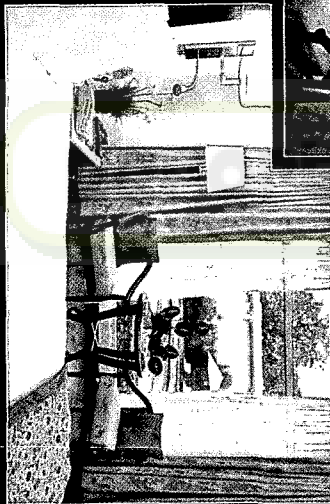
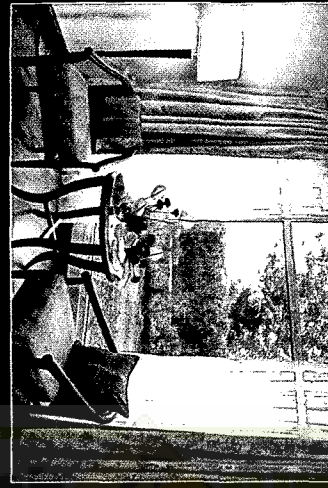




Gujarat Hotels Limited



Annual Report 2008 - 2009





GUJARAT HOTELS LIMITED

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GUJARAT HOTELS LIMITED

Board of Directors

Chairman & Non-Executive Director

Nakul Anand

Non-Executive Directors

Prafull I. Bhuva

Cheruvettolil Kochukoshy Koshy

Rohit C. Mehta

Mahalinga Narayanan

Subrahmonyan Chandra Sekhar

Ashok K. Tandon

BOARD COMMITTEES

Audit Committee

Rohit C. Mehta

Chairman

Prafull I. Bhuva

Member

C. K. Koshy

Member

M. Narayanan

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

M/s. Talati & Talati

Chartered Accountants

Vadodara

Registered Office

WelcomHotel Vadodara

R.C.Dutt Road

Vadodara - 390 007

Tel. : 0265-2330033



GUJARAT HOTELS LIMITED

Nakul Anand

Nakul Anand was appointed a Director on the Board of Directors of the Company on March 10, 1998 and as Chairman of the Board effective 21st March, 2009. He is an Economics Honours graduate from Delhi University. He has a rich experience of 30 years in hotel industry during which he has held various positions in ITC - Welcomgroup's prestigious hotels including that of General Manager of the flagship hotel, ITC Maurya. He is currently the Divisional Chief Executive of Hotels Division of ITC Limited.

Anand is widely recognised for excellent man-management and team building abilities and for infusing the spirit of action and result oriented work culture. A firm believer of value based strategies, he has created a unique quality control model of operational excellence. He has won a number of awards for excellence including General Manager of the Year among General Managers worldwide, the Green Hotelier, to name a few.

Other Directorships

Name of the Company

International Travel House Limited
Fortune Park Hotels Limited
Landbase India Limited
Srinivasa Resorts Limited
Bay Islands Hotels Limited
Maharaja Heritage Resorts Limited
Adayar Gate Hotels Limited

Position

Chairman & Director
Chairman & Director
Chairman & Director
Vice Chairman & Director
Director
Director
Director

Other Committee Memberships

Nil

Prafull I. Bhuvra

Prafull I. Bhuvra 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 39 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

Indo-Nippon Chemical Co. Limited
Bhuvra Holdings Limited
Darshan Overseas PTE Limited*

Position

Director
Director
Director

Other Committee Memberships

Nil



GUJARAT HOTELS LIMITED

C. K. Koshy

C. K. Koshy was appointed a Director on the Board of Directors of the Company on May 1, 2007. He is Master of Arts in Political Science and Public Administration from Kerala University and qualified for the Indian Administrative Service in 1968. During his distinguished career spanning over 35 years, he held several positions with the Government of Gujarat including Additional Chief Secretary, in the departments of Revenue, Industries and Mines, Tourism and Civil Aviation and Finance and Principal Secretary to the Chief Minister. He also served as Managing Director of the Tourism Corporation of Gujarat, Gujarat State Small Industries Corporation, Girinar Scooters Limited, Sardar Sarovar Narmada Nigam Limited, and as Joint Managing Director of the Gujarat Industrial Investment Corporation.

