



Gujarat Hotels Limited

Annual Report 2012





GUJARAT HOTELS LIMITED

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GUJARAT HOTELS LIMITED

BOARD OF DIRECTORS & COMMITTEES

Chairman & Non-Executive Director

Nakul Anand

Non-Executive Directors

Prafull Indulal Bhuva

Cheruvettolil Kochukoshy Koshy

Rohitbhai Chinubhai Mehta

Mahalinga Narayanan

Arun Pathak

Chandrasekhar Subrahmoneyan

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 Statutory Auditors	Permanent Invitee

Investor Services Committee

S C Sekhar	Chairman
C K Koshy	Member
Arun Pathak	Member

Registered Office

WelcomHotel Vadodara
R C Dutt Road, Alkapuri
Vadodara - 390 007
Tel : 0265-2330033

Auditors

Messrs Talati & Talati
Chartered Accountants
Vadodara

Registrars & Share Transfer Agents

MCS Limited
Neelam Apartments
88, Sampatrao Colony,
Alkapuri, Vadodara - 390 007

GUJARAT HOTELS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of the Members of Gujarat Hotels Limited will be held at WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara - 390 007 on Wednesday, the 8th day of August, 2012 at 11.00 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, 2012, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2012.
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 (Registration No. 110758W), be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting to conduct the audit at a remuneration of ₹ 30,000/- plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred.”

SPECIAL BUSINESS

5. 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 Mr Arun Pathak be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

The Register of Members of the Company shall remain closed from Wednesday, 25th July, 2012 to Wednesday, 8th August, 2012, 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 (6.00 p.m.) on 24th July, 2012, will be processed for payment of dividend, if declared, to the transferees or to their mandatees and the dividend, if declared, will be paid on 16th August, 2012 to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on 8th August, 2012, or to their mandatees, subject, however, to the provisions of Section 206A of the Companies Act, 1956. In respect of dematerialised shares, the dividend will be paid on the basis of beneficial ownership as on 24th July, 2012 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 : New Delhi
Date : 27th April, 2012

Chandrasekhar
Subrahmanyam
Director

Regd. Office: WelcomHotel Vadodara
R C Dutt Road, Alkapuri
Vadodara - 390007

NOTES:

1. **A Member entitled to attend and vote at the 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 the AGM i.e. by 11.00 a.m. on 6th August, 2012.
2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Business to be transacted at this AGM, is annexed.
3. Corporate Members are required to send to the Registered Office of the Company 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 AGM.
4. In accordance with the provisions of Article 147 of the Articles of Association of the Company,



GUJARAT HOTELS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Mr Rohitbhai Chinubhai Mehta will retire by rotation at this AGM and, being eligible, offers himself for re-election. He does not hold any share in the Company. Mr Prafull Indulal Bhuvra has intimated the Board that he would not like to seek re-election as a director at the ensuing AGM, on completion of his term and the Board recommends that the vacancy so caused be not filled up.

5. 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 this AGM, is appearing in the Report and Accounts.
6. Members are requested to bring their admission slips alongwith copy of Report and Accounts to the AGM.
7. 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.
8. Members holding shares in the certificate form are requested to notify/ send the following to RTA to facilitate better servicing:
 - i) any change in their address/ mandate/ bank details/ email address,
 - ii) particulars of their bank account, in case the same have not been furnished earlier, and
 - iii) share certificates held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.
9. Members are advised that bank details 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) as a measure of protection against fraudulent encashment.
10. Unclaimed dividend for the financial year ended 31st March, 2005, will be due for transfer to the

Investor Education and Protection Fund of the Central Government ('IEPF') on 14th August, 2012, pursuant to the provisions of Section 205A of the Companies Act, 1956.

Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2005 or any subsequent financial year(s) are requested to lodge their claims with the RTA.

In respect of dividend for the financial year ended 31st March, 2005, it will not be possible to entertain any claim received by the RTA after 11th August, 2012.

In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie with respect to unclaimed dividend once it is transferred by the Company to IEPF.

11. Members who hold shares in the certificate form and wish to make any nomination/ change nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, may submit to RTA the prescribed Form 2B.
12. The Statement of Profit and Loss for the financial year ended 31st March, 2012, the Balance Sheet as at that date, the Auditors' Report, the Directors' Report and all other documents annexed or attached to the Balance Sheet, are available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on working days up to the date of this AGM.
13. Members who wish to obtain information on the Company or view the accounts for the financial year ended 31st March, 2012, may visit the Company's website www.gujarathotelsltd.in or send their queries at least 10 days before the AGM at the Registered Office of Company.

EXPLANATORY STATEMENT

Annexed to the Notice convening the Thirtieth Annual General Meeting to be held on Wednesday, 8th August, 2012.

Item No. 5

Mr Arun Pathak was appointed as an Additional



GUJARAT HOTELS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Director of the Company with effect from 12th November, 2011 in terms of Section 260 of the Companies Act, 1956 ('the Act'). Mr Pathak vacates office at the AGM. Due notice under Section 257 of the Act has been received by the Company from a Member proposing the appointment of Mr Pathak as a Director of the Company. Requisite consent pursuant to Section 264(1) of the Act has been filed by Mr Pathak to act as a Director, if appointed. Mr Pathak does not hold any shares in the Company.

Mr Pathak is interested in the Resolution relating to his appointment. None of the other Directors of your

Company is interested in this Resolution. The Board of Directors of your Company recommends this Resolution for your approval.

