



**Gujarat Hotels Limited**



**REPORT AND ACCOUNTS 2018**



Executive Club Exclusive room

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# GUJARAT HOTELS LIMITED

## BOARD OF DIRECTORS

### 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

K C Mehta & Co.  
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 : 011-4140 6149-52, 011-4160 9386



# GUJARAT HOTELS LIMITED

## AGM NOTICE



### GUJARAT HOTELS LIMITED

CIN: L55100GJ1982PLC005408

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

Tel.: 0265233 0033 • E-mail: ghlinvestors@yahoo.co.in • Website: www.gujarathotelsltd.in

### NOTICE OF 36TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Sixth 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 7th day of August, 2018 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, 2018, and the Reports of the Board of Directors and the Auditors.
2. To declare dividend for the financial year ended 31st March, 2018.
3. To appoint a Director in place of Ms Devkanya Roy Choudhury (DIN: 07066556) who retires by rotation and, being eligible, offers herself 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, the appointment of Messrs. K C Mehta & Co., Chartered Accountants (FRN 106237W), as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Thirty Seventh Annual General Meeting be and is hereby ratified, and remuneration of ₹ 60,000/- to Messrs. K C Mehta & Co. to conduct the audit for the financial year 2018-19 plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby approved.”

The Register of Members of the Company will remain closed from Saturday, 28th July, 2018 to Tuesday, 7th August, 2018, 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, 27th July, 2018, 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 Monday, 13th August, 2018 to those Members entitled thereto and whose names will appear in the Register of Members of the Company on 7th August, 2018, or to their mandatees, subject however to the provisions of Section 126 of the Companies Act, 2013. In respect of dematerialised shares, the dividend will be paid on the basis of beneficial ownership

as on Friday, 27th July, 2018, 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 : 17th April, 2018

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 5th August, 2018.
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 representatives to attend and vote at the AGM.
3. Route-map of the AGM venue, pursuant to the Secretarial Standards on General Meetings, is annexed.
4. 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.



5. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on **31st July, 2018 (cut-off date)**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting through ballot paper at the AGM venue. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.
6. Unclaimed dividend for the financial year ended 31st March, 2011 and the corresponding Equity Shares of the Company in respect of which dividend entitlements have remained unclaimed for seven consecutive years will be due for transfer to the Investor Education and Protection Fund of the Central Government on 8th September, 2018, 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. Details of such unclaimed dividend and corresponding shares are available on the Company's website **www.gujarathotelsltd.in** under the section 'Investor Relations' in 'Shareholder Value'. In respect of the said dividend and shares, it will not be possible to entertain any claim received by the Company after 6th September, 2018.
7. 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'.
8. 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.
9. 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 atleast 10 days before the AGM to the Company Secretary at the Registered Office of the Company.
10. The procedure with respect to remote e-voting is provided below:
  - (i) **The period for remote e-voting begins on Friday, 3rd August, 2018 at 9.00 a.m. and ends on Monday, 6th August, 2018 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. 31st July, 2018, 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 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:

For Members holding shares in Demat Form and Certificate Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable to Members holding shares in both certificate form and dematerialised form). <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Admission Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth	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.  If both the details are not recorded with the Depository or the Company, please enter your member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on '**Submit**'.
- (ix) Members holding shares in certificate form will then reach directly to the Company's selection screen.
- (x) Members holding shares in dematerialised form will then reach the '**Password Creation**' menu wherein they are required to mandatorily enter their login password in the new password



