

Report  Junction.com



THE GL HOTELS LIMITED

Report and Accounts 2001 - 2002

THE GL HOTELS LIMITED

THE GL HOTELS LIMITED

BOARD OF DIRECTORS

Prithvi Bir Kaur — *Chairman Emeritus*
Ravi Ghai — *Chairman & Managing Director*
R. K. P. Shankardass
Krishna Ghai
Paul John Fairhurst — *Representative of
Inter-Continental
Hotels Corporation, USA*
S. Chandrasekaran — *Alternate Director to
Paul John Fairhurst*
Gaurav Ghai
Sunil Pardal
Deepak Bassi

COMPANY SECRETARY

Parag Mulay

BANKERS

UTI Bank Ltd.
Universal Insurance Building,
Sir P. M. Road, Fort, Mumbai – 400 001.

Contents

Page

Notice	2
Annexure to the Notice	4
Directors' Report	6
Auditors' Report	9
Balance Sheet	12
Profit & Loss Account	13
Schedules to the Balance Sheet	14
Schedules to the Profit & Loss Account	19
Notes to the Accounts	21
Balance Sheet Abstract and Company's General Business Profile	25
Cash Flow Statement	26
Proxy Form / Attendance Slip	27

AUDITORS

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

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

254-C, Dr. Annie Besant Road,
Worli, Mumbai – 400 025.

41ST ANNUAL REPORT

Notice

NOTICE is hereby given that the 41st Annual General Meeting of the Members of The GL Hotels Limited will be held as scheduled below :

Venue : "Dairy Tops", Plot No. J-177, M.I.D.C., Bhosari, Pune 411 026,
Maharashtra.
Date : 30TH September, 2002
Day : Monday
Time : 11.00 a.m.

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at and Profit and Loss Account for the financial year ended 31st March, 2002 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Pardal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Deepak Bassi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting.

Special Business :

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

"RESOLVED THAT Mr. Paul John Fairhurst who was appointed as an Additional Director with effect from 29th October, 2001 be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any modification or re-enactment thereof Mr. Ravi Ghai be and is hereby re-appointed as Managing Director of the Company, for a further period of five years with effect from 1st April, 2002 to 31st March, 2007 on the following terms and other terms and conditions as set out in detail in the explanatory statement annexed herewith.

- a) Salary of Rs. 80,000/- (Eighty Thousand) per month with effect from 1st April, 2002.
- b) Accommodation : Rent free furnished accommodation.
- c) Reimbursement of Expenses : Reimbursement of all expenditure on gas, electricity, water and furnishing.
- d) Medical Expenses : Reimbursement of Medical Expenses for himself and his family which will be subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorized to alter any of the terms or conditions with effect from 1st October, 2002 and/or such other date as deemed fit by the Board including those relating to remuneration provided that the remuneration shall not exceed the limits specified from time to time under the provisions of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, and/or any rules or regulations for managerial remuneration which the Government may notify and frame thereunder.

THE GL HOTELS LIMITED

RESOLVED FURTHER THAT if in any of the financial year during the currency of Mr. Ravi Ghai's tenure of service as Managing Director, the Company has no profits or its profits are inadequate, his remuneration will be restricted to limits laid down under Section II of Part II of the Schedule XIII to the Companies Act, 1956 and remuneration received in excess under such an eventuality shall be refundable by him to the Company."

By Order of the Board
For The GL Hotels Limited

PARAG MULAY
Company Secretary

Dated : 29th July, 2002.

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) Members are requested to bring their copy of the Annual Report to the Meeting.
- c) Members are requested to intimate changes in their addresses, if any, to the Company.
- d) 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.
- e) 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.
- f) 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.

