



**Gujarat Hotels Limited**



**REPORT AND ACCOUNTS 2015**





Executive Club Exclusive room



Pool Side View



# GUJARAT HOTELS LIMITED

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# GUJARAT HOTELS LIMITED

## BOARD OF DIRECTORS & COMMITTEES

### Chairman and Non-Executive Director

Nakul Anand

### Non-Executive Directors

Devkanya Roy Choudhury

Cheruvettolil Kochukoshy Koshy

Rohitbhai Chinubhai Mehta

Mahalinga Narayanan

Arun Pathak

## BOARD COMMITTEES

### Audit Committee

Rohit C Mehta	Chairman
C K Koshy	Member
M Narayanan	Member
Arun Pathak	Member
Chief Financial Officer	Invitee
Statutory Auditors	Invitee

### Nominations and Remuneration Committee

C K Koshy	Chairman
Nakul Anand	Member
Rohit C Mehta	Member
M Narayanan	Member
Arun Pathak	Member

### Stakeholders Relationship Committee

Arun Pathak	Chairman
D R Choudhury	Member

### Chief Executive Officer

Raghunathan Murali

### Chief Financial Officer

Rohan Singh

### Company Secretary

Deepak Kumar Gulati

### Registered Office

WelcomHotel Vadodara

R C Dutt Road, Alkapuri

Vadodara - 390 007

Tel : 0265-2330033

www.gujarathotelsltd.in

CIN : L55100GJ1982PLC005408

### Auditors

Talati & Talati

Chartered Accountants

Vadodara

### Registrars & Share Transfer Agents

MCS Share Transfer Agent Limited

10, Aram Apartment

12, 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 IS HEREBY GIVEN** that the Thirty Third 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 Tuesday, the 29th day of September, 2015 at 11:00 a.m. for the transaction of the following businesses:-

### ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2015, and the Reports of the Board of Directors and the Auditors.
2. To declare dividend for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Mr Nakul Anand (DIN: 00022279), who retires by rotation and, being eligible, offers himself for re-election.
4. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:-

“Resolved that pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013, the appointment of Messrs Talati & Talati, Chartered Accountants (Registration No. 110758W), as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Thirty-Fourth Annual General Meeting be and is hereby ratified, and remuneration of ₹ 30,000/- to Messrs Talati & Talati to conduct the audit for the financial year 2015-16 plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby approved.”

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, the following resolution which will be proposed as an Ordinary Resolution:-

“Resolved that Ms Devkanya Roy Choudhury (DIN: 07066556) be and is hereby appointed as a

Non-Executive Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

The Register of Members of the Company will remain closed from Tuesday, 22nd September, 2015 to Tuesday, 29th September, 2015, both days inclusive. Share Transfers received in order at the Company's Registrars and Share Transfer Agents, Messrs MCS Share Transfer Agent Limited, 10, Aram Apartment, 12, Sampatrao Colony, Alkapuri, Vadodara - 390 007 by 5:30 pm on Monday, 21st September, 2015, 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 Thursday, 8th October, 2015 to those Members entitled thereto and whose names will appear on the Register of Members of the Company on 29th September, 2015, or to their mandatees, subject however to the provisions of Section 126 of the Companies Act, 2013. In respect of dematerialised shares, the dividend will be paid on the basis of beneficial ownership as on 21st September, 2015 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

Place : New Delhi  
Dated : 22nd July, 2015

D K Gulati  
Company Secretary

### NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote 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, 2015.



# GUJARAT HOTELS LIMITED

## NOTICE OF 33RD ANNUAL GENERAL MEETING

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.

Mr Nakul Anand, Chairman and Non-Executive Director, holds 200 shares in the Company; no other person holds any share in the Company for him on a beneficial basis. Ms Devkanya Roy Choudhury does not hold any share in the Company nor does any other person holds any share in the Company for her on a beneficial basis.

5. Unclaimed dividend for the financial year ended 31st March, 2008, will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') on 28th August, 2015, pursuant to the provisions of Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013, once notified). In respect of the said dividend, it will not be possible to entertain claims received by the Company after 26th August, 2015.

Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2008 or any subsequent financial year(s), are requested to lodge their claims with the Company.

6. Members who wish to update or register their e-mail addresses with the Company or with the Depositories may use the form for updation / registration which 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 the copy of the Report and Accounts to the AGM Venue. Duplicate admission slips and / or copies of the Report and Accounts will not be provided at the AGM venue.
8. Members who wish to obtain information on the Company or view the Financial Statements for the financial year ended 31st March, 2015, may visit

the Company's website or send their queries at least 10 days before the AGM to the Company Secretary 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 Resolutions proposed at this AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) for which purpose the Company has engaged the services of NSDL.
10. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on **22nd September, 2015 (cut-off date)**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting through ballot paper at the AGM.
11. A person in receipt of this Notice who is not a Member of the Company as on **22nd September, 2015 (cut-off date)** shall treat this Notice for information purposes only and shall not be eligible to attend or vote.
12. The facility for voting through ballot paper will be available at the AGM venue for those Members who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again. 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 to scrutinize the process of remote e-voting and voting through ballot paper at the AGM.
13. Route map to the venue of the AGM is attached with this Notice.

The procedure with respect to remote e-voting is provided below:

- A. **In case of Members who receive the Notice in electronic mode:**
  - (a) Open the e-mail and the PDF file viz. '**GHL e-voting.pdf**' with your Client ID No. or Folio





# GUJARAT HOTELS LIMITED

## NOTICE OF 33RD ANNUAL GENERAL MEETING

No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.

- (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 remote 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 remote 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; upon confirmation, the message **'Vote cast successfully'** will be displayed.
- (h) Once you have voted on the resolution, 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, to the Scrutinizer through e-mail at **[ghlscrutinizer@gmail.com](mailto:ghlscrutinizer@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 with the Report and Accounts.

- (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 remote 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.

If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. : 1800-222-990.

- D. Those who become Members of the Company after despatch of the AGM Notice but on or before **22nd September, 2015 (cut-off date)** may write to NSDL at **[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)** or to the Company at **[ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in)** requesting for User ID and password. On receipt of user ID and password, the steps from Sl. Nos. (b) to (i) mentioned in (A) above should be followed for casting of vote. However, those Members already registered with NSDL for remote e-voting can use their existing user ID and password for Login.

- E. 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). or call on toll free no.: 1800-222-990. You may also address your queries / grievances relating to remote e-voting or voting at the meeting to Mr D K Gulati, the Company Secretary of the Company at e-mail ID **[ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in)**.

- F. **The period for remote e-voting starts at 9.00 a.m. on Friday, 25th September, 2015 and ends at 5.00 p.m. on Monday, 28th September, 2015.** Remote e-voting will be blocked by NSDL at 5.00 p.m. on 28th September, 2015.

### G. General Information

- (a) Every Client ID No. / Folio No. will have one vote, irrespective of the number of joint holders.
- (b) **The Results of the voting will be declared within 48 hours from the conclusion of the**

# GUJARAT HOTELS LIMITED

## NOTICE OF 33RD ANNUAL GENERAL MEETING

**AGM and the resolutions proposed thereat will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.**

The declared Results, alongwith the Scrutinizer's Report, will be available forthwith 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 Third Annual General Meeting to be held on Tuesday, 29th September, 2015.

#### Item 5

Ms Devkanya Roy Choudhury was appointed as an Additional Director of the Company with effect from 19th January, 2015 in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and vacates office at the AGM. Due notice under Section 160 of the Act has been received from Ms Choudhury proposing her candidature for appointment as a Director of the Company. Requisite consent pursuant to

Section 152(5) of the Act has been filed by Ms Choudhury to act as a Director, if appointed.

Brief resume of Ms Choudhury including her age, qualification, experience and other Directorships, Memberships / Chairmanship of Committees of other Boards is provided under the Section 'Your Directors' in the Report and Accounts.

Ms Choudhury is not in receipt of any remuneration from the Company. She neither holds any share in the Company nor is she related to any Director or Key Managerial Personnel of the Company.

Ms Choudhury is interested in the Resolution relating to her appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

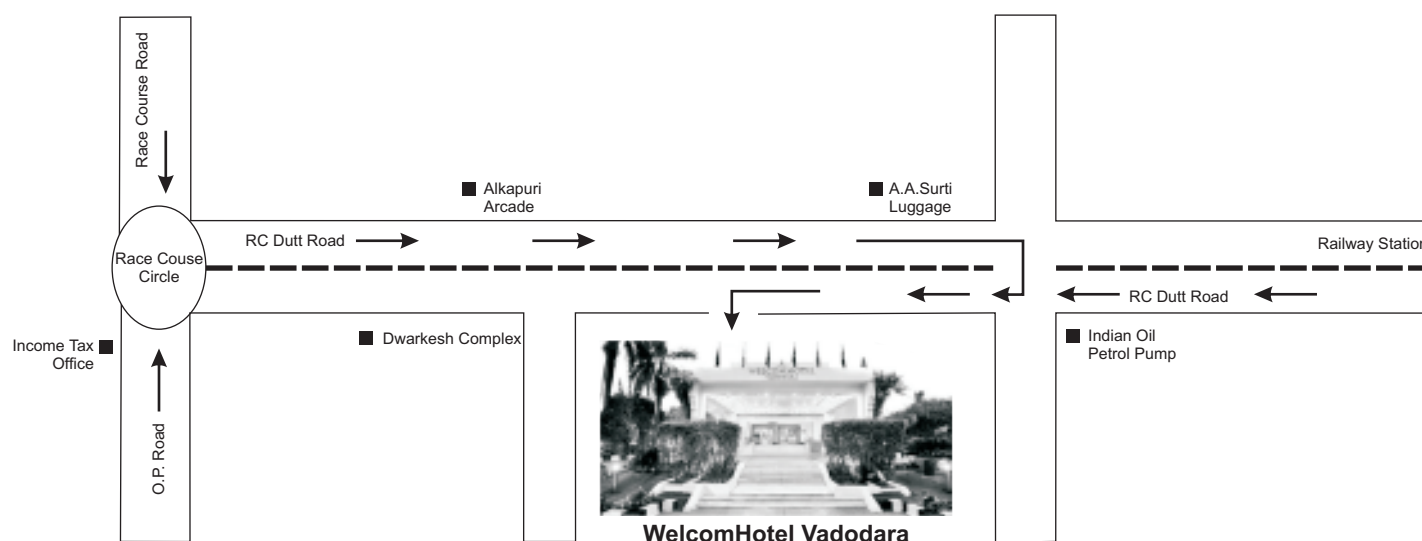
The Board recommends this Resolution for your approval.

By Order of the Board  
Gujarat Hotels Limited

Place : New Delhi  
Dated: 22nd July, 2015

D K Gulati  
Company Secretary

## ROUTE MAP







# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

### Nakul Anand

Nakul Anand (58), DIN: 00022279, a Non-Executive Director of the Company since 10th March, 1998, was appointed the Chairman of the Company effective 21st March, 2009. He is an Executive Director on the Board of ITC Limited and holds responsibility for the Hospitality, Travel & Tourism and Lifestyle Retailing 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 in the hotels and tourism industry for his vision and commitment. Leveraging the significant learning of sustainable excellence within ITC, he led the team at ITC Hotels to pioneer the concept of 'Responsible Luxury' in the hospitality industry, securing 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 a 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:** Nil

### Cheruvettolil Kochukoshy Koshy

C K Koshy (70), DIN: 01478704, was appointed as an Independent Non-Executive Director of the Company on 1st May, 2007. He is Master of Arts in Political Science and Public Administration. He started in the Indian Administrative Service in 1968 from the Gujarat Cadre and superannuated in February 2005.

