



**Gujarat Hotels Limited**



**REPORT AND ACCOUNTS 2014**



Executive Club Exclusive room



Pool Sharp



# GUJARAT HOTELS LIMITED

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# GUJARAT HOTELS LIMITED

## BOARD OF DIRECTORS & COMMITTEES

### Chairman & Non-Executive Director

Nakul Anand

### Non-Executive Directors

Cheruvettolil Kochukoshy Koshy

Rohitbhai Chinubhai Mehta

Mahalinga Narayanan

Arun Pathak

Chandrasekhar Subrahmoneyan

## BOARD COMMITTEES

### Audit Committee

Rohit C Mehta	Chairman
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

## COMPLIANCE OFFICER

Rohan Singh

### Registered Office

WelcomHotel Vadodara  
R C Dutt Road, Alkapuri  
Vadodara - 390 007  
Tel : 0265-2330033  
CIN No. : L55100GJ1982PLC005408  
[www.gujarathotelsltd.in](http://www.gujarathotelsltd.in)

### Auditors

Messrs Talati & Talati  
Chartered Accountants  
Vadodara

### Registrars & Share Transfer Agents

MCS Limited  
Neelam Apartment  
88, Sampatrao Colony,  
Alkapuri, Vadodara - 390 007  
Tel : 0265-2339397



# GUJARAT HOTELS LIMITED



## GUJARAT HOTELS LIMITED

CIN : L55100GJ1982PLC005408

Registered office : WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara-390 007

Tel.: 0265-2330033 • E-mail : ghlinvestors@yahoo.co.in • Website : www.gujarathotelsltd.in

### NOTICE OF 32ND ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty Second Annual General Meeting of the Members of Gujarat Hotels Limited will be held at the Registered Office of the Company at WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara - 390 007 on Monday, the 29th day of September, 2014 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, 2014, 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, 2014.
3. To appoint a Director in place of Mr Chandrasekhar Subrahmoneyan, who retires by rotation and, being eligible, offers himself for re-election.
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 from the conclusion of this Meeting to hold such office for a period of three years till the conclusion of the Thirty-Fifth Annual General Meeting, at a remuneration of ₹ 30,000/- to conduct the audit for the financial year 2014-15, 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, in terms of Section 149 read with Schedule IV of the Companies Act, 2013, or any

amendment thereto or modification thereof, Mr Cheruvettolil Kochukoshy Koshy be and is hereby appointed an Independent Director of the Company for a period of five years from the date of this Meeting."

6. 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, in terms of Section 149 read with Schedule IV of the Companies Act, 2013, or any amendment thereto or modification thereof, Mr Mahalinga Narayanan be and is hereby appointed an Independent Director of the Company for a period of five years from the date of this Meeting."

7. 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, in terms of Section 149 read with Schedule IV of the Companies Act, 2013, or any amendment thereto or modification thereof, Mr Rohitbhai Chinubhai Mehta be and is hereby appointed an Independent Director of the Company for a period of five years from the date of this Meeting."

The Register of Members of the Company shall remain closed from Tuesday, 16th September, 2014 to Monday, 29th September, 2014, 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 on 15th September, 2014, 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 6th October, 2014 to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on 29th September, 2014 or to their mandatees, subject however to the provisions of Section 126 of the Companies



# GUJARAT HOTELS LIMITED

## NOTICE OF 32ND ANNUAL GENERAL MEETING

Act, 2013 or any amendment thereto or modification thereof. In respect of dematerialised shares, the dividend will be paid on the basis of beneficial ownership as on 15th September, 2014 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  
Gujarat Hotels Limited  
Chandrasekhar  
Subrahmoneyan  
Director

Place : New Delhi  
Date : 8th August, 2014

### 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 27th September, 2014.
2. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, 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 certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the AGM.
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 this AGM is appearing in the Report and Accounts.  
  
Messrs Cheruvettolil Kochukoshy Koshy, Mahalinga Narayanan and Rohitbhai Chinubhai Mehta do not hold any share in the Company nor does any other person hold any share in the Company for them on a beneficial basis. Mr. Chandrasekhar Subrahmoneyan (DIN: 00024780) holds 500 shares of the Company; no other person holds any share in the Company for him on a beneficial basis.
5. Unclaimed dividend for the financial year ended 31st March, 2007, will be due for transfer to the Investor Education and Protection Fund of the

Central Government ('IEPF') on 26th August, 2014, pursuant to the provisions of Section 205A of the Companies Act, 1956 (or Section 124 of the Companies Act, 2013, once notified).

Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2007 or any subsequent financial year(s) are requested to lodge their claims with the RTA.

6. Members who are yet to register their e-mail addresses with the Company or with the Depository are once again requested to register the same. The form for registration of e-mail addresses with the Company can be downloaded from the Company's website [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in).
7. Members are requested to bring their admission slips alongwith copy of the Report and Accounts to the AGM. Duplicate admission slips and/ or copies of Report and Accounts will not be provided at the AGM venue.
8. Members who wish to obtain information on the Company or view the Accounts for the financial year ended 31st March, 2014, may visit the Company's website or send their queries at least 10 days before the AGM to the Compliance Officer at the Registered Office of the Company.
9. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of NSDL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM. The Board of Directors of the Company has appointed Mr Hemang M Mehta, (Membership No.: F4965), Proprietor, H M Mehta & Associates, Company Secretaries as the Scrutinizer for this purpose.  
  
The procedure with respect to e-voting is provided below:
  - A. **In case of Members who receive the Notice in electronic mode:**
    - (a) Open e-mail and open PDF file viz. '**GHL e-voting.pdf**' with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.



# GUJARAT HOTELS LIMITED

## NOTICE OF 32ND ANNUAL GENERAL MEETING

- (b) Launch internet browser by typing the URL: **<https://www.evoting.nsdl.com/>** and click on **'Shareholder – Login'**.
- (c) Insert user ID and password as initial password stated in (a) above. Click on **'Login'**.
- (d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits/ characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
- (e) Home page of e-voting opens. Click on **'e-voting: Active Evoting Cycles'** and select the Electronic Voting Event Number (EVEN) of Gujarat Hotels Limited.
- (f) Now you are ready for e-voting as **'Cast Vote'** page opens.
- (g) Cast your vote by selecting appropriate option and click on **'Submit'**. Thereafter click on **'Confirm'** when prompted.
- (h) Upon confirmation, the message **'Vote cast successfully'** will be displayed. Thereafter you will not be allowed to modify your vote.
- (i) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF/ JPG format) of the relevant Board Resolution/ appropriate authorisation, with the specimen signature(s) of the authorised signatory(ies) duly attested, to the Scrutinizer through e-mail at **[ghlsrutinizer@gmail.com](mailto:ghlsrutinizer@gmail.com)** with a copy marked to NSDL's e-mail ID **[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)**.

### B. In case of Members who receive the Notice by post:

- (a) User ID and initial password is provided in the admission slip for the AGM.
- (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (A) above, to cast your vote.

### C. Members already registered with NSDL for e-

**voting can use their existing user ID and password for Login.**

Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (A) above, to cast your vote.

- D. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website **[www.evoting.nsdl.com](http://www.evoting.nsdl.com)**. You may also address your queries relating to e-voting to the e-mail ID **[ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in)**.
- E. **The period for e-voting starts at 9.00 a.m. on Tuesday, 23rd September, 2014 and ends at 9.00 p.m. on Thursday, 25th September, 2014.** E-voting shall be disabled by NSDL at 9.00 p.m. on 25th September, 2014.
- F. **General Information**
  - (a) Every Client ID No./ Folio No. shall have one e-vote, irrespective of the number of joint holders.
  - (b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on Friday, 22nd August, 2014.
  - (c) E-voting right cannot be exercised by a proxy.
  - (d) **The Results of the e-voting will be declared on or after the date of the AGM i.e. Monday, 29th September, 2014.**

The declared Results, alongwith the Scrutinizer's Report, will be available on the Company's website **[www.gujarathotelsltd.in](http://www.gujarathotelsltd.in)** under the section 'Financial Reports' and on the website of NSDL; such Results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

## EXPLANATORY STATEMENT

Annexed to the Notice convening the Thirty Second Annual General Meeting to be held on Monday, 29th September, 2014.

### Item Nos. 5, 6 & 7

The Board of Directors ('the Board') of the Company at its meeting held on 8th August, 2014 recommended for the approval of the Members, the appointment of



## GUJARAT HOTELS LIMITED

### NOTICE OF 32ND ANNUAL GENERAL MEETING

Messrs Cheruvettolil Kochukoshy Koshy, Mahalinga Narayanan and Rohitbhai Chinubhai Mehta as Independent Directors of the Company, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), or any amendment thereto or modification thereof, as set out in the Resolutions relating to their respective appointment.

Messrs Koshy, Narayanan and Mehta are presently on the Board as Independent Directors, but were not specifically appointed under Section 149 of the Act. General Circular No. 14/2014 dated 9th June, 2014 of the Ministry of Corporate Affairs requires that the appointment of Independent Directors is to be made expressly under the provisions of Section 149 of the Act.

Your Board considers that the continued association of Messrs Koshy, Narayanan and Mehta with the Company, as Independent Directors, and the rich experience they bring with them, would benefit the Company. Declarations have been received from the aforesaid Directors that they meet the criteria of independence prescribed under Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014. Your Board is also of the opinion that the above Directors fulfil the conditions

specified in the Act and the Rules thereunder for their appointment as Independent Directors and that they are independent of the management of the Company.

Brief resume of Messrs Koshy, Narayanan and Mehta are provided under the Section 'Your Directors' in the Report and Accounts.