41ST ANNUAL REPORT

Annexure to the Notice

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

Item No. 5 :

The Company (as informed to the members in last Annual Report) has entered into various agreements with Inter-Continental Hotels Corporation, of Delaware, U.S.A. (IHC) and its affiliates. As a part of Equity Subscription and Shareholders Agreement, the Articles of Association of the Company have been amended to incorporate special clauses. Pursuant to clause 3-A of the amended Articles of Association, "IHC" has right to nominate one representative on the Board of the Company. IHC has by its letter dated 26th October, 2001 requested the Company to appoint Mr. Paul John Fairhurst as its nominee on the Board with effect from 29th October, 2001. Mr. Paul John Fairhurst was appointed as an Additional Director at the Board Meeting held on 31st October, 2001 and holds office up to the date of ensuing Annual General Meeting. Your Directors recommend his appointment as Director to represent "IHC".

Pursuant to clause 3-A of the amended Articles of Association of the Company, term of office of Mr. Paul John Fairhurst is not liable to retire by rotation and will continue to be a Director unless ceased to hold office in accordance with Equity Subscription and Shareholders Agreement dated 24th August, 2001 entered into with "IHC"

Mr. Paul John Fairhurst may be deemed to be concerned or interested in the resolution since it relates to his own appointment.

None of the other Directors may be deemed to be concerned or interested in the aforesaid resolution.

Item No. 6 :

The Board of Directors at their meeting held on 30th April, 2002 re-appointed Mr. Ravi Ghai as Managing Director of the Company with effect from 1st April, 2002 for a term of five years i.e. upto 31st March, 2007. Mr. Ravi Ghai has more than 25 years of experience in the field in which the Company is engaged and he is on the Board of the Company since 1977. The Company is currently reconstructing its Hotel property situated at 135, Netaji Subhash Road, Mumbai - 400 020 and proposed to upgrade the Hotel with a Luxury Boutique Hotel. In consideration of Mr. Ravi Ghai's participation in the redevelopment of the Hotel Property and to manage the redeveloped Hotel in a profitable manner, the Board of Directors decided to re-appoint Mr. Ravi Ghai as the Managing Director of the Company for a further period of five years. The terms and conditions of appointment of Mr. Ravi Ghai as Managing Director are given hereunder :

SALARY : Rs. 80,000/- (Eighty Thousand) per month with effect from 1st April, 2002 with such increases as may be approved by the Board of Directors from time to time.

PERQUISITES AND BENEFITS :

The Managing Director will be allowed the following perquisites. These shall be restricted to an amount equal to his annual salary.

- i) Rent Free furnished accommodation.
- ii) Reimbursement of expenses incurred on gas, electricity, water and furnishing.
- iii) Reimbursement of medical expenses on himself and his family which will be subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- iv) Leave Travel Concession for himself and his family once in a year, incurred in accordance with the rules specified by the Company.
- v) Club fees : Annual fees for membership of a maximum of two clubs..
- vi) Personal Accident Insurance of which premium shall not exceed Rs. 30,000/- per annum.

THE GL HOTELS LIMITED

- vii) Benefits of Provident Fund and Superannuation Fund as per rules of the Company. Such contribution will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- viii) Gratuity as per the rules of the Company. However, Gratuity payable shall not exceed half a month's salary for each completed year of service.
- ix) Leave and encashment of leave as per rules of the Company .
- x) Free telephone, internet and fax facility at residence.
- xi) Car with chauffeur for Company's business. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

The shareholders are recommended the resolution to approve appointment of Mr. Ravi Ghai as a Managing Director for the period 1st April, 2002 to 31st March, 2007

Mr. Ravi Ghai personally and the Directors Mrs. Krishna Ghai and Mr. Gaurav Ghai as relatives are interested in the resolution. None of the other Directors are deemed to be interested or concerned in this re-appointment.

By Order of the Board
For The GL Hotels Limited

PARAG MULAY
Company Secretary

Dated : 29th July, 2002.

