



# **GUJARAT HOTELS LIMITED**

Report  Junction.com

**22<sup>nd</sup> ANNUAL REPORT**  
**2003-2004**



## GUJARAT HOTELS LIMITED

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## GUJARAT HOTELS LIMITED

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### Board of Directors

#### Chairman & Non-Executive Director

Sahibzada Syed Habib-Ur-Rehman

#### Non-Executive Directors

Nakul Anand

Prafull I. Bhuva

Rohit C. Mehta

Subrahmoneyan Chandra Sekhar

Ashok K. Tandon

### BOARD COMMITTEES

#### Audit Committee

Rohit C. Mehta

Chairman

Prafull I. Bhuva

Member

S.C.Sekhar

Member

Representative of

Permanent Invitee

Statutory Auditors

Rajani Sharma

Secretary

#### Investor Services Committee

S.C.Sekhar

Chairman

Nakul Anand

Member

Ashok K. Tandon

Member

Rajani Sharma

Secretary

#### Company Secretary

Rajani Sharma

#### Auditors

Parikh & Talati

Chartered Accountants

Vadodara

#### Registered Office

WelcomHotel Vadodara

R.C.Dutt Road

Vadodara - 390 007



## GUJARAT HOTELS LIMITED

### YOUR DIRECTORS

#### S. S. H. Rehman

S.S.H. Rehman, the Chairman of the Company was appointed on the Board of Directors of the Company on March 8, 1996. He was educated at the Osmania University and began his career with the Indian Army, moving over to the hospitality industry in 1975. He has a rich and varied experience of 29 years in the hotel industry. Rehman shoulders the responsibility of hotels' business of ITC Limited.

#### Other Directorships

Name of the Company	Position
ITC Limited	Executive Director
International Travel House Limited	Chairman & Director
Landbase India Limited	Chairman & Director
Fortune Park Hotels Limited	Chairman & Director
Srinivasa Resorts Limited	Vice Chairman & Director
ITC Hotels Limited	Director
Maharaja Heritage Resorts Limited	Director
Ansal Hotels Limited	Director
Tourism Finance Corporation of India Limited	Director
Mumbai International Convention & Exhibition Centre Limited	Director

#### Other Committee Memberships

Name of the Company	Committee	Position
International Travel House Limited	Remuneration Committee	Chairman
ITC Hotels Limited	Nominations & Remuneration Committee	Member

#### Nakul Anand

Nakul Anand was appointed a Director on the Board of Directors of the Company on March 10, 1998. He is an Economic Honours graduate from Delhi University. He has a rich experience of 25 years in hotel industry.

#### Other Directorships

Name of the Company	Position
ITC Hotels Limited	Managing Director
International Travel House Limited	Director
Fortune Park Hotels Limited	Director
Srinivasa Resorts Limited	Director
Bay Islands Hotels Limited	Director
Maharaja Heritage Resorts Limited	Director
Adayar Gate Hotels Limited	Director



## GUJARAT HOTELS LIMITED

### Other Committee Memberships

Name of the Company	Committee	Position
ITC Hotels Limited	Nominations & Remuneration Committee	Member

### Prafull I. Bhuva

Prafull I. Bhuva was appointed a Director on the Board of Directors of the Company on May 25, 1998. He holds a Bachelor's degree in Chemical Engineering from Kinki University, Osaka, Japan. He has a rich experience of 34 years in Chemical Industry and also in Industrial Relations & Management. He was the President of Federation of Gujarat Industries.

### Other Directorships

Name of the Company	Position
Indo-Nippon Chemical Co. Limited	Director
Bhuva Holdings Limited	Director
Darshan Overseas PTE Limited	Director

Other Committee Memberships	Nil
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### Rohit C.Mehta

Rohit C. Mehta was appointed a Director on the Board of Directors of the Company on March 28, 2003. He is a Law Graduate from Bombay University. Mehta is a prominent and successful Industrialist with a wide and varied experience in the management of business and industry. He has the privilege of being Chairman and Managing Director of Rohit Mills Limited for more than 40 years. He has also been the President of Federation of Indian Chamber of Commerce and Industry. He has been on the boards of various other reputed companies. He has been associated with a number of industries, associations, federations and several social, educational, sports and charitable organisations. He has also been the International President of Lions Club International. He is an active promoter of Lionism in India and a recipient of various awards.

