

ANNUAL REPORT  
2001-2002

**JAYPEE**  
HOTELS LIMITED

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**JAYPEE HOTELS LIMITED****BOARD OF DIRECTORS****CHAIRMAN – EMERITUS**

Jaiprakash Gaur

**CHAIRMAN**

S.G. Awasthi

**DIRECTORS**

K. Subramanian

Ramesh C. Vaish

Shailendra Swarup

Satish Kumar Dheri

Suresh Kumar

Manoj Gaur

Sunil Sharma

S.K. Bansal

Shree Prakash

Rita Dixit

**DIRECTORS (WHOLE TIME)**

Suren Jain

Manju Sharma

S.N. Endley

**COMPANY SECRETARY**

P.N. Kumar

**AUDITORS**

LC Kailash &amp; Associates,

Chartered Accountants,

NBR House, C-124 Preet Vihar,

DELHI-110 092

**BANKERS**

Indian Overseas Bank

Janpath, New Delhi.

**REGISTERED OFFICE**

Jaypee Palace,

Near Tora Village,

Fatehabad Road,

AGRA –282 003 (U.P.)

**HEAD OFFICE**

Jaypee Hotels Limited,

Jaypee 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 Second Annual General Meeting of the members of JAYPEE HOTELS LIMITED will be held at 9.30 A.M. on Monday, the 30<sup>th</sup> September, 2002 at the premises of Jaypee Palace, 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, 2002 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 Lt. Gen. S.N. Endley (Retd.), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S.K. Bansal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Shree Prakash, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Manoj Gaur, who retires by rotation, and being eligible, offers himself for re-appointment.
6. 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 resolution :

#### AS ORDINARY RESOLUTION

7. "RESOLVED THAT Shri Satish Kumar Dheri be and is hereby appointed as a Director of the Company 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. 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 17<sup>th</sup> September 2002 to Monday, the 30<sup>th</sup> September, 2002 (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 Nos./Client ID No. & DP ID No. while corresponding with the Company and 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

**P.N. KUMAR**  
Company Secretary &  
Sr. Vice President (Comml.)

Place: New Delhi  
Dated: 30<sup>th</sup> July, 2002

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

#### ITEM NO.7

Shri Satish Kumar Dheri joined the Board w.e.f. July 30, 2002 in the casual vacancy caused due to the resignation of Brig. J.S. Ahlowalia (Retd.) 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 Satish Kumar Dheri holds the office upto the date of this 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 Satish Kumar Dheri for the office of Director. Shri Satish Kumar Dheri has held the position of Chief of Himachal Pradesh Fire Service, & Chief of Delhi Fire Service. A brief resume of Shri Satish Kumar Dheri is given in the annexure-III to the Directors' Report.

Your Directors feel that the appointment of Shri Satish Kumar Dheri is in the interest of the Company and recommend the same for your approval.

None of the Directors except Shri Satish Kumar Dheri himself is interested in the said resolution.

By Order of the Board

**P.N. KUMAR**  
Company Secretary &  
Sr. Vice President (Comml.)

Place: New Delhi  
Dated: 30<sup>th</sup> July, 2002

**JAYPEE HOTELS LIMITED****DIRECTORS' REPORT****TO THE MEMBERS**

The Directors have pleasure in presenting the Twenty Second Annual Report and the Audited Accounts of the Company for the financial year ended March 31, 2002.

**FINANCIAL RESULTS**

PARTICULARS	2001-2002 (Lac/Rs.)	2000-2001 (Lac/Rs.)
Gross Revenue	<b>11616.54</b>	8988.92
Gross Operating Profit	<b>2072.32</b>	2305.83
Less:		
a) Interest & Financial Charges	<b>1081.06</b>	1204.45
b) Depreciation	<b>654.04</b>	617.08
Profit before tax	<b>292.22</b>	484.30
a) Preliminary Expenses written off	<b>24.80</b>	24.80
b) Deferred Revenue expenses written off	<b>130.23</b>	—
c) Provision for tax/deferred tax	<b>32.14</b>	39.00
Profit after tax	<b>105.05</b>	420.50
Add:		
Other adjustments from earlier years	<b>0.39</b>	(9.41)
Profits available for appropriation	<b>105.44</b>	411.09
Less:		
Debenture redemption reserve	<b>83.34</b>	83.34
<b>Balance carried to Balance Sheet</b>	<b>22.10</b>	327.75

**DIVIDEND**

To conserve the Company's resources and to meet the enhanced demand of funds, the Directors express their inability to recommend any dividend for the financial year 2001-2002.

**OPERATING RESULTS**

This Financial Year witnessed many setback in the tourism industry caused by the terrorist activities of 11<sup>th</sup> September in USA and 13<sup>th</sup> December in New Delhi resulting in significant decline in the total tourist traffic in the Country and adversely effecting the Company's Hotel business. The total revenue from the Company's Hotels was Rs.45.67 crores vis-à-vis Rs.52.72 crores during last year. The total revenue from the Company's Construction business was Rs. 66.40 crores as compared to Rs.33.31 crores during last year.

