



Gujarat Hotels Limited



REPORT AND ACCOUNTS 2017



Executive Club Exclusive room



Pool Side View

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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
Jagdish Singh

BOARD COMMITTEES

Audit Committee

R C Mehta	Chairman
C K Koshy	Member
M Narayanan	Member
J Singh	Member
M Agarwal	Invitee
Representative of Statutory Auditors	Invitee
D K Gulati	Secretary

Nominations and Remuneration Committee

C K Koshy	Chairman
N Anand	Member
R C Mehta	Member
M Narayanan	Member
J Singh	Member
D K Gulati	Secretary

Stakeholders Relationship Committee

J Singh	Chairman
D R Choudhury	Member
D K Gulati	Secretary

KEY MANAGERIAL PERSONNEL

Chief Executive Officer

Deependra Rana

Chief Financial Officer

Mayur Agarwal

Company Secretary

Deepak Kumar Gulati

Registered Office

WelcomHotel Vadodara
R C Dutt Road, Alkapuri
Vadodara - 390 007
Tel : 0265-233 0033
CIN : L55100GJ1982PLC005408
Website: www.gujarathotelsltd.in
E-mail: ghlinvestors@yahoo.co.in

Statutory Auditors

Messrs Talati & Talati
Chartered Accountants
Vadodara

Registrar and Share Transfer Agents

MCS Share Transfer Agent Limited
F-65, 1st Floor
Okhla Industrial Area, Phase - 1,
New Delhi 110 020
Tel : 011-41406149-52, 011-41609386



GUJARAT HOTELS LIMITED

CIN: L55100GJ1982PLC005408

Registered office : WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara-390 007
Tel.: 0265 233 0033 • E-mail : ghlinvestors@yahoo.co.in • Website : www.gujarathotelsltd.in

NOTICE IS HEREBY GIVEN that the Thirty Fifth 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 8th day of August, 2017 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, 2017, and the Reports of the Board of Directors and the Auditors.
2. To declare dividend for the financial year ended 31st March, 2017.
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 as an Ordinary Resolution:-

"Resolved that, in accordance with the provisions of Sections 139 and 142 of the Companies Act, 2013, or any amendment thereto or modification thereof, Messrs K C Mehta & Co., Chartered Accountants (FRN 106237W), be and are hereby appointed as the Auditors of the Company from the conclusion of this Annual General Meeting to hold such office for a period of five years till the conclusion of the Fortieth Annual General Meeting, subject to ratification at every Annual General Meeting, at a remuneration of ₹ 60,000/- to conduct the audit for the financial year 2017-18, plus applicable taxes, and reimbursement of out-of-pocket expenses incurred."

The Register of Members of the Company will remain closed from Saturday, 29th July, 2017 to Tuesday, 8th August, 2017, both days inclusive. Share Transfers received in order at the Company's Registrar and Share Transfer Agents, Messrs MCS Share Transfer Agent Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020 by 5:30 p.m. on Friday, 28th July, 2017, 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, 17th August, 2017 to those Members entitled thereto and whose names will appear in the Register of Members of the Company on 8th August, 2017 or to their mandatees, subject however to the provisions of Section 126 of the Companies Act, 2013, or any amendment thereto or modification thereof. In respect of dematerialised shares, the dividend will be

paid on the basis of beneficial ownership as on Friday, 28th July, 2017, 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

D K Gulati

Date : 22nd April, 2017

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 6th August, 2017.
2. 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, ('the Act') authorising their representative(s) to attend and vote at the AGM.
3. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions for consideration 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 Board of Directors of the Company ('the Board') have engaged the services of CDSL.

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, may attend the meeting but will not be entitled to cast their votes once again. The Board has appointed Mr Suresh Kabra (ACS 9711), Partner, Messrs Samdani Kabra & Associates, Company Secretaries, as the Scrutinizer to scrutinize the process of remote e-voting and voting through ballot paper at the AGM venue.

4. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on **1st August, 2017(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

NOTICE OF 35TH ANNUAL GENERAL MEETING

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 venue. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.

5. Unclaimed dividend for the financial year ended 31st March, 2010 and the corresponding Equity Shares of the Company in respect of which dividend entitlements have remained unclaimed for seven consecutive years from the financial year ended 31st March, 2010 will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') on 2nd September, 2017, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'). In respect of the said dividend and corresponding shares, it will not be possible to entertain any claim received by the Company after 30th August, 2017.

Details of the unclaimed dividend and particulars with respect to corresponding shares due for transfer to the IEPF are available on the Company's website www.gujarathotelsltd.in under the section 'Investor Relations' in 'Shareholder Value'.

Dividend and corresponding shares, as stated above, once transferred to the IEPF by the Company, may be claimed only from the IEPF Authority by following the procedure prescribed under the IEPF Rules.

Mr D K Gulati, Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.

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 under the section 'Investor Relations' in 'Shareholder Value'.
7. Members are required to bring their admission slips to the AGM. Duplicate admission slips or copies of the Report and Accounts will not be made available at the AGM venue.
8. Members may visit the Company's website to view the Financial Statements or access information pertaining to the Company. Queries, if any, should be sent at least 10 days before the AGM to the Company Secretary at the Registered Office of the Company.
9. The procedure with respect to remote e-voting is provided below:
 - (i) **The period for remote e-voting begins on, Friday 4th August, 2017 at 9.00 a.m. and ends on Monday, 7th August, 2017 at 5.00 p.m. During this period, Members of the Company, holding shares either in certificate form or in**

dematerialised form, as on the cut-off date i.e. 1st August, 2017, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The Members should log on to the e-voting website www.evotingindia.com.
- (iii) Click on '**Members**'.
- (iv) Now enter your user ID as under:
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 character DP ID followed by 8 digit Client ID,
 - (c) Members holding shares in certificate form should enter Folio Number registered with the Company.
- (v) Thereafter enter the image verification code as displayed and Click on '**Login**'.
- (vi) If you are holding shares in dematerialised form and had logged on to www.evotingindia.com and casted your vote earlier for any company, then your existing user ID and password are to be used. If you have forgotten the password then enter user ID and the image verification code and click on forgot password & enter the details as prompted by the system.
- (vii) If you are a first time user, follow the steps given below:

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable to shareholders holding shares in both certificate form and dematerialised form)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with Company / Depository Participant are requested to use first two letters of their name in CAPITAL letters and the 8 digits of the sequence number in the PAN field as provided in the Admission Slip or on email. In case the sequence number is less than 8 digits, enter the applicable number of 0s before the number and after the first two characters of the name, e.g. if your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the Depository or Company, please enter your user ID in the Dividend Bank details field as mentioned in instruction (iv).</p>

NOTICE OF 35TH ANNUAL GENERAL MEETING

- (viii) After entering these details appropriately, click on **'Submit'**.
- (ix) Members holding shares in certificate form will then reach directly to the Company selection screen. The above details can be used by them only for remote e-voting on the resolutions contained in this Notice.
- (x) Members holding shares in dematerialised form will then reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password can be used for voting for resolutions of any other company on which you are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) Now select the relevant 'Company Name' on which you choose to vote.
- (xii) On the voting page, you will see **'Resolution Description'** and against the same the option **'Yes / No'** for voting. Select the option Yes or No as desired. The option 'Yes' implies that you assent to the Resolution and option 'No' implies that you dissent to the Resolution.
- (xiii) Click on the **'Resolutions File Link'** if you wish to view the entire Resolution details.
- (xiv) After selecting the Resolution you have decided to vote on, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Ok'**, else to change your vote, click on **'Cancel'** and accordingly modify your vote.
- (xv) Once you **'Confirm'** your vote on the 'Resolution', you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on **'Click here to print'** option on the Voting page.
- (xvii) Members can also cast their vote using CDSL's mobile app 'CDSL m-Voting' available for Android, Apple and Windows based mobiles. This app can be downloaded from Google Play Store, App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xviii) **Note for Non-Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xix) Those who become Members of the Company after dispatch of the Notice but on or before **1st August, 2017 (cut-off date)** may follow the steps from Sl. Nos. (ii) to (xviii) mentioned above for casting of vote.
- (xx) In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact at telephone no. 18002005533. You may also address your queries / grievances relating to remote e-voting or voting at the meeting to Mr D K Gulati, the Compliance Officer of the Company at **e-mail ID ghlinvestors@yahoo.co.in**.
- (xxi) **General Information**
 - (a) There will be one vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.
 - (b) **The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.** The declared Results, along with the Scrutinizer's Report, will be available forthwith on the Company's website **www.gujarathotelsltd.in** under the section 'Investor Relations' and on the website of CDSL; such Results will also be forwarded to BSE Limited.

By Order of the Board
Gujarat Hotels Limited

Place : New Delhi
Date : 22nd April, 2017

D K Gulati
Company Secretary

YOUR DIRECTORS

N Anand

Nakul Anand (60), 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 close to four 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 Federation of Associations in Indian Tourism & Hospitality and also a member of the National Tourism Advisory Council constituted by the Ministry of Tourism, Government of India. Anand has been a past President of the Hotel Association of India and past Chairman of the CII National Tourism Committee.

Other Directorships

Name of the Company	Position
International Travel House Limited	Chairman & Director
Landbase India Limited	Chairman & Director
Fortune Park Hotels Limited	Chairman & Director
WelcomHotels Lanka (Private) Limited*	Chairman & Director
Srinivasa Resorts Limited	Vice Chairman & Director
ITC Limited	Executive Director
Bay Islands Hotels Limited	Director
Maharaja Heritage Resorts Limited	Director

Committee Membership of other Companies

Name of the Company	Committee	Position
Fortune Park Hotels Limited	Corporate Social Responsibility Committee	Chairman
Srinivasa Resorts Limited	Nominations & Remuneration Committee	Chairman
International Travel House Limited	Nominations & Remuneration Committee	Member
Landbase India Limited	Nominations & Remuneration Committee	Member

C K Koshy

Cheruvettolil Kochukoshy Koshy (72), 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 joined the Indian Administrative Service in 1968 from the Gujarat Cadre and superannuated in February 2005.

In a long career spanning over 38 years, he has held several eminent positions including those of Additional Chief Secretary - Department of Revenue, Industries and Mines, Tourism and Civil Aviation and Finance and Principal Secretary to the Chief Minister. He served the Government of India as Joint Secretary & Financial Advisor to the Department of Atomic Energy, and as Executive Director of Nuclear Power Corporation of India Limited. He has held the posts Managing Director of the Tourism Corporation of Gujarat, Sardar Sarovar Narmada Nigam, Gujarat State Small Industries Corporation, and Girinar Scooter Limited. He was also the Joint Managing Director of the Gujarat Industrial Investment Corporation and Chairman of Gujarat State Petroleum Corporation Limited, Gujarat State Petronet Limited and Gujarat Energy Research and Management Institute.

Post retirement he has been a consultant to the DFID, the World Bank and to the Department of Personnel and Administrative Reforms, Govt of India. He was appointed Professor Emeritus in the faculty of Planning and Public Policy at CEPT University, Ahmedabad and is an Advisor to both Indian School of Petroleum and Energy, New Delhi and University of Petroleum and Energy Studies, Dehradun. Currently, he is the Chief Executive of the Centre for Heritage Management, Ahmedabad University and on the Board of Trustees of Alliance Francaise, Gujarat and GIAN, an NGO which encourages innovation at the grass root level.

