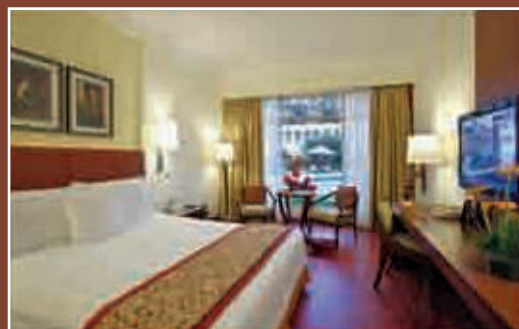




**Gujarat Hotels Limited**



ANNUAL REPORT 2010-11





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## GUJARAT HOTELS LIMITED



### BOARD OF DIRECTORS & COMMITTEES

#### Chairman & Non-Executive Director

Nakul Anand

#### Non-Executive Directors

Prafull I Bhuva

Cheruvettolil Kochukoshy Koshy

Rohit C Mehta

Mahalinga Narayanan

Subrahmoneyan Chandra Sekhar

### 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

#### Investor Services Committee

S C Sekhar

Chairman

Nakul Anand

Member

C K Koshy

Member

#### Compliance Officer

Ajay Bhat

#### Registered Office

WelcomHotel Vadodara

R C Dutt Road

Vadodara - 390 007

Tel : 0265-2330033

#### Auditors

Messrs Talati & Talati

Chartered Accountants

Vadodara

## GUJARAT HOTELS LIMITED



### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty Ninth Annual General Meeting of the Members of Gujarat Hotels Limited will be held at WelcomHotel Vadodara, R C Dutt Road, Vadodara - 390 007 on Tuesday, the 2nd day of August, 2011 at 11 a.m. for the transaction of the following businesses :-

#### ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2011, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the financial year ended 31st March, 2011.
3. To elect Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution :-

"Resolved that Messrs Talati & Talati, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold such office to conduct the audit until the conclusion of the next Annual General Meeting at a remuneration of ₹ 30,000/- plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred."

The Register of Members of the Company shall remain closed from Tuesday, 19th July, 2011 to Tuesday, 2nd August, 2011, both days inclusive. Share Transfers received in order at the Company's Registrars and Share Transfer Agents, Messrs MCS Limited, Neelam Apartments, 88, Sampatrao Colony, Alkapuri, Vadodara - 390 007 by the close of business hours (6 p.m) on 18th July, 2011, would be passed for payment of dividend, if declared, to the transferees or to their mandatees and the dividend, if declared, will

be paid on or after 8th August, 2011 to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on 2nd August, 2011 or to their mandatees, subject, however, to the provisions of Section 206A of the Companies Act, 1956 or any amendment or re-enactment thereof. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

By Order of the Board

Place: Gurgaon  
Date : 28th April, 2011

S C Sekhar  
Director

#### NOTES :

1. **A Member entitled to attend and vote at this Annual General Meeting ('AGM') may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty-eight hours before the commencement of this Annual General Meeting.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
3. In accordance with the provisions of Article 147 of the Articles of Association of the Company, Mr. S.C.Sekhar and Mr. Nakul Anand will retire by rotation at this AGM and, being eligible, offer themselves for re-election. Mr. S.C.Sekhar and Mr. Nakul Anand hold singly 500 shares and 200 shares in the Company, respectively.