## GUJARAT HOTELS LIMITED

field. Kindly note that this password can be used for voting on resolutions of any other company on which you are eligible to vote, provided that the 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) For Members holding shares in Certificate form the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xii) Click on the EVSN for Gujarat Hotels Limited.
- (xiii) 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.
- (xiv) Click on the '**Resolutions File Link**' if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you '**Confirm**' your vote on the Resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on '**Click here to print**' option on the Voting page.
- (xviii) Members can also cast their vote using CDSL's mobile app 'm-Voting' available on Android, Apple and Windows based mobiles. Members may log in to m-Voting using their e-voting credentials to vote for the Company resolutions.
- (xix) **Note for Non-Individual Members and Custodians**
  - Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, 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](mailto: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.
- (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 under the help section of CDSL's e-voting website [www.evotingindia.com](http://www.evotingindia.com) or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](mailto:ghlinvestors@yahoo.co.in).
- (xxi) Those who become Members of the Company after dispatch of the Notice but on or before **31st July, 2018 (cut-off date)** may follow the steps from Sl. Nos. (ii) to (xix) mentioned above for casting of vote.
- (xxii) **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 <http://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 : 17th April, 2018

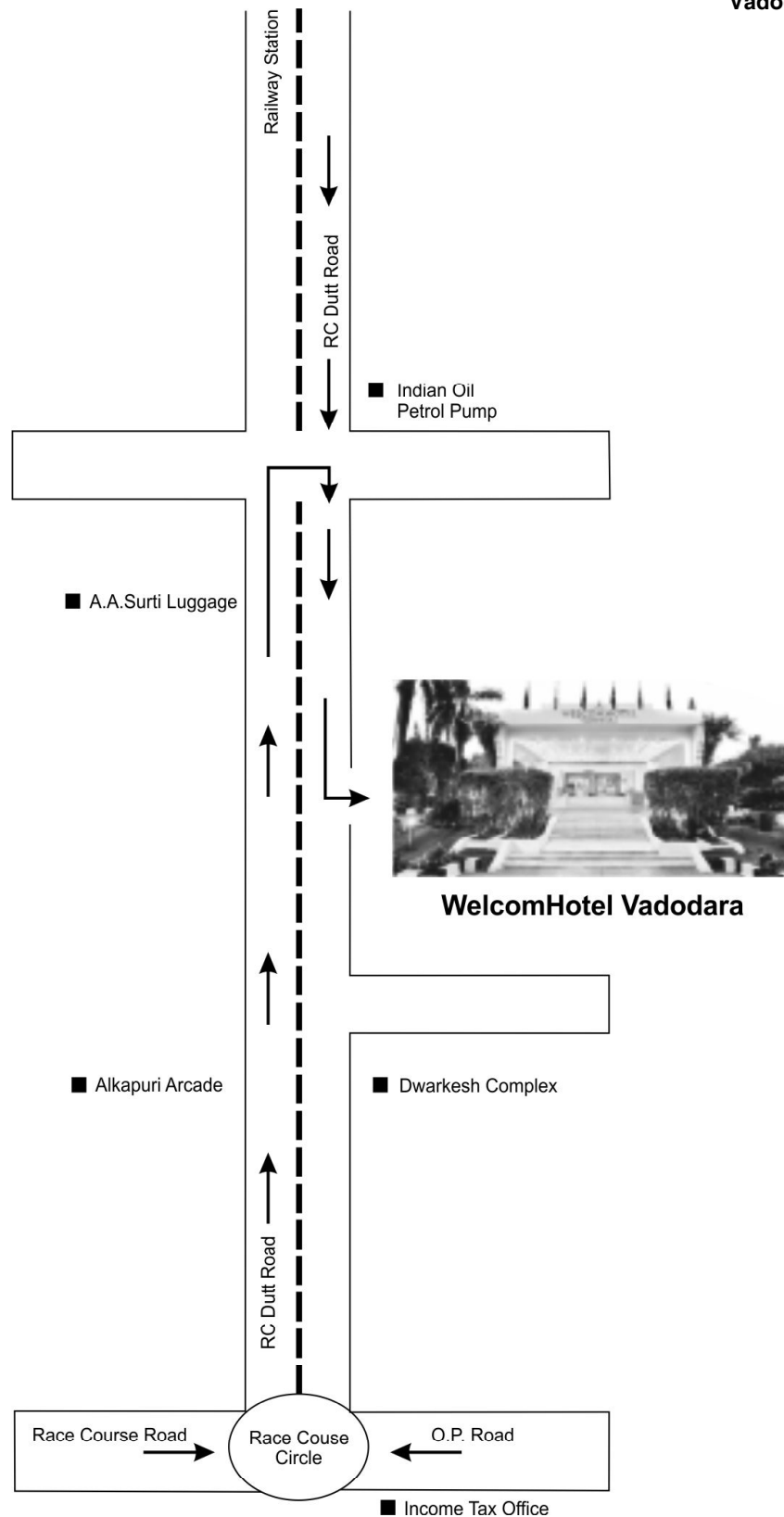
D K Gulati  
Company Secretary



# GUJARAT HOTELS LIMITED

## ROUTE MAP

**AGM Venue:**  
**WelcomHotel Vadodara**  
**R C Dutt Road, Alkapuri**  
**Vadodara 390 007**





# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

### N Anand

Nakul Anand (61), DIN: 00022279, a Non-Executive Director of the Company since 10th March, 1998, was appointed as 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 the Delhi University with an AMP Degree from the Bond University, Australia, he joined ITC Hotels' Management Training Programme in 1978. He has 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. 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 has been a past President of the Hotel Association of India and past Chairman of the CII National Tourism Committee. Anand is presently a Member of the National Tourism Advisory Council constituted by the Ministry of Tourism, Government of India, Chairman of the Federation of Associations in Indian Tourism & Hospitality, and a Member of the Executive Committee of the Hotel Association of India. He is also a Member of the India - Sri Lanka CEOs Forum.

### 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
International Travel House Limited	Nominations & Remuneration Committee	Member