**FUTURE OUTLOOK**

The tourism industry is showing signs of mild improvement but the future depends, interalia, on domestic and

international environment and other factors having influence on the tourism and construction activities in the Country.

The Jaypee Vasant Continental at New Delhi is under renovation to match the standard ambience of competing hotels and to improve its operating performance.

**JHL - A SUBSIDIARY COMPANY**

As a result of acquisition of Company's shares by Jaiprakash Industries Ltd. from its associate companies, Jaiprakash Industries Limited holds 72.18% shares of the Company and has become the holding company of Jaypee Hotels Limited w.e.f. 21<sup>st</sup> March 2002.

**DIRECTORATE**

During the period since last report, Shri P.V. Vora, Shri Basant Kumar Goswami and Brig. J.S. Ahlowalia (Retd.), resigned from the position of directorship. The Board expresses its appreciation for the services and guidance rendered by them during their tenure as director. The respective three casual vacancies arising out of their resignations were filled up on July 30, 2002 by co-option of three eminent persons viz. Shri Jaiprakash Gaur, Shri Krishnaswamy Subramanian and Shri Satish Kumar Dheri.

Shri Satish Kumar Dheri was appointed to fill the casual vacancy arising out of resignation of Brig. J.S. Ahlowalia (Retd.) who was liable to retire by rotation this year. Hence, Shri Satish Kumar Dheri alongwith Lt. Gen. S.N. Endley (Retd.), Shri S.K. Bansal, Shri Shree Prakash and Shri Manoj Gaur, retire by rotation and being eligible, offer themselves for reappointment. The Board recommends their reappointment.

The brief particulars of the appointed / re-appointed Directors are given in the Corporate Governance Report annexed hereto.

Smt. Rita Dixit was working as Whole time Director of the Company upto 31<sup>st</sup> March 2002. However, she will continue to be a Non-executive Director, thereafter.

**LISTING OF SHARES**

The shares of 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 was 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 not annexed because none of the employees is covered under these provisions. 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 annexed to this report as Annexure-I.



## JAYPEE HOTELS LIMITED

### AUDITORS

M/s. LC Kailash & Associates, Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing 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.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement pursuant to Section 217 (2AA) of the Companies Act, 1956 is annexed as Annexure-II.

### CORPORATE GOVERNANCE

The Company is committed to due compliance with the requirements of Law and Listing Agreement. Towards this end and in line with the Guidelines on Corporate Governance recommended by Securities and Exchange Board of India (SEBI), adequate steps have been taken to ensure that all the provisions of Clause 49 of the Listing Agreement are complied with. A report has been annexed hereto as Annexure-III alongwith the Auditors' Report on its compliance.

The reports on Audit Committee, Remuneration Committee and Shareholders' / Investors' grievance / Share transfer and transmission Committee are included in the Annexure-III.

### DISCLOSURES

The related party transactions as required under AS-18, the Segmentwise information as required under AS-17 and Deferred Tax liability disclosures as required under AS-22 have been given in the Notes to the Accounts in compliance with the requirement of the Companies Act, 1956, Accounting Standards and Listing Agreement.

The Quarterly Results, Half Yearly Results, and the Annual Financial Results are timely published with necessary disclosures.

### INVESTMENT

Punjab National Bank Ltd. offered its equity shares of face value Rs.10/- each, to public in March 2002, at a price of Rs.31/- each including premium of Rs.21/- each. Considering the potential, the Company applied for 16,00,000 equity shares and was allotted 2,24,500 equity shares. These shares were disposed off in May 2002 and this transaction has given a profit of approx. Rs.37 lacs to the Company in the financial year 2002-2003.

### APPRECIATION

The Directors wish to place on record their appreciation of Banks, Central and State Governments for their continued cooperation and support to the Company. The Directors also thank the shareholders for their continued support and confidence in the management of the Company. The Board also thanks the staff of the Company for their cooperation, hardwork and dedication.

By Order of the Board

Place : New Delhi

Dated: 30<sup>th</sup> July, 2002

**S.G. AWASTHI**

Chairman

### ANNEXURE-I

#### 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 include:

- i) Improvement of the Power factor; evidencing the efficient use of power.
- ii) Replacement of old machines and equipment by new machines and equipment of latest technology.
- iii) Installation of human presence sensor in guest rooms to automatically switch off the lights when the guest leaves the room.
- iv) Use of PL-9 light fixtures instead of ordinary bulbs.

v) Strict compliance of preventive maintenance schedule of plant and equipment to optimise efficiency.

vi) Energy Audit by a recognised and approved agency.

vii) Introducing PNG in place of LPG.

##### B. TECHNOLOGY ABSORPTION

The Company is not involved in manufacturing activity but is basically involved in the Hotel and Construction business, which is basically labour intensive. 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 '23' Notes to the Accounts under Note Nos. 22(d) and (e).