### Other Directorships

Name of the Company	Position
Ahmedabad Electricity Co. Limited	Chairman & Director
Rajesh Malleables Limited	Chairman & Director
GRUH Finance Limited	Director
Cama Hotels Limited	Director

### Other Committee Memberships

Name of the Company	Committee	Position
Ahmedabad Electricity Co. Limited	Securities Transfer & Shareholders/ Investors Grievance Committee	Chairman
Ahmedabad Electricity Co. Limited	Audit Committee	Chairman
GRUH Finance Limited	Audit Committee	Member



## GUJARAT HOTELS LIMITED

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### S.C.Sekhar

S.C.Sekhar was appointed a Director on the Board of Directors of the Company on March 24, 1992. A Science graduate from Delhi University and a Member of the Institute of Chartered Accountants of India, Sekhar has a rich experience of 27 years in hotel industry.

#### Other Directorships

Name of the Company	Position
ITC Hotels Limited	Executive Director
International Travel House Limited	Director
Fortune Park Hotels Limited	Director
Srinivasa Resorts Limited	Director
Bay Islands Hotels Limited	Director
Maharaja Heritage Resorts Limited	Director
Landbase India Limited	Director
Ansal Hotels Limited	Director
Adayar Gate Hotels Limited	Director
CLI3L e-Services Limited	Director

#### Other Committee Memberships

Name of the Company	Committee	Position
Srinivasa Resorts Limited	Audit Committee	Chairman
ITC Hotels Limited	Investor Services Committee	Member
International Travel House Limited	Audit Committee & Investor Services Committee	Member
Ansal Hotels Limited	Audit Committee	Member
Landbase India Limited	Audit Committee	Member
Adayar Gate Hotels Limited	Audit Committee	Member
CLI3L e-Services Limited	Audit Committee	Member

### Ashok K. Tandon

Ashok K. Tandon was appointed a Director on the Board of Directors of the Company on March 10, 1998. A Law Graduate from Delhi University and a Member of the Institute of Company Secretaries of India, he was practising in Delhi High Court and Supreme Court for 7 years before joining Hotels business of ITC Limited. He is currently holding the position of Company Solicitor of ITC Hotels Limited.

Tandon has been associated with the Company since its inception and held responsibility for its Corporate Secretarial activity till 1997.

#### Other Directorships

Name of the Company	Position
Ansal Hotels Limited	Director

#### Other Committee Memberships

Nil

Notes : a) Directorships in private limited companies have been excluded

b) Committee Memberships/Chairmanships is in respect of Audit Committee, Investor Services Committee and Remuneration Committee.



## GUJARAT HOTELS LIMITED

### Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the Financial year ended 31st March, 2004.

#### THE COMPANY'S GOVERNANCE PHILOSOPHY

The Company defines Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth generating capacity and believes that the governance process should ensure that the companies are managed in a manner that meets stakeholder aspirations and societal expectations.

The Company has complied with all the Mandatory requirements on Corporate Governance laid down by the Stock Exchanges as detailed hereunder:

#### BOARD OF DIRECTORS

All statutory and material information are placed before the Board to enable it to discharge its responsibilities effectively.

#### Composition

The Board of Directors of the Company consists of six Non- Executive Directors with two of them being Independent.

The composition of Directors and the attendance at the Board Meetings during the Financial year ended 31st March, 2004 and the last Annual General Meeting as also number of other Directorships and Committee Memberships are given below :

Sl. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships (*)	No. of other Committee Memberships/ Chairmanships (**)
1	S.S.H. Rehman	Chairman & Non-Executive Director	3	Yes	10	2 (including 1 as Chairman)
2	Nakul Anand	Non-Executive Director	4	Yes	7	1
3	S. C. Sekhar	Non-Executive Director	4	Yes	10	8 (including 1 as Chairman)
4	Ashok K. Tandon	Non-Executive Director	4	Yes	1	Nil
5	Prafull I. Bhuvra	Non-Executive Independent Director	4	Yes	3	Nil
6	Rohit C. Mehta	Non-Executive Independent Director	3	Yes	4	3 (including 2 as Chairman)

\* Excludes Directorships in Private Limited Companies.

\*\* Represents Memberships/Chairmanships of Audit Committee, Investor Services Committee and the Remuneration Committee.



## GUJARAT HOTELS LIMITED

### Board Meetings

During the year under review, four Board Meetings were held on the following dates : May 3, 2003, July 12, 2003, October 3, 2003, and January 22, 2004.

