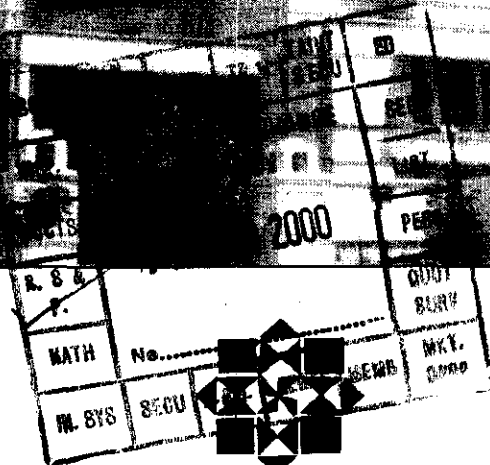


19th

Annual Report

1998-99

H O T E L H A V E L I



AT YOUR
SERVICE

GANDHINAGAR HOTELS LIMITED

GANDHINAGAR HOTELS LIMITED

BOARD OF DIRECTORS

Major Vinodchandra P Joshi (Retd.)	<i>Chairman & Managing Director</i>
Smt. Pragnaben V Joshi	<i>Director</i>
Shri Popatlal V Patel	"
Shri Kantilal S Trivedi	"
Shri Shantilal M Savla	"
Shri Kantilal V Savla	"
Shri Jashuji P Rana	"
Shri Tribhovandas I Amin	"
Shri Ghanshyambhai S Modi	"
Shri Govindbhai N Shah	"
Shri Balmukund C Doshi	"
Shri Dilipkumar K Trivedi	"
Shri Manoj H Lakinwala	"
Wg Cdr Manik Anchalia	"
Shri Rupsinh K Makwana	"

AUDITORS

M/s Alkesh C Shah & Co.
Chartered Accountants

REGISTERED OFFICE

Plot No. 448, GH-5,
Sector-16,
Gandhinagar - 382 016.

BANKERS

Gandhinagar Nagarik Co-Op. Bank Ltd.
Punjab National Bank
Bank of Baroda

NOTICE

NOTICE is hereby given that the Ninteenth Annual General Meeting of shareholders of Gandhinagar Hotels Ltd. will be held on Thursday, 30th September, 1999 at 11.30 a.m. at Hotel Haveli, Plot No. 235, Sector - 11, Gandhinagar 382 011, to consider the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Accounts for the year ended 31st March, 1999 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kantilal S Trivedi, who retires by rotation and being eligible for re-appointment offers himself for re-appointment.
3. To appoint a Director in place of Shri Popatlal V Patel, who retires by rotation and being eligible for re-appointment offers himself for re-appointment.
4. To appoint a Director in place of Shri Kantilal V Savla, who retires by rotation and being eligible for re-appointment offers himself for re-appointment.
5. To appoint a Director in place of Shri Tribhovandas I Amin, who retires by rotation and being eligible for re-appointment offers himself for re-appointment.
6. To appoint Auditors and to authorise Board to fix their remuneration.

SPECIAL BUSINESS

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

7. "RESOLVED THAT pursuant to Section 260 of the Companies Act, 1956, Shri Dilipkumar K Trivedi, who has been appointed as an Additional Director of the Company and who holds Office as such only upto the date of this Annual General Meeting and in respect of whom a notice having been received from a member in pursuance of Section 257 of the Companies Act, 1956, proposing his candidature as Director of the Company, be and is hereby appointed as a Director of the Company."
8. "RESOLVED THAT pursuant to Section 260 of the Companies Act, 1956, Shri Manoj H Lakinwala, who has been appointed as an Additional Director of the Company and who holds Office as such only upto the date of this Annual General Meeting and in respect of whom a notice having been received from a member in pursuance of Section 257 of the Companies Act, 1956, proposing his candidature as Director of the Company, be and is hereby appointed as a Director of the Company."
9. "RESOLVED THAT pursuant to Section 260 of the Companies Act, 1956, Wg Cdr Manik Anchalia, who has been appointed as an Additional Director of the Company and who holds office as such only upto the date of this Annual General Meeting and in respect of whom a notice having been received from a member in pursuance of Section 257 of the Companies Act, 1956, proposing his candidature as Director of the Company, be and is hereby appointed as a Director of the Company."
10. "RESOLVED THAT pursuant to Section 260 of the Companies Act, 1956, Shri Rupsinh K Makwana, who has been appointed as an Additional Director of the Company and who holds Office as such only upto the date of this Annual General Meeting and in respect of whom a notice having been received from a member in pursuance of Section 257 of the Companies Act, 1956, proposing his candidature as Director of the Company, be and is hereby appointed as a Director of the Company."

