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THE GL HOTELS LIMITED
Report and Accounts 1998-99

THE GL HOTELS LIMITED

BOARD OF DIRECTORS

Prithvi Bir Kaur — *Chairman Emeritus*
 Ravi Ghai — *Chairman / Managing Director*
 R. K. P. Shankardass
 Krishna Ghai
 Davendra Ahuja
 Gaurav Ghai
 V. P. Garg — *Executive Director*
 A. K. Nanda — *Executive Director / Secretary*

BANKERS

Bombay Mercantile Co-operative Bank Ltd.
 The Saraswat Co-operative Bank Ltd.
 HDFC Bank Ltd.

AUDITORS

M/s. S. P. Chopra & Co.
 Chartered Accountants

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REGISTERED OFFICE

Dairy Tops, Plot No. J-177,
 MIDC, Bhosari, Pune-411 026,
 Maharashtra.

UNIT

Hotel Nataraj, Mumbai.

38TH ANNUAL REPORT

Notice

Notice is hereby given that the 38th Annual General Meeting of the Members of THE GL HOTELS LIMITED will be held as scheduled below:

Place : Dairy Tops, Plot No. J-177, M.I.D.C., Bhosari, Pune 411 026, Maharashtra.

Date : 30th September, 1999.

Day : Thursday

Time : 11.00 a.m.

Ordinary Business

1. To receive and adopt the audited Balance Sheet as at and Profit and Loss Account for the financial year ended 31st March, 1999 and the Reports of Directors' and Auditors' thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri R. K. P. Shankardass, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shrimati Krishna Ghai, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Auditors of the Company for the financial year 1999-2000 and fix their remuneration.

Special Business:

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

"RESOLVED THAT in partial modification(s) in Resolution No. 6 passed at the 36th Annual General Meeting held on 28th November, 1997 and in accordance with the provisions of Section 269, 309, 310 and other applicable provisions if any, of the Companies Act, 1956, the Company hereby approves the increase in the salary payable to Shri Ravi Ghai, Managing Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) increasing thereby proportionately all benefits related to the quantum of salary, with effect from 1st April, 1999 for the remainder of the tenure of his contract as set out in the draft Supplemental Agreement submitted to this meeting and initiated by the Director for the purpose of identification, which Supplemental Agreement is hereby sanctioned."

7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification(s) of Resolution No. 7 passed at the 34th Annual General Meeting held on 30th November, 1995 and in accordance with the provisions of Section 269, 309, 310, and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the salary payable to Shri V. P. Garg, Executive Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) increasing thereby proportionately all benefits related to the quantum of salary with effect from 1st April, 1999 for the remainder of the tenure of his contract as set out in the draft Supplemental Agreement submitted to this meeting and initiated by the Director for the purpose of identification, which Supplemental Agreement is hereby sanctioned."



THE GL HOTELS LTD.

Notice — Contd.

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

"RESOLVED THAT in partial modification of Resolution No. 7 passed at the 34th Annual General Meeting held on 30th November, 1995 and in accordance with the provisions of Section 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby approves the increase in the salary payable to Shri A. K. Nanda, Executive Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) increasing thereby proportionately all benefits related to the quantum of salary with effect from 1st April, 1999 for the remainder of the tenure of his contract as set out in the draft Supplemental Agreement submitted to this meeting and initialed by the Director for the purpose of identification, which Supplemental Agreement is hereby sanctioned."

By Order of the Board

A. K. NANDA
Executive Director

Dated: 2nd September, 1999

Registered Office:Dairy Tops,
Plot No. J-177, M.I.D.C.,
Bhosari, Pune 411 026,
MAHARASHTRA.**NOTES:**

- (a) A MEMBER ENTITLED TO ATTEND AND TO VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE PROXY FORM IS ENCLOSED.
- (b) The Register of Members and the Share Transfer Books of the Company will remain closed from 29th September, 1999 to 30th September, 1999 (both days inclusive).
- (c) Members are requested to bring their copy of the Annual Report to the Meeting.
- (d) Members are requested to intimate changes in their addresses, if any, to the Company.
- (e) All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 3.00 p.m. and 5.00 p.m. on all working days upto the date of the Annual General Meeting.
- (f) The Directors would appreciate advance mailing of queries on accounts, if any, which the members may wish to raise so as to enable the Directors to keep the replies ready. It is requested that the queries be mailed to the Company's Administrative Office situated at 254-C, Dr. Annie Besant Road, Worli, Mumbai-400 025 preferably fifteen days in advance.
- (g) An explanatory statement pursuant to Section 173 of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.

38TH ANNUAL REPORT**Annexure to the Notice**

Explanatory Statement under Section 173(2) of the Companies Act, 1956.

Item Nos. 6, 7 & 8

The appointment of Shri Ravi Ghai as Managing Director of the Company for the period 1st April, 1997 to 31st March, 2002 was approved by the Shareholders at the 36th Annual General Meeting held on 28th November, 1997.

The appointments of Shri V. P. Garg and Shri A. K. Nanda as Executive Directors of the Company for the period 15th February, 1995 to 14th February, 2000 and for the period 28th March, 1995 to 27th March, 2000 respectively, were approved by the Shareholders at the 34th Annual General Meeting held on 30th November, 1995.