In a long career spanning over 39 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, 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, 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.

#### Other Directorships

Name of the Company	Position
Sanmarg Projects Private Limited	Director

**Committee Membership of other Companies:** Nil

### Rohitbhai Chinubhai Mehta

Rohit C Mehta (84), DIN: 00050173, was appointed as an Independent Non-Executive Director of the Company on 28th March, 2003. He is a Law Graduate from Bombay University. Mehta is a prominent and successful Industrialist with a wide and varied experience in the management of



# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

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 and 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 & Director
Rampion Eyetech Private Limited	Chairman & Director
C.C. Chokshi Advisors Private Limited	Chairman & Director
Rampion Technologies Private Limited	Chairman & Director
GRUH Finance Limited	Director
Universal Trustees Private Limited	Director
Follow Your Dreams Foundation India	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 (70), DIN: 00159288, was appointed as an Independent Non-Executive Director of the Company on 10th January, 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 as Managing Director and rose to the position of Chairman and Managing Director which position he held till his retirement in September, 2006. He was conferred with "Udyog Rattan Award" in the year 2005 by the Institute of Economic Studies, New Delhi.

### Other Directorships

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

### Arun Pathak

Arun Pathak (55), DIN: 00502850, was appointed as a Director of the Company on 8th August, 2012. 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



# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

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 32 years, he has held various portfolios in finance, taxation, 'technology upgrade' task forces, cigarette exports, information technology and procurement. He is currently the Executive Vice President - Finance, IT and Procurement of the Hotels Division of ITC Limited.

### Other Directorships

Name of the Company	Position
Fortune Park Hotels Limited	Director
Bay Islands Hotels Limited	Director
Maharaja Heritage Resorts Limited	Director
International Travel House Limited	Director
Srinivasa Resorts Limited	Director
Logix Developers Private Limited	Director
WelcomHotels Lanka (Private) 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	Stakeholders Relationship Committee	Member

### Devkanya Roy Choudhury

Devkanya Roy Choudhury (38), DIN: 07066556, was appointed as an Additional Non-Executive Director of the Company on 19th January, 2015. A graduate from National Law School of India University, Bangalore, she joined ITC Limited in 2001. As part of Corporate Legal of ITC, she has rich and varied experience handling legal matters pertaining to various divisions including Tobacco, Hotels, Personal Care Products, Lifestyle Retailing, Education & Stationery, Paperboards & Specialty Papers, ITC Infotech as also dealing with Mergers & Acquisitions and key litigation across ITC. Currently, Ms Choudhury is the Senior Associate General Counsel of ITC Limited.

### Other Directorships

Name of the Company	Position
WelcomHotels Lanka (Private) Limited*	Director

### Committee Membership of other Companies: Nil

### Notes :

1. Other Directorships and Committee Memberships of Directors are as on 31st March, 2015.
2. Other Directorships exclude Memberships of Managing Committees of Chambers of Commerce / Professional Bodies.
3. Committee Memberships are in respect of Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.

\* Denotes Foreign Company





# GUJARAT HOTELS LIMITED

## REPORT OF THE BOARD OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

Your Directors submit their Report for the financial year ended 31st March, 2015.

#### BUSINESS ENVIRONMENT

The Indian economy witnessed yet another challenging year with only a marginal pick-up in economic growth. While domestic macro-economic variables improved over the previous year, aided by the decline in global crude oil prices and rate of inflation, the hospitality sector remained subdued. The weakness in the broader economy was manifest in your Company's operating results which continues to be impacted by a weak pricing scenario in the backdrop of a sluggish macro-economic environment both in India and major source markets.

#### FINANCIAL PERFORMANCE

During the year under review, your Company earned licence fees of ₹ 320.41 lakhs (previous year ₹ 299.64 lakhs), registering a growth of 7% over last year. However, other income showed a decline mainly due to change in definition of Long Term Capital Assets in relation to Debt Mutual Funds and consequent roll over of investments. Pre and post-tax profits declined to ₹ 400.05 lakhs (previous year ₹ 422.66 lakhs) and ₹ 273.38 lakhs (previous year ₹ 327.14 lakhs).

In view of the above and the underlying strength of the business, your Directors are pleased to recommend a dividend of ₹ 3.50 per equity share of ₹ 10/- each for the year ended 31st March, 2015, thereby maintaining last year's dividend and involving a cash outflow of ₹ 159.07 lakhs including Dividend Distribution Tax of ₹ 26.50 lakhs. Your Board further recommends a transfer to General Reserve of ₹ 27.34 lakhs (previous year ₹ 32.71 lakhs) respectively.

#### Profits, Dividend and Surplus

The financial results of your Company, summarised, are as under:

	Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
a.	Profit Before Tax	4,00,05,312	4,22,66,336
b.	Tax Expense		
	Current Tax	1,28,50,171	97,30,270
	Deferred Tax	(1,83,280)	(1,77,551)

	Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
c.	Profit After Tax	2,73,38,421	3,27,13,617
d.	Add : Profit brought forward from previous years	12,59,20,126	11,19,87,083
e.	Surplus available for appropriation	3,02,57,504	2,75,23,662
	Less:		
	- Depreciation on transition to Schedule II of the Companies Act, 2013 on Tangible Fixed Assets (Net of Deferred Tax ₹ 4,867/-)	15,002	-
	- Transfer to General Reserve	27,33,842	32,71,362
	- Proposed Dividend	1,32,56,303	1,32,56,303
	- Dividend Distribution Tax on Proposed Dividend	26,50,472	22,52,909
f.	Balance carried forward to the following year	13,46,02,928	12,59,20,126

#### HOTEL OPERATIONS

Your Company's hotel, WelcomHotel Vadodara, licenced to ITC Limited continued to retain its prime position with a revenue market share of 60% and 56% in volume terms to deliver a 7% overall growth in revenue through hotel operations. While there was marginal improvement in occupancy rates, average room rates remained under pressure in the backdrop of the additional room capacity in and around Vadodara, with new properties coming up and also some older properties being rebranded as members of prestigious international chains.

The food & beverage segment of your Company's hotel continues to be a major strength. The Peshawari restaurant and the Welcom Café Cambay both retained their premium leadership positions in the respective segments.

Your Company continued to focus upon 'Lean' and 'Six Sigma' programmes to ensure efficiencies in its business operations as also for improved service delivery to its customers. Your Hotel also targets a continuous reduction in energy and water consumption and enhanced usage of renewable energy sources.

Your Company continuous to pursue the arbitration proceedings in a bid to settle the pending lease revision with respect to land on which your hotel is built. Arguments have been concluded before the Arbitrator and the arbitration award is awaited. Your Company has also filed a writ petition in the Gujarat High Court seeking that the Gujarat State

## REPORT OF THE BOARD OF DIRECTORS

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.

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

### INTERNAL FINANCIAL CONTROLS

Your Company's Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Audit Committee and the Board. The Accounting Policies are reviewed and updated from time to time. These in turn are supported by a set of business specific policies and Standard Operating Procedures (SOPs). Systems, SOPs and controls are reviewed by management and audited by Internal Audit whose findings and recommendations are reviewed by the Audit Committee and tracked through to implementation.

Your Company maintains its Books of Account in electronic form. Your Company has in place adequate internal financial controls with reference to the Financial Statements. The Internal Auditors of the Company evaluates the adequacy and efficacy of such internal financial controls. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

### RISK MANAGEMENT

Your Company continues to focus on a systems-based approach to business risk management. Backed by strong internal control systems, the current Risk Management framework consists of the following key elements:

- The Board of your Company has clearly laid down the roles and responsibilities of the Company in relation to risk management covering a range of responsibilities, from the strategic to the operational. These role

definitions, inter alia, provide the foundation for your Company's Risk Management Policy that is endorsed by the Board and is aimed at ensuring formulation of appropriate risk management procedures, their effective implementation across your Company and independent monitoring and reporting by Internal Audit.

- A combination of policies and evolved procedures brings robustness to the process of ensuring that business risks are effectively addressed. Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with unique / relatively high risk profiles.
- An Independent Internal Auditors carry out risk focused audits enabling identification of areas where risk management process may need to be strengthened.
- The Audit Committee of the Board reviews Internal Audit findings and provides strategic guidance on internal controls. The Chief Executive Officer closely monitors the internal control environment within your Company including implementation of the action plans emerging out of internal audit findings.

### AUDIT AND SYSTEMS

Your Company believes that internal control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that inter alia provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds / errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information.

Your Company's independent and robust Internal Audit processes provide assurance on the adequacy and effectiveness of internal controls, compliance with operating systems, internal policies and regulatory requirements.

The Internal Audit function consisting of an outsourced professional firm is resourced to deliver the audit assurances meeting high standards.

The Audit Committee of your Board met four times during the year. The Terms of Reference of the Audit



# GUJARAT HOTELS LIMITED

## REPORT OF THE BOARD OF DIRECTORS

Committee inter alia included reviewing the adequacy and effectiveness of the internal control environment, monitoring implementation of the action plans emerging out of Internal Audit findings including those relating to strengthening of your Company's risk management systems and discharge of statutory mandates.

### HUMAN RESOURCE DEVELOPMENT

Your Company draws its strength from a highly engaged and motivated workforce whose collective commitment has enabled your Company to maintain its steady performance.

Your Company's Human Resource policies and procedures have evolved to stay ahead with the dynamic business environment and have enhanced organisational agility to remain compliant with the changing regulatory requirements.

With an undying commitment to render delightful services, your Company's employees consistently work towards delivering flawless performance and are continuing to delight customers.

The Company has put in place a Grievance Redressal Procedure and an Internal Complaints Committee to ensure that sexual harassment grievances, if any, are effectively addressed. During the year, four complaints of sexual harassment were reported, which have since been resolved.

### WHISTLEBLOWER POLICY

The Company's Whistleblower Policy encourages Directors and employees to bring to the Company's attention instances of unethical behaviour, actual or suspected, incidents of fraud or violation of the GHIL Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company.

The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The Whistleblower Policy is available on the Company's website at <http://www.gujarathotelsltd.in/corporate-governance.html>.

### DEPOSIT

Your Company has not accepted any deposits from the public / members under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year.

### DIRECTORS

#### Changes in Directors

Messrs C K Koshy, Rohit C Mehta and M Narayanan were appointed by the Members with effect from 29th September, 2014 as Independent Directors of the Company under Section 149 of the Companies Act, 2013.

Mr Chandrasekhar Subrahmoneyan stepped down as a Non-Executive Director of your Company with effect from 20th January, 2015 in view of his superannuation from ITC Limited. Your Directors would like to record their appreciation of the services rendered by him.

Ms Devkanya Roy Choudhury was appointed as an Additional Non-Executive Director of your Company on 19th January, 2015. By virtue of the provisions of Article 130 of the Articles of Association of your Company and Section 161 of the Companies Act, 2013, Ms Choudhury will vacate office at the ensuing Annual General Meeting and being eligible, offers herself for appointment. Your Board recommends her appointment.

#### Retirement by Rotation

In accordance with the provisions of Section 152 of the Act and Article 147 of the Articles of Association of the Company, Mr Nakul Anand will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company and, being eligible, offers himself for re-election. Your Board has recommended his re-election.

#### Number of Board Meetings

During the year ended 31st March, 2015, six meetings of the Board were held.