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

11. "RESOLVED THAT subject to the provisions of Section 198, 269, 309, 316 and Schedule XIII to the Companies Act, 1956, consent of the Company, be and is hereby given to the appointment of Smt. Pragnaben V. Joshi as Director (Purchase) of the Company, (who is also Managing Director of Gandhinagar Leasing and Finance Ltd, Gandhinagar), for a period of five years w.e.f. 1st April, 1999 on a salary of Rs. 8000/- per month."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to revise, alter or amend the terms and conditions including remuneration payable to her so however that the remuneration so increased shall not exceed the ceilings laid down in Schedule XIII to the Companies Act, 1956 and to do all such acts, deeds, matters and things as may be deemed expedient and to resolve any query or dispute for the purpose."

12. "RESOLVED THAT subject to the provisions of Section 198, 260, 269, 309 and Schedule XIII to the Companies Act, 1956, consent of the Company, be and is hereby given to the appointment of Shri Dilipkumar K Trivedi as Director (Accounts) of the Company, for a period of five years w.e.f. 1st September, 1999 on a salary of Rs. 7000/- per month in the Scale of Rs. 7000-1000-11000 plus perquisites as mentioned in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to revise, alter or amend the terms and conditions including remuneration payable to him so however that the remuneration so increased shall not exceed the ceilings laid down in Schedule XIII to the Companies Act, 1956 and to do all such acts, deeds, matters and things as may be deemed expedient and to resolve any query or dispute for the purpose."

By Order of the Board
For **GANDHINAGAR HOTELS LTD**

Place : Gandhinagar

Date : 25.08.1999

Major Vinodchandra P Joshi (Retd)
Chairman & Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, for the special business is hereby annexed to this Notice.
3. The Share Transfer Books and the Register of Members of the Company shall remain closed from Monday, 27th September, 1999 To Thursday, 30th September, 1999 (both days inclusive).
4. The members are requested to intimate changes, if any, in their registered addresses, immediately to the Company for updating records.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 :**Item No. 7 to 10**

The Gandhinagar Leasing and Finance Ltd. (GLFL) is a shareholder holding 1310000 Equity Shares in the Share Capital of the Company. The said company vide its letter dtd. 25.8.99 proposed its representatives on the Board of your Company under Section 257 of the Company with a deposit of Rs. 2000/- for the candidates. The Board of Directors also considered and appointed Serve Shri Dilipkumar K Trivedi, Shri Manoj H Lakinwala, Wg Cdr Manik Anchalia and Shri Rupsinh Makwana as Additional Directors of the Company, W.e.f. 25.8.99.

A letter dtd. 25.8.99 received from the GLFL and Memorandum and Articles of Association of both Companies are available for inspection between 11.00 a.m. to 1.00 p.m. during working days.

Shri Manoj H Lakinwala, Shri Dilipkumar K Trivedi, Wg Cdr Manik Anchalia and Shri Rupsinh Makwana and Shri Kantilal S Trivedi being relative of Shri Dilipkumar K Trivedi, may be deemed to be interested or concerned in the said resolutions.

Item No. 11

Smt. Pragnaben V Joshi is a Managing Director of Gandhinagar Leasing and Finance Ltd. and She has a wide range of experience in Purchase Department, House Keeping, and other corporate activities. Her part time contribution has been useful to the growth of the Company. The Board of Directors considered her guidance and expert services provided from time to time to the Company and appointed her as a Director (Purchase) of the Company to look after matters pertaining to Purchase Department of the Hotel Haveli at Gandhinagar, for a period of five years w.e.f. 1.4.99, in view of the Government of India Notification No. GSR 418 (E) dtd. 12.9.1996, on terms and conditions within the limits laid down in Schedule XIII to the Companies Act, 1956. She will not be entitled to the sitting fees.