Other Directorships

Name of the Company	Position
Sanmarg Projects Private Limited	Director

Committee Membership of other Companies: Nil

R C Mehta

Rohitbhai Chinubhai Mehta (86), 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 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,

GUJARAT HOTELS LIMITED

YOUR DIRECTORS

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
C.C Chokshi Advisors Private Limited	Chairman & Director
GRUH Finance Limited	Director
Universal Trustees Private Limited	Director
Follow Your Dreams Foundation India	Director
Lions Co-ordination Committee of Indian Association	Director

Committee Membership of other Companies

Name of the Company	Committee	Position
GRUH Finance Limited	Shareholder's / Investor's Grievance Committee	Chairman
	Audit Committee	Member
	CSR Committee	Member

M Narayanan

Mahalinga Narayanan (72), 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 the 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 in charge 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
Royale Indian Rail Tours Limited	Audit Committee	Chairman
Tulip Star Hotels Limited	Audit Committee	Chairman
Cox & Kings Limited	Audit Committee	Chairman
	Remuneration Committee	Member

J Singh

Jagdish Singh (51), DIN: 00042258, was appointed as a Non-Executive Director of the Company on 20th September, 2016. A Commerce graduate and a Chartered Accountant, Singh joined ITC Limited in the year 1990. During these 26 years, he has held various positions in the finance function. He started his career in Treasury and moved as Corporate Accountant, Commercial Manager at Cigarette factory at Munger, and Head of Finance at ITC Essentra Limited. He was then the Head of Treasury between 2005 and 2015 and presently is Head of Finance at ITC's Hotels Division.

Other Directorships

Name of the Company	Position
International Travel House Limited	Director
Fortune Park Hotels Limited	Director
Bay Islands Hotels Limited	Director
Srinivasa Resorts Limited	Director
Maharaja Heritage Resorts Limited	Director
Mimec (India) Limited	Director
Logix Developers Private Limited	Additional Director

YOUR DIRECTORS

Committee Membership of other Companies

Name of the Company	Committee	Position
International Travel House Limited	Stakeholders Relationship Committee	Member
	Audit Committee	Member
	Corporate Social Responsibility Committee	Member
Srinivasa Resorts Limited	Audit Committee	Chairman
Fortune Park Hotels Limited	Corporate Social Responsibility Committee	Member

D R Choudhury

Devkanya Roy Choudhury (40), DIN: 07066556, was appointed as a Non-Executive Director of the Company on 19th January, 2015. A graduate from National Law School of

India University, Bengaluru, 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 Infotec as also dealing with mergers & acquisitions and key litigations 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

Notes :

- Other Directorships and Committee Memberships of Directors are as on 22nd April, 2017.
- Committee Memberships cover Committees under the Companies Act, 2013 viz, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Indian Companies.

*Denotes Foreign Company

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

Your Directors submit their Report for the financial year ended 31st March, 2017.

BUSINESS ENVIRONMENT

The global economy continued to lose pace in 2016 growing by 3.1% compared to 3.4% in 2015. The growth in US and the Euro Areas also slowed down and were in the range of 1.6% to 1.7%. However, it is anticipated that the global economy will be stronger in 2017 and will outpace the growth seen in 2015.

The Indian economy too witnessed another challenging year, with the real GDP growth at 7.1%, a significant decline over 2015-16 (7.9%). The Industry and Services sectors decelerated further during the year, recording the slowest growth over the last few years. However, India still remains the fastest growing major economy in the world.

Inflation remained largely within the comfort zone of the RBI during the year. While growth in Wholesale Price Index (WPI) for 2016-17 stood at 1.7% compared to a decline of 3.7% in 2015-16, this was mainly attributable to the base effect of low fuel and commodity prices. Consumer Price Index (CPI) for 2016-17 declined to 4.5% against 4.9% in 2015-16 with Core CPI remaining stable at 4.7% in 2016-17 (4.6% in 2015-16).

FINANCIAL PERFORMANCE

During the year under review, your Company earned license fees of ₹ 325.12 lakhs (previous year ₹ 348.53 lakhs). The other income at ₹ 186.67 lakhs showed an increase mainly due to fair valuation of current investments. Pre and post-tax profits declined to ₹ 472.48 lakhs and ₹ 386.48 lakhs respectively.

Keeping in view 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, 2017, thereby maintaining last year's dividend and involving a cash outflow of ₹ 160 lakhs including Dividend Distribution Tax of ₹ 27 lakhs.

PROFITS, DIVIDEND AND SURPLUS

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

	Profits	For the year ended 31st March, 2017 (₹)	For the year ended 31st March, 2016 (₹)
a.	Profit Before Tax	4,72,47,479	4,86,59,453
b.	Tax Expense		
	Current Tax	1,19,72,888	1,22,25,327
	Deferred Tax	(33,73,581)	38,90,240
c.	Profit for the year	3,86,48,172	3,25,43,886
d.	Other Comprehensive Income	-	-
e.	Total Comprehensive Income	3,86,48,172	3,25,43,886
	Statement of Retained Earnings		
	At the beginning of the year	17,31,80,263	15,65,91,351
	Add: Profit for the year	3,86,48,172	3,25,43,886
	Less: Others Comprehensive Income (Net of Tax)	-	-
	Dividend paid including Income Tax on Dividend paid	1,59,54,974	1,59,54,974
	At the end of the year	19,58,73,461	17,31,80,263

HOTEL OPERATIONS

The operating environment in the hospitality sector remained challenging during the year. While second half initially indicated signs of pick-up in the Hotels industry, collateral impact on the economy on account of currency crunch limited the recovery.

Your Hotel, WelcomHotel Vadodara, licensed to ITC Limited recorded an income of ₹ 2192.11 lakhs during the year as compared to ₹ 2,352.01 lakhs in the previous year. The operational performance was impacted as certain projects in the vicinity of the city had been deferred limiting the flow of long staying guests. While, there was a marginal improvement in average room rates, occupancy remained under pressure as certain properties in the city were renovated and rebranded as members of international chains.

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

Your Hotel also targets a continuous reduction in energy and water consumption and enhanced usage of renewable energy sources.

Your Company has filed a writ petition in the Gujarat High Court seeking that the Gujarat State Government be directed to take action on your Company's application to have the leasehold land of the Hotel converted to freehold and transferred to your Company as per the existing Government policy in this regard. The Honourable High Court passed an order of status quo dated 24th December, 2014 to be maintained in the matter and the writ petition is pending.

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. 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 Auditor 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 system-based approach to business risk management. Backed by strong internal control systems, the current Risk Management frame work 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, 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 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 Audit Firm carries out risk focused audits enabling identification of areas where risk management processes may need to be strengthened.
- The Audit Committee of the Board reviews the 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 adjunct 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 provides assurance and comfort 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 high standards audit assurances.

The Audit Committee of your Board met four times during the year. The Terms of Reference of the Audit Committee 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 strongly believes that human capital is the greatest asset and key differentiator.

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 provides a gender friendly workplace and no case of sexual harassment was reported during the year. The Company has put in place a Grievance Redressal Procedure and an Internal Complaints Committee to ensure that grievances in this regard, if any, are effectively addressed.

WHISTLEBLOWER POLICY

The Company's Whistleblower Policy encourages Directors and employees to bring to the Company's attention instances of unethical behavior, actual or

suspected incidents of fraud or violation of the GHL 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 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/CorporateGovernance.html>.

DEPOSITS

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

DIRECTORS

Changes in Directors

During the period under review, there was no change in the composition of the Board of Directors.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with 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 your Company and being eligible, offers himself for re-election. Your Board recommends his re-election.

Number of Board Meetings

During the year ended 31st March, 2017, four meetings of the Board were held.

Attributes, Qualifications & Independence of Directors and their Appointment

The Nominations and Remuneration Committee of the Board had approved the criteria for determining qualifications, positive attributes and independence of Directors in terms of the Act and the Rules thereunder, both in respect of Independent Directors and other Directors as applicable, as reported last year. The criteria interalia, 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 a 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 / re-appointed with the approval of the members. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise approved by the members. 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 of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 fulfill 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 and in 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 Chairmen.

Key Managerial Personnel

Mr Muckth Dograa stepped down as the Chief Executive Officer of your Company with effect from close of work on 27th October, 2016. The Board, on the recommendation of the Nominations and Remuneration Committee, appointed Mr Deependra Rana as Chief Executive Officer of your Company with effect from 25th January, 2017.

REPORT OF THE BOARD OF DIRECTORS

Mr Rohan Singh stepped down as the Chief Financial Officer of your Company with effect from close of work on 27th December, 2016. The Board, on the recommendation of the Audit Committee and the Nominations and Remuneration Committee appointed Mr Mayur Agarwal as the Chief Financial Officer of the Company with effect from 25th January 2017.

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 Company's present Auditors, Messrs Talati & Talati, Chartered Accountants, were appointed with your approval at the Thirty Second AGM to hold such office for a period of three years till the conclusion of the Thirty-Fifth AGM i.e. the ensuing AGM.

Your Board, on the recommendation of the Audit Committee, has recommended the appointment of Messrs K C Mehta & Co., Chartered Accountants, (KCM), as Auditors of the Company for a period of five years in accordance with section 139(1) of the Act. KCM have given their consent and certificate for appointment as the Auditors of the Company. Appropriate resolution in respect of the above appears in the Notice convening the ensuing AGM of the Company.

Secretarial Auditors

Your Board appointed Messrs PB & Associates, Company Secretaries, to conduct the secretarial audit of the Company for the financial year ended 31st March, 2017. Their report is provided in the Annexure forming part of this Report, in terms of Section 204 of the Act.

RELATED PARTY TRANSACTIONS

All contracts or arrangements entered into by the Company with its related parties during the financial year were in accordance with the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All such contracts or arrangements have been approved by the Audit Committee. No material contracts or arrangements with related parties were entered into during the year under review. Further, the prescribed details of related party transactions of the Company in Form No. AOC-2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the Annexure to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) followed in the preparation of the Annual Accounts the applicable Accounting Standards with proper explanation relating to material departures, if any;

- b) 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;
- c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) prepared the Annual Accounts on a going concern basis;
- e) laid down internal financial controls to be followed by your Company and that such internal financial controls were adequate and operating effectively; and
- f) 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 conditions of Corporate Governance

In terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the Corporate Governance requirements is not mandatory for your Company. Hence, certificate from the Auditors confirming compliance with the conditions of Corporate Governance has not been obtained.

However, a brief reports on Corporate Governance and Shareholder Information are provided in the Annexures forming part of this report.

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, provided in the Annexure forming part of this report.

Particulars of Loans, Guarantees or Investments

During the year ended 31st March, 2017, the Company has neither given any loan or guarantee nor has made any investment under the provisions of Section 186 of the Act.

Particulars relating to Conservation of Energy and Technology Absorption

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

Conservation of Energy:

Steps taken on conservation of energy and impact thereof:

Sl. No.	Description
1.	Installation of heat pumps for hot water generation and air conditioning.
2.	4 water pumps replaced with energy efficient pumps.
3.	Improved efficiency in lighting system by installation of 38 No's of 5 W & 35 No's of 5.5 W LED in place of 20 W CFL.
4.	Installation of energy efficient Fan Coil Units (FCU) for guest rooms.
5.	Installation of Variable Frequency Drive (VFD) to optimise energy consumption.
6.	Process improvement to enhance productivity and reduce specific energy consumption.

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.:

Sl. No.	Description	Benefits
1.	Installation of chest freezer and bottler chiller.	For product improvement.
2.	Renovation of bathroom, plumbing fixtures of 53 corporate rooms with basin tap mixers.	For product up gradation
3.	Installation of pizza cabinet machine.	For product improvement
4.	Replacement of Gym equipments with advanced treadmill, rower and recumbent bike.	For product improvement
5.	Installation of WAN optimizer.	For product up gradation
6.	Installation of storage compactor and renovation of food store room.	For hygiene and product improvement.