Landbase India Limited	Audit Committee	Member
Fortune Park Hotels Limited	Corporate Social Responsibility Committee	Chairman

### C K Koshy

Chervettolil Kochukoshy Koshy (73), DIN: 01478704, was appointed as an Independent Non-Executive Director of the Company on 1st May, 2007. He is a 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 of 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 Department for International Development-UK, 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 Advisor at CEPT 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 (87), 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 has been on the Boards of various reputed companies. He was associated with a number of industries, associations and federations including social, educational, sports and charitable organisations. He has also been the International President of Lions Club International and is an active promoter of Lionism in India and a recipient of various awards.





# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

### Other Directorships

Name of the company	Position
C.C Chokshi Advisors Private Limited	Chairman & 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: Nil

#### M Narayanan

Mahalinga Narayanan (73), 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 held senior management positions. In October, 1997, he joined Tourism Finance Corporation of India Limited as Managing Director and rose to the position of Chairman and Managing Director which position he held till his retirement in September, 2006. He was conferred with "Udyog Rattan Award" in the year 2005 by the Institute of Economic Studies, New Delhi.

### Other Directorships

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

### Committee Membership of other companies

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

#### J Singh

Jagdish Singh (52), DIN: 00042258, was appointed as a Non-Executive Director of the Company on 16th April, 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 the 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	Director

### 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
	Nominations & Remuneration Committee	Member
Fortune Park Hotels Limited	Corporate Social Responsibility Committee	Member
Srinivasa Resorts Limited	Audit Committee	Chairman
	Corporate Social Responsibility Committee	Member



## GUJARAT HOTELS LIMITED

### YOUR DIRECTORS

#### D R Choudhury

Devkanya Roy Choudhury (41), DIN: 07066556, was appointed as a Non-Executive Director of the Company on 19th January, 2015. A graduate from the 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 in handling legal matters pertaining to various divisions including Tobacco, Hotels, Personal Care, Lifestyle Retailing, Education & Stationery, Paperboards &

Specialty Papers, ITC Infotech as also dealing with mergers & acquisitions and key litigation across ITC. Currently, Ms Choudhury is the Senior Associate General Counsel of ITC Limited.