The Board of Directors at their meeting held on 6th August, 1999 reviewed the salaries of the Managing Director and the two Executive Directors and effective 1st April, 1999 Shri Ravi Ghai's monthly salary was revised to Rs. 44,000, Shri V. P. Garg's monthly salary was revised to Rs. 41,000 and Shri A. K. Nanda's monthly salary was revised to Rs. 38,000. Other terms and conditions of their services remained unchanged. The increase in salaries of Shri Ravi Ghai, Shri V. P. Garg and Shri A. K. Nanda are placed before you for approval considering the salary structure in general prevailing in the industry and in recognition of their good performance during the period under review. The remuneration and perquisites payable to Shri Ravi Ghai, Shri V. P. Garg and Shri A. K. Nanda are within the permissible limits specified in Schedule XIII of the Companies Act, 1956. Shri Ravi Ghai, Shri V. P. Garg and Shri A. K. Nanda are interested in the Resolution.

By Order of the Board

A. K. NANDA
Executive Director

Dated: 2nd September, 1999

Registered Office:

Dairy Tops,
Plot No. J-177, M.I.D.C.,
Bhosari, Pune 411 026,
MAHARASHTRA.

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THE GL HOTELS LTD.

Directors' Report to the Members

The Directors have pleasure in presenting this 38th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 1999. The financial results of the Company for the year under review are summarised below:

Operating Results

	For the year ended 31st March, 1999 (Rs. Lakhs)	For the year ended 31st March, 1998 (Rs. Lakhs)
Income	420.27	874.59
Profit/(Loss) before Interest & Depreciation	(76.58)	124.30
Interest	(13.10)	(26.26)
Depreciation	(29.42)	(35.03)
Profit/(Loss) before Taxation	(119.10)	63.01
Provision for Taxation	—	(23.25)
Balance brought forward from last period	92.55	77.80
Excess Provision for Tax and Dividend for earlier years written back	—	2.27
Proposed Dividend:		
Equity Shares	—	22.09
Tax on Proposed Dividend	—	2.21
Transfer to General Reserve	—	2.98
Balance carried forward	(26.55)	92.55

Sales were lower when compared with the previous year as the Hotel Nataraj was closed down for reconstruction with effect from 1st January, 1999.

Loss before Tax at Rs. 119.10 lakhs was mainly due to closure of the Hotel and cessation of revenues from 1st January, 1999.

Dividend

The Directors do not recommend payment of dividend for the financial year ended 31st March, 1999 in view of the losses incurred during the year.

Corporate Matters

Hotel Nataraj building is in the process of demolition as on the date of this report. Reconstruction of the new Hotel premises will commence on or around 1st September, 1999 with completion date targeted at 1st April, 2001. All regulatory approvals are in place. Adequate arrangements have been made to meet cost of reconstruction of the Hotel.

Fixed Deposits

As on 31st March, 1999 the total fixed deposits with the Company amounted to Rs. 28,76,000. Out of these deposits, Rs. 5,000 was neither claimed nor renewed by the deposit holder upto 31st March, 1999.

38TH ANNUAL REPORT**Auditors' Report**

The Directors took note of Auditors' remarks in their report [under manufacturing and other Companies (Auditors' Report) order 1988] in Note 1(b) regarding Fixed Assets, Note 9 regarding Loans & Advances and Note 18 regarding delay in payment of statutory dues. The Board will take necessary steps in all these important areas.

Particular of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

- | | | |
|--|---|--|
| 1. Conservation of Energy | : | Not Applicable |
| 2. Technology | : | Not Applicable |
| 3. Foreign Exchange Earnings and Outgo | : | During the year, the earnings in Foreign Exchange amounted to Rs. 152.64 Lakhs. The Foreign Exchange utilised during the year was Rs. 18.14 lakhs. |

Particulars of Employees

The requisite information required under section 217(2-A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, for the financial year ended 31st March, 1999 is as under:

Name of the Employee	Designation	Date of Joining	Age	Qualification	Experience in Years	Remuneration Rs. (Lakhs)	Last Employment held and Designation
Ravi Ghai	Managing Director	01.04.97	57	Graduate of the School of Hotel Administration, Cornell University ITHACHA, New York, U.S.A.	33	6,31,324	The GL Hotels Ltd., Managing Director
V. P. Garg	Executive Director	01.05.78	52	B.Com. (Delhi), Special Diploma in Hotel Management, New Delhi, Fellow of Hotel & Catering International Management Association (London).	33	7,46,080	U.P. Hotels Limited Manager
A. K. Nanda	Executive Director	02.09.85	60	B.Com., A.C.A., A.C.S.	37	6,93,160	India Tyre & Rubber Co. (India) Ltd. Admn. Manager/ Company Secretary

- Notes:** 1. "Remuneration" includes Salary, encashment of accumulated leave, Company's contribution to Provident Fund and Taxable value of Perquisites.
2. The nature of employment is contractual.

Y2K Preparedness

The Company has made efforts towards eliminating any known risk to its I.T. Systems and equipment that could adversely affect its business continuity due to the Y2K issue. As of date, all essential internal I.T. Systems impacting business have been made Y2K compliant.

Auditors

The Auditors Messrs S. P. Chopra & Co., Chartered Accountants retire, and being eligible, offer themselves for re-appointment. They have furnished the Company with a written certificate to the effect that the proposed re-appointment, if made, will be in accordance with sub-section 1(B) of Section 224 of the Companies Act, 1956.

On behalf of the Board of Directors

RAVI GHAI
Chairman

Dated: 2nd September, 1999.