- Installation of 3 Nos. 250 TR Screw Chillers Carrier make.
- Replaced electrically heated laundry machines to steam heated machines.
- Human presence sensor has been installed in each guest room which means that lights automatically get switched off when the guest leaves the room.
- PL-9 light fixtures have been installed instead of

ordinary bulbs.

- Better monitoring/control on the consumption of electricity/power.
- Strict compliance of preventive maintenance schedule of plant and equipment to optimise efficiency and reduce power consumption.

The above measures have resulted into saving of electricity during the year.

B. TECHNOLOGY ABSORPTION

The Company is not involved in manufacturing activity but is basically involved in the Hotel business and as such the required particulars in terms of Rule 2 are not applicable.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars of Foreign Exchange Earnings and outgo have been given in Schedule 'P' Notes to the Accounts under Note Nos. C.8(c) and C.8(d).