

ANNUAL REPORT 2000-2001



Summit lounge of Jaypee Palace Agra - The venue of
Indo-Pak Summit 14 - 16 July, 2001

Creating a world of hotels



PERFORMANCE

JAYPEE HOTELS LIMITED

**JAYPEE HOTELS LIMITED****CHAIRMAN – EMERITUS**

Jaiprakash Gaur

BOARD OF DIRECTORS**CHAIRMAN**

S.G. Awasthi

VICE CHAIRMAN

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

Sunil Sharma

Suresh Kumar

J.S. Ahlowalia

S.K. Bansal

Shree Prakash

COMPANY SECRETARY

P.N. Kumar

AUDITORS

LC Kailash & 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-110 057

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JAYPEE HOTELS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty First Annual General Meeting of the members of JAYPEE HOTELS LIMITED will be held at 9.00 A.M. on Thursday, the 30th August, 2001 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, 2001 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 Dr. Ramesh C. Vaish, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Shailendra Swarup, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Basant Kumar Goswami, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Suresh Kumar, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Shri Suren Jain, who retires by rotation, and being eligible, offers himself for reappointment.
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 reappointment.

AS SPECIAL BUSINESS

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

8. "RESOLVED THAT Shri P.V. Vora who was reappointed as Managing Director, for a period of 5 years w.e.f. June 1, 1997 and was not liable to retire by rotation; having been since relieved from the office of Managing Directorship, be and is hereby, henceforth, be made liable to retire by rotation"

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. PROXY 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 21st August, 2001 to Thursday, the 30th August, 2001 (both days inclusive).
4. Those members who have so far not encashed their dividend warrants for the year ended March 31, 1996 and March 31, 1998 may immediately approach the Company with their dividend warrants for revalidation.
5. Pursuant to the provisions of Section 205A of the Companies (Amendment) Act, 1999, the amount of dividend which remains unclaimed for a period of 7 years from the date of declaration would be transferred to the Investor Education and Protection Fund, constituted by the Central Government and the shareholders would not be able to claim any amount of dividend so transferred to the Fund. As such, shareholders who have not yet encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividends declared by the Company during the years 1995 onwards. In respect of the unclaimed dividends, for periods prior to 1995, already transferred by the Company to the General Revenue Account of the Central Government, Shareholders may claim the same by writing to the Registrar of Companies, NCT of Delhi & Haryana, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi - 110003 by quoting the Company's Registration No.11175.
6. 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.
7. Members are requested to quote their Folio No./Client ID No. & DP No. while corresponding with the Company, also notify the change in registered address/residential status, if any.
8. Shareholders having any question on accounts are requested to send the same at least 10 days in advance to the Company to enable it to collect the relevant information.
9. Shareholders may please bring their copies of the Annual Report to the meeting.
10. 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, 2001

P.N. KUMAR
Company Secretary &
Vice President (Comm.)

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

ITEM NO. 8

Shri P.V. Vora, who was appointed as Managing Director of the Company w.e.f. 1st June, 1992 for five years and again reappointed for 5 years was not liable to retire by rotation as per the terms of his appointment. He was relieved from the responsibilities of Managing Director w.e.f. 1st February, 2001 but continued to be Director. Therefore, it was imperative to consider his appointment as Director, liable to retire by rotation in terms of Section 256 of the Companies Act, 1956. In compliance of the requirement of Section 257 for

appointment for the office of Director in General Meeting, the Company has received a notice in writing from a member proposing the candidature of Mr. P.V. Vora for the office of the Director. None of the Directors of the Company other than Mr. P.V. Vora is interested in this resolution.

By Order of the Board

Place : New Delhi
Dated: June 29, 2001

P.N. KUMAR
Company Secretary &
Vice President (Comm.)



JAYPEE HOTELS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the Twenty First Annual Report and the Audited Accounts of the Company for the financial year ended March 31, 2001.