#### Attributes, Qualifications & Independence of Directors and their Appointment

The Nominations and Remuneration Committee of the Board approved the criteria for determining qualifications, positive attributes and independence of Directors in terms of the Act and the Rules there under, both in respect of Independent Directors and





# GUJARAT HOTELS LIMITED

## REPORT OF THE BOARD OF DIRECTORS

other Directors as applicable. The criteria inter alia requires that Directors shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration or other disciplines related to the Company's business.

The Board Diversity Policy of the Company requires the Board to have balance of skills, experience and diversity of perspectives appropriate to the Company. The Articles of Association of the Company provide that the strength of the Board shall not be fewer than three nor more than twelve.

Directors are appointed / reappointed with the approval of the members. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise approved by the members or provided under any statute. One third of the Directors who are liable to retire by rotation retire every year and are eligible for re-appointment.

The Independent Directors of your Company have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Act and the Listing Agreement with Stock Exchanges.

### Remuneration Policy

The Company's Remuneration Policy aims at attracting and retaining high caliber talent. The remuneration policy, therefore, is market-led and takes into account the competitive circumstances so as to attract and retain quality talent and leverage performance significantly.

The Policy on remuneration of Directors, Key Managerial Personnel and other employees of the Company is provided in the Annexure forming part of this Report.

### Board Evaluation

The Nominations and Remuneration Committee has approved the Policy on Board evaluation, evaluation of Board Committees' functioning and individual Director evaluation. Board performance is assessed against the role and responsibilities of the Board as provided in the Act and the Listing Agreement. The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as fulfil expectations of other stakeholders through strategic supervision of

the Company. Evaluation of functioning of Board Committees is based on discussions amongst Committee members and shared by each Committee Chairman with the Board. Individual Directors are evaluated in the context of the role played by each Director as a member of the Board at its meetings, thus assisting the Board in realising its role of strategic supervision of the functioning of the Company in pursuit of its purpose and goals.

While the Board evaluated its performance against the parameters laid down by the Nominations and Remuneration Committee, the evaluation of individual Directors was carried out anonymously in order to ensure objectivity. The Board was briefed on functioning of Board Committees by the respective Committee Chairman.

### Key Managerial Personnel

During the year Mr Raghunathan Murali and Mr Rohan Singh were appointed as the Chief Executive Officer and the Chief Financial Officer of the Company respectively effective 19th January, 2015. Ms Himanshi Vadhera was appointed as the Company Secretary of your Company effective 30th March 2015. She resigned on 15th June, 2015 and the Company appointed Mr Deepak Kumar Gulati as the Company Secretary effective 22nd July, 2015.

### AUDIT COMMITTEE & AUDITORS

The composition of the Audit Committee is provided under the section 'Board of Directors & Committees' in the Report and Accounts.

### Statutory Auditors

The Auditors, Messrs Talati & Talati, Chartered Accountants, were appointed at the Thirty Second AGM to hold such office for a period of three years. The Board, in terms of Section 139 of the Act, on the recommendation of the Audit Committee, has recommended for the ratification of the Members the appointment of Messrs Talati & Talati, from the conclusion of the ensuing AGM till the conclusion of the Thirty Fifth AGM. The Board, in terms of Section 142 of the Act, on the recommendation of the Audit Committee, has also recommended for the approval of the Members the remuneration of Messrs Talati & Talati, for the financial year 2015-16. Appropriate resolution in respect of the above is appearing in the Notice convening the Thirty Third AGM of the Company.



# GUJARAT HOTELS LIMITED

## REPORT OF THE BOARD OF DIRECTORS

### Secretarial Auditors

Your Board, during the year, appointed Messrs H M Mehta & Associates, Company Secretaries, to conduct secretarial audit of the Company for the financial year ended 31st March, 2015. The Report of Messrs H M Mehta & Associates, Company Secretaries, in terms of Section 204 of the Act, is provided in the Annexure forming part of this Report.

### RELATED PARTY TRANSACTIONS

During the year ended 31st March, 2015 the Company has not entered into any contract or arrangement with its related parties which is not on arm's length basis. The details in Form AOC-2 of a material transaction entered into by the Company and its related party are provided under Annexure to this Report.

Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website at [http://www.gujarathotelsltd.in/policies/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.gujarathotelsltd.in/policies/Policy_on_Related_Party_Transactions.pdf)

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors confirm having:-

- followed in the preparation of the Annual Accounts the applicable Accounting Standards with proper explanation relating to material departures, if any;
- 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;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis;
- laid down internal financial controls to be followed by your Company and that such

internal financial controls are adequate and were operating effectively; and

- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### OTHER INFORMATION

#### Compliance with Clause 49 of the Listing Agreement - Corporate Governance

The SEBI vide its circular dated 15th September, 2014 had clarified that compliance with revised Clause 49 of the Listing Agreement is not mandatory for your Company effective 1st October, 2014. Hence, certificate from the auditors confirming compliance of conditions of Corporate Governance is not required to be obtained.

However, a brief report on Corporate Governance and Shareholder information emanating from Clause 49 of the Listing Agreement are attached as Annexures to this Report as the provisions were applicable for part of the year.

#### Going Concern Status

There is no significant or material order passed during the year by any regulator, court or tribunal impacting the going concern status of the Company or its future operations.

#### Extract of Annual Return

The information required under Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is annexed.

#### Particulars of Loans, Guarantees or Investments

During the year ended 31 March, 2015 the Company has neither given any loan or guarantee nor has it made any investment under the provisions of Section 186 of the Companies Act, 2013.

#### Particulars relating to Conservation of Energy and Technology Absorption

Particulars as required under Section 134 of the Companies Act, 2013 relating to Conservation of Energy and Technology Absorption are provided below:-



# GUJARAT HOTELS LIMITED

## REPORT OF THE BOARD OF DIRECTORS

### Conservation of Energy:

Steps taken on conservation of energy and impact thereof:

Sl. No.	Description
1	Installed 100 nos 40 W Led lamps in place of 80 W lamps.
2	Installed 65 nos 6 W Led lamps in place of 18 W lamps.
3	Installed 60 nos 28 W TL5 lamps in place of 55 W lamps.
Total Electricity saved over last year due to above initiative is 40357 KWH.	

Steps taken by the company for utilising alternate sources of energy: NIL

Capital investment on energy conservation equipment: NIL

### Technology Absorption:

- I) Efforts, in brief, made towards technology absorption and benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. is provided here under:

Sl. No.	Description	Benefits
1	Replaced old service elevator with new one	For product improvement
2	Upgraded IT Server Room	For product improvement
3	Replaced old desktop PCs with new one	For automation

- II) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

- A) Details of technology imported - NIL  
 B) Year of import - NIL  
 C) Whether the technology been fully absorbed - NIL  
 D) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore - NIL  
 III) Expenditure incurred on research and development - NIL

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2014-15, foreign exchange earnings of the hotel were ₹ 1,106 lakhs as against (₹ 966 lakhs in the previous year). During the year,

your hotel's expenditure in foreign currency amounted to ₹ 7.34 lakhs (previous year ₹ 2.06 lakhs).

### Employees

The total number of employees as on 31 March, 2015 stood at 179.

There were no employees who were employed throughout the year and were in receipt of remuneration aggregating ₹ 60 lakhs or more or were employed for part of the year and were in receipt of remuneration aggregating ₹ 5 lakhs per month or more during the financial year ended 31st March, 2015. The information required under Section 197 (12) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this Report.

### FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will' and other similar expressions as they relate to the Company and / or its businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

### FUTURE PROSPECTS

In view of the positive long-term outlook for the Indian Hotel industry coupled with the prospect of sustained growth in both global and domestic economy, your Company remains committed to its delivery levels of service excellence and customer centricity. It is well positioned to sustain its leadership status in the Vadodara Market.

On behalf of the Board

Place: New Delhi  
 Date: 22nd July, 2015

Devkanya Roy Choudhury  
 Director

Arun Pathak  
 Director



## ANNEXURES

### REMUNERATION POLICY

The Company's Remuneration Policy is designed to attract and retain quality talent that gives its business a competitive advantage and enables the Company to achieve its objectives.

The Company's Remuneration Policy, whilst focusing on remuneration and related aspects of performance management, is aligned with and reinforces the employee value proposition of a superior quality of work life, that includes an enabling work environment, an empowering and engaging work culture and opportunities to learn and grow. The approach endeavours to align remuneration of each employee with the Company's goals.

#### a) Objectives

1. To ensure that the Company's remuneration practices support and encourage meritocracy.
2. To ensure that remuneration is market related and takes into account the competitive context of the Company's business.
3. To leverage remuneration as an effective instrument to enhance performance and therefore to link the remuneration to both individual and collective performance outcomes.
4. To adopt a comprehensive approach to remuneration in order to support a superior quality of personal and work life, in a manner so as to judiciously balance short term with long term priorities.
5. To design remuneration practices such that they reinforce the Company's values and culture and to implement them in a manner that complies with all relevant regulatory requirements.

#### b) Remuneration of Key Managerial Personnel (KMPs)

1. Remuneration of KMPs is determined and recommended by the Nominations and Remuneration Committee and approved by the Board. Remuneration of the Whole-time / Managing Director is also subject to approval by the shareholders.

2. Remuneration is reviewed and revised periodically, when such a revision is warranted.
3. Apart from fixed elements of remuneration and benefits, KMPs are also eligible for Variable Pay / Performance Bonus, which is linked to individual performance.
4. Remuneration of KMPs on deputation from ITC Limited is aligned to the Remuneration Policy of that company.

#### c) Remuneration of Independent Directors

Independent Directors are entitled to sitting fees for attending meetings of the Board and Board Committees, the quantum of which is determined by the Board within the limits prescribed under the Companies Act, 2013, and the rules thereunder. The expenses of the Independent Directors for attending meetings of the Board and Board Committees and General Meetings are also to be borne by the Company.

#### d) Remuneration of employees other than KMPs

1. Remuneration of employees other than KMPs, is fixed in consultation with Hotels Division of ITC Limited, as the employee costs are borne as per the Operating Licence Agreement the Company has with ITC Limited.
2. Remuneration of employees largely consists of basic remuneration, perquisites and allowances. The components of remuneration vary for different employee grades and are governed by industry pattern, qualification and experience of the employee, responsibilities handled, individual performance etc.
3. Remuneration is reviewed and revised periodically, when such a revision is warranted. The quantum of revision is linked to market trends, the competitive context of the Company's business, as well as the track record of the individual employee.



# GUJARAT HOTELS LIMITED

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

The Members,  
Gujarat Hotels Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat Hotels Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not Applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (made effective from 28th October, 2014) - Not Applicable;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable.
- (vi) The laws as are applicable specifically to the Company are as under:-
  - (a) Fire Prevention & Life Safety Measures Act, 2013.
  - (b) The Foreigner's Act, 1946.
  - (c) The Registration of Foreigners Rules, 1992.
  - (d) The Prevention of Food Adulteration Act, 1954.
  - (e) Legal Metrology Act, 2009.
  - (f) Food Safety and Standards Act, 2006.
  - (g) Gujarat Tax on Luxuries (Hotels and Lodging Houses) Act, 1977 and Gujarat Tax on Luxuries (Hotels and Lodging Houses) Rules, 1978.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India - Not Applicable as not notified during the financial year under review and shall come into force w.e.f 1st July, 2015.
- (ii) The Listing Agreements entered into by the Company with Vadodara Stock Exchange Limited and BSE Limited (BSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at Board Meetings were carried out unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with Labour Laws, Environmental Laws and other applicable laws, rules, regulations and guidelines.