#### Other Directorships

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

\*Denotes foreign company

#### Notes:

1. Other Directorships and Committee Memberships of Directors are as on 17th April, 2018.
2. Committee Memberships cover Committees under the Companies Act, 2013 viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and CSR Committee of Indian companies.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### 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 of Directors ('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, 2018

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

### Meetings and Attendance

During the financial year ended 31st March, 2018, four meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	22nd April, 2017	6	6
2	14th August, 2017	6	6
3	9th November, 2017	6	5
4	2nd February, 2018	6	4

Directors' attendance at the Board Meetings during the financial year and at 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	1
2	C K Koshy	Non-Executive Independent Director	4	Yes	1	Nil
3	R C Mehta	Non-Executive Independent Director	2	Yes	4	Nil
4	M Narayanan	Non-Executive Independent Director	4	Yes	4	4 (as Chairman)
5	D R Choudhury	Non-Executive Director	3	Yes	1	Nil
6	J Singh	Non-Executive Director	4	Yes	7	3 (including 2 as Chairman)



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 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;
- To approve transactions of the Company with related parties, including modifications thereto;
- To review and monitor the Statutory Auditors' 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 Auditors' 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 representative of Statutory Auditors are Invitees to meetings of the 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, 2018, four meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	22nd April, 2017	4	4
2	14th August, 2017	4	4
3	9th November, 2017	4	3
4	2nd February, 2018	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	4

#### 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.



# GUJARAT HOTELS LIMITED

## 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, 2018, four meetings of the Stakeholders Relationship Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	22nd April, 2017	2	2
2	14th August, 2017	2	2
3	9th November, 2017	2	2
4	24th November, 2017	2	2

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

Member	No. of meetings attended
J Singh	4
D R Choudhury	4

### 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, three of whom are Independent 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, 2018, one meeting of the Nominations and Remuneration Committee was held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	22nd April, 2017	5	5

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

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

### 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 available on the Company's website [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in) and is also provided in the Annexure forming part of this Report.

### Remuneration of Directors

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

Details of sitting fees paid to the Directors during the financial year ended 31st March, 2018 are given below:

Director	Sitting Fees (Amount in ₹)
C K Koshy	1,40,000/-
R C Mehta	70,000/-
M Narayanan	1,40,000/-

*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.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

### Directors' Shareholding

Details of Shareholding of the Directors in the Company as on 31st March, 2018 are given below:

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 and 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 interests 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 along with the results for the fourth quarter were announced within sixty days from the end of the financial year. Extract of these results were published in 'The Financial Express' (all editions) including its Gujarati edition as vernacular newspaper. Further, quarterly results, shareholding pattern and other important information relating to the Company were submitted to the Bombay Stock Exchange through BSE Listing Centre, for dissemination on its website. These results, including the

entire Report and Accounts, information relating to shareholding pattern etc. are posted on the Company's website [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in).

The Report of the Board of Directors, forming part of the Report and Accounts, includes all aspects of '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 trading in 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, 2018.

New Delhi  
17th April, 2018

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 FOR DIRECTORS

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 of the Company 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.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

Further details may be accessed on the Company's website at: [http://www.gujarathotelsltd.in/policies/Directors\\_Familiarisation\\_Programme.pdf](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](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 the Listing Regulations is provided below:

- Chairman's Office:** The Company has a Non-Executive Chairman but he does not maintain any separate office and 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 posted on the Company's website and extract of these results are published in newspapers on an all India basis. The complete Report and Accounts is sent to every Shareholder of the Company.
- Audit Opinion:** It has always been the Company's endeavour 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, 2018.
- Separate posts of Chairman and Chief Executive Officer:** The Company has appointed a Non-Executive Chairman and has a CEO.
- Internal Audit:** The Internal Auditor of the Company Messrs. Shah & Talati, Chartered Accountants, reports to the Audit Committee of the Board.

### GENERAL SHAREHOLDER INFORMATION

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

### CONFIRMATION OF COMPLIANCE

As required under the Listing Regulations –

- It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub - regulation (2) of Regulation 46 of the Listing Regulations.
- The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the 'Report of the Board of Directors & Management Discussion and Analysis'.