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



41ST ANNUAL REPORT

Directors' Report To the Members

The Directors present this 41st Annual Report together with the Audited Statements of Accounts for the financial year ended 31st March, 2002. The financial results of the Company for the year under review are summarised below :

1. FINANCIAL RESULTS

(Rs. In Lakhs)

	For the Year ended 31 st March, 2002.	For the Period ended 31 st March, 2001 (6 Months)
Income	331.68	281.03
Profit/(Loss) before Interest & Depreciation	(46.08)	(21.36)
Interest	(4.67)	(2.80)
Depreciation	(17.91)	(9.92)
Profit/(Loss) before Taxation	(68.66)	(34.08)
Provision for Taxation	—	—
Deferred Tax Credit	79.13	—
Excess of Deferred Tax Credit over Loss	10.47	—
Balance brought forward from last period	(320.26)	(286.18)
Balance carried forward	(309.79)	(320.26)

2. OPERATIONAL PERFORMANCE

Loss before tax at Rs. 31.75 lakhs was mainly due to hotel being under reconstruction. Structural work of the proposed hotel has been completed and interior designing work is in progress. It is projected to be operative from November, 2002. Major part of the income for the period under review was from Catering Services rendered by the Company. However due economic unviability, Catering Division of the Company has been closed from January, 2002.

3. DIVIDEND

In consideration of reconstruction project of the Hotel and losses incurred during the period, Directors do not recommend payment of dividend.

4. FIXED DEPOSIT

As on 31st March, 2002 total amount of fixed deposits with the Company amounted to Rs. 33.92 Lakhs. There are no overdue deposits except unclaimed deposits amounting to Rs. 0.80 Lakhs as on 31st March, 2002. Appropriate reminders are issued at periodic intervals, to either renew or claim repayment of the deposit.

5. AGREEMENT WITH INTER-CONTINENTAL HOTELS CORPORATION, USA.

The Company has entered into various strategic agreements with Inter-Continental Hotels Corporation, U.S.A. (IHC) and its affiliates. "IHC" is a Company within the Bass Hotels & Resorts Group (BHR Group), which runs and manages one of the largest chain of international hotels and resorts all over the world. BHR Group also owns various trade marks & service marks like Holiday Inn, Renaissance & Inter-Continental etc. Adequate arrangements have been made to meet cost of reconstruction of the hotel.

THE GL HOTELS LIMITED

6. DIRECTORS

During the year under review Mr. Davendra Ahuja resigned from the Board of Directors of the Company due to his preoccupation. Directors place on record their sincere appreciation of the valuable contribution rendered by him during his association with the Company.

Pursuant to clause 3-A of the Articles of Association, "Inter-Continental Hotels Corporation- USA (IHC) has right to nominate one representative on the Board of the Company. IHC by its letter dated 26th October, 2001 nominated Mr. Paul John Fairhurst as Director to represent them. To comply the same Mr. Paul John Fairhurst was appointed as an Additional Director with effect from 29th October, 2001 and hold office up to the date of ensuing Annual General Meeting. Mr. Paul John Fairhurst is not liable to retire by rotation and continue to be a Director unless withdrawn by IHC in accordance with Equity Subscription and Shareholders' Agreement entered into with them "

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association Mr. Sunil Pardal and Mr. Deepak Bassi, Directors retire by rotation and being eligible, offer themselves for reappointment.

Mr. Ravi Ghai was appointed as Managing Director for a term of five years with effect from 1st April, 1997 and his term of office expired on 31st March, 2002. The Board of Directors subject to shareholders approval in it's meeting held on 30th April, 2002 appointed Mr. Ravi Ghai as Managing Director for further period of five years with effect from 1st April, 2002. The Directors commend his appointment as Managing Director for your approval.

7. CORPORATE GOVERNANCE

Corporate Governance at GL Hotels is not just the adherence to mandatory rules and guidelines. It believes in observing the spirit behind the later. The Company's journey of more than four decades has been marked by one important belief i.e pursuit of business through ethical and fair means. As per amended Listing Agreement with the Stock Exchanges your Company is required to comply with requirements of Corporate Governance by 31st March, 2003. The Company has taken effective steps in this direction.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm the following :

- i) In the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2002, and of the losses of the Company for the period 1st April, 2001 to 31st March, 2002;
- iii) The Directors have taken proper and sufficient care for 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) The Directors have prepared the annual accounts on a going concern basis.

9. PARTICULARS OF EMPLOYEES

The Company does not have any employee drawing remuneration in excess of the limits prescribed 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, 2002.