For H. M. Mehta & Associates  
Hemang M. Mehta - Proprietor

Place : Vadodara  
Date : 22nd July, 2015

FCS No.: 4965  
CP No.: 2554

Enclosed: Annexure-A forming an integral part of this Report



# GUJARAT HOTELS LIMITED

## SECRETARIAL AUDIT REPORT

### ANNEXURE-A

To  
The Members  
Gujarat Hotels Limited  
WelcomeHotel Vadodara  
R C Dutt Road, Alkapuri  
Vadodara - 390 007

Our Secretarial Audit Report of even date is to be read along with this letter.

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain

reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For H. M. Mehta & Associates  
Hemang M. Mehta - Proprietor

Place: Vadodara  
Date : 22nd July, 2015

FCS No.: 4965  
C P No.: 2554





# GUJARAT HOTELS LIMITED

## FORM AOC - 2

### FORM AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	ITC Limited (ITC), Associate Company
b)	Nature of contracts / arrangements / transactions	License Fees received.
c)	Duration of the contracts / arrangements / transactions	Operating License Agreement (OLA) dated 24th September, 1992 for an initial period of 30 years and renewable for another period of 30 years. The OLA emanated from the rehabilitation package agreed amongst Gujarat State Govt., Financial Institutions viz. IFCI & SBI and ITC in the year 1990.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company shall receive Licence fees @ 15% of Net Operating Income. Value of transaction during the year - ₹ 3.20 crores.
e)	Date(s) of approval by the Board, if any	24th September, 1992.
f)	Amount paid as advances, if any	—

On behalf of the Board

Place : New Delhi  
Dated : 22nd July, 2015

Devkanya Roy Choudhury  
Director

Arun Pathak  
Director



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

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

### THE COMPANY'S GOVERNANCE PHILOSOPHY

The Company firmly believes in good Corporate Governance and has made it a practice and a continuous process of development right across the Company. The Company's philosophy on Corporate Governance envisages attainment of a high level of transparency and accountability in the functioning of the Company and conduct of business, and places due emphasis on regulatory compliance. It has empowered the Executive Management to take decisions with regard to day to day operations and has also created checks and balances that such decisions are taken with care and responsibility to meet stakeholders' aspirations and societal expectations.

The Company's Corporate Philosophy is focused on its people who are its most important asset and it values its employees' integrity, creativity, ability, judgment and opinions, who in turn demonstrate the highest ethical standards and responsibility towards the shareholders. This has helped the Company take rapid strides in its pursuit of excellence.

The Company is committed to enhance shareholder value in a fair and transparent manner and has been in the forefront for benchmarking itself with the best business practices globally.

### BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

### Composition

The composition of the Board of Directors of the Company is balanced, comprising of Non-Executive Directors including independent professionals. Directors are appointed / re-appointed with the approval of the shareholders and all Directors, except the Independent Directors, 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, 2015

Category	No. of Directors	Percentage to total no. of Directors
Non-Executive Independent Directors	3	50%
Other Non-Executive Directors	3	50%
Total	6	100%

### Meetings and Attendance

During the financial year ended 31st March, 2015, six meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1	15th April, 2014	6	6
2	8th August, 2014	6	5
3	29th September, 2014	6	5
4	11th November, 2014	6	5
5	19th January, 2015	7	5
6	9th March, 2015	6	4



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

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.	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	Nil
2	C K Koshy	Non-Executive Independent Director	4	Yes	1	Nil
3	Rohit C Mehta	Non-Executive Independent Director	4	Yes	7	3 (including 1 as Chairman)
4	M Narayanan	Non-Executive Independent Director	6	Yes	4	4 (as Chairman)
5	Arun Pathak	Non-Executive Director	5	Yes	6	3 (including 1 as Chairman)
6	S C Sekhar***	Non-Executive Director	5	Yes	N.A.	N.A.
7	D Roy Choudhury****	Non-Executive Director	1	N.A.	Nil	Nil

\* Excludes Directorship in Foreign Companies, Membership of Managing Committees of Chambers of Commerce / Professional Bodies.

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

\*\*\* Ceased to be a Non-Executive Director w.e.f. 20th January, 2015.

\*\*\*\* Appointed as a Non-Executive Director w.e.f. 19th January, 2015.

### COMMITTEES OF THE BOARD

Currently, there are three Committees of the Board - the Audit Committee, the Stakeholders Relationship Committee and the Nominations and Remuneration 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 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.

## REPORT ON CORPORATE GOVERNANCE

The role of the Committee includes the following:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To recommend the appointment, remuneration, terms of appointment and removal of Statutory Auditors, and to review the manner of rotation of Statutory Auditors;
- To approve transactions of the Company with related parties, including modifications thereto;
- To review and monitor the Statutory Auditor's independence and performance, and effectiveness of the audit process;
- To evaluate the Company's internal financial controls and risk management systems;
- To review with the management the following:
  - Annual financial statements and Auditor's Report thereon before submission to the Board for approval;
  - Quarterly financial statements before submission to the Board for approval;
- To review the following:
  - Management discussion and analysis of financial condition and results of operations;
  - Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, Statutory and Internal Auditors;
  - Reports of Internal Audit and discussion with Internal Auditors on any significant findings and follow-up thereon;
  - System / manner of maintenance, storage, retrieval, display, print out and security of books of account of the Company maintained in the electronic form;
  - Functioning of Whistle Blower mechanism in the Company.

### Composition

The Audit Committee presently comprises four Non-Executive Directors, three of whom are Independent Directors. The Chairman of the Committee is an Independent Director. Representative of Statutory Auditors and Key Managerial Personnel of the Company are Invitees to the meetings of 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, 2015, four meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	15th April, 2014	4	4
2	8th August, 2014	4	3
3	11th November, 2014	4	3
4	9th March, 2015	4	4

Attendance at Audit Committee Meetings held during the financial year:

Director	No. of meetings attended
Rohit C Mehta	3
C K Koshy	3
M Narayanan	4
Arun Pathak*	1
S C Sekhar**	3

\* Appointed as a Member w.e.f. 20th January, 2015.

\*\* Ceased to be a Member w.e.f. 20th January, 2015.



## REPORT ON CORPORATE GOVERNANCE

### B. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board (earlier known as 'Investor Services Committee') oversees redressal of shareholder and investor grievances and, inter alia, approves sub-division / transmission of shares, rematerialisation of shares, issue of duplicate share certificates etc.

#### Composition

The Stakeholders Relationship Committee presently comprises two Directors, both of them are Non-Executive Directors.

The names of the members of the Stakeholders Relationship 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, 2015, five meetings of the Stakeholders Relationship Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	15th April, 2014	3	3
2	8th August, 2014	2	2
3	11th November, 2014	2	2
4	19th January, 2015	2	2
5	27th February, 2015	2	2

Attendance at Stakeholders Relationship Committee Meetings held during the financial year:

Director	No. of meetings attended
Arun Pathak	5
D R Choudhury*	1
C K Koshy**	1
S C Sekhar***	4

\* Appointed as a Member w.e.f. 20th January, 2015.

\*\* Ceased to be a Member w.e.f. 8th August, 2014.

\*\*\* Ceased to be a Member w.e.f. 20th January, 2015.

### C. NOMINATIONS AND REMUNERATION COMMITTEE

The Nominations and Remuneration Committee of the Board, inter alia, identifies persons qualified to become Directors and formulates criteria for evaluation of performance of the Independent Directors and the Board. The Committee's role also includes recommending to the Board the appointment, remuneration and removal of Directors.

#### Composition

The Nominations and Remuneration Committee comprises five Non-Executive Directors, three of whom are Independent Directors. The Chairman of the Committee is an Independent Director.

The names of the members of the Nominations and Remuneration 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, 2015, three meetings of Nominations and Remuneration Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	29th September, 2014	5	5
2	19th January, 2015	5	3
3	9th March, 2015	5	4

Attendance at Nominations and Remuneration Committee Meetings held during the financial year:

Director	No. of meetings attended
C K Koshy	2
Nakul Anand	2
Rohit C Mehta	2
M Narayanan	3
Arun Pathak	3

# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

### Remuneration of Directors

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and Committees thereof the quantum of which is determined by the Board. The sitting fees payable to Non-Executive Directors as determined by the Board with effect from 11th November, 2014 are ₹ 7,500/- and ₹ 5,000/- for each meeting of the Board and Committee respectively.

Details of sitting fees paid to the Directors for the financial year ended 31st March, 2015:

Director	Sitting Fees (Amount in ₹)
C K Koshy	55,000/-
Rohit C Mehta	50,000/-
M Narayanan	72,500/-

### Directors' Shareholding

Shareholding of the Directors in the Company as on 31st March, 2015:

Director	No. of Equity Shares of ₹ 10/- each held singly / jointly
Nakul Anand	200
D R Choudhury	Nil
C K Koshy	Nil
Rohit C Mehta	Nil
M Narayanan	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**

### 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 etc. are posted on Company's website [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in).

The Report of the Board of Directors, forming part of the Report and Accounts, includes all aspects of the Management Discussion and Analysis Report as required under Clause 49 of the Listing Agreement.

### GHL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING - 2015

The GHL Code of Conduct for Prevention of Insider Trading - 2015, 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.

### GHL CODE OF CONDUCT

The GHL 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 in relation to the Company's business and reputation. The Code covers GHL'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.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

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

All Directors and senior management of the Company have affirmed compliance with the GHL Code of Conduct for the financial year ended 31st March, 2015.

New Delhi  
15th April, 2015

Ragthunathan Murali  
Chief Executive Officer

### WHISTLEBLOWER POLICY

Synopsis of the Whistleblower Policy of the Company is provided in the 'Report of the Board of Directors & Management Discussion and Analysis' in the Report and Accounts. The Whistleblower Policy is also available on the Company's website.

### FAMILIARISATION PROGRAMME

GHL believes that a Board, which is well informed / familiarised with the Company, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfills stakeholders' aspirations and societal expectations. In pursuit of this, the Directors are updated on a continuing basis on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations and economic environment, to enable them to take well informed and timely decisions.

The details of the familiarisation programme may be accessed on the Company's website: [http://www.gujarathotelsltd.in/policies/Directors\\_Familiarisation\\_Programme.pdf](http://www.gujarathotelsltd.in/policies/Directors_Familiarisation_Programme.pdf)

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

The status of compliance with the non-mandatory recommendations under 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. 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 Report and Accounts is sent to every Shareholder of the Company.
- 3. Audit Qualifications:** It has always been the Company's endeavour to present unqualified financial statements. There are no audit qualifications on the Company's financial statements for the year ended 31st March, 2015.
- 4. Separate posts of Chairman and Managing Director:** The Company has appointed a Non-Executive Chairman and a Chief Executive Officer.
- 5. Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.



# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

### AGM Details

<b>Date</b>	Tuesday, 29th September, 2015
<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, 22nd September, 2015 to Tuesday, 29th September, 2015 (both days inclusive)
<b>Dividend Payment Date</b>	Thursday, 8th October, 2015

### Registrars & Share Transfer Agents

Messrs MCS Share Transfer Agent Limited are 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 Share Transfer Agent Limited  
10, Aram Apartment  
12, Sampatrao Colony  
Alkapuri Vadodara - 390 007  
Tel No. : 0265-2314757  
E-mail : mcsitdbaroda@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, Chief Financial Officer, is the Compliance Officer under Clause 47 of the Listing Agreement with Stock Exchanges.