**NOTICE OF ANNUAL GENERAL MEETING**

4. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board of Directors for appointment/ re-appointment at the AGM, is appearing in the Report and Accounts.
5. Members are requested to bring their admission slips along with copy of the Report and Accounts to the AGM.
6. Members are requested to send all correspondence concerning registration of transfers, transmissions, sub-division and consolidation of shares or any other share related matters to the Company's Registrars and Share Transfer Agents (RTA), Messrs MCS Limited, Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Vadodara-390 007.
7. Members holding shares in certificate form are requested to notify/ send the following to the RTA to facilitate better servicing :
- any change in their address/ mandate/ bank details,
  - particulars of their bank account, in case the same have not been furnished earlier and
  - share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into single account.
8. Members are advised that respective bank details and address as furnished by them or by NSDL/ CDSL to the Company, for shares held in certificate form and in the dematerialised form respectively, will be printed on their dividend warrant(s) so as a measure of protection against fraudulent encashment.
9. Dividends for the financial year ended 31st March, 2004, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') later this year, pursuant to the provisions of Section 205A of the Companies Act, 1956.
- Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2004 or any subsequent financial year are requested to lodge their claim to RTA. However, in respect of unclaimed dividend for the financial year 31st March, 2004, only those claims which are received by the RTA on or before 24th August, 2011, will be entertained.
- Members may please note that once the unclaimed dividend is transferred to the Investor Education and Protection Fund of the Central Government, no claim shall lie in respect thereof.
10. Members holding shares in the certificate form and wish to make/ change nominations in respect of their shareholdings in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to write to the RTA for the prescribed Form 2B.
- By Order of the Board
- Place: Gurgaon  
Date : 28th April, 2011
- S C Sekhar  
Director



## GUJARAT HOTELS LIMITED



### YOUR DIRECTORS

#### Nakul Anand

Nakul Anand has been a Non-Executive Director of the Company since March 10, 1998 and was appointed the Chairman of the Company effective from March 21, 2009. He is an Executive Director on the Board of ITC Limited and is currently in charge of the Hospitality, Travel and Tourism businesses of that Company.

Anand is an AMP degree holder from Bond University, Australia and an Economics Honours graduate from Delhi University. He joined ITC Limited in its Hotels Division as a management trainee in the year 1978. Since then he has held various positions in ITC-Welcomgroup's prestigious hotels including that of General Manager of the flagship hotel, ITC Maurya. He has rich experience of over 33 years with the Hotel and Tourism Industry.

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 in value based strategies, he has created an 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 and the Green Hotelier, to name a few.

Name of the Company	Position
International Travel House Limited	Chairman & Director
Landbase India Limited	Chairman & Director
Fortune Park Hotels Limited	Chairman & Director
Srinivasa Resorts Limited	Vice Chairman & Director
ITC Limited	Director
Bay Islands Hotels Limited	Director
Maharaja Heritage Resorts Limited	Director
Adayar Gate Hotels Limited	Director

#### Committee Membership of other Companies

Name of the Company	Committee	Position
Landbase India Limited	Audit Committee	Member

#### Prafull I. Bhuva

Prafull I. Bhuva was appointed as Non-Executive Director of the Company on May 25, 1998 and is an Independent Director on the Board. He holds a Bachelor's degree in Chemical Engineering from Kinki University, Osaka, Japan. He has rich experience of over 41 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 Oveseas Pte Limited*	Director

\* Denotes Foreign Company

#### Committee Membership of other Companies : Nil

#### Rohit C Mehta

Rohit C Mehta was appointed as Non-Executive Director of the Company on March 28, 2003 and is an Independent Director on the Board. 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 41 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, 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
GRUH Finance Limited	Director
Cama Hotels Limited	Director

# GUJARAT HOTELS LIMITED



## YOUR DIRECTORS

### Committee Membership of other Companies

Name of the Company	Committee	Position
GRUH Finance Limited	Shareholders Investors Grievance Committee	Chairman
GRUH Finance Limited	Audit Committee	Member
Torrent Cables Limited	Audit Committee	Member

#### S C Sekhar

S C Sekhar was appointed as Non-Executive Director of the Company on March 24, 1992. A Science graduate from Delhi University and a fellow member of The Institute of Chartered Accountants of India, Sekhar joined ITC Limited in its Hotels Division in the year 1978. During these 33 years, he has held various positions in the finance function besides working as Executive Assistant to the Chairman of ITC's Hotels Division. In 1992, he took over as Head of Finance and was subsequently promoted as Executive Vice-President with Finance, Treasury, Audit, Legal and Information Technology under his span of control. He is currently the Senior Executive Vice President of the Hotels Division of ITC Limited and Managing Director of Landbase India Limited.