- 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 2016-17, foreign exchange earnings of the Hotel were ₹ 9,898 lakhs (previous year ₹ 1,128 lakhs). During the year, your Hotel's expenditure in foreign currency amounted to ₹ 22 lakhs (previous year ₹ 24.27 lakhs).

Employees

The total number of employees as on 31st March, 2017 stood at 175.

There were no employees, who were employed throughout the year and were in receipt of remuneration aggregating ₹ 1.02 crores or more or were employed for part of the year and were in receipt of remuneration aggregating ₹ 8.5 lacs per month or more during the financial year ended 31st March, 2017. The information required under Section 197(12) of the Act read with 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

Your Directors view the long term growth prospects of the hotel industry with confidence. The Central Government is continuing its efforts under the Make in India programme and many positive signals have been received from various international manufacturers indicating their willingness to set up manufacturing joint ventures in India. Business travel shall definitely pick up once these ventures see the light of day. Your Company is well poised to seize the unfolding growth opportunities.

On behalf of the Board

Place : New Delhi
 Date : 22nd April, 2017

D R Choudhury J Singh
 Director Director

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.

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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, a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara, Gujarat – 390007 (hereinafter referred to as the 'Company') for the period commencing from 1st April, 2016 till 31st March, 2017 (hereinafter referred to as the 'Audit Period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinions thereon.

Based on our verification of the 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, 2017 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, 2017 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) 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, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (d) 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

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

- (i) The Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to Board and General Meetings.
- (ii) The listing Agreement entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Company has entered into the Operating Lease Agreement with ITC Limited, which operates the Hotel – WelcomHotel Vadodra and ensure compliance of all laws as applicable for running and maintenance of the Hotel.

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 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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 the applicable laws, rules, regulations, guidelines, standards etc.

for P B & Associates
Company Secretaries

Place : New Delhi
Date : 22nd April, 2017

Pooja Bhatia
CS : 7673 CP : 6485

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

SECRETARIAL AUDIT REPORT

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

Our report of the even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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 the random 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.

Annexure: A

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
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 P B & Associates
Company Secretaries

Place : New Delhi
Date : 22nd April, 2017

Pooja Bhatia
CS : 7673 CP : 6485

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 receives Licence fees @ 15% of Net Operating Income. Value of transaction during the year ₹ 3.25 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
Date : 22nd April, 2017

D R Choudhury
Director

J Singh
Director

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

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 is balanced, comprising entirely of Non-Executive Directors, including independent professionals. The present strength of the Board is six.

Composition of the Board as on 31st March, 2017

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, 2017, four meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	16th April, 2016	6	6
2	11th August, 2016	6	6
3	28th October, 2016	6	5
4	23rd January, 2017	6	5

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) / Chairmanship(s) of Audit Committee / Stakeholders Relationship Committee of other Indian public limited companies
1	N Anand	Chairman & Non-Executive Director	4	Yes	8	Nil
2	C K Koshy	Non-Executive Independent Director	4	No	1	Nil
3	R C Mehta	Non-Executive Independent Director	2	No	5	2 (including 1 as Chairman)
4	M Narayanan	Non-Executive Independent Director	4	Yes	4	4 (as Chairman)
5	J Singh*	Non-Executive Director	4	Yes	7	3 (including 1 as Chairman)
6	D R Choudhury	Non-Executive Director	4	No	1	Nil

* Appointed Non-Executive Director w.e.f. 16th April, 2016

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, 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.

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 for storage, retrieval, security etc. of books of account maintained in the electronic form;
- Functioning of Whistleblower 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. The Chief Financial Officer and the representative of Statutory Auditors are Invitees to the meetings of Audit Committee and the Company Secretary is the Secretary to the 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, 2017 four meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	16th April, 2016	3	3
2	11th August, 2016	4	4
3	28th October, 2016	4	3
4	23rd January, 2017	4	3

Attendance at Audit Committee Meetings held during the financial year:

Member	No. of meetings attended
R C Mehta	2
C K Koshy	4
M Narayanan	4
J Singh*	3

* Appointed Member w.e.f. 16th April, 2016

B. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board oversees redressal of shareholder and investor grievances and, inter alia, approves sub-division / consolidation / renewal / issue of duplicate share certificate etc.

Composition

The Stakeholders Relationship Committee presently comprises two Non-Executive Directors. The Company Secretary is the Secretary to the Committee.

REPORT ON CORPORATE GOVERNANCE

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, 2017, six meetings of the Stakeholders Relationship Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	16th April, 2016	2	2
2	15th June, 2016	2	2
3	11th August, 2016	2	2
4	28th October, 2016	2	2
5	15th November, 2016	2	2
6	23rd January, 2017	2	2

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

Member	No. of meetings attended
J Singh*	6
D R Choudhury	6

* Appointed Member w.e.f. 16th April, 2016

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 & 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 presently comprises five Non-Executive Directors. The Chairman of the Committee is an Independent Director. The Company Secretary is the Secretary to the committee.

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, 2017, two meetings of Nominations and Remuneration Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	16th April, 2016	4	4
2	23rd January, 2017	5	4

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

Member	No. of meetings attended
C K Koshy	2
N Anand	2
R C Mehta	1
M Narayanan	2
J Singh*	1

* Appointed Member w.e.f. 16th April, 2016

Remuneration of Directors

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board / Committees thereof, the quantum of which is determined by the Board. The sitting fees as determined by the Board are ₹ 20,000/- and ₹ 10,000/- for each meeting of the Board and Committee respectively.

Details of sitting fees paid to the Directors for the financial year ended 31st March, 2017:

Director	Sitting Fees (Amount in ₹)
C K Koshy	1,50,000/-
R C Mehta	70,000/-
M Narayanan	1,50,000/-

Note: Disclosure with respect to Non-Executive Directors - Pecuniary relationship or transaction: None

Performance Evaluation of Directors

The Nominations and Remuneration Committee has approved the Policy on Board evaluation, evaluation of Board Committee's functioning and individual Director evaluation, synopsis of which is provided in the 'Report of the Board of Directors & Management Discussion and Analysis' in the Report and Accounts.

Directors' Shareholding

Shareholding of the Directors in the Company as on 31st March, 2017:

Director	No. of Equity Shares of ₹ 10/- each held singly / jointly
N Anand	200
D R Choudhury	Nil
C K Koshy	Nil
R C Mehta	Nil
M Narayanan	Nil
J Singh	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 and Key Managerial Personnel 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**
- Information with respect to commodity price risk or foreign exchange risk and hedging activities: **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 from the end of each quarter. The Audited annual results alongwith the results for the fourth quarter were announced within sixty days from the end of the financial year. Such results were published in 'The Financial Express' (all editions) including its Gujarati edition as vernacular newspaper. All these results, including the entire Report and Accounts, information relating to shareholding pattern etc. are posted on Company's website www.gujarathotelsltd.in.

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

GHL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING - 2015

The GHL Code of Conduct for Prevention of Insider Trading - 2015, 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, 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, a gender friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example. The Code is available on the Company's website.

Declaration as required under the Listing Regulations

All Directors and senior management of the Company have affirmed compliance with the GHL Code of Conduct for the financial year ended 31st March, 2017.

New Delhi
22nd April, 2017

D Rana
CEO

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 and its affairs, 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 changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations and economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.

Further details may be accessed on the Company's website: http://www.gujarathotelsltd.in/policies/Directors_Familiarisation_Programme.pdf

POLICY ON RELATED PARTY TRANSACTIONS

The policy may be accessed on the Company's website at http://www.gujarathotelsltd.in/policies/Policy_on_Related_Party_Transactions.pdf

DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS

The status of compliance with the discretionary requirements under Listing Regulations is provided below:

- 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.
- 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. The complete Report and Accounts is sent to every Shareholder of the Company.
- Audit Opinion:** It has always been the Company's endeavor to present financial statements with unmodified audit opinion. The Statutory Auditors have issued an unmodified audit opinion on the Company's financial statements for the year ended 31st March, 2017.
- Separate posts of Chairman and Chief Executive Officer:** The Company has appointed a Non-Executive Chairman and has a CEO.

SHAREHOLDER INFORMATION

AGM Details

Date	Tuesday 8th August, 2017
Venue	WelcomHotel Vadodara, R C Dutt Road, Alkapuri Vadodara - 390 007
Time	11.00 a.m.
Book Closure Dates	Saturday, 29th July, 2017 to Tuesday, 8th August, 2017(both days inclusive)
Dividend Payment Date	Thursday, 17th August, 2017

Registrar & Share Transfer Agents

Messrs MCS Share Transfer Agent Limited are the Registrar 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
F-65, 1st Floor, Okhla Industrial Area
Phase – I, New Delhi 110 020
Telephone Nos. : 011 41406149-52, 41609386
Fascimile No. : 01141709881
E-mail : helpdeskdelhi@mcsregistrars.com

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

Compliance Officer

D K Gulati, Company Secretary, is the Compliance Officer under Regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Share Transfer Committee

The Share Transfer Committee of the Company met 10 times during the financial year. The processing activities with respect to requests received for share transfers are completed within the statutory time prescribed. There were no share transfers pending as on 31st March, 2017.

The Share Transfer Committee presently comprises the following:

D R Choudhury - Director	Member
D K Gulati - Company Secretary	Member
J Singh - Director	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.

As on 31st March, 2017, a total of 33,65,450 Shares of the Company, constituting 88.85% of the Share Capital, stand 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 where constrained by disputes or legal impediments.

The Company did not received any complaints during the financial year ended 31st March, 2017.

The e-mail ID earmarked by the Company for this purpose: **ghlinvestors@yahoo.co.in**

Distribution of Shareholding as on 31st March, 2017

No. of Shares Slab	No. of Shareholders		No. of Equity Shares	
	Total	% to Share holders	Total	% to Share Capital
1 - 500	5,684	96.23	6,50,483	17.17
501 - 1000	135	2.29	1,09,514	2.89
1001 - 2000	43	0.73	59,677	1.57
2001 - 3000	9	0.15	21,630	0.57
3001 - 4000	9	0.15	31,415	0.83
4001 - 5000	5	0.08	22,936	0.61
5001 - 10000	13	0.22	83,131	2.20
10001 - 50000	4	0.07	64,871	1.71
50001 & above	5	0.08	27,43,858	72.44
Total	5,907	100.00	37,87,515	100.00

Categories of Shareholders as on 31st March, 2017

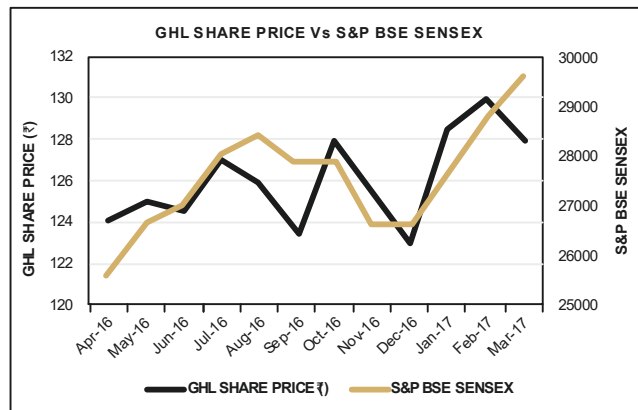
Sl. No.	Category	No. of Shares held	% of Share holding
A	Promoters Holding		
1	Promoter and Promoter Group		
	ITC Limited	17,33,907	45.78
	Russell Investments Limited	3,00,056	7.92
	Sub-Total	20,33,963	53.70
B	Non Promoter Holding		
2	Institutional Investors		
a	Mutual Funds	NIL	NIL
b	Banks	200	0.01
c	Foreign Institutional Investors and Foreign Portfolio Investors	5,87,677	15.51
	Sub-Total	5,87,877	15.52
3	Others		
a	Private Corporate Bodies	1,54,203	4.07
b	Indian Public	8,75,346	23.12
c	NRIs	1,36,126	3.59
d	Others	0	0
	Sub Total	11,65,675	30.78
	Grand Total	37,87,515	100.00

SHAREHOLDER INFORMATION

Monthly High and Low Quotes and Volume of Shares traded on BSE Limited (BSE)

Year	Month	High (₹)	Low (₹)	Volume (Nos.)
2016	April	128.90	116.80	3,352
	May	128.45	120.30	1,594
	June	132.30	119.15	6,417
	July	129.00	123.00	5,654
	August	132.00	121.05	7,062
	September	133.95	120.00	11,484
	October	134.70	120.55	5,602
	November	128.90	115.00	7,065
	December	139.95	120.10	6,257
	January	140.00	118.75	8,175
2017	February	132.90	125.00	11,486
	March	134.85	123.10	10,753

Performance in comparison to broad based indices such as S&P BSE Sensex



Note - Indicates monthly closing positions.