Notices as required under Section 160 of the Act has have been received from Messrs Koshy, Narayanan and Mehta. Requisite consents, pursuant to Section 152 of the Act, have also been filed by the aforesaid Directors.

Messrs Koshy, Narayanan and Mehta are interested individually in the Resolutions relating to their respective appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions.

The Board recommends these Resolutions for your approval.

By Order of the Board  
Gujarat Hotels Limited  
Chandrasekhar  
Subrahmoneyan

Place : New Delhi  
Date : 8th August, 2014 Director





# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

### Nakul Anand

Nakul Anand (57), DIN: 00022279, a Non-Executive Director of the Company since March 10, 1998, 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 for the Hospitality, Travel and Tourism businesses of ITC. 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, Anand 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 certifications for all ITC super premium luxury hotels, making it the 'Greenest Luxury Hotel Chain in the world'. 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 the Chairman of the CII National Tourism Committee as well as of the Federation of Associations in Indian Tourism & Hospitality. Anand is immediate past 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

### Cheruvettolil Kochukoshy Koshy

C K Koshy (69), DIN: 01478704, 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.

In a 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 as Joint Managing Director of the Gujarat Industrial Investment Corporation and Chairman of Gujarat State Petroleum Corporation Limited, Gujarat Petronet Limited and Gujarat Energy Research and Management Institute.

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 (83), DIN: 00050173, was appointed as an Independent Non-Executive Director of the Company on March 28, 2003. He is a Law Graduate

# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

from Bombay University. Mehta is a prominent and successful Industrialist with a wide and varied experience in the management of business and industry. He was the President of Federation of Indian Chambers of Commerce and Industry and had been on the boards of various reputed companies. He was associated with a number of industries, associations, federations including social, educational, sports and charitable organisations. He has also been the International President of Lions Club International and 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 (68), DIN: 00159288, 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 holder in Business Management and holds 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 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

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

### Arun Pathak

Arun Pathak (54), DIN: 00502850, was appointed as a 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 the year 1983. He has varied experience and handled several responsibilities in ITC's various Divisions starting from Tobacco and moving onto Agri Business, Paperboards & Specialty Papers and Foods businesses before joining the Hotels Division of that company in the year 2007. During these 31 years, he has held various portfolios in finance, taxation, 'technology upgrade' task forces, cigarette



# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

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
Maharaja Heritage Resorts Limited	Director

### Committee Membership of other Companies: Nil

### Chandrasekhar Subrahmoneyan

S C Sekhar (61), DIN: 00024780, 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 36 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.

### 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

Name of the Company	Position
Bay Islands Hotels Limited	Director
Maharaja Heritage Resorts Limited	Director
Adyar Gate Hotels Limited	Director
Mansingh Hotels and 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
Mansingh Hotels and Resorts Limited	Audit Committee	Member

### Notes :

1. Other Directorships and Committee Memberships of Directors are as on 31st March, 2014.
2. Other Directorships exclude Directorship in Indian Private Limited Companies, Membership of Managing Committees of Chambers of Commerce/ Professional Bodies and Alternate Directorship.
3. Committee Memberships are in respect of Audit Committee and Investors Grievance 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 stakeholders' aspirations and societal expectations.

### BOARD OF DIRECTORS

All statutory and other significant 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 are liable to retire by rotation. The present strength of the Board of Directors of the Company is six.

### Composition of the Board as on 31st March, 2014

Category	No. of Directors	Percentage of total no. of Directors
Non-Executive Independent Directors	3	50%
Other Non-Executive Directors	3	50%
<b>Total</b>	<b>6</b>	<b>100%</b>

### Meetings and Attendance

During the financial year ended 31st March, 2014, five meetings of the Board were held as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1	25th April, 2013	6	5
2	10th May, 2013	6	3
3	13th August, 2013	6	4
4	12th November, 2013	6	6
5	5th February, 2014	6	6

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	5	Yes	8	1
2	C K Koshy	Non-Executive Independent Director	4	Yes	Nil	Nil
3	Rohit C Mehta	Non-Executive Independent Director	2	No	2	3 (including 1 as Chairman)
4	M Narayanan	Non-Executive Independent Director	3	No	5	4 as Chairman



## REPORT ON CORPORATE GOVERNANCE

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(**))
5	Arun Pathak	Non-Executive Director	5	Yes	3	Nil
6	S C Sekhar	Non-Executive Director	5	Yes	8 (including 1 as Managing Director)	5 (including 1 as Chairman)

\* Excludes Directorships in Indian Private Limited Companies & Foreign Companies, Membership of Managing Committees of Chambers of Commerce/ Professional Bodies and Alternate Directorship.

\*\* Represents Membership/ Chairmanship of Audit Committee and/ or Investors Grievance Committee of Indian Public Limited Companies.

### COMMITTEES OF THE BOARD

The Board of Directors have constituted two Committees of the Board - the Audit Committee and the Investor Services Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Signed minutes of Board Committee meetings are placed for the information of the Board. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

#### A. AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of the operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- investigate any activity within its terms of reference and to seek any information from any employee;
- obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role 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 statements are correct, sufficient and credible;
- Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;
- Reviewing with the management the financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices
  - Major accounting entries based on exercise of judgment by management
  - Qualifications, if any, in the draft audit report

## REPORT ON CORPORATE GOVERNANCE

- Significant adjustments arising out of audit
- The going concern assumption
- Compliance with Accounting Standards
- Compliances with Stock Exchange and legal requirements concerning financial statements
- Related party transactions
- Report of the Directors & Management Discussion and Analysis;
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity or 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 after conclusion of the audit, to ascertain any areas of concern and review the comments contained in their management letter;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults, if any, in payment to 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 the Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

### Composition

The Audit Committee presently comprises four Non-Executive Directors, three of whom are Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director. Representative of Statutory Auditors is a Permanent Invitee to the Audit Committee.

All members of the Committee are financially literate and two members have accounting and financial management expertise. The names of the members of the Audit Committee, including its Chairman, are provided under the section 'Board of Directors & Committees' in the Report and Accounts.

### Meetings and Attendance

During the financial year ended 31st March, 2014, three meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	25th April, 2013	4	3
2	12th November, 2013	4	4
3	5th February, 2014	4	4

Attendance at Audit Committee Meetings held during the financial year:

Director	No. of meetings attended
Rohit C Mehta	2
C K Koshy	3
M Narayanan	3
S C Sekhar	3

## REPORT ON CORPORATE GOVERNANCE

### B. INVESTOR SERVICES COMMITTEE

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

#### Composition

The Investor Services Committee presently comprises three Directors. The names of the members of the Investor Services Committee, including its Chairman, are provided under the section 'Board of Directors & Committees' in the Report and Accounts.

#### Meetings and Attendance

During the financial year ended 31st March, 2014, four meetings of the Investor Services Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	25th April, 2013	3	3
2	13th August, 2013	3	3
3	12th November, 2013	3	3
4	5th February, 2014	3	3

Attendance at Investor Services Committee Meetings held during the financial year:

Director	No. of meetings attended
S C Sekhar	4
C K Koshy	4
Arun Pathak	4

#### Remuneration of Directors

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and Committees thereof. The sitting fees as determined by the Board is presently ₹ 5,000/- for each meeting of the Board and Committee.

Details of sitting fees paid to the Directors for the financial year ended 31st March, 2014:

Director	Sitting Fees (Amount in ₹)
C K Koshy	55,000/-
Rohit C Mehta	20,000/-
M Narayanan	30,000/-

#### Directors' Shareholding

Shareholding of the Directors in the Company as on 31st March, 2014:

Director	No. of Equity Shares of ₹ 10/- each held singly/ jointly
Nakul Anand	200
S C Sekhar	500
C K Koshy	Nil
M Narayanan	Nil
Rohit C Mehta	Nil
Arun Pathak	Nil

### 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**
- Inter-se relationships between Directors of the Company: **None**
- Material financial and commercial transactions of senior management, where they may have had personal interest, and which had potential conflict with the interest of the Company at large: **None**
- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges.

## REPORT ON CORPORATE GOVERNANCE

### MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, the quarterly results of the Company were announced within forty five days of the end of each quarter for the first three quarters. The audited annual results alongwith the results for the fourth quarter were announced within sixty days of the end of the financial year. Such results are normally published in 'The Financial Express' (all editions) including its Gujarati edition. All these results, including the entire Report and Accounts, information relating to shareholding pattern, compliance with corporate governance norms etc. are posted on Company's website [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in).

The Report of the Directors, forming part of the Report and Accounts, includes all aspects of the Management Discussion and Analysis Report.

### CODE OF CONDUCT

The Code of Conduct, as adopted by the Board of Directors, is applicable to Directors, senior management and employees of the Company. The Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Code covers Company's commitment to sustainable development, concern for occupational health, safety and environment, transparency and auditability, legal compliance and the philosophy of leading by personal example. The Code is available on the Company's website.

#### Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2014.

Place : Gurgaon  
Date : 15th April, 2014

Nakul Anand  
Chairman

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company's Code of Conduct for Prevention of Insider Trading, as approved by the Board of Directors, inter alia, prohibits purchase/ sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The said Code is available on the website of the Company.