### Share Transfer Committee

The Share Transfer Committee of the Company met 15 times during the financial year. The processing activities with respect to requests received for share transfer are completed within the statutory time prescribed. There were no share transfers pending as on 31st March, 2015.

The Share Transfer Committee comprises the following:

<b>Raghunathan Murali</b> <b>Chief Executive Officer</b>	Member
<b>Rohan Singh</b> <b>Chief Financial Officer</b>	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 2015-16 have been paid to NSDL and CDSL, the Depositories.

As on 31st March, 2015, a total of 33,38,549 Equity Shares of the Company, which forms 88.15% of the Share Capital, stands dematerialised. The processing activities with respect to requests received for dematerialisation are completed within 10-15 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 complaint during the financial year ended 31st March, 2015.

The e-mail ID earmarked for investor complaints:

**ghlinvestors@yahoo.co.in**





# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

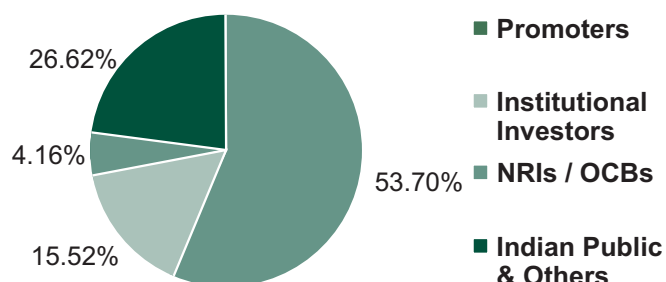
### Distribution of Shareholding as on 31st March, 2015

No. of Shares Slab	No. of Shareholders		No. of Equity Shares	
	Total	% to Share holders	Total	% to Share Capital
1-500	5,803	96.17	6,77,758	17.90
501-1000	148	2.45	1,20,518	3.18
1001-2000	42	0.70	58,378	1.54
2001-3000	9	0.15	21,952	0.58
3001-4000	8	0.13	27,547	0.73
4001-5000	6	0.10	26,988	0.71
5001-10000	11	0.18	69,686	1.84
10001-50000	2	0.03	40,830	1.08
50001 & above	5	0.09	27,43,858	72.44
<b>Total</b>	<b>6,034</b>	<b>100.00</b>	<b>37,87,515</b>	<b>100.00</b>

### Categories of Shareholders as on 31st March, 2015

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	5,87,677	15.51
	<b>Sub Total</b>	<b>5,87,877</b>	<b>15.52</b>
<b>4</b>	<b>Others</b>		
a	Private Corporate Bodies	1,56,231	4.13
b	Indian Public	8,43,095	22.26
c	NRIs / OCBs	1,57,650	4.16
d	Any Other	8,699	0.23
	<b>Sub Total</b>	<b>11,65,675</b>	<b>30.78</b>
	<b>Grand Total</b>	<b>37,87,515</b>	<b>100.00</b>

### SHAREHOLDING PATTERN





# GUJARAT HOTELS LIMITED

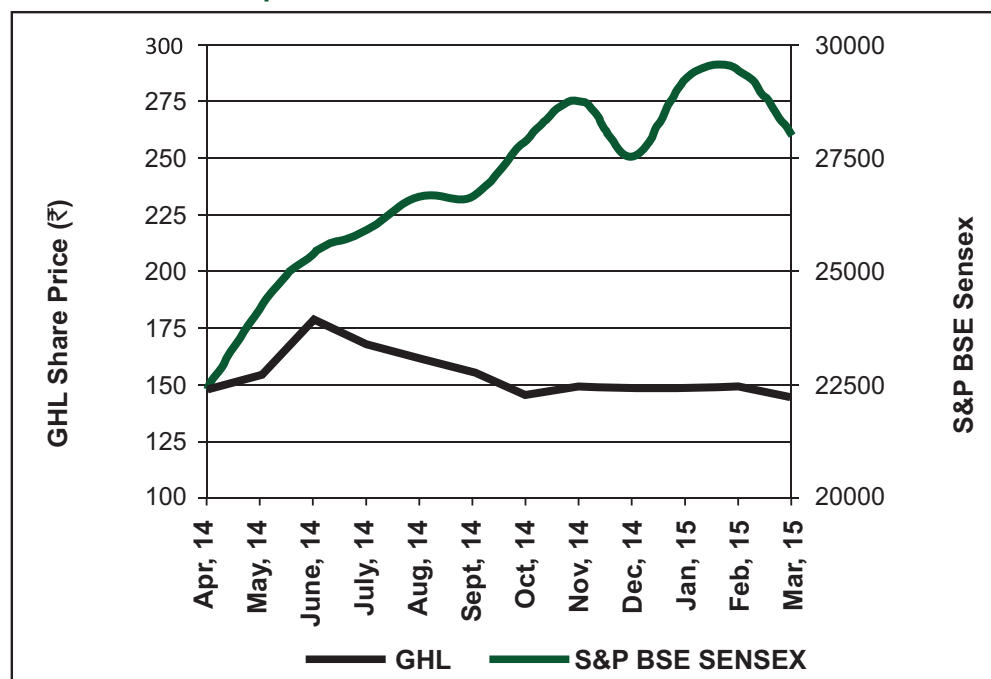
## SHAREHOLDER INFORMATION

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

Bombay Stock Exchange				
Year	Month	High (₹)	Low (₹)	Volume (Nos.)
2014	April	157.20	131.35	15,735
	May	170.00	131.10	7,908
	June	200.00	147.50	37,034
	July	194.35	163.15	13,727
	August	189.95	160.00	15,167
	September	181.35	149.75	15,596
	October	160.00	143.55	7,564
	November	153.25	137.65	9,553
	December	156.00	140.00	9,717
2015	January	158.80	143.00	5,233
	February	156.60	135.00	5,691
	March	152.00	125.00	10,152

Note: There was no trading in the Company's Shares on Vadodara Stock Exchange during the financial year 2014-15

Performance in comparison to broad based indices such as S&P 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 2015-16 have been paid to the aforesaid Stock Exchanges.

### Financial Calendar

Financial Year 2015-16		
1	First Quarter Results	August 2015
2	Second Quarter and Half Year Results	November 2015
3	Third Quarter Results	February 2016
4	Fourth Quarter and Annual Results	May 2016

### Particulars of Past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolution(s) Passed
32nd	2013-14	WelcomHotel Vadodara	29-09-2014	11 a.m.	-
31st	2012-13	R C Dutt Road Alkapuri	13-08-2013		-
30th	2011-12	Vadodara 390 007.	08-08-2012		-

### Postal Ballot

No special resolution requiring postal ballot was proposed last year. No special resolution requiring 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 2006-07 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 in accordance with the schedule given below, to IEPF.

Financial Year	Date of Declaration of Dividend	Due for Transfer to IEPF on
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
2013-14	29th September, 2014	5th November, 2021

\*It will not be possible to entertain any claim received by the Company after 26th August, 2015.

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).

### Service of documents through Electronic Mode

The Notice, along with 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



# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

who wish to update or register their e-mail addresses with the Company or with the Depositories 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).

### Depository Services

Shareholders may write to the respective Depository or to RTA 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 / 2272207

E-mail : [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com)

Website : [www.cdslindia.com](http://www.cdslindia.com)

### 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).

### Permanent Account Number (PAN)

Shareholders holding shares in the Certificate 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.

### 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 Form; such Form can be downloaded from the Company's website under the section 'Financial Reports'.





# GUJARAT HOTELS LIMITED

## EXTRACT OF ANNUAL RETURN

### FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L55100GJ1982PLC005408
- ii) Registration Date : 7th August, 1982
- iii) Name of the Company : Gujarat Hotels Limited
- iv) Category / Sub-Category of the Company : Public Company - Limited by shares
- v) Address of the Registered Office and contact details : WelcomHotel Vadodara  
R C Dutt Road, Alkapuri  
Vadodara 390 007  
Phone No.: 0265-2330033  
e-mail ID: ghlinvestors@yahoo.co.in
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrars and Transfer Agent, if any : MCS Share Transfer Agent Limited  
10, Aram Apartment  
12, Sampatrao Colony  
Alkapuri, Vadodara 390 007  
Tel No.: 0265-2314757

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(Contributing 10% or more of the total turnover of the Company)

Sl. No.	Name and Description of main products / services	NIC Code of the products / services	% to total turnover of the Company
1	Room or unit accommodation services for visitors, with daily housekeeping services	55101	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
	N.A.	N.A.	N.A.	N.A.	N.A.



# GUJARAT HOTELS LIMITED

## EXTRACT OF ANNUAL RETURN

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2033963	0	2033963	53.70	2033963	0	2033963	53.70	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(1)</b>	<b>2033963</b>	<b>0</b>	<b>2033963</b>	<b>53.70</b>	<b>2033963</b>	<b>0</b>	<b>2033963</b>	<b>53.70</b>	<b>0</b>
(2) <b>Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2033963</b>	<b>0</b>	<b>2033963</b>	<b>53.70</b>	<b>2033963</b>	<b>0</b>	<b>2033963</b>	<b>53.70</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	200	200	0.01	0	200	200	0.01	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	598465	0	598465	15.81	587677	0	587677	15.51	(0.30)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>598465</b>	<b>200</b>	<b>598665</b>	<b>15.82</b>	<b>587677</b>	<b>200</b>	<b>587877</b>	<b>15.52</b>	<b>(0.30)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	149355	3800	153155	4.04	152431	3800	156231	4.13	0.08
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	441634	359366	801000	21.14	454199	348066	802265	21.18	0.04
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	34232	0	34232	0.91	40830	0	40830	1.08	0.17
c) Others (specify)									
i) Hindu Undivided Families	7043	0	7043	0.18	8699	0	8699	0.23	0.05
ii) Non Resident Individuals	59957	99500	159457	4.21	60750	96900	157650	4.16	(0.05)
<b>Sub-total (B)(2)</b>	<b>692221</b>	<b>462666</b>	<b>1154887</b>	<b>30.48</b>	<b>716909</b>	<b>448766</b>	<b>1165675</b>	<b>30.78</b>	<b>0.30</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1290686</b>	<b>462866</b>	<b>1753552</b>	<b>46.30</b>	<b>1304586</b>	<b>448966</b>	<b>1753552</b>	<b>46.30</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>3324649</b>	<b>462866</b>	<b>3787515</b>	<b>100</b>	<b>3338549</b>	<b>448966</b>	<b>3787515</b>	<b>100</b>	<b>0</b>



# GUJARAT HOTELS LIMITED

## EXTRACT OF ANNUAL RETURN

### (ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	ITC Limited	1733907	45.78	Nil	1733907	45.78	Nil	Nil
2.	Russell Investments Limited	300056	7.92	Nil	300056	7.92	Nil	Nil

### (iii) Change in Promoters' Shareholding: No change in shareholding during the year.

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>ORANGE MAURITIUS INVESTMENTS LIMITED</b>				
	At the beginning of the year	340756	8.99		
	Increase / Decrease in Shareholding during the year:				
	04/04/2014	(95)	0.00	340661	8.99
	At the end of the year			340661	8.99