Listing of Shares on Stock Exchange (with Stock Code)

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 2017-18 has been paid to BSE Limited.

Financial Calendar

Financial Year 2017-18 (1st April - 31st March)		
1	First Quarter Results	August 2017
2	Second Quarter and Half Year Results	November 2017
3	Third Quarter Results	February 2018
4	Fourth Quarter and Annual Results	May 2018

Particulars of Past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolutions Passed
34th	2015-16	WelcomHotel Vadodara	20-09-2016	11.00 a.m.	-
33rd	2014-15	R C Dutt Road, Alkapuri	29-09-2015		-
32nd	2013-14	Vadodara 390 007	29-09-2014		-

Postal Ballot

No special resolution requiring postal ballot was neither proposed last year nor is being proposed for the ensuing AGM.

SHAREHOLDER REFERENCER

Transfer of Dividend and corresponding Equity Shares to the Investor Education and Protection Fund

Unclaimed dividend for the years prior to and including the financial year 2008-09 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, except where the Company was restrained from such transfer by injunction orders from Courts. Corresponding Equity Shares of the Company in respect of which such dividend entitlements were unclaimed for seven consecutive years or more will be due for transfer to the IEPF on 31st May, 2017 or such other date as may be notified, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Shareholders / legal heir(s) of deceased Shareholders who have not encashed their dividend warrants relating to the aforesaid financial year(s) may claim such dividend and corresponding shares from the IEPF Authority by applying in the prescribed Form. This Form can be downloaded from the website of the IEPF Authority www.iepf.gov.in.

The unclaimed dividend for the undernoted years and the corresponding Equity Shares will be transferred by the Company to IEPF in accordance with the schedule given below. Communication has been sent to the concerned Shareholders advising them to write to the Company to claim their dividend. Notices in this regard have also been published in newspapers. Details of such unclaimed dividend and particulars with respect to corresponding shares are available on the Company's website under the section 'General Information'. Attention is drawn that the unclaimed dividend for the financial year 2009-10 and the corresponding shares will be due for transfer to IEPF on 2nd September, 2017.

SHAREHOLDER INFORMATION

Financial Year	Date of Declaration of Dividend	Due for transfer to IEPF on
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
2014-15	29th September, 2015	5th November, 2022
2015-16	20th September, 2016	26th October, 2023

*It will not be possible to entertain claims received by the Company after 30th August, 2017.

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

The Notice, alongwith 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 other Shareholders. Shareholders who wish to update or register their e-mail addresses with the Company or with the Depositories may use the Form for updation / registration; the Form can also be downloaded from the Company's website under the section 'Investor Relations'.

Depository Services

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

Address for Correspondence with Depositories

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

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street, Fort,
Mumbai 400 001
Telephone No. : 022-22723333
Facsimile No. : 022-22723199
E- mail : helpdesk@cdslindia.com
Website : 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 opted for remittance of dividend through electronic mode and wish to avail the same, are required to provide their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) number to the respective Depository Participants (DPs) or RTA where shares are held in the dematerialised form and in the certificate form, respectively. A mandate form for such updation can be downloaded from the Company's website www.gujarathotelsltd.in.

Bank Details

Shareholders holding shares in the certificate form are requested to advise RTA of change in their address / mandate / bank details to facilitate better servicing.

Shareholders are advised that their bank details, or where such details are not available, their addresses, as furnished by them to RTA or to the Depositories, will be printed on the dividend warrants as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a measure of protection against fraudulent encashment.

Permanent Account Number (PAN)

Attention is drawn that Shareholders holding shares in the certificate form are mandatorily required to furnish copy of PAN Card in the following cases:

- Transferees' and Transferors' PAN Cards for transfer of shares,
- Legal heirs' / Nominees' PAN Cards for transmission of shares,
- Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
- Joint holders' PAN Cards for transposition of shares.

Nomination Facility

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



EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[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 Registrar and Transfer Agent, if any : MCS Share Transfer Agent Limited
F- 65, Okhla Industrial Area,
Phase I, New Delhi, 110 020
Phone Nos.: (011) 41406149 - 52

II. PRINCIPAL BUSINESS ACTIVITIES 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.	Hotel Services	55101	100%

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

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	
A. Promoters									
(1) Indian									
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.	20,33,963	0	20,33,963	53.70	20,33,963	0	20,33,963	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
Sub-total (A)(1)	20,33,963	0	20,33,963	53.70	20,33,963	0	20,33,963	53.70	0
(2) Foreign									
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
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	20,33,963	0	20,33,963	53.70	20,33,963	0	20,33,963	53.70	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	200	200	0.00	0	200	200	0.00	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	5,87,677	0	5,87,677	15.52	5,87,677	0	5,87,677	15.52	0
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
Sub-total (B)(1)	5,87,677	200	5,87,877	15.52	5,87,677	200	5,87,877	15.52	0
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	1,49,522	3,800	1,53,322	4.05	1,50,403	3,800	1,54,203	4.07	0.02
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,83,211	3,32,665	8,15,876	21.54	4,84,810	3,25,665	8,10,475	21.40	(0.14)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	53,063	0	53,063	1.40	64,871	0	64,871	1.71	0.31
c) Others (specify)									
i) Non Resident Individuals	48,014	95,400	1,43,414	3.79	43,726	92,400	1,36,126	3.60	(0.37)
Sub-total (B)(2)	7,33,810	4,31,865	11,65,675	30.78	7,43,810	4,21,865	11,65,675	30.78	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	13,21,487	4,32,065	17,53,552	46.30	13,31,487	4,22,065	17,53,552	46.30	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	33,55,450	4,32,065	37,87,515	100	33,65,450	4,22,065	37,87,515	100	0

(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	17,33,907	45.78	Nil	17,33,907	45.78	Nil	Nil
2.	Russell Investments Limited	3,00,056	7.92	Nil	3,00,056	7.92	Nil	Nil

(iii) Change in Promoters' Shareholding (Please specify, if there is no change):

Sl. No.	Particulars	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
	At the beginning of the year	No Change in Shareholding during the year			
	Increase / Decrease in Promoters Shareholding during the year				
	At the end of 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.	Orange Mauritius Investments Limited				
	At the beginning of the year	3,40,661	8.99		
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			3,40,661	8.99
2.	Asia Advantage Fund				
	At the beginning of the year	2,47,016	6.52		
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			2,47,016	6.52
3.	Savi Portfolio Management Services Limited				
	At the beginning of the year	1,22,218	3.23		
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			1,22,218	3.23
4.	Chirayush Pravin Vakil				
	At the beginning of the year	23,482	0.62		
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			23,482	0.62

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
5.	Falguni Nilesh Dedhia				
	At the beginning of the year	18,000	0.48		
	Increase / Decrease in Shareholding during the year				
	11/11/2016	(450)	0.01	17,550	0.47
	25/11/2016	450	0.01	18,000	0.48
	At the end of the year			18,000	0.48
6.	Arpita Jhabak				
	At the beginning of the year	11,581	0.31		
	Increase / Decrease in Shareholding during the year				
	30/09/2016	280	0.00	11,861	0.31
	04/11/2016	667	0.02	12,528	0.33
	At the end of the year			12,528	0.33
7.	Taradevi Muktilal Paldiwal				
	At the beginning of the year	N.A.	N.A.		
	Became a part of the top ten Shareholders of the Company with effect from 23/09/2016	6,492	0.17		
	Increase / Decrease in Shareholding during the year w.e.f. 23/09/2016				
	30/09/2016	581	0.01	7,073	0.18
	07/10/2016	1,441	0.03	8,514	0.21
	14/10/2016	50	0.00	8,564	0.21
	25/11/2016	500	0.01	9,064	0.22
	02/12/2016	269	0.01	9,333	0.23
	31/12/2016	97	0.00	9,430	0.23
	03/03/2017	89	0.01	9,519	0.24
	10/03/2017	500	0.01	10,019	0.25
	17/03/2017	49	0.00	10,068	0.26
	31/03/2017	793	0.02	10,861	0.28
	At the end of the year			10,861	0.28

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
8.	Vijay Singh Lalji Khona				
	At the beginning of the year	N.A.	N.A.		
	Became a part of the top ten Shareholders of the Company with effect from 18/11/2016	8,108	0.21		
	Increase / Decrease in Shareholding during the year w.e.f. 18//11/2016				
	25/11/2016	420	0.01	8,528	0.22
	02/12/2016	250	0.00	8,778	0.22
	At the end of the year			8,778	0.22
9.	Abhay Krishi Udyog Pvt Ltd				
	At the beginning of the year	7,450	0.20		
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			7,450	0.20
10.	Baldev Raj Masson				
	At the beginning of the year	7,200	0.19		
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			7,200	0.19
11.	Pushpa Rani Masson				
	At the beginning of the year	7,200	0.19		
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			7,200	0.19
12.	Ravi Suri				
	At the beginning of the year	6,300	0.17		
	Increase / Decrease in Shareholding during the after year				
	23/09/2016 #	0	0.00	6,300	0.17
	At the end of the year			N.A.	N.A.
	# Ceased to be part of the top ten Shareholders of the Company on 23/09/2016				

Note: The dates of increase / decrease in shareholding, as indicated above, are based on downloads of beneficial ownership provided by the Depositories, generally every Friday.

EXTRACT OF ANNUAL RETURN

(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 held singly / jointly	% of total Shares of the Company	No. of Shares held singly / jointly	% of total Shares of the Company
1.	N Anand (Chairman)				
	At the beginning of the year	200	0		
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			200	0

Mr C K Koshy, Mr R C Mehta, Mr M Narayanan, and Ms D R Choudhury, Directors, and D K Gulati, Company Secretary, did not hold any Shares of the Company, either at the beginning or at the end of the year or at any time during the year.

Mr J Singh, Director, Mr D Rana, Chief Executive Officer and Mr M Agarwal, Chief Financial Officer did not hold any Shares of the Company either at the time of their appointment or at the end of the year or at any time since their appointment till 31st March, 2017.

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			Total Amount
1.	Independent Directors	Fee for attending Board and Board Committee Meetings	Commission	Independent Directors' Meeting Fees	
	C K Koshy	1,40,000	0	10,000	1,50,000
	R C Mehta	70,000	0	0	70,000
	M Narayanan	1,40,000	0	10,000	1,50,000
	Total (B) (1)				3,70,000
2	Other Non-Executive Directors				
	N Anand	0	0	0	0
	D R Choudhury	0	0	0	0
	J Singh	0	0	0	0
	Total (B)(2)				0
	Total Amount (B) = (B)(1) + (B)(2)				3,70,000
	Total Managerial Remuneration (A+B)				3,70,000
	Overall Ceiling as per the Act (Being 11% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)				36,56,608

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Amount in ₹)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		D Rana* Chief Executive Officer	M Agarwal # Chief Financial Officer	D K Gulati Company Secretary	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3,65,647	3,68,804	7,20,000	14,54,451
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	76,876	0	0	76,876
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
Total		4,42,523	3,68,804	7,20,000	15,31,327

* Appointed as Chief Executive Officer w.e.f. 25th January, 2017.