### NON-MANDATORY RECOMMENDATIONS UNDER CLAUSE 49 OF THE LISTING AGREEMENT

The status of compliance with the non-mandatory recommendations of Clause 49 of the Listing Agreement with Stock Exchanges is provided below:

- 1. Non-Executive Chairman's Office:** The Company has a Non-Executive Chairman but he does not maintain any separate office, hence no expense in this regard is being incurred by the Company.
- 2. Tenure of Independent Directors:** No maximum tenure for Independent Directors has been prescribed by the Board.
- 3. Remuneration Committee:** The Company does not have a Remuneration Committee.
- 4. Shareholder Rights:** The quarterly, half-yearly and annual financial results of the Company are published in newspapers on an all India basis and are also posted on the Company's website [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in). The complete Annual Report is sent to every Shareholder of the Company.
- 5. Audit Qualifications:** It is always the Company's endeavour to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year ended 31st March, 2014.
- 6. Training of Board Members:** The Board is equipped to perform its role of business assessment through inputs from time to time. Directors are fully briefed on all business related matters, risk assessment & minimisation procedures, and new initiatives proposed by the Company.
- 7. Mechanism for evaluation of Non-Executive Directors:** The role of the Board of Directors is to provide direction and exercise overall supervision to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Company does not have any formal system for evaluating Non-Executive Directors.
- 8. Whistle-Blower Policy:** The Company encourages an open door policy where employees have access to the Head of the Business/ Function. In terms of the Company's Code of Conduct, any instance of non-adherence to the Code/ any other observed unethical behaviour is to be brought to the attention of the immediate reporting authority, who is required to report the same to the Human Resources Manager.

### GENERAL SHAREHOLDER INFORMATION

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

### COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors' Certificate, as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges, that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Directors & Management Discussion and Analysis. This Certificate will be forwarded to the Stock Exchanges alongwith the Annual Report of the Company.





# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

### AGM Details

<b>Date</b>	Monday, 29th September, 2014
<b>Venue</b>	WelcomHotel Vadodara, R C Dutt Road, Alkapuri Vadodara - 390 007
<b>Time</b>	11.00 a.m.
<b>Book Closure Dates</b>	Tuesday, 16th September, 2014 to Monday, 29th September, 2014 (both days inclusive)
<b>Dividend Payment Date</b>	Monday, 6th October, 2014

### Registrars & Share Transfer Agents

Messrs MCS Limited is the Registrars and Share Transfer Agents ('RTA') of the Company for carrying out share registration and other related activities of the Company.

### Address for Correspondence

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

Telephone no. : 0265-2339397  
Facsimile no. : 0265-2341639  
E-mail : mcsltbaroda@yahoo.com

Shareholders holding shares in the electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

### Compliance Officer

Rohan Singh, Unit Financial Controller, is the Compliance Officer under Clause 47 of the Listing Agreement with Stock Exchanges.

### Share Transfer Committee

The Share Transfer Committee of the Company generally meets once in ten days for approving share transfers. The processing activities with respect to requests received for share transfers are completed within the statutory time prescribed. There were no share transfers pending as on 31st March, 2014. The Committee met twenty-five times during the financial year.

The Share Transfer Committee comprises the following:

<b>Raghunathan Murali</b> General Manager	Member
<b>Rohan Singh</b> Unit Financial Controller	Member

### Dematerialisation of Shares and Liquidity

The shares of the Company are available for trading in dematerialised form under both the Depository Systems in India - NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE621C01011. The annual custody fees for the financial year 2014-15 have been paid to NSDL and CDSL, the Depositories.

As on 31st March, 2014, a total of 33,24,649 Equity Shares of the Company, which forms 87.78% of the Share Capital, stands dematerialised. The processing activities with respect to requests received for dematerialisation are completed within 15-21 days.

### Shareholder/ Investor Complaints

The Company attends to Shareholder/ Investor complaints, queries and other correspondence generally within a period of 10-15 working days except in cases where constrained by disputes or legal impediments.

The Company received no complaints during the financial year ended 31st March, 2014.

The e-mail ID earmarked for investor complaints:

**ghlinvestors@yahoo.co.in**

# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

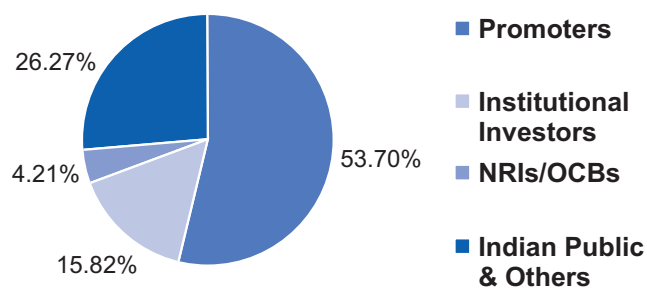
Distribution of Shareholding as on  
31st March, 2014

No. of Shares Slab	No. of Shareholders		No. of Equity Shares	
	Total	% to Share holders	Total	% to Share capital
1-500	5803	96.25	6,96,551	18.39
501-1000	148	2.45	1,21,040	3.20
1001-2000	40	0.66	57,238	1.51
2001-3000	11	0.18	26,639	0.70
3001-4000	7	0.12	23,949	0.63
4001-5000	4	0.07	17,936	0.47
5001-10000	9	0.15	55,284	1.47
10001-50000	2	0.03	34,232	0.90
50001 & above	5	0.09	27,54,646	72.73
<b>Total</b>	<b>6,029</b>	<b>100.00</b>	<b>37,87,515</b>	<b>100.00</b>

Categories of Shareholders as on  
31st March, 2014

Sl. No.	Category	No. of Shares held	% of Share holding
<b>A</b>	<b>Promoter's Holding</b>		
1	Indian Promoters		
	ITC Limited	17,33,907	45.78
<b>2</b>	<b>Persons acting in concert</b>		
	Russell Investments Limited	3,00,056	7.92
	<b>Sub Total</b>	<b>20,33,963</b>	<b>53.70</b>
<b>B</b>	<b>Non Promoters Holding</b>		
<b>3</b>	<b>Institutional Investors</b>		
a	Mutual Funds and UTI	Nil	Nil
b	Banks	200	0.01
c	Foreign Institutional Investors	5,98,465	15.81
	<b>Sub Total</b>	<b>5,98,665</b>	<b>15.82</b>
<b>4</b>	<b>Others</b>		
a	Private Corporate Bodies	1,53,155	4.04
b	Indian Public	8,35,232	22.05
c	NRIs/ OCBs	1,59,457	4.21
d	Any Other	7,043	0.18
	<b>Sub Total</b>	<b>11,54,887</b>	<b>30.48</b>
	<b>Grand Total</b>	<b>37,87,515</b>	<b>100.00</b>

### SHAREHOLDING PATTERN





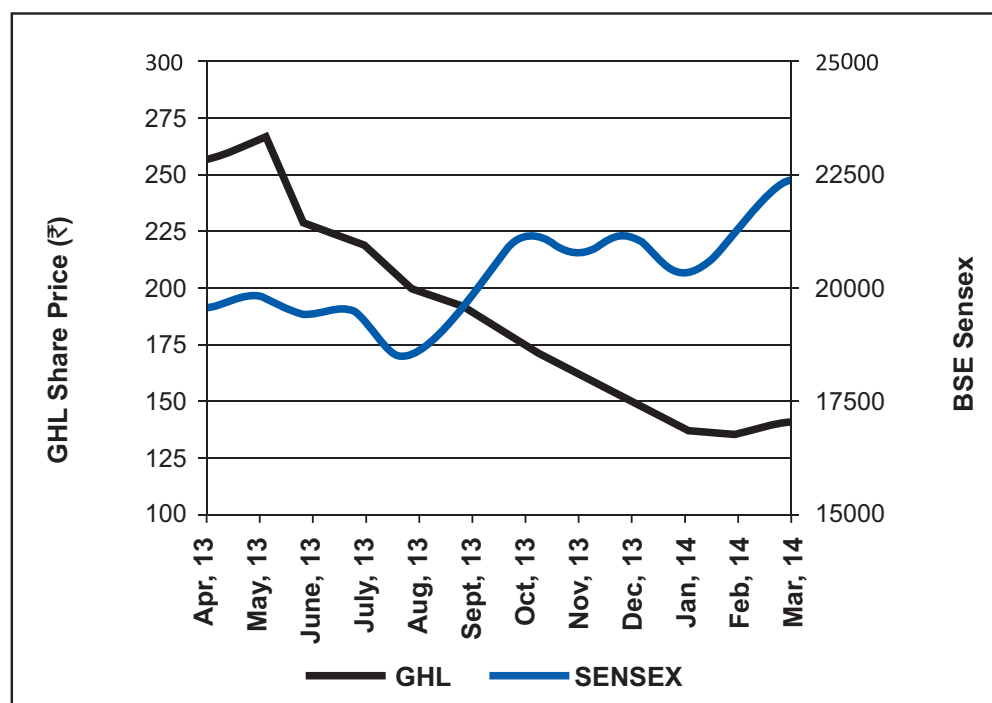
# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

Monthly High, Low and Closing quotes and Volume of Shares traded on Bombay Stock Exchange (BSE).

Bombay Stock Exchange					
Year	Month	High (₹)	Low (₹)	Close (₹)	Volume (Nos.)
2013	April	255.00	220.00	255.00	4,016
	May	268.05	211.25	265.00	3,380
	June	251.80	220.00	229.00	3,423
	July	227.95	200.00	218.85	4,670
	August	240.00	187.50	199.55	1,228
	September	206.00	173.40	192.95	1,559
	October	199.40	162.50	174.00	1,004
	November	187.00	151.60	161.55	2,282
	December	168.50	128.00	148.60	2,359
2014	January	193.90	137.55	139.45	9,675
	February	158.90	130.00	136.05	17,149
	March	154.90	124.25	137.40	28,295

## Performance in comparison to broad based indices such as BSE SENSEX



Note – Indicates monthly closing positions.

# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

### Listing of Shares on Stock Exchanges (with Stock Code)

Vadodara Stock Exchange Ltd. (107)  
Fortune Towers, 3rd Floor, Sayajigunj  
Vadodara-390 005

Telephone no. : 0265-2361534  
Fascimile no. : 0265-2361542  
E-mail : vse@d2visp.com  
Website : www.vselindia.com

BSE Limited (507960)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001  
Telephone nos. : 022-22721233/34  
Fascimile no. : 022-22721919  
E-mail : is@bseindia.com  
Website : www.bseindia.com

The Listing Fees for the financial year 2014-15 have been paid to the aforesaid Stock Exchanges.

### Financial Calendar

Financial Year 2014-15		On or Before
1	First Quarter Results	14th August, 2014
2	Second Quarter and Half - Year Results	14th November, 2014
3	Third Quarter Results	14th February, 2015
4	Fourth Quarter and Annual Results	30th May, 2015

### Particulars of Past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolution(s) Passed
31st	2012-13	WelcomHotel Vadodara	13-08-2013	11 a.m.	None
30th	2011-12	R C Dutt Road Alkapuri	08-08-2012	11 a.m.	None
29th	2010-11	Vadodara 390 007.	02-08-2011	11 a.m.	None

### Postal Ballot

No special resolution requiring a postal ballot was proposed last year. No special resolution requiring a postal ballot is being proposed for the ensuing AGM.

## SHAREHOLDER REFERENCER

### Unclaimed Dividend

Unclaimed dividend for the years prior to and

including the financial year 2005-06 has been transferred to the General Revenue Account of the Central Government/ the Investor Education and Protection Fund established by the Central Government (IEPF), as applicable.

The dividend for the undernoted years, if remaining unclaimed for 7 years, will be statutorily transferred by the Company to IEPF in accordance with the schedule given below. Details of such unclaimed dividend are available on the Company's website under the section 'Financial Reports'. Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek issue of duplicate warrant(s) by writing to the Company confirming non-encashment/ non-receipt of dividend warrant(s).

Financial Year	Date of Declaration of Dividend	Due for Transfer to IEPF on
2006-07	20th July, 2007	26th August, 2014*
2007-08	22nd July, 2008	28th August, 2015
2008-09	28th July, 2009	3rd September, 2016
2009-10	27th July, 2010	2nd September, 2017
2010-11	2nd August, 2011	8th September, 2018
2011-12	8th August, 2012	14th September, 2019
2012-13	13th August, 2013	19th September, 2020

\*It will not be possible to entertain any claim received by the Company after 23rd August, 2014.

### Service of documents through Electronic Mode

The Report and Accounts has been sent in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the remaining Shareholders. Shareholders who are yet to register their e-mail addresses with the Company or with the Depository are once again requested to register the same. The form for such registration can be downloaded from the Company's website [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in).



## SHAREHOLDER INFORMATION

### Permanent Account Number (PAN)

Shareholders holding shares in the physical form are advised that it is mandatory to furnish copy of PAN card in the following cases :

- i) Transferees' PAN Cards for transfer of shares,
- ii) Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,
- iii) Legal heirs' PAN Cards for transmission of shares, and
- iv) Joint holders' PAN Cards for transposition of shares.

### Remittance of Dividend through Electronic Mode

The Company provides the facility for remittance of dividend to Shareholders through NECS (National Electronic Clearing Service)/ RTGS (Real Time Gross Settlement)/ NEFT (National Electronic Funds Transfer). Shareholders who have not yet availed the NECS/ RTGS/ NEFT facility and wish to avail the same may have their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) number updated with their respective Depository Participants (DPs) or RTA where shares are held in the dematerialised form and in the physical form, respectively. A mandate form for such updation can be downloaded from the Company's website [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in).

### Depository Services

Shareholders may write to the RTA or to their respective Depositories for guidance on depository services.

### Address for Correspondence with Depositories

National Securities Depository Limited  
Trade World, 'A' Wing, 4th & 5th Floors  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai 400 013  
Telephone no. : 022-24994200  
Facsimile no. : 022-24976351  
E-mail : [info@nsdl.co.in](mailto:info@nsdl.co.in)  
Website : [www.nsdl.co.in](http://www.nsdl.co.in)

Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers,  
17th Floor, Dalal Street, Fort,  
Mumbai 400 001  
Telephone no. : 022-22723333  
Facsimile no. : 022-22723199  
E-mail : [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com)  
Website : [www.cdslindia.com](http://www.cdslindia.com)

Shareholders holding shares in the dematerialised form shall address their correspondence except those relating to dividend, to their respective Depository Participants.

### Nomination Facility

Shareholders who hold shares in the physical form and wish to make any nomination/ change nomination made earlier in respect of their shareholding in the Company, should submit to the RTA the prescribed Forms; such Form can be downloaded from the Company's website under the section 'Financial Reports'.



# GUJARAT HOTELS LIMITED

## REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2014

Your Directors submit their Report for the financial year ended 31st March, 2014.

#### FINANCIAL PERFORMANCE

During the year under review, your Company earned a licence fee of ₹ 299.64 lakhs (previous year ₹ 335.11 lakhs) showing a de-growth of over 11% over last year. However, other income of your Company grew by over 12% to ₹ 151.03 lakhs (previous year ₹ 134.47 lakhs). Post tax profits at ₹ 327.14 lakhs (previous year ₹ 334.40 lakhs) registered a de-growth of 2%. During the year, the portfolio of your Company's investments were rebalanced to increase the quantum of long-dated Fixed Maturity Plans thereby yielding enhanced returns. All investment decisions in deployment of surplus funds continue to be guided by the tenets of Safety, Liquidity and Return.

Despite negative growth, your Directors are pleased to recommend a dividend of ₹ 3.50 per equity share of ₹ 10/- each for the year ended 31st March, 2014, thereby maintaining last year's dividend and involving a cash flow of ₹ 155.09 lakhs including Dividend Distribution Tax of ₹ 22.53 lakhs. Your Board further recommends a transfer to General Reserve of ₹ 32.71 lakhs (previous year ₹ 33.44 lakhs). Consequently, your Board recommends leaving an unappropriated balance in the Statement of Profit & Loss of ₹ 1259.20 lakhs (previous year ₹ 1119.87 lakhs).

#### HOTEL OPERATIONS

The hospitality sector continued to be adversely impacted by the weak economic environment prevailing in major international source markets and within India on the one hand, and significant additions to room supplies in key Indian cities on the other. During the year, the domestic tourism industry remained sluggish with foreign tourist arrivals and domestic air travel growing at a modest 4.7% and 5.2% respectively. Your Company's hotel WelcomHotel Vadodara, licenced to ITC Limited, continued to retain its premier positioning in the city of Vadodara but operational performance was impacted mainly on account of the relatively weak pricing scenario and increase in operating costs in an inflationary environment. However, the long-term outlook for the Indian Hotel Industry remains positive with prospects of revival in the global and domestic economy.

During the year, your Company's Hotel leveraged its 'Lean' and 'Six Sigma' programmes to improve business efficiencies. This will further enhance

capability to create superior customer value through a service excellence framework.

Your Company is pursuing the arbitration proceedings in a bid to settle the pending lease revision with respect to land on which your hotel is built. Arguments are on going before the Arbitrator. Your Company has filed a writ petition in the Gujarat High Court seeking that the Gujarat State Government be directed to take action on your Company's application to have the leasehold land of the Hotel converted to freehold and transferred to your Company as per the existing government policy in this regard.

Foreign exchange earnings of the hotel during the year were ₹ 966 lakhs as against ₹ 1187 lakhs in the previous year. During the year, your hotel's expenditure in foreign currency amounted to ₹ 2.06 lakhs (previous year ₹ 49.36 lakhs).

#### CONSERVATION OF ENERGY

Considering the fact that the Company's hotel is under an operating licence with ITC Limited, no comment is made on conservation of energy. However, the hotel continues to focus on energy conservation, safety and environment.

#### EMPLOYEES

Your Directors wish to record their sincere appreciation of the efforts made and the support rendered by the employees of the Company. Your Company's total manpower strength as deployed in the Company's hotel is 188.

None of the employees fall under the purview of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

#### DIRECTORS

In accordance with the provisions of Article 147 of the Articles of Association of the Company, Mr Chandrasekhar Subrahmanyam will retire by rotation at the ensuing Annual General Meeting of your Company and, being eligible, offers himself for re-election. The Board has recommended his re-election.

#### COMPLIANCE CERTIFICATE UNDER COMPANIES ACT, 1956

A certificate issued by Messrs H M Mehta & Associates, Company Secretaries, in terms of the provisions of Section 383A of the Companies Act, 1956, to the effect that the Company has complied with



# GUJARAT HOTELS LIMITED

## REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

the applicable provisions of the said Act is attached to this Report.

### AUDITORS

Messrs Talati & Talati, Statutory Auditors, retire at the ensuing Annual General Meeting have confirmed their eligibility and have offered themselves for re-appointment as Statutory Auditors. In accordance with Section 139 of the Companies Act, 2013, your Directors have recommended for your approval the appointment of Messrs Talati & Talati as the Statutory Auditors of the Company for a period of three years.

### OTHER INFORMATION

The certificate of the Auditors, Messrs Talati & Talati, confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed to the Report.

The Audit Committee of the Company reviewed the financial statements for the year under review at its meeting held on 15th April, 2014 and recommended them for the approval of the Board of Directors.

### DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- (i) followed in the preparation of the Annual Accounts the applicable accounting standards along with proper explanations relating to material departures, if any;
- (ii) selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- (iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- (iv) prepared the Annual Accounts on a going concern basis.