### COMMITTEES OF THE BOARD

The Board of Directors has constituted two Committees of the Board - the Audit Committee and the Investor Services Committee. The role and composition of these Committees, including the number of meetings held and the related attendance, is as follows :

#### A. AUDIT COMMITTEE

##### Terms of Reference

The role / terms of reference of the Committee includes the following:-

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment for any other services;
- Reviewing with the management the annual financial statements before submission to the Board, focussing primarily on ;
  - any changes in accounting policies and practices
  - major accounting entries based on exercise of judgement by management
  - qualifications in the draft audit report
  - significant adjustments arising out of audit
  - the going concern assumption
  - compliance with accounting standards

- compliances with stock exchange and legal requirements concerning financial statements

- any related party transactions

- Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors on any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with external auditors before the audit commences, on nature and scope of audit as well as have post audit discussions to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults in the payment, if any, to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.

#### Composition

The Audit Committee comprises three Non-Executive Directors, with two of them being Independent Directors. Statutory Auditors are Permanent Invitees to the Audit Committee and the Company Secretary is the Secretary to the Committee. The Chairman of the Committee is a Non- Executive Independent Director.

The names of the Members of the Audit Committee, including its Chairman, are provided elsewhere in the Report and Accounts.





## GUJARAT HOTELS LIMITED

### Attendance

Details of Audit Committee Meetings held during the financial year ended 31st March, 2004

Sl. No.	Date	No. of Members present
1	3rd May, 2003	3
2	12th July, 2003	3
3	3rd October, 2003	3
4	22nd January, 2004	2

Attendance at Audit Committee Meeting held during the financial year

Director	No. of meetings attended
Rohit C. Mehta	3
Prafull I. Bhuvra	4
S. C. Sekhar	4

### B. INVESTOR SERVICES COMMITTEE

The Investor Services Committee of the Company oversees redressal of shareholder and investor grievances and approves sub-division / transmission of shares, issue of duplicate share certificates etc.

#### Composition

The Investor Services Committee comprises three Directors all being Non-Executive Directors. The Company Secretary is the Secretary to the Committee.

The names of the members of the Investor Services Committee, including its Chairman, are provided elsewhere in the Report and Accounts.

#### Attendance

Details of Investor Services Committee Meetings held during the year ended 31st March, 2004

Sl. No.	Date	No. of Members present
1	3rd May, 2003	3
2	12th July, 2003	3
3	3rd October, 2003	3
4	22nd January, 2004	3

Attendance at Investor Services Committee Meeting held during the financial year

Director	No. of meetings attended
S. C. Sekhar	4
Ashok K. Tandon	4
Nakul Anand	4

### Remuneration of Directors

During the year under review, no remuneration was paid to any Director of the Company other than Sitting Fee of Rs. 4,000/- and Rs. 3,000/- paid respectively to Mr. Prafull I. Bhuvra and Mr. Rohit C. Mehta, Non-Executive Independent Directors of the Company.

### DISCLOSURES

Materially significant related party transactions which may have potential conflict with the interests of the Company at large.

None

Details of non-compliances, penalties, strictures by Stock Exchanges / SEBI / Statutory Authorities on any matter related to capital markets during the last three years.

None

Pecuniary relationships or transactions with the Non-Executive Directors.

None

### MEANS OF COMMUNICATION

The Unaudited Quarterly Financial Results of the Company were announced within a month of the end of each quarter for the first three quarters. The Audited Annual Financial Results together with the Financial Results for the fourth quarter were announced within two months of the end of the financial year. Such results are normally published in 'Financial Express' (all editions) and in a vernacular newspaper from Vadodara. Such results were posted on www.sebiedifar.nic.in, SEBI's website.

The Management Discussion and Analysis Report has been included elsewhere in the Report and Accounts.



## GUJARAT HOTELS LIMITED

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### **CODE FOR PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company by its employees. The Company's Code, inter alia, prohibits purchase/sale of shares of the Company by employees, while in possession of unpublished price sensitive information in relation to the Company.

### **GENERAL SHAREHOLDER INFORMATION**

Provided in the 'Shareholder Information' section of the Report and Accounts.

### **COMPLIANCE CERTIFICATE OF THE AUDITORS**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Report of the Directors and Management Discussion & Analysis.

The Certificate will also be sent to the Stock Exchanges along with the Annual Return of the Company.