By Order of the Board

Place : New Delhi
Date : 27th April, 2012

Chandrasekhar
Subrahmoneyan
Director

Regd. Office: WelcomHotel Vadodara
R C Dutt Road, Alkapuri
Vadodara - 390007

Members are requested to register their e-mail addresses with the Company for receiving the Report and Accounts, Notices etc. in electronic mode, as a measure of support to Green Initiative in Corporate Governance of Ministry of Corporate Affairs, Government of India. The form for such registration can be downloaded from the Company's website www.gujarathotelsltd.in.

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 March 21, 2009. He is an Executive Director on the Board of ITC Limited and holds responsibility of the Hospitality, Travel and Tourism businesses of that company.

An Economics Honours graduate from Delhi University with an AMP degree from Bond University, Australia, he joined ITC Hotels' Management Training Programme in 1978 and also served as the Managing Director of erstwhile ITC Hotels Limited during the period 2003-05. In a career that spans over three decades, he has been acknowledged for his vision and commitment.

Leveraging the significant learning of sustainable excellence within ITC, he pioneered the concept of 'Responsible Luxury' in the hospitality industry that led to the LEED Platinum certification of all ITC super premium luxury hotels, making it the 'Greenest Luxury Hotel Chain in the world'. Anand is widely recognised for excellent people management and team-building abilities. He has formulated value-based strategies to create a unique quality control model. His dynamic leadership and passion for the business is recognised and acknowledged by his peers. He is presently the President of the Hotel Association of India.

Other Directorships

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	Executive Director
Bay Islands Hotels Limited	Director
Maharaja Heritage Resorts Limited	Director
Adyar Gate Hotels Limited	Director

Committee Membership of other Companies

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

Prafull Indulal 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 42 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	Managing Director
Bhuva Holdings Limited	Director
Darshan Overseas Pte Limited*	Director

* Denotes Foreign Company

Committee Membership of other Companies: Nil

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 37 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,



GUJARAT HOTELS LIMITED

YOUR DIRECTORS

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 currently Professor Emeritus in the faculty of Planning and Public Policy at CEPT University and an advisor to both Indian School of Petroleum and Energy, New Delhi and University of Petroleum and Energy Studies, Dehradun. He does not hold directorship or committee membership of any other company.

Rohitbhai Chinubhai 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 42 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

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

Mahalinga 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 till March, 1985. During this tenure 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

Name of the Company	Position
Pride Hotels Limited	Chairman
Cox & Kings Limited	Director
Royale Indian Rail Tours Limited	Director
Neesa Leisure Limited	Director
Tulip Star Hotels Limited	Director

Committee Membership of other Companies

Name of the Company	Committee	Position
Cox & Kings Limited	Audit Committee	Chairman
Pride Hotels Limited	Audit Committee	Chairman
Royale Indian Rail Tours Limited	Audit Committee	Chairman
Neesa Leisure Limited	Audit Committee	Chairman
Tulip Star Hotels Limited	Audit Committee	Chairman



GUJARAT HOTELS LIMITED

YOUR DIRECTORS

Arun Pathak

Arun Pathak was appointed as Non-Executive Director of the Company on November 12, 2011. A Commerce graduate with Honours from Delhi University and a merit list rank holder in Chartered Accountancy, Pathak joined ITC Limited in its Tobacco Division in the year 1983. He has varied experience and handled several responsibilities in Tobacco Division and moved on to Agri Business, Paper and Foods before joining the Hotels Division of that company in the year 2008. During these 29 years, he held various portfolios in finance, taxation, 'technology upgrade' task forces, cigarette exports, information technology and procurement. He is currently the Executive Vice President - Finance, IT and Procurement of the Hotels Division of ITC Limited.

Other Directorships

Name of the Company	Position
Fortune Park Hotels Limited	Director
Bay Islands Hotels Limited	Director

Committee Membership of other Companies: Nil

Chandrasekhar Subrahmoneyan

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 34 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, of that company. 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
Adyar 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 Service Committee	Member
Adyar Gate Hotels Limited	Audit Committee	Member
Indo-Continental Hotels and Resorts Limited	Audit Committee	Member

Notes:

- Other Directorships exclude Directorship in Indian Private Limited Companies, Membership of Managing Committees of Chamber of Commerce/ Professional Bodies and Alternate Directorship.
- Committee Memberships are in respect of Audit Committee and Investor Grievance Committees 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 seven.

Composition of the Board as on 31st March, 2012

Category	No. of Directors	Percentage of total no. of Director
Non-Executive Independent Directors	4	57%
Other Non-Executive Directors	3	43%
Total	7	100%

Meetings and Attendance

During the financial year ended 31st March, 2012, four meetings of the Board were held as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1	28th April, 2011	6	5
2	2nd August, 2011	6	6
3	12th November, 2011	6	5
4	2nd February, 2012	7	7

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 Directorship(s) (*)	No. of Membership(s) (including Chairmanship(s) of Board Committees of other companies(**))
1	Nakul Anand	Chairman & Non-Executive Director	3	Yes	8	1
2	Prafull I Bhuva	Non-Executive Independent Director	4	Yes	2 (including 1 as Managing Director)	Nil
3	C K Koshy	Non-Executive Independent Director	4	Yes	Nil	Nil
4	Rohit C Mehta	Non-Executive Independent Director	3	Yes	2	3 (including 1 as Chairman)