On behalf of the Board

Chandrasekhar  
Subrahmoneyan  
Director

Arun Pathak  
Director

Place : Gurgaon

Date : 15th April, 2014

## ANNEXURE TO THE REPORT OF THE DIRECTORS

### CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA

#### CERTIFICATE

To the Members of Gujarat Hotels Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Hotels Limited for the year ended on 31st March, 2014, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchange(s).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Talati & Talati  
Chartered Accountants  
Firm's Registration No. 110758W

CA S R Parikh  
Partner/M No. 007275

Place : Gurgaon  
Date : 15th April, 2014



# GUJARAT HOTELS LIMITED

## ANNEXURE TO THE REPORT OF THE DIRECTORS

### COMPLIANCE CERTIFICATE TO THE MEMBERS

**CIN: L55100GJ1982PLC005408**

We have examined the registers, records, books and papers of Gujarat Hotels Limited, (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the Company, its officers and agents, I/We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public Limited Company, comment is not required.
4. The Board of Directors duly met 5 (Five) times on 25.04.2013, 10.05.2013, 13.08.2013, 12.11.2013 and 05.02.2014 in respect of which meetings proper notices were given and the proceedings were properly signed and recorded in the Minutes Books maintained for the purpose. There was no circular resolution passed during the financial year.
5. The Company closed its Register of Members from 30.07.2013 to 13.08.2013 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 13.08.2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members and previous approval of the Central Government, as the case may be.
12. The duly constituted Committee of the Company has approved the issue of duplicate share certificates during the financial year.
13. (i) There was no allotment of securities during the financial year. The Company has delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provision of the Act.
- (ii) The Company has deposited amount of dividend declared in a separate bank account in the name and style of "Gujarat Hotels Limited - Dividend Account 2012-2013" opened with IDBI Bank Ltd., Specialised Corporate Branch, Baroda on 13.08.2013, which is within five days from the date of declaration of such dividend.
- (iii) The Company has posted dividend warrants for the dividends to all the members within a period of thirty days from the date of such declaration and that all unclaimed/ unpaid dividend has been kept in the aforesaid account with the change of its nomenclature being "Gujarat Hotels Limited - Unpaid Dividend Account 2012-2013".
- (iv) During the financial year, the Company has transferred the amounts of unpaid dividend for the financial year 2005-2006 which remained unclaimed or unpaid for a period of seven years, to Investor Education and Protection Fund.
- (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/ Whole Time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Director pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures, or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares, pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loans, investments or advances or given guarantees or provided securities to





# GUJARAT HOTELS LIMITED

## ANNEXURE TO THE REPORT OF THE DIRECTORS

other bodies corporate and consequently no entries have been made in the register kept for the purpose.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and

employer's contribution to Provident fund with prescribed authorities pursuant to Section 418 of the Act.

Place : Vadodara  
Date : 14.04.2014

Hemang M. Mehta  
C. P. No.: 2554

### Annexure A

#### Registers as maintained by the Company

Register of Members u/s. 150  
Register and Returns u/s. 163  
Minutes Books of Board Meetings, Committee Meetings and Shareholders Meetings u/s. 193  
Books of Accounts u/s. 209  
Register of Particulars of Contracts in which Directors are interested u/s. 301  
Register of Directors, Managing Director and Secretary u/s. 303  
Register of Directors' Shareholdings u/s. 307  
Register of Directors' Attendance  
Register of Shareholders' Attendance  
Register of Transfer/ Transmission of shares  
Register of Renewed and Duplicate Certificates

Place : Vadodara  
Date : 14.04.2014

Hemang M. Mehta  
C. P. No.: 2554

### ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies and Central Government during the financial year ended on 31st March, 2014.

Sl. No.	Form No./ Return	Filed under Section	For	Date of filing & Receipt No.	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1	Form No. 66	383A(1) and Pursuant to Rule 3 of the Companies (Compliance certificate Rule 2001)	Compliance Certificate of Practicing Company Secretary for the FY 2012-13	30.08.13 Q10605954	Yes	No
2	Form No. 1 INV	Rule 3 of IEPF (Awareness and Protection of Investors) Rules, 2001	Unpaid amounts in the dividend account of the Company relating to FY 2005-06, credited to IEPF.	23.09.13 B85137610	Yes	No
3	Form No. 20B	159(1)	Filing of Annual Return in relation to AGM held on 13.08.2013	07.10.13 Q12455283	Yes	No
4	Form No. 23AC & ACA (XBRL)	220(1)	Filing of Annual Accounts for the FY ended 31.03.13	10.09.13 Q10974749	Yes	No
5	Form No. 5INV	Rule 3 of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Filing of Statement of unclaimed and unpaid amounts of dividend for the financial year ended 2012-13.	10.12.13 S28482164	No	Not Applicable

Place : Vadodara  
Date : 14.04.2014

Hemang M Mehta  
C. P. No.: 2554



# GUJARAT HOTELS LIMITED

## BALANCE SHEET

As at 31st March, 2014

Amount in ₹

Particulars	Note	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	3,78,75,150	3,78,75,150
(b) Reserves and Surplus	2	15,34,43,788	13,62,39,383
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities	3	56,75,524	58,53,075
(b) Long Term Provisions	4	10,80,533	11,12,669
<b>(3) Current Liabilities</b>			
(a) Trade Payables	5	1,40,418	1,16,255
(b) Other Current Liabilities	6	64,49,374	57,14,390
(c) Short Term Provisions	7	1,56,12,353	1,55,58,543
<b>Total</b>		<b>22,02,77,140</b>	<b>20,24,69,465</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets - Tangible Assets	8	1,78,10,443	1,83,92,982
(b) Long Term Loans and Advances	9	44,37,051	42,27,408
<b>(2) Current Assets</b>			
(a) Current Investments	10	15,41,50,000	13,90,52,165
(b) Trade Receivables	11	84,67,515	79,23,917
(c) Cash and Bank Balances	12	2,44,85,814	2,40,87,016
(d) Short Term Loans and Advances	13	3,62,521	3,53,416
(e) Other Current Assets	14	1,05,63,796	84,32,561
<b>Total</b>		<b>22,02,77,140</b>	<b>20,24,69,465</b>

The accompanying notes 1 to 21 are an integral part of the Financial Statements.

In terms of our report of even date

For Talati & Talati  
Chartered Accountants  
Firm's Registration No. 110758W

CA S R Parikh  
Partner  
M.No. 007275

Place : Gurgaon  
Date : 15th April, 2014

On behalf of the Board

Chandrasekhar Subrahmoneyan  
Director

Arun Pathak  
Director



# GUJARAT HOTELS LIMITED

## STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2014

Amount in ₹

Particulars	Note	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>REVENUE</b>			
Revenue from Operations	15	2,99,63,657	3,35,11,222
Other Income	16	1,51,03,473	1,34,47,350
<b>Total Revenue</b>		<b>4,50,67,130</b>	<b>4,69,58,572</b>
<b>EXPENSES</b>			
Employee Benefits Expense	17	1,47,503	1,29,099
Depreciation and Amortization Expense		4,94,988	4,95,167
Other Expenses	18	21,58,303	21,13,923
<b>Total Expenses</b>		<b>28,00,794</b>	<b>27,38,189</b>
<b>Profit Before Tax</b>		<b>4,22,66,336</b>	<b>4,42,20,383</b>
Tax Expense:			
Current Tax		97,30,270	1,09,32,510
Deferred Tax Liability/(Asset)		(1,77,551)	(1,52,488)
<b>Profit for the year</b>		<b>3,27,13,617</b>	<b>3,34,40,361</b>
Earning per Equity Share (Face Value ₹ 10/- each):	19		
Basic		8.64	8.83
Diluted		8.64	8.83

The accompanying notes 1 to 21 are an integral part of the Financial Statements.

In terms of our report of even date

For Talati & Talati  
Chartered Accountants  
Firm's Registration No. 110758W

CA S R Parikh  
Partner  
M.No. 007275

Place : Gurgaon  
Date : 15th April, 2014

On behalf of the Board

Chandrasekhar Subrahmoneyan  
Director

Arun Pathak  
Director



# GUJARAT HOTELS LIMITED

## CASH FLOW STATEMENT

For the year ended 31st March, 2014

Amount in ₹

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAX	4,22,66,336	4,42,20,383
Adjustments for :		
Depreciation and Amortization Expense	4,94,988	4,95,167
Interest Income	(21,70,512)	(19,64,073)
Dividend Income from Current Investments	(5,68,382)	(5,30,215)
(Profit)/ Loss From Sale of Fixed Assets	(1,06,299)	11,145
Net Gain on Sale of Current Investments	(1,22,58,280)	(1,09,53,062)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,76,57,851	3,12,79,345
Adjustments for :		
(Increase)/ Decrease in Trade Receivables, Loans & Advances and Other Assets	(9,20,766)	(13,95,423)
Increase/ (Decrease) in Trade Payables, Other Liabilities & Provisions	3,77,683	1,26,110
CASH GENERATED FROM OPERATIONS	2,71,14,768	3,00,10,032
Income Tax Paid	(97,22,861)	(1,09,56,689)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,73,91,907</b>	<b>1,90,53,343</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale of Fixed Assets	1,93,850	2,900
Purchase of Current Investments	(32,27,00,000)	(26,29,42,165)
Sale/ Redemption of Current Investments	31,98,60,445	25,79,68,112
Dividend Income from Current Investments Received	5,68,382	5,30,215
Interest Received	1,90,288	1,04,319
(Increase)/ Decrease in Deposits	-	(3,97,116)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(18,87,035)</b>	<b>(47,33,735)</b>
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(1,32,56,303)	(1,23,09,424)
Income Tax on Dividend Paid	(22,52,909)	(19,96,896)
Net Increase in Statutory Restricted Accounts Balances	4,03,138	3,92,660
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,51,06,074)</b>	<b>(1,39,13,660)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,98,798</b>	<b>4,05,948</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>2,40,87,016</b>	<b>2,36,81,068</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>2,44,85,814</b>	<b>2,40,87,016</b>

**NOTES:**

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".
- (2) Cash and Cash Equivalents include balance of ₹ 42,36,600/- (2013 - ₹ 38,33,462/-) in Statutory Restricted Accounts which are not available for use by the Company.