She will be reimbursed for all the expenses incurred in the interest of business of the Company like entertainment, travelling and other expenses.

The appointment letter with terms and conditions of Smt. Pragnaben V Joshi as Managing Director of Gandhinagar Leasing and Finance Ltd. is available for inspection between 11.00 a.m. to 1.00 p.m. during working days.

This may be treated as an abstract under Section 302 of the Companies Act, 1956.

Major Vinodchandra P Joshi (Retd.), and Smt. Pragnaben V Joshi, being relatives, are deemed to be interested or concerned in the resolution.

Item No. 12

Shri Dilipkumar K Trivedi has been working as a Manager (Accounts) since year of incorporation and has a wide range of experience in Accounts and Share Department of the Company. The Board of Directors considered his expertise and valuable services given to the Company and appointed him as a Director (Accounts) of the Company to look after matters relating to the Accounts and Share Department of the Company, for a period of five years w.e.f. 1.9.99, in view of the Government of India Notification No. GSR 418 (E) dtd. 12.9.96, on terms and conditions within the limits laid down in Schedule XIII to the Companies Act, 1956. He will not be entitled to the sitting fees. His appointment is subject to the approval by the Shareholders under item No. 7. In addition to the

salary, he shall also be entitled to the benefits of Bonus, Gratuity, Leave Travel Concession, Provident Fund and such other perks as are allowed to the Senior Executives as per Rules of the Company, but the same shall not exceed the ceilings laid down in Schedule XIII to Companies Act, 1956.

He will be reimbursed for all the expenses incurred in the interest of business of the Company like entertainment, travelling and other expenses.

This may be treated as an abstract under Section 302 of the Companies Act, 1956.

Shri Dilipkumar K Trivedi and Shri Kantilal S Trivedi, being relatives, may be deemed to be interested or concerned in the resolution.

By Order of the Board
For **GANDHINAGAR HOTELS LTD**

Place : Gandhinagar

Date : 25.08.1999

Major Vinodchandra P Joshi (Retd)

Chairman & Managing Director

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GANDHINAGAR HOTELS LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting this Nineteenth Annual Report together with the Audited Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

	Rs. in Lacs	
	1998-99	1997-98
1. Gross Revenue of the Company	134.42	150.47
2. Profit before Financial charges and Non cash expenses	17.76	43.53
(-) Financial Charges	17.08	6.86
(-) Non cash expenses	20.75	36.16
3. Net Profit / Loss for the year	- 20.06	00.51
4. Income Tax Provision	0.00	00.05
5. Net Profit / Loss After Tax	- 20.06	00.46

REVIEW OF OPERATIONS

Your Directors regret to report that the Company has achieved gross receipts of Rs. 134.42 lacs as against Rs. 150.47 lacs for the previous year. The overall market conditions continued to be sluggish and the resultant industrial depression. This has affected business of the Company and room occupancy also in addition to the heavy competition. The Company has suffered a loss of Rs. 20.06 lacs for the year under review. Your Directors hope improvement in visitors and clientele in the city in the years to come and the resultant income.

Your Directors are pleased to report that the Company is constantly striving for providing better services and modern facilities to its Clients. Your Company has an ambitious plan to add advanced facilities on the adjacent plot purchased from Government of Gujarat.

DIRECTORATE

Shri Kantilal S Trivedi, Shri Popatlal V Patel, Shri Kantilal V Savla and Shri Tribhovandas I Amin, are due to retire at the ensuing Annual General Meeting.

The Gandhinagar Leasing and Finance Ltd. has also vide its letter dtd. 25.8.99, nominated Serve Shri Manoj H Lekinwala, Shri Dilipkumar K Trivedi, Wg Cdr Manik Anchalia & Shri Rupsinh Makwana, and the Board has also appointed them as Additional Directors of the Company w.e.f. 25.8.99.

Smt. Pragnaben V Joshi and Shri Dilipkumar K Trivedi have been appointed as Director (Purchase) and Director (Accounts) of the Company for a period of five years w.e.f. 1st April, 1999 and 1st September, 1999 respectively.

You are requested to Consider their appointments.