Koshy also served the Government of India as Joint Secretary and Financial Advisor to the Department of Atomic Energy and as Executive Director of Nuclear Power Corporation Limited, a Public Sector Undertaking of the Government of India. At the time of his retirement in February 2005, he was the Chairman of Gujarat State Petroleum Corporation Limited, Gujarat Petronet Limited and Gujarat Energy Research and Management Institute.

Other Directorships

Name of the Company	Position
Surat Textile Mills Limited	Special Director
ITI Limited	Special Director

Other Committee Memberships

Nil

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
Torrent Cables Limited	Chairman & Director
GRUH Finance Limited	Director
Cama Hotels Limited	Director

Other Committee Memberships

Name of the Company	Committee	Position
GRUH Finance Limited	Audit Committee	Member



GUJARAT HOTELS LIMITED

M. Narayanan

M. Narayanan was appointed a Director on the Board of Directors of the Company on January 10, 2008. His academic qualifications include a post graduation in Commerce, degree in Law, diploma in Business Management and Certified Associated Membership of the Indian Institute of Bankers. He has considerable experience of over four decades in Banking, Project Finance, Administration and related areas.

Narayanan started his career with Reserve Bank of India in 1964 and handled work in its various departments. In 1969 he moved over to the Bank of Baroda and continued there till March, 1985. During his tenure with Bank of Baroda he worked in all departments of commercial banking operation and was incharge of large branches of the Bank. In April, 1985 he joined Industrial Finance Corporation of India and had held Senior Management positions. In October, 1997 he joined Tourism Finance Corporation of India Limited (TFCI) as Managing Director and rose to the position of Chairman and Managing Director which position he held till his retirement from TFCI in September, 2006. He was conferred with "Udyog Rattan Award" in the year 2005 by the Institute of Economic Studies, New Delhi for excellence in his performance.

Other Directorships

Name of the Company	Position
Pride Hotels Limited	Chairman & Director
Cox & King Limited	Director
Royale Indian Rail Tours Limited	Director

Other Committee Memberships

Name of the Company	Committee	Position
Cox & King Limited	Audit Committee	Member

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 32 years in hotel industry.

Other Directorships

Name of the Company	Position
Landbase India 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
CLI3L e-Services Limited	Director



GUJARAT HOTELS LIMITED

Other Committee Memberships

Name of the Company	Committee	Position
Srinivasa Resorts Limited	Audit Committee	Chairman
International Travel House Limited	Audit Committee & Investor Services 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.

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

Other Directorships

Nil

Other Committee Memberships

Nil

Notes: 1) Directorships in private limited companies have been excluded
2) Committee Memberships/Chairmanships is in respect of Audit Committee and Investor Grievance/Services Committee.

* Denotes Foreign Company



GUJARAT HOTELS LIMITED

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the Financial year ended 31st March, 2009.

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.

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 seven Non- Executive Directors with four of them being Independent.

The composition of Directors and the attendance at the Board Meetings during the financial year ended 31st March, 2009 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	5	Yes	Not Applicable***	Not Applicable***
2	Nakul Anand****	Chairman & Non-Executive Director	5	Yes	7	Nil
3	S. C. Sekhar	Non-Executive Director	4	Yes	8	5 (including 1 as Chairman)
4	Ashok K. Tandon	Non-Executive Director	4	No	Nil	Nil
5	Prafull I. Bhuva	Non-Executive Independent Director	5	Yes	3	Nil
6	C. K. Koshy	Non-Executive Independent Director	5	Yes	2	Nil
7	Rohit C. Mehta	Non-Executive Independent Director	5	Yes	3	1
8	M. Narayanan	Non-Executive Independent Director	5	Yes	3	1

* Excludes Directorships in Private Limited Companies.

** Represents Memberships/Chairmanships of Audit Committee and Investor Grievance/Services Committee.

*** Ceased to be Chairman & Director w.e.f. close of business on 20th March, 2009.

**** Appointed as Chairman w.e.f 21st March, 2009.



GUJARAT HOTELS LIMITED

Board Meetings

During the year under review, five Board Meetings were held on the following dates: April 25, 2008, July 22, 2008, October 6, 2008, January 29, 2009 and March 13, 2009.

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;
- Considering such other matters as may be required by the Board;
- Reviewing any other areas which may be specified as role of Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

Composition

The Audit Committee comprises five Non-Executive Directors, with four of them being Independent Directors. Statutory Auditors are Permanent Invitee to the Audit Committee Meetings 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.