## ANNEXURE TO THE REPORT ON CORPORATE GOVERNANCE

### 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

- To ensure that the Company's remuneration practices support and encourage meritocracy.
- To ensure that remuneration is market related and takes into account the competitive context of the Company's business.
- To leverage remuneration as an effective instrument to enhance performance and therefore to link the remuneration to both individual and collective performance outcomes.
- 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.
- To design remuneration practices such that they reinforce the Company's values and culture and to implement them in a manner that complies with all relevant regulatory requirements.

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

1. Remuneration of KMPs is determined and recommended by the Nominations and Remuneration Committee and approved by the Board. Remuneration of the Whole-time / Managing Director is also subject to approval by the shareholders.
2. Remuneration is reviewed and revised periodically, when such a revision is warranted.
3. Apart from fixed elements of remuneration and benefits, KMPs are also eligible for Variable Pay / Performance Bonus, which is linked to individual performance.
4. Remuneration of KMPs on deputation from ITC Limited is aligned to the Remuneration Policy of that company.

**c) Remuneration of Independent Directors**

Independent Directors are entitled to sitting fees for attending meetings of the Board and Board Committees, the quantum of which is determined by

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

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

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





# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

### AGM Details

<b>Date</b>	Tuesday, 7th August, 2018
<b>Venue</b>	WelcomHotel Vadodara, R C Dutt Road, Alkapuri Vadodara 390 007
<b>Time</b>	11.00 a.m.
<b>Book Closure Dates</b>	Saturday, 28th July, 2018 to Tuesday, 7th August, 2018 (both days inclusive)
<b>Dividend Payment Date</b>	Monday, 13th August, 2018

### 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.

### Address for Correspondence

MCS Share Transfer Agent Limited  
F-65, 1st Floor, Okhla Industrial Area  
Phase – I, New Delhi 110 020  
Telephone Nos. : 011 4140 6149-52, 4160 9386  
Fascimile No. : 011 4170 9881  
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 ('Listing Regulations').

### Share Transfer Committee

The Share Transfer Committee of the Company met nine times during the financial year. The processing activities with respect to requests received for share transfers are completed within the statutory time limit. There were no share transfers pending as on 31st March, 2018.

The Share Transfer Committee presently comprises the following:

<b>D R Choudhury - Director</b>	Member
<b>J Singh - Director</b>	Member
<b>D K Gulati - Company Secretary</b>	Member

### Dematerialisation of Shares and Liquidity

The shares of the Company are available for trading in dematerialised form under both the Depository Systems in India - NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's shares under the Depository System is INE621C01011.

As on 31st March, 2018, a total of 34,82,153 Equity Shares of the Company, which forms 91.93% of the Share Capital, stands dematerialised. The processing activities with respect to requests received for dematerialisation are completed within ten to fifteen days.

### Shareholder / Investor Complaints

The Company attends to Shareholder / Investor complaints, queries and other correspondence generally within a period of ten to fifteen days, except where constrained by disputes or legal impediments.

The Company did not receive any complaint during the financial year ended 31st March, 2018.

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

### Distribution of Shareholding as on 31st March, 2018

No. of Shares Slab	No. of Shareholders		No. of Equity Shares	
	Total	% to Share holders	Total	% to Share Capital
1 - 500	5,357	94.43	6,13,634	16.20
501 - 1000	146	2.57	1,20,283	3.17
1001 - 2000	79	1.40	1,16,664	3.08
2001 - 3000	29	0.51	74,875	1.98
3001 - 4000	16	0.28	56,896	1.50
4001 - 5000	11	0.20	51,758	1.37
5001 - 10000	21	0.37	1,45,937	3.85
10001 - 50000	8	0.14	1,61,133	4.26
50001 - 100000	2	0.03	1,81,401	4.79
100001 & above	4	0.07	22,64,934	59.80
<b>Total</b>	<b>5,673</b>	<b>100.00</b>	<b>37,87,515</b>	<b>100.00</b>