FINANCIAL RESULTS

| PARTICULARS | 2000-2001 (Lac/Rs.) | 1999-2000 (Lac/Rs.) |
|---|------------------------|------------------------|
| Gross Revenue | 8988.92 | 6639.99 |
| Gross Operating Profit | 2305.83 | 1569.29 |
| Less: | | |
| a) Interest & Financial Charges | 1204.45 | 852.60 |
| b) Depreciation | 617.08 | 460.89 |
| | 484.30 | 255.80 |
| Less: | | |
| Preliminary Expenses written off | 24.80 | 24.80 |
| Less: Provision for tax | 39.00 | 24.50 |
| Profit after tax | 420.50 | 206.50 |
| Add: | | |
| Other adjustments from earlier years | (9.41) | (34.64) |
| Brought forward from the previous year | 862.92 | 691.06 |
| Profits available for appropriation | 1274.01 | 862.92 |
| Debenture redemption reserve | 83.34 | 0.00 |
| Balance carried to Balance Sheet | 1190.67 | 862.92 |

DIVIDEND

To conserve the Company's resources and to meet the enhanced demand of working capital, the Directors express their inability to recommend any dividend for the financial year 2000-2001.

OPERATING RESULTS

Jaypee Palace Hotel cum International Convention Centre at Agra which started operation with 250 rooms out of 350 rooms and other facilities has since been completed. The hotel has gradually come distinct and well-known among Indian and the Foreign tourists visiting Agra for seeing Taj Mahal. We are fortunate to be chosen to host historic Vajpayee-Musharraf summit, and certainly, the name of this hotel will move in the most popular communication channels of the world.

The total turnover of the hotel division of the Company was approx. Rs. 52.72 crores. Overall annual average occupancy of Hotel Vasant Continental was 79%, Hotel Siddharth 78% and Hotel Jaypee Palace 43%. The Hotel Residency Manor, Mussoorie, which is being managed by the Company has shown at turnover of Rs.799.40 lacs. The annual average occupancy was 65%.

The Construction Division has shown a turnover of approx. Rs.33 crores in the current year.

FUTURE OUTLOOK

There is not much brighter prospects of tourism in this year, but keeping in view that Indian and Foreign tourists require much value added services from the hotels, it is being considered desirable to upgrade the Company's existing hotel properties. It is expected that the total turnover from the hotel division, would improve during the year. The construction division of the hotel is also likely to do better in the current year.

DIRECTORATE

During the year Shri S.G. Awasthi, former Chairman of M/s. Daewoo Motors India Ltd., was co-opted as Director of the Company in the casual vacancy caused by the resignation of Shri Jaiprakash Gaur from the Directorship of the Company. Shri S.G. Awasthi has 36 years experience of working in the well-known Companies of India and has gained expertise in the management. Shri Awasthi is at present Director of Jaypee Greens Limited, JIL Information Technology and Jaiprakash Enterprises Limited. Shri S.G. Awasthi has been appointed as Chairman of the Board. Shri S.G. Awasthi shall hold office upto the date upto which Shri Jaiprakash Gaur would have held office if the said vacancy had not occurred.

Shri Sunil Sharma, who is presently one of the Managing Directors of Jaiprakash Industries Limited was co-opted as Director in the casual vacancy caused by the resignation of Shri N.C. Sharma. Shri Sunil Sharma is also Director of Jaiprakash Hydro Power Ltd., Jaypee Ventures Ltd., Suneha Estate Pvt. Ltd., Jaypee Greens Ltd. and Indesign Enterprises Ltd. and has over 20 years of experience of the management. Shri Sunil Sharma shall hold office upto the date upto which Shri N.C. Sharma would have held office if the vacancy had not occurred.

Shri P.V. Vora, who was working as Managing Director expressed his inability to carry his responsibility of Managing Director. The Board considered the circumstances and his personal limitations and relieved him of Managing Directorship w.e.f. 1st February, 2001, but he continues to be a Director and has been designated as Vice Chairman. Now, Shri P.V. Vora would be Director liable to retire by rotation. A resolution is being placed for his reappointment. The Board places on record their appreciation for the valuable and dedicated services placed by him during his tenure as Managing Director.

The Board records its highest appreciation of the valuable services rendered by Shri Jaiprakash Gaur and Shri N.C. Sharma who resigned during the year. In recognition of the dynamic leadership, vision and unique management philosophy of Shri Gaur, he has been designated as



JAYPEE HOTELS LIMITED

CHAIRMAN EMERITUS, so that his guidance remains available whenever solicited.

Dr. Ramesh C. Vaish, Shri Shailendra Swarup, Shri Basant Kumar Goswami, Shri Suresh Kumar and Shri Suren Jain, being eligible offer themselves for reappointment. The Board commends their reappointment.

EQUITY SHARES AND DEBENTURES

The shares which were partly paid up for nominal value of Rs.2.50 plus premium of Rs.1.00 per share as on March 31, 2000 has become fully paid up during the year under review. Balance amount of Security premium @ Rs.3.00 per share has also received. During the year, the Company also issued to Unit Trust of India, Mumbai 15%, 5 lacs Secured Redeemable Non-convertible Debentures of Rs.100 each privately placed.