#### 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
Indo-Continental Hotels & Resorts Limited	Director

### Committee Membership of other Companies

Name of the Company	Committee	Position
Srinivasa Resorts Limited	Audit Committee	Chairman
International Travel House Limited	Audit Committee	Member
International Travel House Limited	Investor Services Committee	Member
Adayar Gate Hotels Limited	Audit Committee	Member
Indo-Continental Hotels & Resorts Limited	Audit Committee	Member

#### Cheruvettolil Kochukoshy Koshy

C K Koshy was appointed as an Independent Non-Executive Director of the Company on May 1, 2007. He is Master of Arts in Political Science and Public Administration. He started off in the Indian Administrative Service in 1968 from the Gujarat Cadre and superannuated in February, 2005 when he was the Chairman of Gujarat State Petroleum Corporation Limited, Gujarat Petronet Limited and Gujarat Energy Research and Management Institute. In his long career spanning over 38 years, he has held several eminent positions including those of Additional Chief Secretary, Department of Revenue, Industries and Mines, Tourism and Civil Aviation and Finance and Principal Secretary to the Chief Minister and Joint Secretary & Financial Advisor to the Department of Atomic Energy, Government of India. He also served as Managing Director of the Tourism Corporation of Gujarat, Sardar Sarovar Narmada Nigam, Gujarat State Small Industries Corporation, and Girinar Scooter Limited and as joint Managing Director of the Gujarat Industrial Investment Corporation.

He also served as Executive Director of Nuclear Power Corporation of India Limited. He is presently Professor Emeritus in the faculty of Planning and Public Policy at the CEPT University and Advisor to the Indian School of Petroleum and Energy, New



## GUJARAT HOTELS LIMITED



### YOUR DIRECTORS

Delhi and the University of Petroleum and Energy Studies, Dehradun. He does not hold directorship or committee membership of any other company.

#### **M. Narayanan**

M. Narayanan was appointed as an Independent Non-Executive Director of the Company on January 10, 2008. He is a post graduate in Commerce, graduate in Law, diploma in Business Management and certified Associated Membership of the Indian Institute of Bankers. He has rich 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 moved over to the Bank of Baroda in 1969 and continued there till March, 1985. During his tenure in 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 in September, 2006. He was conferred with "Udyog Rattan Award" in the year 2005 by the Institute of Economic Studies, New Delhi.

#### **Other Directorships**

<b>Name of the Company</b>	<b>Position</b>
Pride Hotels Limited	Chairman
Cox & King Limited	Director
Royale Indian Rail Tours Limited	Director
Neesa Leisure Limited	Director
K-Lifestyle Industries Limited	Director

#### **Committee Membership of other Companies**

<b>Name of the Company</b>	<b>Committee</b>	<b>Position</b>
Cox & King Limited	Audit Committee	Chairman
Pride Hotels Limited	Audit Committee	Chairman
Royale Indian Rail Tours Limited	Audit Committee	Chairman
Neesa Leisure Limited	Audit Committee	Chairman
K-Lifestyle Industries Limited	Audit Committee	Member

#### **Notes :**

1. Directorships in Indian Private Limited Companies have been excluded.
2. Committee Memberships in respect of Audit Committee and/ or Investor Services Committee of Indian Public Limited Companies.



**REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance.

**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.

**BOARD OF DIRECTORS**

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

**Composition**

The composition of the Board of Directors of the Company comprises of Non-Executive Directors who are appointed/ re-appointed with the approval of the Shareholders and all are liable to retire by rotation. The present strength of the Board of Directors of the Company is six.

**Composition of the Board of Directors as on 31st March, 2011**

Category	No. of Directors	Percentage to total no. of Directors
Non-Executive Independent Directors	4	67%
Other Non-Executive Directors	2	33%
Total	6	100%

**Meetings and Attendance**

During the financial year ended 31st March, 2011, five meetings of the Board were held as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	28th April, 2010	7	7
2	24th June, 2010	7	3
3	27th July, 2010	7	7
4	25th October, 2010	7	5
5	31st January, 2011	6	5

The composition of Directors as on 31st March, 2011 and Directors' attendance at the Board Meetings during the financial year and the last Annual General Meeting (AGM) as also their 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	Mr. Nakul Anand	Chairman & Non-Executive Director	5	Yes	8	1
2	Mr. S. C. Sekhar	Non-Executive Director	5	Yes	8 (including 1 as Managing Director)	5 (including 1 as Chairman)
3	Mr. Ashok K. Tandon*	Non-Executive Director	3	Yes	Nil	Nil