### Categories of Shareholders as on 31st March, 2018

Sl. No.	Category	No. of Shares held	% of Share holding
<b>A</b>	<b>Promoter Holding</b>		
1	Promoter and Promoter Group		
	ITC Limited	17,33,907	45.78
	Russell Investments Limited	3,00,056	7.92
	<b>Sub-Total</b>	<b>20,33,963</b>	<b>53.70</b>
<b>B</b>	<b>Non Promoter Holding</b>		
2	Institutional Investors		
a	Mutual Funds	NIL	NIL
b	Banks	100	0.00
c	Foreign Institutional Investors and Foreign Portfolio Investors	10	0.00
	<b>Sub-Total</b>	<b>110</b>	<b>0.00</b>
3	Others		
a	Private Corporate Bodies	3,02,203	7.98
b	Indian Public	12,26,698	32.39
c	NRIs	1,15,788	3.06
d	Others	1,08,753	2.87
	<b>Sub Total</b>	<b>17,53,552</b>	<b>46.30</b>
	<b>Grand Total</b>	<b>37,87,515</b>	<b>100.00</b>



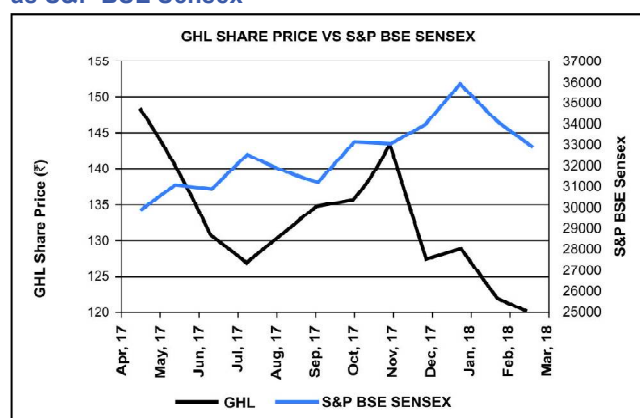
# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

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

Year	Month	High (₹)	Low (₹)	Volume (Nos.)
2017	April	155.00	123.05	15,522
	May	150.00	131.05	8,044
	June	141.50	125.00	3,680
	July	154.70	123.10	5,386
	August	151.00	125.20	9,041
	September	147.90	124.05	7,768
	October	144.85	127.10	6,799
	November	161.00	132.00	27,269
	December	151.80	110.45	11,92,137
2018	January	140.00	123.80	2,43,254
	February	131.05	116.00	38,019
	March	132.00	116.00	36,644

### 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. : 022-2272 1233 / 34  
 Facsimile No. : 022-2272 1919  
 E-mail : is@bseindia.com  
 Website : www.bseindia.com

The Listing Fees for the financial year 2018-19 has been paid to BSE Limited.

### Financial Calendar

#### Financial Year 2018-19 (1st April - 31st March)

- |   |                                      |               |
|---|--------------------------------------|---------------|
| 1 | First Quarter Results                | August 2018   |
| 2 | Second Quarter and Half Year Results | November 2018 |
| 3 | Third Quarter Results                | February 2019 |
| 4 | Fourth Quarter and Annual Results    | May 2019      |

### Particulars of Past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolutions Passed
35th	2016-17	WelcomHotel Vadodara	08-08-2017		
34th	2015-16	R C Dutt Road, Alkapuri	20-09-2016	11.00 a.m.	None
33rd	2014-15	Vadodara 390 007	29-09-2015		

### Postal Ballot

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

### SHAREHOLDER REFERENCER

#### Transfer of Dividend and corresponding Equity Shares to the Investor Education and Protection Fund (IEPF)

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 corresponding shares are available on the Company's website under the section 'General Information'. Attention in particular is drawn that the unclaimed dividend for the financial year 2010-11 and the corresponding shares will be due for transfer to IEPF on 8th September, 2018.