# GUJARAT HOTELS LIMITED

## EXTRACT OF ANNUAL RETURN

Sl. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2.	<b>ASIA ADVANTAGE FUND</b>				
	At the beginning of the year	257709	6.80		
	Increase / Decrease in Shareholding during the year:				
	01/08/2014	(764)	0.02	256945	6.78
	08/08/2014	(2631)	0.06	254314	6.72
	15/08/2014	(500)	0.01	253814	6.71
	22/08/2014	(2186)	0.05	251628	6.66
	29/08/2014	(1000)	0.02	250628	6.64
	12/09/2014	(3412)	0.09	247216	6.55
	17/10/2014	(200)	0.00	247016	6.55
	At the end of the year			247016	6.55
3.	<b>SAVI PORTFOLIO MANAGEMENT SERVICES LIMITED</b>				
	At the beginning of the year	122218	3.22		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			122218	3.22
4.	<b>CHIRAYUSH PRAVIN VAKIL</b>				
	At the beginning of the year	23532	0.62		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			23532	0.62
5.	<b>CHANDU JHABAK</b>				
	At the beginning of the year	10700	0.28		
	Increase / Decrease in Shareholding during the year:				
	13/06/2014	(1420)	0.03	9280	0.25
	30/06/2014	(17)	0.00	9263	0.25
	18/07/2014	(14)	0.00	9249	0.25
	25/07/2014	(47)	0.00	9202	0.25
	At the end of the year			9202	0.25
6.	<b>ABHAY KRISHI UDYOG PVT LTD</b>				
	At the beginning of the year	7450	0.19		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			7450	0.19





# GUJARAT HOTELS LIMITED

## EXTRACT OF ANNUAL RETURN

Sl. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	<b>BALDEV RAJ MASSON</b>				
	At the beginning of the year	7200	0.19		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			7200	0.19
8.	<b>PUSHPA RANI MASSON</b>				
	At the beginning of the year	7200	0.19		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			7200	0.19
9.	<b>RAVI SURI</b>				
	At the beginning of the year	6300	0.16		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			6300	0.16
10.	<b>MURIJ JIWATRAM MANGHNANI</b>				
	At the beginning of the year	6000	0.15		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year #			N.A.	N.A.
	# Ceased to be among the top ten shareholders of the Company with effect from 10/10/14				
11.	<b>FALGUNI NILESH DEDHIA</b>				
	At the beginning of the year	N.A.	N.A.		
	New entrant in the top ten shareholders of the Company effective 10/10/2014	6003	0.15	6003	0.15
	Increase / Decrease in Shareholding during the year:				
	17/10/2014	81	0.00	6084	0.15
	31/10/2014	36	0.00	6120	0.15
	14/11/2014	207	0.00	6327	0.15
	21/11/2014	171	0.00	6498	0.15
	28/11/2014	171	0.00	6669	0.15
	05/12/2014	288	0.00	6957	0.15
	12/12/2014	252	0.00	7209	0.15
	20/12/2014	126	0.00	7335	0.15
	31/12/2014	576	0.01	7911	0.16
	03/01/2015	1179	0.03	9090	0.19
	09/01/2015	324	0.00	9414	0.19



# GUJARAT HOTELS LIMITED

## EXTRACT OF ANNUAL RETURN

Sl. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	16/01/2015	81	0.00	9495	0.19
	23/01/2015	180	0.00	9675	0.19
	30/01/2015	450	0.01	10125	0.20
	06/02/2015	754	0.02	10879	0.22
	13/02/2015	388	0.01	11267	0.23
	20/02/2015	352	0.00	11619	0.23
	27/02/2015	423	0.01	12042	0.24
	06/03/2015	496	0.01	12538	0.25
	13/03/2015	4635	0.12	17173	0.37
	20/03/2015	98	0.00	17271	0.37
	At the end of the year			<b>17298</b>	<b>0.37</b>

**Note:** Increase / Decrease in shareholding as stated above is based on details of beneficial ownership furnished by the Depositories.

### (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Nakul Anand (Chairman)</b>				
	At the beginning of the year	<b>200</b>	<b>0</b>		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			<b>200</b>	<b>0</b>
2.	<b>Rohitbhai Chinubhai Mehta (Director)</b>				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0
3.	<b>Cheruvettolil Kochukoshy Koshy (Director)</b>				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0



# GUJARAT HOTELS LIMITED

## EXTRACT OF ANNUAL RETURN

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4.	<b>Mahalinga Narayanan (Director)</b>				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0
5.	<b>Arun Pathak (Director)</b>				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0
6.	<b>Devkanya Roy Choudhury (Director)</b>				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0
7.	<b>Raghunathan Murali (Chief Executive Officer)</b>				
	At the beginning of the year	10	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			10	0
8.	<b>Rohan Singh (Chief Financial Officer)</b>				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:				
	14/08/14	5	0	5	0
	At the end of the year			5	0
9.	<b>Hemanshi Vadhera (Company Secretary)</b>				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0



# GUJARAT HOTELS LIMITED

## EXTRACT OF ANNUAL RETURN

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment: NIL

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager: NOT APPLICABLE

B. Remuneration to the other Directors:

(Amount in ₹)

Sl. No.	Directors	Particulars of Remuneration			
1.	Independent Directors	Fee for attending Board / Board Committee Meetings	Commission	Others, please specify	Total Amount
	Cheruvettolil Kochukoshy Koshy	55,000	0	0	55,000
	Rohitbhai Chinubhai Mehta	50,000	0	0	50,000
	Mahalinga Narayanan	72,500	0	0	72,500
	Total (B) (1)				1,77,500
2.	Other Non Executive Directors				
	Nakul Anand	0	0	0	0
	Devkanya Roy Choudhury	0	0	0	0
	Arun Pathak	0	0	0	0
	Total (B) (2)				0
	Total Amount (B) = (B)(1) + (B)(2)				1,77,500
	Total Managerial Remuneration (A+B)				1,77,500
	Overall Ceiling as per the Act				35,16,396
				(Being 11% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)	



# GUJARAT HOTELS LIMITED

## EXTRACT OF ANNUAL RETURN

### C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole-time Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel*			Total Amount
		Raghunathan Murali Chief Executive Officer	Rohan Singh Chief Financial Officer	Hemanshi Vadhera Company Secretary	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	4,14,800	3,41,713	968	7,57,481
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
<b>Total</b>		<b>4,14,800</b>	<b>3,41,713</b>	<b>968</b>	<b>7,57,481</b>

\*The Chief Executive Officer and the Chief Financial Officer were appointed with effect from 20th January, 2015. The Company Secretary was appointed effective 30th March, 2015.

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES against the Company, Directors and other Officers in Default under the Companies Act, 2013: NONE

On behalf of the Board

Place : New Delhi  
Dated : 22nd July, 2015

Devkanya Roy Choudhury  
Director

Arun Pathak  
Director





# GUJARAT HOTELS LIMITED

## INFORMATION U/S 197 (12) OF THE COMPANIES ACT, 2013

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median remuneration of all employees	Increase in Remuneration over LY (%)
Mr Nakul Anand	Chairman and Non-Executive Director#	-	-
Ms D Roy Choudhury	Non-Executive Director#	-	N.A.
Mr C K Koshy	Non-Executive Independent Director	0.29:1	-
Mr Rohit C Mehta	Non-Executive Independent Director	0.27:1	150% @
Mr M Narayanan	Non-Executive Independent Director	0.39:1	142% @
Mr Arun Pathak	Non-Executive Director#	-	-
Mr Raghunathan Murali	Chief Executive Officer	-	-
Mr Rohan Singh	Chief Financial Officer	-	N.A.
Ms Hemanshi Vadhera	Company Secretary	-	N.A.

# Non-Executive Directors are not paid any sitting fees.

@ Reflects increase in sitting fees w.e.f. 11th November, 2014 and increase in committee memberships.

### Notes

- The number of permanent employees as on 31st March, 2015 was 179.
- Compared to the previous year 2013-14, the figures for the current year 2014-15 reflects that:
  - Gross Turnover has grown by 6.93%, whereas PBT and EPS has declined by -5.35% & -16.43% respectively.
  - Median remuneration and average remuneration of all employees have increased by 12% and 6% respectively.
- Since Directors are not paid any remuneration besides sitting fees, remuneration of employees would be higher.
- The remuneration of the Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company.
- The market capitalisation of the Company as on 31st March, 2015 increased by 4.80% when compared to that of 31st March, 2014. The Company has not made any public offer in the recent past and accordingly, comparison of Public Offer Price and the current market price of the Company's Shares will not be relevant.
- The PE ratio as on 31st March, 2015 stood at 19.94 (31st March, 2014: 15.91)

On behalf of the Board

Place : New Delhi  
Date : 22nd July, 2015

Devkanya Roy Choudhury  
Director

Arun Pathak  
Director



## GUJARAT HOTELS LIMITED

### CEO AND CFO CERTIFICATION

We, Raghunathan Murali, Chief Executive Officer and Rohan Singh, Chief Financial Officer, responsible for the finance function certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2015 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi  
Date : 15th April, 2015

Raghunathan Murali  
Chief Executive Officer

Rohan Singh  
Chief Financial Officer



# GUJARAT HOTELS LIMITED

## BALANCE SHEET

As at 31st March, 2015

Particulars	Note	Amount in ₹	
		As at 31st March, 2015	As at 31st March, 2014
<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	16,48,60,432	15,34,43,788
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities	3	54,92,244	56,75,524
(b) Long Term Provisions	4	10,64,418	10,80,533
<b>(3) Current Liabilities</b>			
(a) Trade Payables	5	1,08,890	1,40,418
(b) Other Current Liabilities	6	76,45,967	64,49,374
(c) Short Term Provisions	7	1,62,42,974	1,56,12,353
<b>Total</b>		<b>23,32,90,075</b>	<b>22,02,77,140</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets - Tangible Assets	8	1,72,11,063	1,78,10,443
(b) Long Term Loans and Advances	9	37,19,909	44,37,051
<b>(2) Current Assets</b>			
(a) Current Investments	10	15,15,25,804	15,41,50,000
(b) Trade Receivables	11	1,13,89,552	84,67,515
(c) Cash and Bank Balances	12	4,50,65,244	2,44,85,814
(d) Short Term Loans and Advances	13	3,81,043	3,62,521
(e) Other Current Assets	14	39,97,460	1,05,63,796
<b>Total</b>		<b>23,32,90,075</b>	<b>22,02,77,140</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 Manish Baxi  
Partner  
M.No. 45011

Place : New Delhi  
Date : 15th April, 2015

On behalf of the Board

Devkanya Roy Choudhury  
Director

Hemanshi Vadhera  
Company Secretary

Arun Pathak  
Director  
  
Rohan Singh  
Chief Financial Officer



# GUJARAT HOTELS LIMITED

## STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2015

Amount in ₹

Particulars	Note	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>REVENUE</b>			
Revenue from Operations	15	3,20,41,007	2,99,63,657
Other Income	16	1,10,62,491	1,51,03,473
<b>Total Revenue</b>		<b>4,31,03,498</b>	<b>4,50,67,130</b>
<b>EXPENSES</b>			
Employee Benefits Expense	17	1,52,272	1,47,503
Depreciation and Amortization Expense		4,79,808	4,94,988
Other Expenses	18	24,66,106	21,58,303
<b>Total Expenses</b>		<b>30,98,186</b>	<b>28,00,794</b>
<b>Profit Before Tax</b>		<b>4,00,05,312</b>	<b>4,22,66,336</b>
Tax Expense:			
Current Tax		1,28,50,171	97,30,270
Deferred Tax Liability/(Asset)		(1,83,280)	(1,77,551)
<b>Profit for the year</b>		<b>2,73,38,421</b>	<b>3,27,13,617</b>
Earning per Equity Share (Face Value ₹ 10/- each):	19		
Basic		7.22	8.64
Diluted		7.22	8.64

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 Manish Baxi  
Partner  
M.No. 45011

