

11 HOTEL CORPORATION OF INDIA LIMITED

11.1. INTRODUCTION

11.1.1 The Hotel Corporation of India Limited (HCI) is a public limited company wholly owned by Air India Limited and was incorporated on July 8, 1971 under the Companies Act, 1956 when Air India decided to enter the Hotel Industry in keeping with the then prevalent trend among world airlines. The objective was to offer to the passengers a better product, both at the International Airports and at other places of tourist interest, thereby also increasing tourism of India.

11.2. MAIN FUNCTIONS/ACHIEVEMENTS

(a) CENTAUR HOTEL MUMBAI AIRPORT MUMBAI

The first hotel of the Company, namely the Centaur Hotel Bombay Airport was commissioned in May 1975. The Hotel at Mumbai Airport has 288 rooms including 4 Deluxe Suites, a 24 hour Coffee Shop, 2 Speciality Restaurants, Bar, Shopping Arcade, Health Club, Swimming Pool, Beauty Parlour, Banquet and Conference facilities for the transit passengers, namely tennis etc. The hotel right from its inception, well received by the airlines, travel agents and business travellers and has had a high occupancy, the hotel is extremely popular and has a reputation for excellent food. The renovation work of 60 Guest Rooms alongwith its connected service Shafts and corridors is now completed. Old Dish Washing Machine, Hot Water Generator, H T Panel, EPBAX have been replaced and now successfully commissioned.

(b) CENTAUR HOTEL DELHI AIRPORT, DELHI

The Centaur Hotel at Delhi Airport was commissioned in November 1982 as an ASIAD Project. It has 376 rooms, including 4 Deluxe Suites and 2 Deluxu Suites and 2 Presidential Suites, 24 hour Coffee Shop, 2 Speciality Restaurants, Bar, Health Club, Swimming Pool, Beauty Parlour, Tennis Court and a Shopping Arcade. The hotel has a magnificent lobby and a fully automatic electronic Telephone Exchange. This is the only 5 Star Deluxe Hotel near the Indira Gandhi International Airport at Delhi. This hotel too has been well received by the Airlines, business travellers and is popular with the Airline transit passengers, Airlines Crew and transiting groups at Delhi. The hotel provides free Transport Facility into town and also offers facility for sight seeing Tours, Hire of Cars and has an Air India Office situated in Hotel premises. The hotel has now been upgraded as a 5 Star Deluxe Hotel. Renovation work for 100 Guest Rooms with service Shafts and piping have been completed.

(c) CENTAUR LAKE VIEW HOTEL, SRINAGAR

The Centaur Lake View Hotel at Srinagar was

commissioned in December 1983 and is part of a Modern Convention Centre Complex. It has 249 rooms including suites, Health Club, a 24 hour Coffee Shop, 2 Speciality Restaurants, a Bar, Shopping Arcade and other recreation facilities. The hotel was planned as a Holiday Resort and is located on the banks of Dal Lake in the most magnificent surroundings. The hotel had been a popular venue for a large number of Conference and Convention but the business had suffered on accounts of the present situation in the valley.

(d) CENTAUR HOTEL JUHU BEACH, MUMBAI.

The last addition to the Centaur Hotel Chain was the Centaur Hotel at Juhu Beach, Mumbai which was commissioned in October 1986. It has 376 rooms including 16 Deluxe and 2 Presidential Suites, a 24 hour Coffee Shop, 3 Speciality Restaurants, a Bar, Shopping Arcade, Health Club and the most modern Banquet and Conference facilities. The hotel is situated on the well known Juhu Beach of Mumbai and has become extremely popular for its food and theme parties. The hotel facilities are completely computerised. Renovation work of 84 Guest Rooms alongwith Corridors is in progress and expected to be completed by end of March, 2001. Renovation/Upgradation of 3 Nos. each of Guest/Service lifts is in progress and expected to be completed by May 2001.

(e) CENTAUR HOKKE HOTEL, RAJGIR

Apart from operating 5 Star Hotels at Mumbai, Delhi and Srinagar, the company operates a 26 room Japanese Style hotel at Rajgir which was commissioned in November 1984 in collaboration with the well known Japanese chain of hotels, the Hokke Club of Japan. This hotel is operated by a subsidiary company of Hotel Corporation of India Limited styled as Indo Hokke Hotels Limited. The equity participation of HCI in Indo Hokke Hotels Limited is 55.81% and the balance equity is held by M/s Hokke Club Limited Japan.

(f) CHEFAIR FLIGHT CATERING UNITS AT MUMBAI & DELHI

The flight kitchens at Mumbai and Delhi Airports were set up in 1969 and 1970 respectively. The operations of both flight catering units were later shifted to their current premises situated near the International Airports at Mumbai and Delhi and are the most modern Flight Kitchens, with fully automatic equipments in the Kitchens and the Flights handling areas. These flight kitchens apart from catering to the requirement of Air India Limited and Indian Airlines Limited, also cater to the in-flight requirements of some of the domestic International Airlines operating through Mumbai and Delhi.

11.3 SHARE CAPITAL

11.3.1 Present Authorised Share Capital Rs.41.00 Crores

11.3.2 Issued & Subscribed Share Capital Rs.40.60 crores

(All shares held by Air India Limited).

11.4 NET WORTH

11.4.1 The net Worth of the Company as on 31/03/2000 was Rs.55.40 crores.

11.5 EMPLOYEES

11.5.1 The Company has a total of 3923 employees as on 31/03/2000.

11.6 FINANCIAL RESULTS

11.6.1 The financial results of the Company during the last three years were as follows:-

(Rs. in crores)

| Particulars | 1997-98 | 1998-99 | 1999-00 |
|---------------------------------|---------|---------|---------|
| Total Revenue | 105.80 | 97.72 | 88.82 |
| Total Operating Expenditure | 92.67 | 92.49 | 93.63 |
| Gross Operating Profit | 13.13 | 5.23 | (4.81) |
| Interest | 1.31 | 1.03 | -1.10 |
| Cash Profit/(Loss) | (11.82) | 4.20 | (5.91) |
| Depreciation | 2.22 | 2.25 | 2.43 |
| Prior period & other Adjustment | 8.22 | (0.05) | 6.79 |
| Net Profit | 17.82 | 1.90 | (1.55) |

11.7 FUTURE PLANS

11.7.1 The future plans of the various units of the Company are as under -

(a) CENTAUR HOTEL MUMBAI AIRPORT

Renovation work of Cold Storage and Deep Freezer has been sanctioned and proposed to be undertaken in this year. Renovation work of Health Club, Coffee Shops, Additional 60 Guest Rooms is proposed to be undertaken.

(b) CENTAUR HOTEL JUHU BEACH

Renovation work of Cold Storage and Deep Freezer have been sanctioned and proposed to be undertaken this year.

(c) CENTAUR HOTEL DELHI AIRPORT

It is proposed to take another 100 Guest Rooms for renovation.

11.8 WOMEN'S WELFARE

11.8.1 A women's cell has been constituted at Head Office of the Company which looks into the women's welfare.

11.9 IMPLEMENTATION OF OFFICIAL LANGUAGE

11.9.1 The directives received in this regard from the Government from time to time are being followed by Hotel Corporation of India Limited.