Appointed as Chief Financial Officer w.e.f. 25th January, 2017.

Mr D Rana and M Agarwal are on deputation from ITC Limited (ITC) and Mr Rana has been granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. Since such Options are not tradeable, no perquisite or benefit is immediately conferred upon him by such grant of Options, and accordingly the said grant has not been considered as remuneration.

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
Date : 22nd April, 2017

D R Choudhury
Director

J Singh
Director

INFORMATION U/S 197 OF THE COMPANIES ACT, 2013

A. 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 (%)
N Anand	Non-Executive Chairman	—	—
D R Choudhury	Non-Executive Director	—	—
C K Koshy	Independent Director	0.83:1	25 [#]
R C Mehta	Independent Director	0.39:1	22 [#]
M Narayanan	Independent Director	0.83:1	25 [#]
J Singh	Non-Executive Director	—	—
M Dograa	Chief Executive Officer (resigned on 28th October, 2016)	8.61:1	344 [*]
D Rana	Chief Executive Officer (w.e.f. 25th January, 2017)	2.44:1	—
R Singh	Chief Financial Officer (resigned on 28th December, 2016)	12.76:1	1
M Agarwal	Chief Financial Officer (w.e.f. 25th January, 2017)	2.04:1	—
D K Gulati	Company Secretary	3.98:1	44

[#] Reflects increase in sitting fees w.e.f. 23rd July, 2015.

^{*} Reflects payment towards leave encashment on resignation.

Notes

- The number of permanent employees as on 31st March, 2017 was 175.
- Compared to the previous year 2015-16, the figures for the current year 2016-17 reflects that:
 - Median remuneration and average remuneration of employees have increased by 2% and 22.64% respectively.
 - Average remuneration of employees excluding Key Managerial Personnel (KMPs) has increased by 30.56%.
 - Increase in remuneration of KMPs by 20.36% is primarily towards leave encashment of the Chief Executive Officer and change in Chief Executive Officer and Chief Financial Officer.
- The remuneration of the Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company.

B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Names of Employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment / deputation	Previous Employment / Position Held
1	2	3	4	5	6	7	8	9
Rohan Singh #	34	Chief Financial Officer	23,63,828	17,15,859	B.Com (Hons.), A.C.A.	9	20.01.2015	*ITC Limited Manager Finance
Muckth Dograa ##	45	Chief Executive Officer	16,10,243	11,43,812	B. Sc. in Hospitality Mgmt	24	01.02.2016	*ITC Limited General Manager
Deepak Kumar Gulati	31	Company Secretary	7,41,600	6,76,800	B.Com, A.C.S., LL.B.	5	01.07.2015	Religare Securities Limited Manager Compliance
Saikat Sengupta	45	Executive	4,50,270	3,91,748	B.Com	24	13.05.1995	Jindal Hotels Limited Front Office Assistant
Vasundhara Sonawane	50	Executive	4,20,552	3,71,573	HSC, Certificate Course in Cookery	27	01.04.1993	Nil
Kritika Tandon	28	Executive	4,11,839	3,80,228	B. Sc. in Hospitality & Hotel Mgmt.	8	15.06.2016	Crowne Plaza Senior Executive
Naran Parmar	53	Supervisor	3,94,889	3,44,134	B.A.	31	20.05.1986	Nil
Francis Rodrigues	52	Captain	3,89,432	3,47,557	Matric	31	23.09.1986	Nil
Deependra Rana	36	Chief Executive Officer	3,81,935	2,49,875	Diploma in Hotel Mgmt	14	25.01.2017	*ITC Limited General Manager
Mayur Agarwal	31	Chief Financial Officer	3,79,421	2,87,195	B.Com, A.C.A., C.S.	7	25.01.2017	*ITC Limited Manager Finance

* On deputation from ITC Limited

Services reverted to ITC Limited effective 28.12.2016

Services reverted to ITC Limited effective 28.10.2016

Notes :

- In respect of employees on deputation, gross remuneration disclosed as above is the deputation cost which is born by the Company.
- For the other employees, gross remuneration includes salary, variable pay, Company's contribution to provident fund, allowances & other benefits / applicable perquisites except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less income tax & education cess deducted at source and employee's own contribution to provident fund.
- Mr D Rana is on deputation from ITC Limited (ITC) and has been granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. Since such Options are not tradeable, no perquisite or benefit is immediately conferred upon him by such grant of Options, and accordingly the said grant has not been considered as remuneration.
- All appointments (except in case of employees on deputation) are contractual in accordance with terms and conditions as per Company's rules.
- None of the above employees is a relative of any Director / Manager of the Company.
- None of the employees listed above holds any share in the Company.

On behalf of the Board

Place : New Delhi

Date : 22nd April, 2017

D R Choudhury
Director

J Singh
Director

CEO AND CFO COMPLIANCE CERTIFICATE

We, D Rana, Chief Executive Officer and M Agarwal, Chief Financial Officer, certify that:

- a) We have reviewed the financial statements including cash flow statement for the year ended 31st March, 2017 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 Indian 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, 2017 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) The changes in the Significant Accounting Policies arising from the adoption of the Indian Accounting Standards have been discussed with the auditors and have been approved by the Audit Committee; 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 : 22nd April, 2017

M Agarwal

Chief Financial Officer

D Rana

Chief Executive Officer

GUJARAT HOTELS LIMITED

BALANCE SHEET

As at 31st March, 2017

Amount in ₹

Particulars	Note	As at 31st MARCH, 2017	As at 31st MARCH, 2016	As at 1st APRIL 2015
ASSETS				
Non-Current Assets				
a) Property, Plant and Equipment	1	1,61,26,011	1,66,01,997	1,72,11,063
b) Current Tax Assets (Net)	2	22,25,308	20,90,206	13,90,962
c) Other Non-Current Assets	3	24,90,020	24,90,020	24,90,020
Total Non-Current Assets		<u>2,08,41,339</u>	<u>2,11,82,223</u>	<u>2,10,92,045</u>
Current Assets				
a) Financial Assets				
(i) Investments	4	19,20,21,618	17,72,05,997	16,06,11,432
(ii) Trade Receivables	5	1,38,65,699	1,15,29,838	1,13,89,552
(iii) Cash and Cash Equivalents	6	15,44,655	6,24,800	3,95,483
(iv) Other Balances with Banks	7	4,92,37,838	4,49,41,080	4,46,69,761
(v) Other Financial Assets	8	71,58,199	74,53,471	39,97,460
b) Other Current Assets	3	3,90,718	2,49,630	2,19,970
Total Current Assets		<u>26,42,18,727</u>	<u>24,20,04,816</u>	<u>22,12,83,658</u>
Total Assets		<u>28,50,60,066</u>	<u>26,31,87,039</u>	<u>24,23,75,703</u>
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	9	3,78,75,150	3,78,75,150	3,78,75,150
b) Other Equity	10	22,61,30,965	20,34,37,767	18,68,48,854
Total Equity		<u>26,40,06,115</u>	<u>24,13,12,917</u>	<u>22,47,24,004</u>
Liabilities				
Non-Current Liabilities				
a) Provisions	11	10,46,143	9,28,516	10,64,418
b) Deferred Tax Liabilities (Net)	12	90,13,500	1,23,86,504	84,96,225
Total Non-Current Liabilities		<u>1,00,59,643</u>	<u>1,33,15,020</u>	<u>95,60,643</u>
Current Liabilities				
a) Financial Liabilities				
(i) Trade Payables	13	20,05,605	84,353	1,08,890
(ii) Other Financial Liabilities	14	86,40,049	80,50,784	76,04,273
b) Other Current Liabilities	15	73,266	34,592	41,694
c) Provisions	16	2,75,388	3,89,373	3,36,199
Total Current Liabilities		<u>1,09,94,308</u>	<u>85,59,102</u>	<u>80,91,056</u>
Total Equity and Liabilities		<u>28,50,60,066</u>	<u>26,31,87,039</u>	<u>24,23,75,703</u>

The accompanying notes 1 to 29 are an integral part of the Financial Statements.

In terms of our report of even date

On behalf of the Board

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

CA Manish Baxi
Partner
M.No. 45011

D R Choudhury
Director

J Singh
Director

Place : New Delhi
Date : 22nd April, 2017

D K Gulati
Company Secretary

M Agarwal
Chief Financial Officer



GUJARAT HOTELS LIMITED

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2017

Amount in ₹

Particulars	Note	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
I Revenue From Operations	17	3,25,11,816	3,48,52,767
II Other Income	18	1,86,65,139	1,80,92,882
III Total Income (I+II)		5,11,76,955	5,29,45,649
IV EXPENSES			
Employee Benefits Expense	19	9,72,700	7,84,637
Depreciation and Amortization Expense		4,75,986	4,80,170
Other Expenses	20	24,80,790	30,21,389
Total Expenses (IV)		39,29,476	42,86,196
V Profit Before Tax (III-IV)		4,72,47,479	4,86,59,453
VI Tax Expense:			
Current Tax	21	1,19,72,888	1,22,25,327
Deferred Tax	22	(33,73,581)	38,90,240
VII Profit for the Year (V-VI)		3,86,48,172	3,25,43,886
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the Year (VII+VIII)		3,86,48,172	3,25,43,886
X Earnings per Equity Share (Face Value of ₹ 10/- each):	23		
Basic (in ₹)		10.20	8.59
Diluted (in ₹)		10.20	8.59

The accompanying notes 1 to 29 are an integral part of the Financial Statements.

In terms of our report of even date

On behalf of the Board

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

CA Manish Baxi
Partner
M.No. 45011

D R Choudhury
Director

J Singh
Director

Place : New Delhi
Date : 22nd April, 2017

D K Gulati
Company Secretary

M Agarwal
Chief Financial Officer

GUJARAT HOTELS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2017

A. Equity Share Capital

Amount in ₹

Balance as of April 1, 2015	Changes in equity share capital during the year	Balance as of MARCH 31, 2016
3,78,75,150	—	3,78,75,150

Amount in ₹

Balance as of April 1, 2016	Changes in equity share capital during the year	Balance as of MARCH 31, 2017
3,78,75,150	—	3,78,75,150

B. Other Equity

Amount in ₹

	Reserves & Surplus		Total
	General Reserve	Retained Earnings	
Balance as at April 01, 2015	3,02,57,504	15,65,91,351	18,68,48,855
Total Comprehensive Income for the year	—	3,25,43,886	3,25,43,886
Dividends (including tax on dividend)	—	1,59,54,974	1,59,54,974
Transfer to Retained Earnings	—	—	—
Employee Share Based Expense	—	(11,73,919)	(11,73,919)
Employee Share Based Expense Recovery	—	11,73,919	11,73,919
Balance as at March 31, 2016	3,02,57,504	17,31,80,263	20,34,37,767
Balance as at April 01, 2016	3,02,57,504	17,31,80,263	20,34,37,767
Total Comprehensive Income for the year	—	3,86,48,172	3,86,48,172
Dividends (including tax on dividend)	—	1,59,54,974	1,59,54,974
Transfer to retained earnings	—	—	—
Balance as at March 31, 2017	3,02,57,504	19,58,73,461	22,61,30,965

The Board of Directors of the Company recommended a dividend of ₹ 3.50 per share (for the year ended 31st March, 2016 - dividend ₹ 3.50 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting. The total equity dividend to be paid ₹ 1,32,56,303 (for the year ended 31st March, 2016 - dividend ₹ 1,32,56,303). Income tax on proposed dividend being ₹ 26,98,671 (for the year ended 31st March, 2016 - ₹ 26,98,671).