Place : New Delhi  
Date : 15th April, 2015

On behalf of the Board

Devkanya Roy Choudhury  
Director

Hemanshi Vadhera  
Company Secretary

Arun Pathak  
Director

Rohan Singh  
Chief Financial Officer



# GUJARAT HOTELS LIMITED

## CASH FLOW STATEMENT

For the year ended 31st March, 2015

Amount in ₹

Particulars		For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>A. Cash Flow from Operating Activities</b>			
PROFIT BEFORE TAX		4,00,05,312	4,22,66,336
Adjustments for:			
Depreciation and Amortization Expense		4,79,808	4,94,988
Interest Income		(12,74,589)	(21,70,512)
Dividend Income from Current Investments		(9,59,202)	(5,68,382)
(Profit) / Loss from Sale of Fixed Assets		(5,98,605)	(1,06,299)
Net Gain on Sale of Current Investments		(82,30,095)	(1,22,58,280)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		2,94,22,629	2,76,57,851
Adjustments for:			
(Increase) / Decrease in Trade Receivables, Loans & Advances and Other Assets		(33,73,690)	(9,20,766)
Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions		10,48,846	3,77,683
CASH GENERATED FROM OPERATIONS		2,70,97,785	2,71,14,768
Income Tax Paid		(1,20,23,935)	(97,22,861)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,50,73,850</b>	<b>1,73,91,907</b>
<b>B. Cash Flow from Investing Activities</b>			
Sale of Fixed Assets		6,74,256	1,93,850
Purchase of Current Investments		(47,87,00,000)	(32,27,00,000)
Sale / Redemption of Current Investments		48,95,83,210	31,98,60,445
Dividend Income from Current Investments Received		9,59,202	5,68,382
Interest Received		81,64,963	1,90,288
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>2,06,81,631</b>	<b>(18,87,035)</b>
<b>C. Cash Flow from Financing Activities</b>			
Dividend Paid		(1,32,56,303)	(1,32,56,303)
Income Tax on Dividend Paid		(22,52,909)	(22,52,909)
Net Increase in Statutory Restricted Accounts Balances		3,33,161	4,03,138
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(1,51,76,051)</b>	<b>(1,51,06,074)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2,05,79,430</b>	<b>3,98,798</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>		<b>2,44,85,814</b>	<b>2,40,87,016</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<b>4,50,65,244</b>	<b>2,44,85,814</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 ₹ 45,69,761/- (2014 - ₹ 42,36,600/-) 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

On behalf of the Board

CA Manish Baxi  
 Partner  
 M.No. 45011

Devkanya Roy Choudhury  
 Director

Arun Pathak  
 Director

Place : New Delhi  
 Date : 15th April, 2015

Hemanshi Vadhera  
 Company Secretary

Rohan Singh  
 Chief Financial Officer





# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 SHARE CAPITAL

Particulars	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (₹)	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (₹)
<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, 2015	31st March, 2014
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, 2015	
	No. of shares	% holding
ITC Limited	17,33,907	45.78%
Orange Mauritius Investments Limited	3,40,661	8.99%
Russell Investments Limited	3,00,056	7.92%
Asia Advantage Fund	2,47,016	6.52%

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%

#### 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.



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	As at 31st March, 2015		As at 31st March, 2014	
<b>2 RESERVES AND SURPLUS</b>				
<b>General Reserve</b>				
At the beginning of the year	2,75,23,662		2,42,52,300	
Add : Transfer from Surplus in Statement of Profit and Loss	<u>27,33,842</u>		<u>32,71,362</u>	
At the end of the year		3,02,57,504		2,75,23,662
<b>Surplus in Statement of Profit and Loss</b>				
At the beginning of the year	12,59,20,126		11,19,87,083	
Add : Profit for the year	2,73,38,421		3,27,13,617	
Less : Transitional impact of Depreciation as per Companies Act, 2013	15,002		-	
Less : Transfer to General Reserve	27,33,842		32,71,362	
Less : Proposed Dividend [₹ 3.50 (2014 - ₹ 3.50) per share]	1,32,56,303		1,32,56,303	
Less : Income Tax on Proposed Dividend	<u>26,50,472</u>		<u>22,52,909</u>	
At the end of the year		13,46,02,928		12,59,20,126
<b>TOTAL</b>		<b>16,48,60,432</b>		<b>15,34,43,788</b>
<b>3 DEFERRED TAX LIABILITY</b>				
Depreciation - Timing Difference		54,92,244		56,75,524
<b>TOTAL</b>		<b>54,92,244</b>		<b>56,75,524</b>
<b>4 LONG TERM PROVISIONS</b>				
Provision for Employee Benefits Retirement Benefits		10,64,418		10,80,533
<b>TOTAL</b>		<b>10,64,418</b>		<b>10,80,533</b>
<b>5 TRADE PAYABLES</b>				
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,08,890		1,40,418
<b>TOTAL</b>		<b>1,08,890</b>		<b>1,40,418</b>
<b>6 OTHER CURRENT LIABILITIES</b>				
Unpaid Dividend*		45,69,761		42,36,600
Employee Related		30,34,512		21,90,162
Statutory Dues / Obligations		41,694		22,612
<b>TOTAL</b>		<b>76,45,967</b>		<b>64,49,374</b>
<b>7 SHORT TERM PROVISIONS</b>				
Provision for Employee Benefits Retirement Benefits		3,36,199		1,03,141
Proposed Dividend		1,32,56,303		1,32,56,303
Income Tax on Proposed Dividend		26,50,472		22,52,909
<b>TOTAL</b>		<b>1,62,42,974</b>		<b>1,56,12,353</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			As at 31st March, 2015	As at 31st March, 2014
	Original Cost As at 31st March, 2014	Additions	Withdrawals and adjustments	As at 31st March, 2015	Upto 31st March, 2014	For the year	On Withdrawals and adjustments	Upto 31st March, 2015	As at 31st March, 2015		
Buildings	3,03,67,639	-	-	3,03,67,639	1,35,73,394	4,79,808	-	1,40,53,202	1,63,14,437	1,67,94,245	
Plant and Equipment	1,74,43,164	-	21,36,138	1,53,07,026	1,65,66,646	-	20,26,345	1,45,40,301	7,66,725	8,76,518	
Furniture and Fixtures	27,69,383	-	33,028	27,36,355	26,31,803	-	23,332	26,08,471	1,27,884	1,37,580	
Office Equipment	69,892	-	-	69,892	67,792	-	(83)	67,875	2,017	2,100	
<b>TOTAL</b>	5,06,50,078	-	<b>21,69,166</b>	<b>4,84,80,912</b>	3,28,39,635	<b>4,79,808</b>	<b>20,49,594</b>	<b>3,12,69,849</b>	<b>1,72,11,063</b>	<b>1,78,10,443</b>	
Previous Year	5,25,25,008	-	18,74,930	5,06,50,078	3,41,32,026	4,94,988	17,87,379	3,28,39,635	1,78,10,443		

\*All the above assets are given on Operating Lease

## 9 LONG TERM LOANS AND ADVANCES

Particulars	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
<b>Unsecured, considered good</b>		
Deposits with Government, Public Bodies and others	23,28,947	23,28,947
Advance Tax Paid (Net of Provisions)	13,90,962	21,08,104
<b>TOTAL</b>	<b>37,19,909</b>	<b>44,37,051</b>



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 10 CURRENT INVESTMENTS (at lower of cost and fair value)

Amount in ₹

Sl. No.	Investments in Mutual Funds Name of Plan	As at 31st March, 2015		As at 31st March, 2014	
		Quoted	Unquoted	Quoted	Unquoted
1	BSL-Fixed Term Plan Series Gx - Growth Nil(2014 - 9,50,000) Units of ₹ 10/- each	-	-	95,00,000	-
2	HDFC FMP 372D Dec 2013(2) - Growth Nil (2014 - 1,00,000) Units of ₹ 10/- each	-	-	10,00,000	-
3	HDFC Liquid Fund - Daily Dividend Option 3,92,603.121 (2014 - Nil) Units of ₹ 10.1982/- each	40,03,845	-	-	-
4	HDFC Liquid Fund - Growth 26,31,401.402 (2014 - Nil) Units of ₹ 27.1421/- each	7,14,21,959	-	-	-
5	HDFC Liquid Fund - Direct Plan - Growth 21,739.288 (2014 - Nil) Units of ₹ 27.5998/- each	6,00,000	-	-	-
6	HDFC FMP 369 D Jan 2014(1) - Growth Nil (2014 - 20,00,000) Units of ₹ 10/- each	-	-	2,00,00,000	-
7	HDFC FMP 370 D Feb 2014(1) - Growth 11,00,000 Units (2014 - 11,00,000) of ₹ 10/- each	1,10,00,000	-	1,10,00,000	-
8	ICICI Prudential FMP Series 72-368D Plan D - Growth Nil (2014 - 20,00,000) Units of ₹ 10/- each	-	-	2,00,00,000	-
9	JP Morgan Indian FMP - Series 31 - Growth Nil (2014- 11,00,000) Units of ₹ 10/- each	-	-	1,10,00,000	-
10	Reliance Fixed Horizon Fund - XXVI Series 6 - Growth Nil (2014 - 55,000) Units of ₹ 10/- each	-	-	5,50,000	-
11	Reliance Fixed Horizon Fund - XXV Series 14 - Growth Nil (2014 - 10,00,000) Units of ₹ 10/- each	-	-	1,00,00,000	-
12	Reliance Fixed Horizon Fund - XXV Series 10 - Growth Nil (2014 - 2,60,000) Units of ₹ 10/- each	-	-	26,00,000	-
13	Reliance Fixed Horizon Fund - XXV Series 8 - Growth Nil (2014 - 2,00,000) Units of ₹ 10/- each	-	-	20,00,000	-
14	Reliance Interval Fund II - Series 3 - Growth Nil (2014 - 2,00,000) Units of ₹ 10/- each	-	-	20,00,000	-
15	TATA FMP Series 43 Scheme D - Plan A - Growth 50,000 Units (2014 - 50,000) of ₹ 10/- each	5,00,000	-	5,00,000	-
16	TATA FMP Plan SR 46 Scheme I - Plan A - Growth 40,00,000 Units (2014 - 40,00,000) of ₹ 10/- each	4,00,00,000	-	4,00,00,000	-
17	TATA FMP Plan SR 46 Scheme S - Plan A - Growth 24,00,000 Units (2014 - 24,00,000) of ₹ 10/- each	2,40,00,000	-	2,40,00,000	-
Aggregate amount of quoted and unquoted Investments		15,15,25,804	-	15,41,50,000	-
<b>TOTAL CURRENT INVESTMENTS</b>			<b>15,15,25,804</b>		15,41,50,000
Market Value of Quoted Investments		16,06,11,432		15,72,76,996	



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
<b>11 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others		
Unsecured, considered good	1,13,89,552	84,67,515
<b>TOTAL</b>	<b>1,13,89,552</b>	<b>84,67,515</b>
<b>12 CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents		
Balances with Banks		
Current Accounts	3,94,683	1,45,696
Cash on hand	800	-
Other Bank Balances		
Earmarked Balances	45,69,761	42,36,600
On Deposit Accounts with original maturity greater than 12 months	4,01,00,000	2,01,03,518
<b>TOTAL</b>	<b>4,50,65,244</b>	<b>2,44,85,814</b>
<b>13 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Advances recoverable in cash or in kind for value to be received	3,81,043	3,62,521
<b>TOTAL</b>	<b>3,81,043</b>	<b>3,62,521</b>
<b>14 OTHER CURRENT ASSETS</b>		
Interest accrued on Deposits	1,83,649	71,83,117
Others - Unsecured, considered good	38,13,811	33,80,679
<b>TOTAL</b>	<b>39,97,460</b>	<b>1,05,63,796</b>