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, it is certified that the annual listing fee for the year 2001-2002 has been paid as per demand.

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. LC Kailash & Associates, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and, being eligible, offer themselves for reappointment.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

The Statement is annexed.

CORPORATE GOVERNANCE

The Provisions of the Clause 49 of the Listing Agreement relating to Report on Corporate Governance are not yet applicable.

APPRECIATION

The Directors wish to place on record their appreciation of Banks, Central and State Government for their continued cooperation and support to the Company. The Directors are also thankful to the shareholders who continued to give support and have bestowed their full confidence in the management of the Company. The Board also convey its thanks and appreciation to the staff of the Hotel Division and Construction Division of the Company who are working with full dedications.

By Order of the Board

Place : New Delhi
Dated: June 29, 2001

S.G. AWASTHI
CHAIRMAN

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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, 2001.

| S No. | Name of the Employee(s) | Age (Years) | Designation/ Nature of Duties | Gross Remuneration (in Rupees) | Qualification | Experience (Years) | Date of Commencement of Employment | Particulars of Previous Employment |
|-------|-------------------------|-------------|-------------------------------|--------------------------------|---------------|--------------------|------------------------------------|---|
| 1. | P.V. Vora* | 66 | Managing Director | 1,319,105 | B.E. (Civil) | 38 | 01.06.1992 | Executive Director (Jaiprakash Industries Ltd.) |

Gross Remuneration includes Salary, Accommodation/House Rent and other perquisites like Medical Reimbursement, Leave Travel Assistance, Personal Insurance, Company's contribution to Provident Fund etc.

* Employed for part of the year.



JAYPEE HOTELS LIMITED

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 consumption at all levels. Various measures taken by the Company includes:

- i) Replacement of old machines and equipment by new machines and equipment of latest technology.
- ii) Installation of human presence sensor in guest rooms to automatically switch off the lights when the guest leaves the room.
- iii) Use of PL-9 light fixtures instead of ordinary bulbs.
- iv) Strict compliance of preventive maintenance schedule of plant and equipment to optimise efficiency.
- v) Energy Audit by a recognised and approved agency.

B. TECHNOLOGY ABSORPTION

The Company is not involved in manufacturing activity but is basically involved in the hotel and construction 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 'Q' Notes to the Accounts under Note Nos. C.9(c) and (d).

ANNEXURE - III

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2001 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis.

Report JAYPEE PALACE, AGRA VISITORS' BOOK

INDO-PAK SUMMIT, JULY 14-16, 2001

SHRI ATAL BIHARI VAJPEYEE – Prime Minister of India

"I express my deep appreciation and thanks for the excellent hospitality accorded by the management and staff of Jaypee Palace Hotel, Agra, to me and members of my delegation.

I carry back with me unforgettable memories of my talks with His Excellency General Pervez Musharraf, President of Pakistan, at this hotel.

I am confident and I sincerely pray that the Agra Summit will ultimately prove to be a useful milestone along the high road to peace and normalisation of relations between India and Pakistan."

H.E. GENERAL PERVEZ MUSHARRAF – President of Pakistan

"History is in the making in this hotel. I sincerely hope that the time and the intensive debates we have held augur well for the future.

I appreciate the warmth, hospitality and efficiency of the entire hotel staff. No wonder it is one of the best hotels."

SHRI L.K. ADVANI – Home Minister

"The Agra Summit has given me this opportunity of enjoying the hospitality of the Palace Hotel. I must say this is an excellently conceived hotel, very efficiently run and very well managed. The food was delicious and the service impeccable. My hearty compliments and best wishes."

SHRI YASHWANT SINHA – Finance Minister

"A very pleasant and memorable stay."

SHRI KAMAL PANDE – Home Secretary

"An exquisite hotel. Very pleasant ambience and excellent hospitality. My stay will always be memorable."

SHRI BRIJESH MISHRA – Prime Minister's Office

"Excellent arrangements. Thank you."

SHRI MANBIR SINGH – Chief of Protocol

"The management and staff of Hotel Jaypee excelled themselves. They were enthusiastic and dedicated to the objective of making comfortable each and every member of the delegation and team stayed in the hotel in connection with the India-Pakistan Summit. They arose to meet each new demand and engagement cheerfully, politely to see that all arrangements are a success. My best wishes to the members of the hotel staff for their success and happiness in future."