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF on
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
2016-17	8th August, 2017	14th September, 2024

\*It will not be possible to entertain any claim received by the Company after 6th September, 2018.

Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to



# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

apply for duplicate warrant(s) by writing to the Company and confirming non-encashment / non-receipt of dividend warrant(s).

### Unclaimed Shares

The status of unclaimed shares of the Company transferred to the demat account, 'IEPF Suspense Account Gujarat Hotels Limited', in accordance with the Listing Regulations is as follows:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the IEPF Suspense Account as on 1st April, 2017	753	1,08,753
Number of requests received during the year	-	-
Aggregate number of Shareholders and outstanding shares held in the IEPF Suspense Account as on 31st March, 2018	753	1,08,753

Voting rights in respect of the aforesaid 1,08,753 shares will remain frozen till the time such shares are transferred from the IEPF Suspense Account to the concerned Shareholders.

### Service of documents

The Company sends Notices, Report and Accounts and other communications 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 may use the Form for updation / registration which can 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 Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai 400 013

Telephone No. : 022-2499 4200

Facsimile No. : 022-2497 6351

E-mail : info@nsdl.co.in

Website : www.nsdl.co.in

#### Central Depository Services (India) Limited

Marathon Futurex, 'A' Wing, 25th Floor,  
Mafatlal Mill Compound, N M Joshi Marg,  
Lower Parel, Mumbai 400 013

Telephone No. : 022-2302 3333

Facsimile No. : 022-2300 2035

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) to the respective Depository Participants (DPs) or to the RTA where shares are held in the dematerialised form and in the certificate form, respectively. Shareholders holding shares in certificate form may use the NECS mandate form for this purpose which can be downloaded from the Company's website [www.gujarathotelsltd.in](http://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 addresses, as available with the RTA, will be printed on the dividend warrants as required under the Listing Regulations 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 Form; such Form can be downloaded from the Company's website under the section 'Investor Relations' in 'Shareholder Value'.



# GUJARAT HOTELS LIMITED

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

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

Your Directors submit their Report for the financial year ended 31st March, 2018.

#### BUSINESS ENVIRONMENT

As per latest IMF estimates, World GDP grew by 3.8% in 2017 representing a marked improvement over 2016, which at 3.2% was the weakest year of growth since the global financial crisis of 2009. The growth momentum is likely to sustain going forward resulting in a further pick-up in global economic growth to 3.9% in 2018. However, the increasing trend of protectionist policies in the developed world, faster pace of increase in US interest rates and progressive tapering of quantitative easing in the EU could impact capital flows and weigh on the nascent recovery in commodity-exporting emerging economies.

The Indian economy witnessed another challenging year, with Real GDP growth slowing down sharply to 6.6% compared to 7.1% in 2016-17, reflecting the short-term disruptions caused by GST implementation, residual impact of cash crunch and deceleration in net Exports. Inflation is largely within the comfort zone of the RBI and foreign capital flows into the country remained robust leading to stability in the Indian Rupee and sustained buoyancy in the capital markets.

India remains the fastest growing major economy in the world and as per median estimates, based on the Survey of Professional Forecasters conducted by the RBI, GDP is likely to grow by 7.3% in 2018-19 on the back of improvement in the net Exports position and normalisation of private consumption growth levels, partly aided by a favourable base effect despite limited scope for further reduction in interest rates on account of rising crude oil prices, anticipation of commodity prices firming up in the ensuing year and steady rise in Core CPI.

The operating environment in the hospitality sector showed signs of improvement with foreign tourist arrivals crossing the 10 million mark in 2017. With growing domestic tourism and airline passenger traffic, coupled with muted growth in supply of new Hotels, the performance of the Hotel Industry is expected to improve in the coming years.

#### FINANCIAL PERFORMANCE

During the year under review, your Company earned license fees of ₹ 330.98 lakhs (previous year ₹ 325.12 lakhs). The other income at 171.19 lakhs decreased over the last year and resultantly pre and post-tax profits declined to ₹ 453.13 lakhs and ₹ 336.90 lakhs respectively.