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

The accompanying notes 1 to 29 are an integral part of the Financial Statements.

In terms of our report of even date

On behalf of the Board

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

CA Manish Baxi
Partner
M.No. 45011

D R Choudhury
Director

J Singh
Director

Place : New Delhi
Date : 22nd April, 2017

D K Gulati
Company Secretary

M Agarwal
Chief Financial Officer



GUJARAT HOTELS LIMITED

CASH FLOW STATEMENT

For the year ended 31st March, 2017

Amount in ₹

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	4,72,47,479	4,86,59,453
Adjustments for:		
Depreciation	4,75,986	4,80,170
Interest Income	(40,53,737)	(38,13,352)
Dividend Income from Investments measured at FVTPL	(1,80,914)	(2,81,945)
Loss from Sale of Property Plant and Equipment (PPE)	—	97,617
Net Gain on Sale of Current Investments	(12,62,741)	(6,36,214)
Changes in fair value of financial assets at fair value through profit or loss	(1,31,67,746)	(1,33,61,371)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,90,58,327	3,11,44,358
Adjustments for:		
Trade Receivables, Financial Assets and Other Current Assets	(26,41,081)	(3,83,196)
Trade Payables, Other Liabilities and Provisions	22,25,334	60,828
CASH GENERATED FROM OPERATIONS	2,86,42,580	3,08,21,990
Income Tax Paid	(1,17,80,562)	(1,25,11,645)
NET CASH FROM OPERATING ACTIVITIES	1,68,62,018	1,83,10,345
B. Cash Flow from Investing Activities		
Sale of Property Plant and Equipment	—	31,279
Purchase of Current Investments	(18,93,59,348)	(18,27,42,000)
Sale/Redemption of Current Investments	18,89,93,285	18,01,41,553
Dividend Income from Current Investments Received	1,80,914	2,54,470
Interest Received	41,67,222	1,88,644
NET CASH FROM INVESTING ACTIVITIES	39,82,073	(21,26,054)
C. Cash Flow from Financing Activities		
Dividend Paid	(1,32,56,303)	(1,32,56,303)
Income Tax on Dividend Paid	(26,98,671)	(26,98,671)
Net Increase in Statutory Restricted Accounts Balances	3,27,496	2,71,319
NET CASH FROM FINANCING ACTIVITIES	(1,56,27,478)	(1,56,83,655)
NET INCREASE IN CASH AND CASH EQUIVALENTS	52,16,613	5,00,636
OPENING CASH AND CASH EQUIVALENTS	4,55,65,880	4,50,65,244
CLOSING CASH AND CASH EQUIVALENTS	5,07,82,493	4,55,65,880
CASH AND CASH EQUIVALENTS COMPRISE :		
Cash, cheques and current accounts	15,44,655	6,24,800
Other Bank Balances:		
Deposits with maturity more than 3 months but less than 12 months	4,92,37,838	4,49,41,080
	5,07,82,493	4,55,65,880

NOTES:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".
- Cash and Cash Equivalents include balance of ₹ 51,68,576/- (2016- ₹ 48,41,080/-) in Statutory Restricted Accounts which are not available for use by the Company.

The accompanying notes 1 to 29 are an integral part of the Financial Statements.

In terms of our report of even date

On behalf of the Board

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

CA Manish Baxi
Partner
M.No. 45011

D R Choudhury
Director

J Singh
Director

Place : New Delhi
Date : 22nd April, 2017

D K Gulati
Company Secretary

M Agarwal
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

1. Property, Plant and Equipment

Amount in ₹

Particulars	Gross Block				Depreciation / Amortisation				Net Book Value		
	April 1, 2015 Refer note 28 (iii) (a)	Additions	Withdrawal and Adjustment	March 31, 2016	Additions	Withdrawal and Adjustment	For the year April 1, 2015 to March 31, 2016	Withdrawal and Adjustment	March 31, 2017	March 31, 2016	1st April 2015
Tangible Assets											
Building	1,63,14,437	-	1,25,872	1,61,88,565	-	-	4,80,170	-	9,56,156	1,57,08,395	1,63,14,437
Plant and Equipment*	7,66,725	-	3,024	7,63,701	-	-	-	-	-	7,63,701	7,66,725
Furniture and Fixtures*	1,27,884	-	-	1,27,884	-	-	-	-	-	1,27,884	1,27,884
Office Equipment*	2,017	-	-	2,017	-	-	-	-	-	2,017	2,017
Total (A)	1,72,11,063	-	1,28,896	1,70,82,167	-	-	4,80,170	-	9,56,156	1,66,01,997	1,72,11,063

* Fully depreciated assets

GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
2 CURRENT TAX ASSETS (NET)			
Advance Tax paid (Net of Provisions)	22,25,308	20,90,206	13,90,962
TOTAL	22,25,308	20,90,206	13,90,962

Amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Current	Non-Current	Current
3 OTHER ASSETS			
Advances other than capital advances			
Deposits with Government, Public Bodies and others		23,28,947	23,28,947
Advance Others	3,90,718	1,61,073	2,19,970
TOTAL	3,90,718	24,90,020	2,19,970

4 Current Investments (at fair value through profit or loss, unless otherwise stated) Amount in ₹

Sl. No.	Investments in Mutual Funds	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Name of Plan	Quoted	Unquoted	Quoted
1	DWS Ultra Short Term Fund-Growth 10,40,731.248 (2016-10,40,731.248) (2015-Nil) Units of ₹ 10.00/- each	2,05,11,251		1,90,03,128
2	HDFC FMP 370 D Feb 2014 (1) 11,00,000 (2016-11,00,000) (2015-11,00,000) Units of ₹ 10/- each	1,42,80,860		1,32,43,450
3	HDFC Liquid Fund-Daily Dividend Option Nil (2016-Nil) (2015-3,92,603.121) Units of ₹ 1,000/- each	–	–	40,03,845
4	HDFC Liquid Fund-Growth Nil (2016-Nil) (2015-26,31,401.402) Units of ₹ 1,000/- each	–	–	7,25,64,314
5	HDFC Liquid Fund-Direct Plan-Growth Nil (2016-Nil) (2015-21,739.288) Units of ₹ 1,000/- each	–	–	6,00,283
6	ICICI Prudential Ultra Short term Fund-Growth 12,41,451.718 (2016-12,41,451.718) (2015-Nil) Units of ₹ 10.00/- each	2,07,60,425		1,90,02,405
7	ICICI Prudential Banking & PSU Debt Fund-Growth 11,24,750.948 (2016-11,24,750.948) (2015-Nil) Units of ₹ 10.00/- each	2,10,99,203		1,90,04,467
8	Reliance Liquid Fund - Growth Nil (2016 -1738.127) (2015 - Nil) Units of ₹ 1,000.00/- each	–	63,99,959	–
9	Reliance Liquid Fund DDR Nil (2016-2764.778) (2015 - Nil) Units of ₹ 1,000.00/- each	–	42,26,627	–

GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Sl. No.	Investments in Mutual Funds	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Name of Plan	Quoted	Unquoted	Quoted	Unquoted	Quoted	Unquoted
10	Tata FMP Series 43 Scheme D-Plan A-Growth Nil (2016-50,000) (2015-50,000) Units of ₹ 10/- each	—	—	6,34,725	—	5,86,030.00	—
11	TATA FMP Plan SR 46 Scheme I-Plan A Nil (2016-40,00,000) (2015-40,00,000) Units of ₹ 10/- each	—	—	4,81,42,800	—	4,42,88,800.00	—
12	TATA FMP Plan SR 46 Scheme S-Plan A Nil (2016-24,00,000) (2015-24,00,000) Units of ₹ 10/- each	—	—	2,85,82,800	—	2,63,59,920.00	—
13	UTI Floating Rate Fund Short Term Fund 7,749.911 (2016-7,749.911) (2015-Nil) Units of ₹ 1,000.00/- each	2,05,76,372	—	1,89,65,636	—	—	—
14	SBI Premier Liquid Fund-Growth 1459.696 Units (2016-Nil) (2015-Nil) Units of ₹ 1000.00/- each	37,25,608	—	—	—	—	—
15	BSL Floating rate fund Growth-DIRECT 3,17,683.855 Units (2016-Nil) (2015-Nil) Units of ₹ 100.00/- each	6,37,42,408	—	—	—	—	—
16	BSL Saving fund Growth-DIRECT 85,362.604 Units (2016-Nil) (2015-Nil) Units of ₹ 100.00/- each	2,73,25,491	—	—	—	—	—
	Aggregate amount of quoted and unquoted Investments	19,20,21,618	—	17,72,05,997	—	16,06,11,432.00	—

Amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
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5 TRADE RECEIVABLES

Unsecured, Considered Good	1,38,65,699	1,15,29,838	1,13,89,552
TOTAL	1,38,65,699	1,15,29,838	1,13,89,552

6 CASH AND CASH EQUIVALENTS

Balances with Banks			
Current Accounts	15,44,655	6,24,800	3,94,683
Cash on Hand	—	—	800
TOTAL	15,44,655	6,24,800	3,95,483

7 OTHER BANK BALANCES

Earmarked balances	51,68,576	48,41,080	45,69,761
On Deposit Accounts*	4,40,69,262	4,01,00,000	4,01,00,000
TOTAL	4,92,37,838	4,49,41,080	4,46,69,761

* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

8 OTHER FINANCIAL ASSETS

Interest accrued on Deposits	29,67,006	34,26,410	1,83,649
Others - Unsecured, Considered Good	41,91,193	40,27,061	38,13,811
TOTAL	71,58,199	74,53,471	39,97,460

GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2017 (No. of Shares)	As at 31st March, 2017 (₹)	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2016 (₹)	As at 1st April, 2015 (No. of Shares)	As at 1st April, 2015 (₹)
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9 EQUITY SHARE CAPITAL

Authorised						
Equity Shares of ₹ 10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, Subscribed and Paid up						
Equity Shares of ₹ 10/- each, fully paid	37,87,515	3,78,75,150	37,87,515	3,78,75,150	37,87,515	3,78,75,150

A) Reconciliation of the number of Equity Shares outstanding

	For the Period ended	
	31st March, 2017	31st March, 2016
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 the Equity Shares in the Company

	As at 31st March, 2017 (No. of Shares)	As at 31st March, 2017 (%)	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2016 (%)	As at 1st April, 2015 (No. of Shares)	As at 1st April, 2015 (%)
ITC Limited	17,33,907	45.78%	17,33,907	45.78%	17,33,907	45.78%
Orange Mauritius Investments Limited	3,40,661	8.99%	3,40,661	8.99%	3,40,661	8.99%
Russell Investments Limited	3,00,056	7.92%	3,00,056	7.92%	3,00,056	7.92%
Asia Advantage Fund	2,47,016	6.52%	2,47,016	6.52%	2,47,016	6.52%

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 voting rights and entitlement to dividend.

D) There are no bonus issue or buy back of equity shares during the period of five years immediately preceding the reporting date.

Amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
10 OTHER EQUITY			
General Reserve			
At the beginning of the year	3,02,57,504	3,02,57,504	3,02,57,504
Add : Transfer from Surplus in Statement of Profit and Loss	–	–	–
At the end of the year	3,02,57,504	3,02,57,504	3,02,57,504
RETAINED EARNING			
At the beginning of the year	17,31,80,263	15,65,91,351	15,65,91,351
Add : Profit for the year	3,86,48,172	3,25,43,886	
Less : Transfer to General Reserve	–	–	
Less : Dividend	1,32,56,303	1,32,56,303	
Less : Income Tax on Dividend	26,98,671	26,98,671	
At the end of the Year	19,58,73,461	17,31,80,263	15,65,91,351
TOTAL	22,61,30,965	20,34,37,767	18,68,48,855

GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
11 NON CURRENT PROVISIONS			
Provision for Long Term Employee Benefits	10,46,143	9,28,516	10,64,418
TOTAL	10,46,143	9,28,516	10,64,418
12 DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities	90,13,500	1,23,86,504	84,96,225
TOTAL	90,13,500	1,23,86,504	84,96,225
Movement in Deferred Tax Liabilities Balances			
For the year 2016-17	Balance as on 1st April, 2016	Recognized in profit or loss	Balance as on 31st March, 2017
Deferred Tax liabilities in relation to:			
On Depreciation	54,09,782	(10,26,164)	43,83,618
On Current Investment at fair value through profit or loss	69,76,683	(23,47,417)	46,29,882
Total deferred tax liabilities	1,23,86,504	(33,73,581)	90,13,500
For the year 2015-16	Balance as on 1st April, 2015	Recognized in profit or loss	Balance as on 31st March, 2016
Deferred Tax liabilities in relation to:			
On Depreciation	54,92,244	(82,462)	54,09,782
On Current Investment at fair value through profit or loss	30,03,981	39,72,702	69,76,683
Total Deferred Tax Liabilities	84,96,225	38,90,240	1,23,86,504
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
13 TRADE PAYABLES			
Total outstanding dues of creditors other than micro enterprises and small enterprises	20,05,605	84,353	1,08,890
TOTAL	20,05,605	84,353	1,08,890
14 OTHER FINANCIAL LIABILITIES			
Unpaid Dividend*	51,68,576	48,41,080	45,69,761
Employee Related	34,71,473	32,09,704	30,34,512
TOTAL	86,40,049	80,50,784	76,04,273
* Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013 or such amounts in respect of which prohibitory/Attachment Orders are on record with the Company.			
15 OTHER CURRENT LIABILITIES			
Statutory Liabilities	73,266	34,592	41,694
TOTAL	73,266	34,592	41,694
16 CURRENT PROVISIONS			
Current Position of Long Term Employee Benefits	2,75,388	3,89,373	3,36,199
TOTAL	2,75,388	3,89,373	3,36,199

GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
17 REVENUE FROM OPERATIONS		
Operating License Fees	3,25,11,816	3,48,52,767
TOTAL	3,25,11,816	3,48,52,767
18 OTHER INCOME		
Interest Income		
- Interest on Fixed Deposit	36,57,817	36,03,747
- Interest on Security Deposit	3,95,921	2,09,605
Dividend Income at Investment measured at FVTPL	1,80,914	2,81,945
Net Gain on Sale of Investments measured at FVTPL	12,62,741	6,36,214
Net gain/(loss) on financial assets mandatorily measured at fair value through profit or loss	1,31,67,746	1,33,61,371
TOTAL	1,86,65,139	1,80,92,882
19 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	3,49,17,586	3,20,03,054
Contribution to Provident Fund	26,60,923	25,11,153
Contribution to Other Funds	17,48,516	12,69,627
Workmen and Staff Welfare Expenses	46,96,479	42,88,997
Share Based Payment Expense	5,12,948	11,73,919
	4,45,36,452	4,12,46,750
Less: Recoveries made	(4,35,63,752)	(4,04,62,113)
TOTAL	9,72,700	7,84,637
20 OTHER EXPENSES		
Advertising / Sales Promotion	1,36,968	2,30,144
Legal & Professional Charges	3,59,582	3,33,159
Travelling & Conveyance	8,45,223	11,26,448
Postage, Telephone, Stationery etc.	2,36,721	1,90,369
Miscellaneous Expenses	9,02,296	11,41,269
TOTAL	24,80,790	30,21,389
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	36,000	21,000
21 Current Tax		
Income Tax for the Year	1,19,72,888	1,22,25,327
Adjustemnts / (Credits) related to previous year	—	—
TOTAL	1,19,72,888	1,22,25,327
22 Deferred Tax		
Deferred tax for the year		
On Book and Tax WDV movement	(10,26,164)	(82,462)
On current Investment measured at FVTPL	(23,47,417)	39,72,702
TOTAL	(33,73,581)	38,90,240

Amount in ₹

	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
23 EARNINGS PER EQUITY SHARE		
Profit for the year	3,86,48,172	3,25,43,885
Number of equity shares outstanding	37,87,515	37,87,515
Basic and diluted earnings per share in ₹ (Face value of ₹ 10/- per share)	10.20	8.59

24. ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

- A) The Board of Directors of the Company recommended a dividend of ₹ 3.50 per share (for the year ended 31st March, 2016 - dividend ₹ 3.50 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting.

The total equity dividend to be paid ₹ 1,32,56,303 (for the year ended 31st March, 2016 - dividend ₹ 1,32,56,303). Income tax on proposed dividend being ₹ 26, 98,671 (for the year ended 31st March, 2016 - ₹ 26,98,671).

- B) 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 2017. 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.

- C) The Company operates in one segment i.e. Hoteliering and within one geographical segment i.e. India.

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

- E) The eligible employee(s) deputed from ITC Limited, have been granted stock options by ITC Limited under the ITC Employee Stock Option Schemes (ITC ESOS). These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting. Each option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of ITC of ₹ 1.00 each upon payment of exercise price. These options have been granted at 'market price' within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the options granted is determined by ITC Limited, using the Black Scholes Option Pricing Model, for all the Optionees covered under the ITC ESOS as a whole.

The Company has recognized the cost of options granted, as stated above, as equity settled share based payment scheme in accordance with Ind AS 102 – Share Based Payment and the Company's share of the cost of fair value of such options has been accounted for based on the advice / on-charge by ITC Limited. Accordingly, an amount of ₹ 5.13 Lakhs (2016 : ₹ 11.73 Lakhs) has been recognized as employee benefits expense and has been considered as deemed capital contribution, net of reimbursements, if any.

The summary of movement of such options granted by ITC Limited and status of the outstanding options is as under:

	As at 31st March, 2017 No. of Options	As at 31st March, 2016 No. of Options
Outstanding at the beginning of the year	5,180	4,005
Add: Granted during the year (Including Corporate Action)		1,175
Less: Lapsed during the year		—
Options due to transfer in and transfer out	(5,180)	—
Less: Exercised during the year		—
Outstanding at the end of the year		5,180
Options exercisable at the end of the year		2,280
Options Vested and Exercisable during the year		1,589

Note : The weighted average exercise price of the options granted to all Optionees under the ITC ESOS is computed by ITC Limited as a whole.

F) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate.

Particulars	For the year ended 31st March, 2017 (₹)	For the year ended 31st March, 2016 (₹)
Profit Before Tax	4,72,47,480	4,86,59,453
Indian Tax Rate	31.9609%	33.063%
Income Tax expense calculated at 31.9609% (2016 33.063%)	1,51,00,720	1,60,88,275
Effects of:		
- Difference in tax treatment of certain income/expense		
- Different tax rate on certain items	(5,16,255)	—
- Difference in taxable income/deductible expense	64,526	4,98,301
- Incomes that are not taxable in determining taxable profit	(57,822)	(93,219)
Adjustments recognised in the current year in relation to the Deferred tax of prior years	(42,58,967)	(3,77,790)
Effect on deferred tax balances due to the change in income tax rate from 31.9609% to 27.5525% (substantively enacted on 01.02.2017 and will be effective from 01.04.2017).	(17,32,895)	—
Income Tax recognised in profit or loss	85,99,307	1,61,15,566

The tax rate used for the year 2015-16 and 2016-17 reconciliations above is the corporate tax rate of 30% & 29% + surcharge @ 7% and education cess @ 3% payable on taxable profits under the Income Tax Act, 1961.

25 Financial Instruments and Related Disclosures

I Capital Management

The Company does not have borrowing and aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

II Categories of Financial Instruments

Amount in ₹

	Note	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
A Financial Assets							
a) Measured at amortised cost							
i) Cash and cash equivalents	6	15,44,655	15,44,655	6,24,800	6,24,800	3,95,483	3,95,483
ii) Other bank balances, other than (i) above	7	4,92,37,838	4,92,37,838	4,49,41,080	4,49,41,080	4,46,69,761	4,46,69,761
iii) Trade Receivables	5	1,38,65,699	1,38,65,699	1,15,29,838	1,15,29,838	1,13,89,552	1,13,89,552
iv) Other Financial Assets	8	71,58,199	71,58,199	74,53,471	74,53,471	39,97,460	39,97,460
Sub - total		7,18,06,391	7,18,06,391	6,45,49,189	6,45,49,189	6,04,52,256	6,04,52,256
b) Measured at fair value through profit or loss							
i) Investment in mutual funds	4	19,20,21,618	19,20,21,618	17,72,05,997	17,72,05,997	16,06,11,432	16,06,11,432
Sub - total		19,20,21,618	19,20,21,618	17,72,05,997	17,72,05,997	16,06,11,432	16,06,11,432
Total Financial Assets		26,38,28,009	26,38,28,009	24,17,55,186	24,17,55,186	22,10,63,688	22,10,63,688

NOTES TO THE FINANCIAL STATEMENTS

B Financial Liabilities							
Measured at amortised cost							
i) Trade Payables	13	20,05,605	20,05,605	84,353	84,353	1,08,890	1,08,890
ii) Other Financial Liabilities	14	86,40,049	86,40,049	80,50,784	80,50,784	76,04,273	76,04,273
Total Financial Liabilities		1,06,45,654	1,06,45,654	81,35,137	81,35,137	77,13,163	77,13,163

The carrying amounts of trade payables, other financial liabilities, cash and cash equivalents, other bank balances, trade receivables and other financial assets are considered to be the same as their fair values due to their short term nature.

Fair value in Mutual Fund has been considered as Level 1 as Hierarchy for the same are based on unadjusted prices in active market.

III Expected Credit Loss

The Company has receivable balances with ITC Limited under the Operating Service Agreement, which are generally short term in nature. Further financial instruments such as mutual funds and fixed deposit are made in high quality papers / counterparties. Accordingly, the Company has concluded that no provision for expected credit loss is required.

IV Financial Risk Management

There are no significant market risk or liquidity risk to which the Company is exposed.

26 Disclosure relating to Specified Bank Notes* (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016:

Amount in ₹

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as at November 8, 2016	10,500	755	11,255
(+) Permitted receipts		1,01,360	1,01,360
(-) Permitted payments			—
(-) Amount deposited in banks	10,500	1,00,835	1,11,335
Closing cash in hand as at December 30, 2016			1,280

* SBNs mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O.3407(E), dated November 8, 2016.

27 Related Party Disclosures

Related party transactions

i) Name of related parties and nature of relationships.