**JAYPEE HOTELS LIMITED****ANNEXURE - II****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, 2002 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.

**ANEXURE-III****CORPORATE GOVERNANCE**

The business of the Company is managed by Board of Directors with more than 70% of the Directors being Non-Executive Directors, who have no pecuniary relationship with the Company.

**Constitution of the Board as on 31<sup>st</sup> March, 2002 :-****Executive / Whole time Directors**

Lt. Gen. S.N. Endley (Retd.)

Shri Suren Jain

Smt. Manju Sharma

Smt. Rita Dixit\*\*

**Non-Executive / Independent Directors**

Shri S.G. Awasthi, Chairman

Shri P.V. Vora \*

Dr. Ramesh C. Vaish

Shri Shailendra Swarup

Shri Basant Kumar Goswami \*

Shri Manoj Gaur

Shri Sunil Sharma

Shri Suresh Kumar

Brig. J.S. Ahlowalia (Retd.) \*

Shri S.K. Bansal

Shri Shree Prakash

\* Shri Jaiprakash Gaur, Shri Krishnaswamy Subramanian and Shri Satish Kumar Dheri were appointed as Directors by Board of Directors on 30<sup>th</sup> July, 2002 to fill the casual vacancies arising from the resignations of Shri P.V. Vora, Shri Basant Kumar Goswami and Brig. J.S. Ahlowalia (Retd.). Shri Jaiprakash Gaur is father of Shri Manoj Gaur & Smt. Rita Dixit, and Shri Sunil Sharma is brother of Smt. Manju Sharma.

\*\* (Non-executive Director w.e.f. 1.4.2002)

**BOARD MEETINGS**

Five Board meetings on 29<sup>th</sup> June 2001, 31<sup>st</sup> July 2001, 27<sup>th</sup> October 2001, 31<sup>st</sup> January 2002 and 21<sup>st</sup> March 2002, were held during the financial year ended 31<sup>st</sup> March 2002. Board members are given appropriate documents and informations in advance of each Board meeting.



**JAYPEE HOTELS LIMITED**

The attendance record of the Directors on the Board during the financial year ended 31<sup>st</sup> March 2002 is as under:

Director	No. of Board meetings attended	Attendance at last AGM	Member of Committees
S.G. Awasthi	5	Yes	2
P.V. Vora	5	Yes	1
Lt. Gen. S.N. Endley (Retd.)	4	Yes	--
Suren Jain	4	Yes	--
Manju Sharma	3	Yes	2
Rita Dixit	2	No	1
Dr. Ramesh C. Vaish	3	No	1
Shailendra Swarup	2	No	1
Basant Kumar Goswami	4	Yes	1
Manoj Gaur	4	Yes	--
Sunil Sharma	4	Yes	--
Suresh Kumar	3	Yes	--
Brig. J.S. Ahlowalia	5	No	1
S.K. Bansal	4	No	1
Shree Prakash	4	Yes	--

**DETAILS OF DIRECTORS APPOINTED / RE-APPOINTED**

of Director	Shri Jaiprakash Gaur	Shri Manoj Gaur	Shri Krishnaswamy Subramanian
<b>Date of Birth</b>	1 <sup>st</sup> January, 1931	16 <sup>th</sup> June, 1964	15 <sup>th</sup> November, 1939
<b>Date of Appointment</b>	30 <sup>th</sup> July, 2002	25 <sup>th</sup> March, 1998	30 <sup>th</sup> July, 2002
<b>Expertise in Specific Functional Areas</b>	Industrialist having rich business experience.	Industrialist	Former Chairman & Managing Director of Indian Overseas Bank.
<b>Directorship</b>	Jaiprakash Industries Ltd. Jaiprakash Hydro-power Ltd. Jaiprakash PowerVentures Ltd. Jaiprakash Enterprises Ltd. Jaypee Cement Ltd. Jaypee Greens Ltd. Jaypee Aluminium Co. Ltd. Indian Overseas Construction Corporation Ltd. Jaypee DSC Ventures Ltd. Jaypee Karcham Hydro Corporation Ltd. Manumanik Estates Pvt. Ltd. Sunvin Estates Pvt. Ltd. Samsun Estates Pvt. Ltd. Ceekay Estates Pvt. Ltd.	Jaiprakash Industries Ltd. Jaypee Cement Ltd. Jaiprakash Power Ventures Ltd. Jaiprakash Enterprises Ltd. Jaypee Ventures Ltd. Jaypee Aluminium Co. Ltd. Manumanik Estates Pvt.Ltd. Mum Engineers Pvt. Ltd. Indesign Enterprises Pvt. Ltd. Indesign Solutions Pvt. Ltd. Asian Agro Products Ltd. Jaypee Greens Ltd. Jaypee DSC Ventures Ltd. Jaypee Karcham Hydro Corporation Ltd. JIL Information Technology Ltd. Gaur & Nagi Ltd.	Indo Matsushita Carbon Co. Ltd. K.C.P. Sugar and Industries Corp. Ltd.