Particulars	Amount in ₹	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>15 REVENUE FROM OPERATIONS</b>		
Operating License Fees	3,20,41,007	2,99,63,657
<b>TOTAL</b>	<b>3,20,41,007</b>	<b>2,99,63,657</b>
<b>16 OTHER INCOME</b>		
Interest Income*	12,74,589	21,70,512
Dividend Income from Current Investments	9,59,202	5,68,382
Net Gain on Sale of Current Investments	82,30,095	1,22,58,280
Gain on Disposal of Fixed Assets	5,98,605	1,06,299
<b>TOTAL</b>	<b>1,10,62,491</b>	<b>1,51,03,473</b>

\*The income from interest is stated gross, the amount of income tax deducted is ₹ 1,09,094/- (2014- ₹ 2,17,052/-)





# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
<b>17 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries/ Wages and Bonus	2,69,69,311	2,67,76,046
Contribution to Provident Fund	17,52,975	14,53,326
Contribution to Other Funds	11,10,125	17,90,863
Workmen and Staff Welfare Expenses	46,92,978	43,55,138
	<u>3,45,25,389</u>	<u>3,43,75,373</u>
Less: Recoveries made	(3,43,73,117)	(3,42,27,870)
<b>TOTAL</b>	<b><u>1,52,272</u></b>	<b><u>1,47,503</u></b>
<b>18 OTHER EXPENSES</b>		
Advertising/ Sales Promotion	2,25,844	1,66,660
Legal & Professional Charges	2,43,303	4,76,877
Travelling & Conveyance	11,10,038	8,53,389
Postage, Telephone, Stationery etc.	1,15,885	1,86,886
Miscellaneous Expenses	7,71,036	4,74,491
<b>TOTAL</b>	<b><u>24,66,106</u></b>	<b><u>21,58,303</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	21,000	32,500
<b>19 EARNINGS PER EQUITY SHARE</b>		
Profit After Taxation	2,73,38,421	3,27,13,617
Number of equity shares outstanding	37,87,515	37,87,515
Basic and diluted earnings per share in ₹ (Face value ₹ 10/- per share)	7.22	8.64

## 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 2010, the Company has received a demand from the State Government to pay arrears of lease rental (i.e. revised rentals for next 15 years of the 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 in progress. 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, 2015, 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, 2015 is ₹ 3.50 per share (LY - ₹ 3.50 per share).

C) a) Long Term Compensated Absences - as per Actuarial Valuations as on 31st March, 2015 and recognised in the Financial Statements in respect of Employee Benefit Schemes:

Amount in ₹

Particulars		Leave Encashment (Unfunded)	
		For the year ended	
		31st March, 2015	31st March, 2014
<b>I</b>	<b>Components of Employer Expense</b>		
	1 Current Service Cost	2,09,449	2,17,753
	2 Interest Cost	78,200	92,699
	3 Expected Return on Plan Assets	-	-
	4 Curtailment Cost / (Credit)	-	-
	5 Settlement Cost / (Credit)	-	-
	6 Past Service Cost	-	-
	7 Actuarial Losses / (Gains)	2,78,575	(24,753)
	8 Total expense recognised in the Statement of Profit and Loss	5,66,224	2,85,699
<b>II</b>	<b>Net Asset / (Liability) recognised in Balance Sheet</b>		
	1 Present Value of Defined Benefit Obligation	14,00,617	11,83,674
	2 Fair Value of Plan Assets	-	-
	3 Status [Surplus / (Deficit)]	(14,00,617)	(11,83,674)
	4 Unrecognised Past Service Cost	-	-
	5 Net Asset / (Liability) recognised in Balance Sheet	(14,00,617)	(11,83,674)
	- Current	(3,36,199)	(1,03,141)
	- Non-current	(10,64,418)	(10,80,533)

**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, 2015	31st March, 2014
<b>III</b>	<b>Change in Defined Benefit Obligations (DBO)</b>		
	1 Present Value of DBO at the Beginning the year	11,83,674	11,62,000
	2 Current Service Cost	2,09,449	2,17,753
	3 Interest Cost	78,200	92,699
	4 Curtailment Cost / (Credit)	-	-
	5 Settlement Cost / (Credit)	-	-
	6 Plan Amendments	-	-
	7 Acquisitions	-	-
	8 Actuarial (Gains) / Losses	2,78,575	(24,753)
	9 Benefits Paid	(3,49,281)	(2,64,025)
	10 Present Value of DBO at the End of the year	14,00,617	11,83,674
<b>IV</b>	<b>Actuarial Assumptions</b>		
	1 Discount Rate (%)	7.75%	9.00%

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, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011
1 Defined Benefit Obligation at the end of the period	(14,00,617)	(11,83,674)	(11,62,000)	(10,25,000)	(10,10,444)
2 Plan Assets at the end of the period	-	-	-	-	-
3 Funded Status [Surplus / (Deficit)]	(14,00,617)	(11,83,674)	(11,62,000)	(10,25,000)	(10,10,444)
4 Experience Gain / (Loss) adjustments on Plan Liabilities	1,33,863	33,956	(79,201)	(1,63,675)	(1,25,000)
5 Experience Gain / (Loss) adjustments on Plan Assets	-	-	-	-	-
6 Actuarial Gain / (Loss) due to change on assumptions	2,78,575	(24,753)	(33,000)	88,000	8,000

- b) Amount towards Defined Contribution Plans have been recognised under “Contribution to Provident and Other Funds” in Note No.17: ₹ 28,63,100/- (2014 – ₹ 32,44,189/-). Such amount includes ₹ 34,673/- (2014 – ₹ 7,61,250/-) 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, 2015. 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.



# GUJARAT HOTELS LIMITED

## 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 ₹
2014 - 2015	2013 - 2014	18	6100	21,350
2013 - 2014	2012 - 2013	18	6100	21,350

#### F) The Company operates in one segment i.e. Hoteliering.

#### 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, 2015	For the year ended 31st March, 2014
1	License Fees received from ITC Limited	3,20,41,007	2,99,63,657
2	Purchase of Services from ITC Limited	5,94,868	3,45,678
3	Recoveries of Contractual Remuneration	3,43,73,117	3,42,27,870
4	Expenses Recovered from ITC Limited	8,45,517	53,66,924
5	Expense Reimbursed to ITC Limited	3,44,582	33,39,793
6	Dividend Payments to ITC Limited	60,68,675	60,68,675
7	Balance amount recoverable from ITC Limited	1,71,95,321	1,18,41,350
8	Balance amount payable to ITC Limited	2,01,928	-

##### ii) Key Management Personnel

###### Board of Directors

Nakul Anand

Chandrasekhar Subrahmoneyan (Till 19th January, 2015)

Arun Pathak

Rohitbhai Chinubhai Mehta

Cheruvettolil Kochukoshy Koshy

Mahalinga Narayanan

Devkanya Roy Choudhury (Effective 19th January, 2015)

##### iii) Summary of transactions during the year

Amount in ₹

Sr. No.	Description	Key Management Personnel	
		For the year ended 31st March, 2015	For the year ended 31st March, 2014
1	Director's Sitting Fees	1,77,500	1,05,000
2	Dividend Paid	2,450	2,450

#### 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, 2013, as applicable.

**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 III to the Companies Act, 2013 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 as specified in Schedule II to the Companies Act, 2013, 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 Accounting Standard - 15 (revised 2005) on "Employee Benefits". The contribution in respect of Gratuity





# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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

On behalf of the Board

CA Manish Baxi  
Partner  
M.No. 45011

Devkanya Roy Choudhury  
Director

Arun Pathak  
Director

Place : New Delhi  
Date : 15th April, 2015

Hemanshi Vadhera  
Company Secretary

Rohan Singh  
Chief Financial Officer



# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
GUJARAT HOTELS LIMITED

### Report on the Financial Statements

1. We have audited the accompanying financial statements of GUJARAT HOTELS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, therefore said financial statements give the information required by the Act in the manner so required and give a true and



# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITORS' REPORT

fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations, if any, as at 31st March, 2015 on its financial position in its financial statements.
    - (ii) The Company did not have any outstanding long-term contracts including derivative contracts as at 31st March, 2015 for which there were any material foreseeable losses; and
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Talati & Talati  
Chartered Accountants  
Firm's Registration Number: 110758W

CA. Manish A. Baxi  
Partner  
Membership Number. 045011

Place : New Delhi  
Date : 15th April, 2015



# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITORS' REPORT

### ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(As referred to in Paragraph 9 above, under the heading of "Report on Other Legal and Regulatory requirements" of our report of even date on the Financial Statements of GUJARAT HOTELS LIMITED, for the year ended 31st March, 2015)

- (1) 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) As explained to us, the fixed assets have been physically verified by the management during the year at reasonable interval, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (2) In respect of its inventory:

There is no inventory and hence the related paragraphs of the order are not applicable.
- (3) In respect of the loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013:
  - (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to any company, firm or other party covered in the register maintained u/s 189 of the Companies Act, 2013.
- (4) In respect of internal control system:
  - (a) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and services.
- (5) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits during the financial year under audit.
- (6) We have been informed by the management that no cost records have been prescribed by Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (7) 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, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year. No undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at 31st March, 2015 for a period of more than six month from the date they become payable.
  - (b) According to the records of the Company, there are no dues of Sales Tax, Income/Wealth Tax & Service Tax, which have not been deposited on account of any dispute.
  - (c) According to the information and explanation given to us and based on the records examined by us, amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within prescribed time.
- (8) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (9) Based on information available with us, the company does not have any loan / liability dues to financial institutions and / or banks.
- (10) According to the records of the Company and information and explanations provided by the management, the Company has not given any guarantee for loans taken by others from Bank or financial institutions.
- (11) According to the records of the Company, the Company has not obtained term loans during the year under review.
- (12) Based upon the audit procedures performed and information and explanation given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Talati & Talati  
Chartered Accountants  
Firm's Registration Number 110758W

CA. Manish A. Baxi  
Partner  
Membership Number 045011

Place : New Delhi  
Date : 15th April, 2015

**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

**33rd ANNUAL GENERAL MEETING (AGM)****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 33rd AGM of the Company held on Tuesday, 29th September, 2015 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 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

**33rd 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 for me / us and on my / our behalf, if not already voted by me / us through remote e-voting, at the 33rd AGM of the Company to be held on the Tuesday, 29th September, 2015 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 (✓)	
		For	Against
Ordinary Business			
1	Adoption of the Financial Statements for the financial year ended 31st March, 2015, and the Reports of the Board of Directors and the Auditors.		
2	Declaration of Dividend for the financial year ended 31st March, 2015.		
3	Appointment of Mr Nakul Anand who retires by rotation and offers himself for re-election.		
4	Ratification of the appointment of Messrs Talati & Talati Chartered Accountants, as Auditors, from the conclusion of this AGM till the conclusion of the 34th AGM and approval of their remuneration for the financial year 2015-16.		
Special Business			
5	Appointment of Ms Devkanya Roy Choudhury as a Non-Executive Director.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015. 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, 2015.**

Affix 15  
Paise  
Revenue  
Stamp





Cambay Pavilion - 24x7 Fine Dining restaurant



Peshawri - Speciality restaurant catering to North-West Frontier cuisine



**Gujarat Hotels Limited**

