

ANNUAL REPORT

1996-97

MD	✓		BKC	
CS	NI		DPY	2/3
RO	✓		DIV	2/3
TRA	NR		AC	✓
AGM	✓		SHI	✓
YE	✓			

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Gujarat JHM Hotels Limited





Gujarat JHM Hotels Ltd.

BOARD OF DIRECTORS

Shri Ashok Narayan, IAS	<i>Chairman</i>
Shri D. P. Rama	<i>Managing Director</i>
Shri G. S. Shukla	
Shri U. M. Patel	
Shri D. C. Gami	
Shri D. J. Patel	
Shri H. P. Rama	
Shri K. S. Gandhi	<i>Alternate to Shri H.P. Rama</i>
Dr. J. D. Chougule	<i>Nominee, IFCI</i>

AUDITORS

Rajendra & Company
Chartered Accountants
1311, Dalamal Towers,
Free Press Journal Road,
Nariman Point,
BOMBAY- 400 021.

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BANKERS

Bank of India
State Bank of India

TWELFTH ANNUAL GENERAL MEETING

On Saturday, the 23rd August, 1997

"Rang Bhavan Hall"

at the Jeevan Bharti School,

Nanpura, Surat - 395 001

at 3.30 p.m.

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Shareholders are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as copies of the report will not be distributed at the meeting.



Gujarat JHM Hotels Ltd.

NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the Members of **GUJARAT JHM HOTELS LIMITED** will be held at the "Rang Bhavan Hall" Jeevan Bharti School, Nanpura, Surat - 395 001 on Saturday, the 23rd day of August, 1997 at 3.30 p.m. to transact the following business :

ORDINARY BUSINESS :

01. To review, consider and adopt the Balance Sheet as at 31st March, 1997 and Profit & Loss Account for the year ended on that date and the Reports of Auditors and Directors thereon.
02. To appoint Director in place of Shri D.C. Gami who retires by rotation but being eligible offers himself for reappointment.
03. To appoint Director in place of Shri U.M. Patel who retires by rotation but being eligible offers himself for reappointment.
04. To appoint auditors to hold office from the conclusion of the 12th Annual General Meeting upto the conclusion of next Annual General Meeting and to fix their remuneration and in connection therewith to pass the following resolution with or without modifications.

"RESOLVED THAT the retiring Auditors M/s. Rajendra & Co., Chartered Accountants be and are hereby reappointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the company on such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS

05. To consider and if thought fit to pass the following resolution with or without modifications as a **SPECIAL RESOLUTION**.

"RESOLVED THAT pursuant to the provisions of section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the terms of appointment and the remuneration payable to Shri Denu P. Rama as Managing Director for a further period of five years with effect from 1st January, 1998 as set out in the explanatory statement annexed to the notice convening this meeting, and the draft agreement of re-appointment, a copy whereof is put on the table and for the purpose of identification initialed by the Chairman with liberty to Board of Directors to increase remuneration after and vary such terms and conditions in accordance with the amended schedule XIII or any changes in the Government policy on managerial remuneration or any amendments made in the Schedule XIII to the Act, hereafter as may be agreed by the Board of Directors and Shri Denu P. Rama."

"RESOLVED FURTHER that in the event of absence or inadequacy of profits in any financial year, the salary (no commission shall be payable in case of loss) as mentioned in the Explanatory Statement plus all usual perquisites will be paid to him as minimum remuneration."

06. To consider and if thought fit to pass the following resolution with or without modifications as a **SPECIAL RESOLUTION**.

"RESOLVED THAT in supersession of the Special Resolution

passed at the 11th Annual General Meeting of the company held on 28th September, 1996 pursuant to the amended provisions of Section 17 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, Clause III(A)(2) of the Memorandum of Association of the company be altered by deleting the words including the punctuation marks "farmers, dairymen" contained therein."

07. To consider and if thought fit to pass the following resolution with or without modifications as a **SPECIAL RESOLUTION**.

"RESOLVED THAT pursuant to provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the company be altered in the following manner :

- I. The following new Article be added after Article No. 5A as Article No. 5B together with the heading of the article.

SUB-DIVISION OTHER THAN THE MARKETABLE LOTS

5B. The Equity shares of the company shall not be capable of being sub-divided into such denomination as are not in the market lot of the Equity shares so fixed in consultation with the Regional Stock Exchange from time to time."

- II. The following article shall be substituted for the present Article No. 22

APPOINTMENT OF AUDITORS

22. The Auditors of the company shall be appointed and their duties shall be regulated in accordance with Sections 224, 225, 226 and 227 and such other applicable provisions, if any, of the Companies Act, 1956."