The accompanying notes 1 to 21 are an integral part of the Financial Statements.

In terms of our report of even date

For Talati & Talati  
Chartered Accountants  
Firm's Registration No. 110758W

CA S R Parikh  
Partner  
M.No. 007275

Place : Gurgaon  
Date : 15th April, 2014

On behalf of the Board

Chandrasekhar Subrahmoneyan  
Director

Arun Pathak  
Director



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 SHARE CAPITAL

Particulars	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (₹)	As at 31st March, 2013 (No. of Shares)	As at 31st March, 2013 (₹)
<b>Authorised</b> Equity Shares of ₹10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
<b>Issued, Subscribed and Paid up</b> Equity Shares of ₹10/- each, fully paid	37,87,515	3,78,75,150	37,87,515	3,78,75,150

#### A) Reconciliation of the number of Equity Shares outstanding

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
No. of Shares outstanding at the beginning of the year	37,87,515	37,87,515
Add : No. of Shares issued during the year	-	-
Less : No. of Shares Bought Back during the year	-	-
No. of Shares outstanding at the end of the year	37,87,515	37,87,515

#### B) Shareholders holding more than 5% of Equity Shares in the Company

Particulars	As at 31st March, 2014	
	No. of shares	% holding
ITC Limited	17,33,907	45.78%
Orange Mauritius Investments Limited	3,40,756	9.00%
Russell Investments Limited	3,00,056	7.92%
Asia Advantage Fund	2,57,709	6.80%

Particulars	As at 31st March, 2013	
	No. of shares	% holding
ITC Limited	17,33,907	45.78%
Orange Mauritius Investments Limited	3,40,756	9.00%
Russell Investments Limited	3,00,056	7.92%
Asia Advantage Fund	2,49,572	6.59%

#### C) Rights, Preferences and Restrictions attached to the Equity Shares

The Equity Shares of the Company, having par value of ₹ 10 per share, rank pari passu in all respects including entitlement to dividend. Repayment of Capital in the event of the winding up of the Company will inter alia be subject to the provisions of the Articles of Association of Company and as may be as determined by the Company in General Meeting, prior to such winding up.





# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	As at 31st March, 2014		As at 31st March, 2013	
<b>2 RESERVES AND SURPLUS</b>				
<b>General Reserve</b>				
At the beginning of the year	2,42,52,300		2,09,08,264	
Add : Transfer from Surplus in Statement of Profit and Loss	32,71,362		33,44,036	
At the end of the year		2,75,23,662		2,42,52,300
<b>Surplus in Statement of Profit and Loss</b>				
At the beginning of the year	11,19,87,083		9,73,99,970	
Add : Profit for the year	3,27,13,617		3,34,40,361	
Less : Transfer to General Reserve	32,71,362		33,44,036	
Less : Proposed Dividend [₹ 3.50 (2013 - ₹ 3.50) per share]	1,32,56,303		1,32,56,303	
Less : Income Tax on Proposed Dividend	22,52,909		22,52,909	
At the end of the year		12,59,20,126		11,19,87,083
<b>TOTAL</b>		<b>15,34,43,788</b>		<b>13,62,39,383</b>
<b>3 DEFERRED TAX LIABILITY</b>				
Depreciation - Timing Difference		56,75,524		58,53,075
<b>TOTAL</b>		<b>56,75,524</b>		<b>58,53,075</b>
<b>4 LONG TERM PROVISIONS</b>				
Provision for Employee Benefits -Retirement Benefits		10,80,533		11,12,669
<b>TOTAL</b>		<b>10,80,533</b>		<b>11,12,669</b>
<b>5 TRADE PAYABLES</b>				
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,40,418		1,16,255
<b>TOTAL</b>		<b>1,40,418</b>		<b>1,16,255</b>
<b>6 OTHER CURRENT LIABILITIES</b>				
Unpaid Dividend*		42,36,600		38,33,462
Employee Related		21,90,162		18,37,616
Statutory Dues/ Obligations		22,612		43,312
<b>TOTAL</b>		<b>64,49,374</b>		<b>57,14,390</b>
* Represents dividend amounts not claimed, to be transferred to Investor Education and Protection Fund when due.				
<b>7 SHORT TERM PROVISIONS</b>				
Provision for Employee Benefits -Retirement Benefits		1,03,141		49,331
Proposed Dividend		1,32,56,303		1,32,56,303
Income Tax on Proposed Dividend		22,52,909		22,52,909
<b>TOTAL</b>		<b>1,56,12,353</b>		<b>1,55,58,543</b>

\* Represents dividend amounts not claimed, to be transferred to Investor Education and Protection Fund when due.

## NOTES TO THE FINANCIAL STATEMENTS

8 FIXED ASSETS - Tangible Assets*		Amount in ₹					
Particulars	Gross Block			Depreciation		Net Book Value	
	Original Cost As at 31st March, 2013	Additions	Withdrawals and adjustments	As at 31st March, 2014	Upto 31st March, 2013	For the year	On Withdrawals and adjustments
Buildings	3,03,67,639	-	-	3,03,67,639	1,30,78,406	4,94,988	-
Plant and Equipment	1,93,18,094	-	18,74,930	1,74,43,164	1,83,54,025	-	17,87,379
Furniture and Fixtures	27,69,383	-	-	27,69,383	26,31,803	-	-
Office Equipment	69,892	-	-	69,892	67,792	-	-
<b>TOTAL</b>	5,25,25,008	-	18,74,930	5,06,50,078	3,41,32,026	4,94,988	17,87,379
Previous Year	5,26,11,823	-	86,815	5,25,25,008	3,37,09,629	4,95,167	72,770

\*All the above assets are given on Operating Lease

## 9 LONG TERM LOANS AND ADVANCES

Particulars	Amount in ₹	
	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured, considered good</b>		
Deposits with Government, Public Bodies and others	23,28,947	23,28,947
Advance Tax Paid (Net of Provisions)	21,08,104	18,98,461
<b>TOTAL</b>	<b>44,37,051</b>	<b>42,27,408</b>

**NOTES TO THE FINANCIAL STATEMENTS**
**10 CURRENT INVESTMENTS (at lower of cost and fair value)**

Amount in ₹

Sl. No.	Investments in Mutual Funds	As at 31st March, 2014		As at 31st March, 2013	
	Name of Plan	Quoted	Unquoted	Quoted	Unquoted
1	BSL-Fixed Term Plan Series Gx - Growth 9,50,000 Units (2013 - Nil) of ₹ 10/- each	95,00,000	-	-	-
2	HDFC FMP 372D Dec 2013(2) - Growth 1,00,000 Units (2013 - Nil) of ₹ 10/- each	10,00,000	-	-	-
3	HDFC FMP 371D Dec 12(1) - Growth - Series 23 Nil (2013 - 83,30,000) Units of ₹ 10/- each	-	-	8,33,00,000	-
4	HDFC FMP 369 D Jan 2014(1) - Growth 20,00,000 Units (2013 - Nil) of ₹ 10/- each	2,00,00,000	-	-	-
5	HDFC FMP 370 D Feb 2014(1) - Growth 11,00,000 Units (2013 - Nil) of ₹ 10/- each	1,10,00,000	-	-	-
6	Kotak FMP Series 96 - Growth Nil (2013 - 14,00,000) Units of ₹ 10/- each	-	-	1,40,00,000	-
7	ICICI Prudential FMP Series 72-368D Plan D - Growth 20,00,000 Units (2013 - Nil) of ₹ 10/- each	2,00,00,000	-	-	-
8	JP Morgan Indian FMP - Series 31 - Growth 11,00,000 Units (2013-Nil) of ₹ 10/- each	1,10,00,000	-	-	-
9	Reliance Fixed Horizon Fund - XXVI Series 6 - Growth 55,000 Units (2013 - Nil) of ₹ 10/- each	5,50,000	-	-	-
10	Reliance Fixed Horizon Fund - XXV Series 14 - Growth 10,00,000 (2013 - Nil) Units of ₹ 10/- each	1,00,00,000	-	-	-
11	Reliance Fixed Horizon Fund - XXV Series 10 - Growth 2,60,000 (2013 - Nil) Units of ₹ 10/- each	26,00,000	-	-	-
12	Reliance Fixed Horizon Fund - XXV Series 8 - Growth 2,00,000 (2013 - Nil) Units of ₹ 10/- each	20,00,000	-	-	-
13	Reliance Interval Fund II - Series 3 - Growth 2,00,000 (2013 - Nil) Units of ₹ 10/- each	20,00,000	-	-	-
14	Reliance Liquid Fund - Treasury Plan Daily Dividend Option Nil (2013 - 819.083) Units of ₹ 1528.74/- each	-	-	12,52,165	-
15	Reliance Fixed Horizon Fund - XXII Series 7 - Growth Nil (2013 - 13,50,000) Units of ₹ 10/- each	-	-	1,35,00,000	-
16	Reliance Fixed Horizon Fund - XXII Series 35 - Growth Nil (2013 - 5,00,000) Units of ₹ 10/- each	-	-	50,00,000	-
17	TATAFMP Series 43 Scheme D - Plan A - Growth 50,000 Units (2013 - Nil) of ₹ 10/- each	5,00,000	-	-	-
18	TATAFMP Plan SR 46 Scheme I - Plan A - Growth 40,00,000 Units (2013 - Nil) of ₹ 10/- each	4,00,00,000	-	-	-
19	TATAFMP Plan SR 46 Scheme S - Plan A - Growth 24,00,000 Units (2013 - Nil) of ₹ 10/- each	2,40,00,000	-	-	-
20	UTI Fixed Term Income Fund Series XIV - I - Growth Nil (2013 - 22,00,000) Units of ₹ 10/- each	-	-	2,20,00,000	-
Aggregate amount of quoted and unquoted Investments		15,41,50,000	-	13,90,52,165	-
<b>TOTAL CURRENT INVESTMENTS</b>			<b>15,41,50,000</b>		<b>13,90,52,165</b>
Market Value of Quoted Investments		15,72,76,996		14,19,83,715	