ITC Limited, company of which the Company is an Associate.

ii) Key Management Personnel :

Board of Directors

N Anand

J Singh

R C Mehta

C K Koshy

M Narayanan

D R Choudhury

iii) Summary of transactions during the year :

Amount in ₹

Particulars	ITC LIMITED		Key Management Personnel		Relatives of Key Management Personnel	
	2017	2016	2017	2016	2017	2016
License Fees Received	3,73,64,758	3,97,26,453	—	—	—	—
Purchase of Services	4,57,134	5,25,981	—	—	—	—
Remuneration of Managers on Deputation Reimbursed [Includes Share based payment, Refer note 24 (e)]	50,14,004	54,78,360	—	—	—	—
Recoveries of Contractual Remuneration	4,43,16,552	3,49,83,753	—	—	—	—
Expenses Recovered	8,62,472	6,27,243	—	—	—	—
Expenses Reimbursed:	2,71,750	1,32,577	—	—	—	—
Dividend Payments	60,68,675	60,68,675	700	700	—	—
Remuneration to Key Management Personnel	—	—	—	—	—	—
– Director's Sitting Fees	—	—	3,70,000	2,97,500	—	—
Balance amount recoverable	1,80,56,467	1,55,55,204	—	—	—	—
Balance amount payable	16,86,867	—	—	—	—	—

28. First Time Adoption of Ind AS

- (i) The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.
- (ii) A. Reconciliation of the standalone financial results of those reported under previous GAAP are summarized below :

Particulars	Year ended 31/03/2016
Profit After Tax as reported under previous GAAP	245.02
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	120.15
Tax Adjustments	(39.74)
Profit After Tax as reported under Ind AS	325.43

- B. The reconciliation of total equity as previously reported under Indian GAAP to IND AS is summarized as follows:

Particulars	As at 01/04/2015 (Date of Transition)	As at 31/3/2016 (end of last period presented under previous GAAP)
Equity as reported under previous GAAP	1,648.60	2,112.33
Dividends (including tax thereon)	159.06	160.03
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL) (net of tax)	60.82	140.77
Equity as reported under IND AS	1,868.48	2,413.13

- (iii) Ind AS 101 allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions and exceptions in standalone financial statements:
 - a. Property, Plant and Equipment and Intangible assets were carried in the statement of financial position prepared in accordance with previous GAAP on 31st March, 2015. The Company has elected to regard such carrying values as deemed cost at the date of transition.
- (iv) In addition to the above, the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016 are detailed below:
 - a. Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as Fair Value through Profit or Loss (FVTPL) on the date of transition and fair value changes after the date of transition has been recognized in profit or loss.

29. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013(the Act) [Companies (Indian Accounting Standards) Rules, 2015]. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2016.

Up to the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

These are the Company's first Ind AS financial statements. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 28 (First Time Adoption).

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies below. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

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 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 realisation in cash and cash equivalents.

Property, Plant & Equipment (PPE) – Tangible Assets

Property, plant & equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

Cost is 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 assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. Subsequent costs are included in the asset's carrying amount only when it meets the recognition criteria are met as per component accounting. The carrying amount of a replaced part is derecognized. All other repairs and maintenance are charged to the statement of Profit & Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that depreciates the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

Property, plant and equipments' residual values and useful lives are reviewed, and are treated as changes in accounting estimates, at each balance sheet date.

Useful lives of different class of PPE are as follows:

Particulars	Useful Life as per Schedule II
Building	60 Years
Plant and Equipment	15 Years
Furniture's and fixtures	8 years
Office equipment	15 Years

Impairment of Assets

Impairment loss is provided, if any, to the extent, the carrying amount of assets exceed their recoverable amount.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument. Financial assets are derecognized when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Investments

At initial recognition, the Company measures its investments at its fair value plus costs that are directly attributable to the acquisition of the financial asset. Investments are designated as subsequently measured at fair value through profit or loss. The transaction costs are expensed immediately in statement of profit or loss. Movements in fair value of these assets are taken in profit or loss.

Loans and Receivables

Trade receivables and loans are initially measured at transaction value, which is the fair value and subsequently retained at cost less appropriate allowance for credit losses as most loans and receivables of the Company are current in nature. Where significant, non – current loans and receivables are accounted for at amortised cost using effective interest rate method less appropriate allowance for credit losses. Interest is accounted for on the basis of contractual terms, where applicable and is included in interest income. Impairment losses are recognized in the profit or loss where there is an objective evidence that the Company will not be able to collect all the due amounts.

Revenue from sale of products and services

1. Income from Operating license fees is booked on accrual basis in accordance with the provision of operating license agreement / arrangements with the licensee viz , ITC Limited.
2. Interest Income on Fixed Deposit is booked on accrual basis as per the fixed Interest rate.
3. Dividend Income is booked on accrual basis as per the Dividend reinvestment statement.

Employee Benefits

The Company makes contributions to both defined benefit and defined contribution schemes.

Contributions to Provident Fund are in the nature of defined contribution scheme and such paid/payable amounts are charged against revenue. The contributions in respect of provident fund and family pension are statutorily deposited with the Government.

The liability or asset recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less than the fair value of the assets. The contributions in respect of defined benefit gratuity fund are made to Life Insurance Corporation based on its advice. The accounting charge for benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the statement of profit and loss. Actuarial gain and losses, where significant are recorded in OCI.

The Company has taken a Policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability with respect to the employees and the premium paid to LIC is charged to Statement of Profit & Loss. The difference between the actuarial valuation of the gratuity with respect to employees at the year-end and the contribution paid to LIC is further adjusted in the books of accounts.

Employees Benefit w.r.t. Leave Encashment is considered as Employees Long Term Benefit, for which the Company records the liability based on actuarial valuation computed under projected unit credit method. These benefits are unfunded. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

All such Employee Benefit expenditure/provisions are reimbursed by the Licensee as per the Operating License Agreement.

Taxes on Income

Taxes on income comprises of current tax and deferred tax. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates enacted or substantively enacted by the end of the reporting period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

Dividend Distribution

To recognize Dividends paid (including income tax thereon) in the financial statements in the period in which the related dividends are actually paid or, in respect of the Company's final dividend for the year, when the same are approved by shareholders of the Company.

Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Use of Estimates and Judgements

The key estimates and assumptions used in the preparation of financial statements are set out below:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the income statement and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Comparatives

When required by Ind AS, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Signature to Notes 1 to 29

In terms of our report of even date

On behalf of the Board

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

CA Manish Baxi
Partner
M.No. 45011

D R Choudhury
Director

J Singh
Director

Place : New Delhi
Date : 22nd April, 2017

D K Gulati
Company Secretary

M Agarwal
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
GUJARAT HOTELS LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **M/s. GUJARAT HOTELS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes 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 standalone Ind AS 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report. We conducted our audit of standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit, total comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. 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, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015.
 - e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director under section 164(2) of the Companies Act, 2013.
 - f. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in annexure – A to this report.
 - g. 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, as amended, in our opinion and to the best of our

INDEPENDENT AUDITOR'S REPORT

knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact of pending litigations, if any, as at March 31, 2017 on its financial position in its standalone Ind AS financial statements;
- ii. The Company did not have any outstanding long-term contracts including derivative contracts as at March 31, 2017 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.
- iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S. O. 3407 (E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and representations provided to us by the

management we report that the disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the Management.

8. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "CARO 2016"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

CA. Manish A. Baxi
Partner
Membership No. 045011

Place : New Delhi
Date : 22nd April, 2017

Annexure – A: (Annexure to the Independent Auditor's Report)

Referred to in paragraph 7(f) of the Independent Auditor's Report of even date to the members of **M/s. Gujarat Hotels Limited** on the Financial Statements for the year ended 31st March, 2017.

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over Financial Reporting of M/s. Gujarat Hotels Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of

frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

INDEPENDENT AUDITOR'S REPORT

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

CA. Manish A. Baxi
Membership No. 045011

Place : New Delhi
Date : 22nd April, 2017

Annexure – B: To the Independent Auditors' Report

(As referred to in paragraph 8, under the heading of 'Report on other Legal and Regulatory requirements' of our report of even date on the Financial Statements of M/s. Gujarat Hotels Limited ("the Company") for the year ended on March 31, 2017)

i. In respect of 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 at reasonable intervals, which in our opinion is reasonable having regard to the size of the company and nature of the fixed assets. No material discrepancy has been noticed on such verification.
- c) With respect to immovable properties, the company has filed a writ petition in the Gujarat High Court seeking that the Gujarat State Government be directed to take action on Company's application to have the leasehold land of the Hotel converted to freehold and transferred to Company as per the existing government policy in this regard.

ii. In respect of Inventories:

There is no inventory; and hence, the related paragraphs of CARO 2016 are not applicable.

- iii. In respect to loans, secured or unsecured, in our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In respect to loans, investments, guarantees and security, in our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the company has not accepted any deposit during the year and accordingly the question of complying with Section 73 and 76 of the Companies Act, 2013 does not arise. In respect of unclaimed deposits, the company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. According to

the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the company.

- vi. We have been informed by the management of the Company that no cost records have been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

vii. In respect to statutory dues:

- a) According to the information and explanation 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, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- b) According to the records of the Company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.

- viii. Based on the information provided to us, the Company does not have any loans or borrowing from a financial institution, bank, Government or debenture holders.

- ix. According to the information and records available with us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the financial year under audit. However, such monies raised earlier were applied for the purposes for which those are raised.

- x. According to the information available with us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.

- xi. In our opinion and according to the information available with us, the Company has paid or provided the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- xii. As per the information available with us and understanding of business of the company, it is not a Nidhi Company. Hence, the related paragraphs of CARO 2016 are not applicable.
- xiii. In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS Financial Statements etc., as required by the applicable Indian accounting standards.
- xiv. According to the information and records available with us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. According to the information and records available with us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. As per the information available with us and understanding of business of the company the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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

CA. Manish A. Baxi
Partner
Membership No. 045011

Place : New Delhi
Date : 22nd April, 2017

**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

35TH ANNUAL GENERAL MEETING**ADMISSION SLIP**

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

Name & Address of Member :

E-mail ID :

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

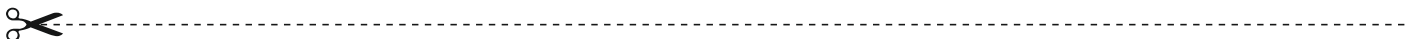
No. of Shares held :

I hereby record my presence at the 35th Annual General Meeting of the Company held on Tuesday, 8th August, 2017 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 attending

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

35TH 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) holding _____ 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 35th Annual General Meeting (AGM) of the Company to be held on 4th August, 2017 at 11.00 a.m. at WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara 390 007 and at any adjournment thereof, in respect of the resolutions indicated hereafter:



Resolution Number	Description	Optional (✓)	
		For	Against
Ordinary Business			
1	Adoption of the Financial Statements for the financial year ended 31st March, 2017, and the Reports of the Board of Directors and the Auditors.		
2	Declaration of dividend for the financial year ended 31st March, 2017.		
3	Appointment of Mr Nakul Anand who retires by rotation and offers himself for re-election.		
4	Appointment of Messrs K C Mehta & Co., Chartered Accountants, as Auditors, for a period of five years from the conclusion of this AGM till the conclusion of Fortieth AGM, subject to ratification at every AGM and approval of their remuneration for the financial year 2017-18.		

Signed this _____ day of _____ 2017. Signature of shareholder : _____

Affix 15
Paise
Revenue
Stamp

INSTRUCTIONS

- (1) The Proxy Form, in order to be effective, should be completed and stamped, and must be deposited / received at the Registered Office of the Company, **Gujarat Hotels Limited, WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara 390 007** either in person or through post, not less than 48 hours before the commencement of the AGM i.e. by 11.00 a.m. on 6th August, 2017.
- (2) The Proxy Form should be signed by the Member or his attorney authorised in writing, or in case of a corporate Member, should be under its seal or be signed by an officer or attorney authorised by such Member. In case of joint holding, the Proxy Form may be signed by any of the holders.
- (3) The signature of the Member on the Proxy Form should be as per the specimen signature furnished by National Securities Depository Limited / Central Depository Services (India) Limited or registered with the Company.



Cambay Pavilion - 24x7 Fine Dining restaurant



Peshawri - Speciality restaurant catering to North-West Frontier cuisine



Gujarat Hotels Limited