- III. The following articles be modified as herein provided.

In the Article 15 the words and punctuation marks "in accordance with the provision to hold that office, subject to retirement by rotation" shall be deleted and the following words and punctuation marks shall be substituted or added.

"and that the Managing Director shall not be liable to retire by rotation."

In the Article 21 the words and punctuation marks "Rs. 250/-" shall be deleted and the following words and punctuation marks shall be substituted or added.

"such sum as may be prescribed by the Central Government from time to time under Provision to Sub-Section (2) of Section 310 of the Companies Act, 1956."

Registered Office :
HOLIDAY INN-Surat
Near Bharti Park
Ambica Niketan
SURAT - 395 007
Date : 14-06-1997

By Order of the Board
for **GUJARAT JHM HOTELS LIMITED**

DENU P. RAMA
Managing Director



Gujarat JHM Hotels Ltd.

NOTES :

01. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF THE MEMBER. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

02. Explanatory statement as required under section 173 of the Companies Act, 1956 in respect of item No. 5,6 and 7 of the notice is annexed hereto.

03. Members/Proxies should bring the attendance slip duly filled in for attending the meeting and members may please bring their copies of the annual report to the meeting as no copies will be distributed again in the meeting.

04. Shareholders desiring any information as regards the accounts are requested to write to the Company at least 10 days in advance of the date of the meeting, so as to enable the management to reply.

05. Company is having in-house share transfer department. Members are requested to do all future correspondence at the Registered office of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 5 : Re-appointment of Shri Denu P. Rama as Managing Director.**

Shri Denu P. Rama is presently Managing Director of the company appointed by the resolution of the 8th Annual General Meeting of the company. His term as Managing Director of the company would expire as at 31st December, 1997.

Shri D. P. Rama has been proposed as Managing Director of the company for a term of another five year commencing from 1st January, 1998 and a necessary Board Resolution has been passed on 14th June, 1997 as required by the Articles of Association of the company, subject as to approval of the members of the company on following terms and conditions.

Salary : Rs 50,000 per month.

Commission : 1% of the net profits of the company as computed under Sections 309,349 & 350 of the Companies Act, 1956.

PERQUISITES**CATEGORY A**

- Housing : Expense incurred on hiring furnished accommodation will be limited to 60% of the salary over & above 10% payable by the Managing Director.
- Medical Reimbursement : Expense incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.
- Leave Travel Concession : For self and family once in a year in accordance with the rules specified by the Company.

d. Club Fees : Fees of two clubs. However admission & life membership fees will not be allowed.

e. Personal Accident Insurance : Premium not exceeding Rs 10,000.00 per annum.

f. Gas, Electricity and Water : Expenditure incurred by the company on Gas, Electricity & Water shall be valued as per the Income Tax Rules, 1962 subject to a ceiling of 10% of the salary

g. Children Education Allowance : Children Education allowance limited to Rs. 5,000 per month or actual expenditure incurred whichever is less for maximum of two children.

CATEGORY B

Contribution of Provident Fund, Super Annuation Fund, Annuity Fund shall not exceed 1/2 month's salary per month.

Encashment of leave at the end of tenure for 90 days in all and which shall not be included in computation of ceiling on perquisites.

CATEGORY C

Provision of car for use on Company's business and telephone at residence, provided, however, that personal long distance calls on telephone and use of car for private purpose shall be billed by the Company on actuals.

Where in any financial year during the currency of tenure of Managing Director, if the company has no profits or its profits are inadequate, he shall be paid remuneration as specified herein above and there shall be no cut in his perquisites.

This may be considered and treated as an Abstract to the members of the company as required under Section 302 of the Companies Act, 1956.

No other director except Shri Denu P. Rama and Shri H. P. Rama is interested or concerned in this resolution.

Item No. 6 : Alteration of the Main Object Clause of the Memorandum of Association.

As explained at the previous Annual General Meeting the funds from the promoters of the company were required to be raised for the rehabilitation of the company and promoters being Overseas Corporate Body ("OCB"), permission from Reserve Bank of India ("RBI") was required to be obtained. RBI had while granting their in-principle approval insisted for deletion of the words "farmers, dairymen" from the main object clause (2) of the Memorandum of Association of the company.

At the 11th Annual General Meeting of the company held on 28th September, 1996, the members had passed a Special Resolution altering the Main Object clause by deleting the words "farmers, dairymen" (including punctuation marks therein). However, the said resolution was passed subject to the confirmation of the Company Law Board. Accordingly, notices as required by the relevant rules of the Companies Act, 1956 were published in the newspapers and individual notices to the creditors of the company were issued as well.