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>11 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others		
Unsecured, considered good	84,67,515	79,23,917
<b>TOTAL</b>	<b>84,67,515</b>	<b>79,23,917</b>
<b>12 CASH AND BANK BALANCES</b>		
Balances with Banks		
Current Accounts	1,45,696	1,50,036
Earmarked Balances	42,36,600	38,33,462
On Deposit Accounts with original maturity greater than 12 months	2,01,03,518	2,01,03,518
<b>TOTAL</b>	<b>2,44,85,814</b>	<b>2,40,87,016</b>
<b>13 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Advances recoverable in cash or in kind for value to be received	3,62,521	3,53,416
<b>TOTAL</b>	<b>3,62,521</b>	<b>3,53,416</b>
<b>14 OTHER CURRENT ASSETS</b>		
Interest accrued on Deposits	71,83,117	54,19,945
Others - Unsecured, considered good	33,80,679	30,12,616
<b>TOTAL</b>	<b>1,05,63,796</b>	<b>84,32,561</b>

Amount in ₹

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>15 REVENUE FROM OPERATIONS</b>		
Operating License Fees	2,99,63,657	3,35,11,222
<b>TOTAL</b>	<b>2,99,63,657</b>	<b>3,35,11,222</b>
<b>16 OTHER INCOME</b>		
Interest Income*	21,70,512	19,64,073
Dividend Income from Current Investments	5,68,382	5,30,215
Net Gain on Sale of Current Investments	1,22,58,280	1,09,53,062
Gain on Disposal of Fixed Assets	1,06,299	-
<b>TOTAL</b>	<b>1,51,03,473</b>	<b>1,34,47,350</b>

\*The income from interest is stated gross, the amount of income tax deducted is ₹ 2,17,052/- (2013- ₹ 1,94,764/-)



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>17 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries/ Wages and Bonus	2,67,76,046	2,47,88,812
Contribution to Provident Fund	14,53,326	14,65,325
Contribution to Other Funds	17,90,863	18,41,082
Workmen and Staff Welfare Expenses	43,55,138	42,15,115
	<u>3,43,75,373</u>	<u>3,23,10,334</u>
Less: Recoveries made	<u>(3,42,27,870)</u>	<u>(3,21,81,235)</u>
<b>TOTAL</b>	<b><u>1,47,503</u></b>	<b><u>1,29,099</u></b>
<b>18 OTHER EXPENSES</b>		
Advertising/ Sales Promotion	1,66,660	2,65,778
Legal & Professional Charges	4,76,877	2,04,608
Travelling & Conveyance	8,53,389	8,90,511
Postage, Telephone, Stationery etc.	1,86,886	68,607
Miscellaneous Expenses	4,74,491	6,73,274
Loss on Sale of Fixed Assets - Net	-	11,145
<b>TOTAL</b>	<b><u>21,58,303</u></b>	<b><u>21,13,923</u></b>
Miscellaneous expenses includes Auditors remuneration and expenses (excluding taxes) :		
Audit Fees	30,000	30,000
Tax Audit Fees	10,000	10,000
Fees for other services	32,500	-
<b>19 EARNINGS PER EQUITY SHARE</b>		
Profit After Taxation	3,27,13,617	3,34,40,361
Number of equity shares outstanding	37,87,515	37,87,515
Basic and diluted earnings per share in ₹ (Face value ₹ 10/- per share)	8.64	8.83



## NOTES TO THE FINANCIAL STATEMENTS

### 20 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

- A) The Company was allotted 8200 sq Mtrs of land at Vadodara in 1984 and an additional land of 2548 sq mtrs in 1989 at R C Dutt Road, Alkapuri, Vadodara through GIIC for 30 years. As per the sub - lease agreement, after first 15 years the lease rent was to be fixed at 15% of the revised valuation of the land and the said revision was to be arrived at by mutual agreement between the State Government and the Company or else through arbitration. In June'10, the Company has received a demand from State Government to pay arrear lease rental (i.e. revised rentals for next 15 years of agreement) based on an arbitrary calculation. The Company has invoked arbitration in Gujarat High Court and has also applied for an interim order against the demand in the Vadodara Civil Court. The High Court of Gujarat has passed an order on July 22, 2011 appointing Hon'ble Justice C.K. Thakker (Retd.) as the sole arbitrator for this case for which the proceedings are on. Meanwhile the State Government & GIIC have confirmed in the Civil Court at Vadodara that no coercive action would be taken on the basis of demand notice against the Company. In view of the same no outflow is expected till the arbitration is decided.
- B) For the year ended 31st March 2014, dividend of ₹ 1,32,56,303/- (LY - ₹ 1,32,56,303/-) proposed to be distributed to equity shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The amount of per share dividend proposed for distribution to equity shareholders for the year ended 31st March 2014 is ₹ 3.50 per share (LY - ₹ 3.50 per share).

- C) a) Long Term Compensated Absences - as per Actuarial Valuations as on March 31, 2014 and recognised in the financial statements in respect of Employee Benefit Schemes:

Amount in ₹

Particulars		Leave Encashment (Unfunded)	
		For the year ended	
		31st March, 2014	31st March, 2013
<b>I</b>	<b>Components of Employer Expense</b>		
	1 Current Service Cost	2,17,753	2,11,185
	2 Interest Cost	92,699	74,258
	3 Expected Return on Plan Assets	-	-
	4 Curtailment Cost/ (Credit)	-	-
	5 Settlement Cost/ (Credit)	-	-
	6 Past Service Cost	-	-
	7 Actuarial Losses/ (Gains)	(24,753)	1,12,201
	8 Total expense recognised in the Statement of Profit and Loss	2,85,699	3,97,644
<b>II</b>	<b>Net Asset/ (Liability) recognised in Balance Sheet</b>		
	1 Present Value of Defined Benefit Obligation	11,83,674	11,62,000
	2 Fair Value of Plan Assets	-	-
	3 Status [Surplus/ (Deficit)]	(11,83,674)	(11,62,000)
	4 Unrecognised Past Service Cost	-	-
	5 Net Asset/ (Liability) recognised in Balance Sheet	(11,83,674)	(11,62,000)
	- Current	(1,03,141)	(49,331)
	- Non-current	(10,80,533)	(11,12,669)

**NOTES TO THE FINANCIAL STATEMENTS**
**20 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

Amount in ₹

Particulars		Leave Encashment (Unfunded)				
		For the year ended				
		31st March, 2014	31st March, 2013			
III	Change in Defined Benefit Obligations (DBO)					
	1 Present Value of DBO at the Beginning the year	11,62,000	10,25,000			
	2 Current Service Cost	2,17,753	2,11,185			
	3 Interest Cost	92,699	74,258			
	4 Curtailment Cost/ (Credit)	-	-			
	5 Settlement Cost/ (Credit)	-	-			
	6 Plan Amendments	-	-			
	7 Acquisitions	-	-			
	8 Actuarial (Gains)/ Losses	(24,753)	1,12,201			
	9 Benefits Paid	(2,64,025)	(2,60,644)			
	10 Present Value of DBO at the End of the year	11,83,674	11,62,000			
IV	Actuarial Assumptions					
	1 Discount Rate (%)	9.00%	8.00%			
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.						
V	Net Asset/ (Liability) recognised in Balance Sheet (including experience adjustment impact)					
Particulars		Leave Encashment (Unfunded) For the Year ended				
		31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
	1 Defined Benefit Obligation at the end of the period	(11,83,674)	(11,62,000)	(10,25,000)	(10,10,444)	(9,38,000)
	2 Plan Assets at the end of the period	-	-	-	-	-
	3 Funded Status [Surplus/ (Deficit)]	(11,83,674)	(11,62,000)	(10,25,000)	(10,10,444)	(9,38,000)
	4 Experience Gain/ (Loss) adjustments on Plan Liabilities	33,956	(79,201)	(1,63,675)	(1,25,000)	(27,000)
	5 Experience Gain/ (Loss) adjustments on Plan Assets	-	-	-	-	-
	6 Actuarial Gain/ (Loss) due to change on assumptions	(24,753)	(33,000)	88,000	8,000	24,000

b) Amount towards Defined Contribution Plans have been recognised under “Contribution to Provident and Other Funds” in Note No.17: ₹ 32,44,189/- (2013 – ₹ 33,06,407/-). Such amount includes ₹ 7,61,250/- (2013 – ₹ 7,73,412/-) charged to P&L for contribution to Group Gratuity Scheme with Life Insurance Corporation of India.

D) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**NOTES TO THE FINANCIAL STATEMENTS**
**20 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS (Contd.)**
**E) Dividend Remittance in Foreign Currency**
**Amount in ₹**

Year of Remittance	On Account of Financial Year	No. of Non-Resident Shareholders	No. of Shares held	Amount ₹
2013 - 2014	2012 - 2013	18	6100	21,350
2012 - 2013	2011 - 2012	26	8200	26,650

F) The Company operates in one segment i.e. Hoteliering. However, interest income arising from deposits and dividend income/ gain from Investments in Mutual Funds made out of cash surplus from operations has been shown under Other Income.

**G) Related party disclosures under Accounting Standard 18**

i) Related parties with whom transactions have taken place during the year.

ITC Limited, company of which the Company is an Associate

**Amount in ₹**

Sr. No.	Description	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	License Fees received from ITC Limited	2,99,63,657	3,35,11,222
2	Purchase of Services from ITC Limited	3,45,678	1,21,178
3	Recoveries of Contractual Remuneration	3,42,27,870	3,21,81,235
4	Expenses Recovered from ITC Limited	53,66,924	62,94,834
5	Expense Reimbursed to ITC Limited	33,39,793	72,40,658
6	Dividend Payments to ITC Limited	60,68,675	56,35,198
7	Balance amount recoverable from ITC Limited	1,18,41,350	1,09,23,532

ii) Key Management Personnel

Board of Directors

Nakul Anand

Chandrasekhar Subrahmanyam

Arun Pathak

Rohitbhai Chinubhai Mehta

Cheruvettolil Kochukoshy Koshy

Mahalinga Narayanan

iii) Summary of transactions during the year

**Amount in ₹**

Sr. No.	Description	Key Management Personnel	
		For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Director's Sitting Fees	1,05,000	1,40,000
2	Dividend Paid	2,450	2,275

H) Previous Year's figures have been regrouped/ reclassified wherever necessary to correspond with the current years classification/ disclosure.

**NOTES TO THE FINANCIAL STATEMENTS****21 SIGNIFICANT ACCOUNTING POLICIES****CONVENTION**

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956.

**BASIS OF ACCOUNTING**

To prepare the financial statements in accordance with the historical cost convention.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956 based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

**FIXED ASSETS**

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of the assets capitalised.

**DEPRECIATION**

To calculate depreciation on Fixed Assets, Tangible and Intangible, in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or, where specified, lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is lower, by equal annual installments.

**INVESTMENTS**

To state Current Investments at lower of cost and fair value and Long Term Investments at cost.

**REVENUE RECOGNITION**

Income from operating licence fees is booked on accrual basis in accordance with the provisions of operating licence agreement/ arrangements with the licensee viz, ITC Limited.

**INVESTMENT INCOME**

To account for Income from Investments on an accrual basis, inclusive of related tax deducted at source. To account for Income from Dividends when the right to receive such dividends is established.

**PROPOSED DIVIDEND**

To provide for Dividends (including income tax thereon) in the books of account as proposed by the Directors, pending approval at the Annual General Meeting.

**EMPLOYEE BENEFITS**

To make regular contribution to the Provident Fund and Gratuity Fund which are charged to revenue and to provide for unavailed leave on basis of an independent actuarial valuation as per the requirements of



## GUJARAT HOTELS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Accounting Standard – 15 (revised 2005) on “Employee Benefits”. The contribution in respect of Gratuity Fund is made to Life Insurance Corporation and the Provident Fund and Family Pension contributions are statutorily deposited with the Government. All such Employee Benefit expenditures/ provisions are reimbursed by the Licensee as per the Operating License Agreement.

#### TAXES ON INCOME

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide Deferred Tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

#### CLAIMS

To disclose claims against the Company not acknowledged as debts after a careful evaluation of the facts and legal aspects of the matter involved.

As per our report of even date.

Signature to Notes 1 to 21

For Talati & Talati  
Chartered Accountants  
Firm's Registration No. 110758W

CA S R Parikh  
Partner  
M.No. 007275

On behalf of the Board

Place : Gurgaon  
Date : 15th April, 2014

Chandrasekhar Subrahmoneyan  
Director

Arun Pathak  
Director





# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of,  
Gujarat Hotels Limited,  
Vadodara.

1. We have audited the accompanying financial statements of GUJARAT HOTELS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards (referred to in sub-section (3C) of section 211 of the Companies Act, 1956 "the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
  - (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
6. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Talati & Talati  
Chartered Accountants  
Firm's Registration No. 110758W

C A S R Parikh  
Partner  
M.No. 007275

Place : Gurgaon  
Date : 15th April, 2014



## INDEPENDENT AUDITORS' REPORT

### ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 5 of our report of even date on the accounts of GUJARAT HOTELS LIMITED for the year ended on 31st March, 2014)

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. All the assets have been physically verified by the management and found in order. No material discrepancies have been noticed on such verification.
  - c) No Substantial (or major) part of the fixed assets has been disposed off during the year.
- (ii) There are no inventories and hence the related paragraphs of the Order are not applicable.
- (iii) According to the information and explanation given to us, there are no loans, secured or unsecured granted or taken by the Company to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly, paragraph 4 (iii) (b),(c),(d),(e),(f) and (g) of the Order are not applicable.
- (iv) The Company has not accepted any deposits from the public during the year or earlier years. Accordingly provisions of Section 58A of Companies Act, 1956 are not applicable to the Company.
- (v) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with size of the Company and nature of its business.
- (vi) Statutory and other dues:
  - a) According to the information and explanations given to us and based on the records examined by us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Service Tax, and any other statutory dues with the appropriate authorities during the year.
  - b) According to the information and explanations given to us, no undisputed dues outstanding in respect of Sales Tax, Income Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty as at 31st March, 2014 for a period of more than six month from date they become payable.
- (vii) The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.
- (viii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (ix) The provisions of any special statute applicable to chit fund are not applicable to the Company.
- (x) The Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xi) There are no guarantees given by the Company for loans taken by others from banks and financial institutions.
- (xii) The Company has not obtained any term loan during the year.



## GUJARAT HOTELS LIMITED

### INDEPENDENT AUDITORS' REPORT

- (xiii) According to Cash Flow Statement and other records examined by us and the information and explanation given to us, on an overall basis, funds raised on short term basis have, prima facie, not being used during the year for long term investment (fixed assets, etc.) and vice-a- versa.
- (xiv) According to information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xv) The Company has not issued any debentures during the year.
- (xvi) The Company has not raised any money by way of Public Issue during the year.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xviii) As per information and explanation given to us taken into consideration the nature of Company's activities, other items of the paragraph 4 of the CARO are not applicable to the Company.

For Talati & Talati  
Chartered Accountants  
Firm's Registration No. 110758W

Place : Gurgaon  
Date : 15th April, 2014

CA S R Parikh  
Partner  
M.No. 007275

**GUJARAT HOTELS LIMITED**

CIN : L55100GJ1982PLC005408

**Registered office : WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara-390 007**

Tel.: 0265-2330033 • E-mail : ghlinvestors@yahoo.co.in • Website : www.gujarathotelsltd.in

**32nd ANNUAL GENERAL MEETING****ADMISSION SLIP**

PLEASE FILL ADMISSION SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

**Name & Address of Member :**

E-mail ID :

DP ID No. & Client ID No. /  
Registered Folio No. :

No. of Shares held :

I hereby record my presence at the 32nd Annual General Meeting of the Company held on Monday, 29th September, 2014 at 11.00 a.m. at WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara 390 007.

Name of the Proxy in Block Letters

Signature of Member/ Proxy's attending

- NOTES:** i) Member/ Proxy attending the Annual General Meeting (AGM) must bring his/ her Admission Slip which should be duly signed and deposited at the entrance.  
ii) Duplicate Admission Slip will not be issued at the venue.

**GUJARAT HOTELS LIMITED**

CIN : L55100GJ1982PLC005408

**Registered office : WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara-390 007**

Tel.: 0265-2330033 • E-mail : ghlinvestors@yahoo.co.in • Website : www.gujarathotelsltd.in

**32nd ANNUAL GENERAL MEETING****PROXY FORM****Name & Address of Member :**

E-mail ID :

DP ID No. & Client ID No. /  
Registered Folio No. :

I/ We being the Member(s) of \_\_\_\_ shares of Gujarat Hotels Limited, hereby appoint

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him

(2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him

(3) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 32nd Annual General Meeting (AGM) of the Company to be held on the 29th day of September, 2014 at 11.00 a.m. at WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara 390 007 and at any adjournment thereof in respect of such resolutions as are indicated hereafter:



Resolution Number	Description	Optional (3)	
		For	Against
Ordinary Business			
1	Adoption of Accounts for the financial year ended 31st March, 2014.		
2	Declaration of Dividend for the financial year ended 31st March, 2014.		
3	Re-appointment of Mr Chandrasekhar Subrahmoneyan, who retires by rotation.		
4	Appointment of Messrs Talati & Talati, as Auditors and fixing their remuneration.		
Special Business			
5	Appointment of Mr Cheruvettolil Kochukoshy Koshy as an Independent Director.		
6	Appointment of Mr Mahalinga Narayanan as an Independent Director.		
7	Appointment of Mr Rohitbhai Chinubhai Mehta as an Independent Director.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014. Signature of shareholder : \_\_\_\_\_

**NOTE : This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, Gujarat Hotels Limited, WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara- 390 007 not less than 48 hours before the commencement of AGM i.e. by 11.00 A.M. on 27th September, 2014.**

Affix 15  
Paise  
Revenue  
Stamp





Cambay Pavilion - 24x7 Fine Dining restaurant



Peshawri - Speciality restaurant catering to North-West Frontier cuisine



**Gujarat Hotels Limited**