Your Directors are pleased to recommend a dividend of ₹ 3.50 per Equity Share of ₹ 10/- each for the year ended 31st March, 2018, 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:

	For the year ended 31st March, 2018 (₹)	For the year ended 31st March, 2017 (₹)
<b>PROFITS</b>		
a. Profit Before Tax	4,53,12,928	4,72,47,479
b. Tax Expense		
Current Tax	92,72,310	1,19,72,888
Deferred Tax	23,50,502	(33,73,581)
c. Profit for the year	3,36,90,116	3,86,48,172
d. Other Comprehensive Income	-	-
e. Total Comprehensive Income	3,36,90,116	3,86,48,172
<b>STATEMENT OF RETAINED EARNINGS</b>		
a. At the beginning of the year	19,58,73,461	17,31,80,263
b. Add : Total Comprehensive Income	3,36,90,116	3,86,48,172
c. Less : Dividend paid including Income Tax on Dividend paid	1,59,54,974	1,59,54,974
d. Less : Income Tax on Dividend paid for earlier year	3,97,513	-
e. At the end of the year	21,32,11,090	19,58,73,461

#### HOTEL OPERATIONS

Your Hotel, WelcomHotel Vadodara, licensed to ITC Limited recorded an income of ₹ 2218.56 lakhs during the year as compared to ₹ 2192.11 lakhs in the previous year. The operational performance growth was impacted as certain developmental projects in the vicinity of the city had been deferred continuing to limit the flow of long staying guests. While, there was a marginal improvement in occupancy, average room rates remained under pressure as certain competition hotels in the city were renovated and rebranded as members of international chains and offered rooms at competitive rates akin to the previous year.

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

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

Your Company has filed a writ petition before the Hon'ble Gujarat High Court seeking that the Gujarat State Government be directed to take action 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 Hon'ble High Court passed an Order on 24th December, 2014 restraining the State Government from disturbing the peaceful and actual possession of the Company over the hotel property in any manner including construction thereon. The writ petition is pending.





# GUJARAT HOTELS LIMITED

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

Your Company is making all efforts for expeditious conversion of land from leasehold to freehold or in the alternative renewal of Lease. (For further details, please refer to Note 22A of the Accounts).

### 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. These policies are reviewed and updated from time to time and audited by the 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 Auditor 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. The risk management framework of the Company is designed to bring robustness to the risk management processes within the Company and to address risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company. Backed by strong internal control systems, the current risk management framework of the Company, in terms of the Risk Management Policy, consists of the following elements:

- The Board has clearly laid down the roles and responsibilities of the Company in relation to risk management covering a range of responsibilities, from the strategic to the operational. These role definitions, inter alia, provide the foundation for your Company's Risk Management Policy that is endorsed by the Board and is aimed at ensuring formulation of appropriate risk management procedures, their effective implementation and independent monitoring and reporting by Internal Audit.
- Management of risks vest with the executive Management which is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board.

- A combination of policies and 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 concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that, inter alia, provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds / errors, accuracy and completeness of accounting records and 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 audit assurances, meeting the high standards.

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

### HUMAN RESOURCE DEVELOPMENT

Your Company draws its strength from a highly engaged and motivated workforce whose collective commitment has enabled your Company to maintain its steady performance. Your Company strongly believes that human capital is the greatest asset and key differentiator.



## GUJARAT HOTELS LIMITED

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

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. 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 sexual harassment grievances, 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 behaviour, 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 and Key Managerial Personnel

During the period under review, there was no change in the composition of the Board of Directors and Key Managerial Personnel of your Company.

##### 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, Ms. Devkanya Roy Choudhury will retire by rotation at the ensuing Annual General Meeting ('AGM') of your Company and being eligible, offers herself for re-election. Your Board recommends her re-election.

##### Number of Board Meetings

During the year ended 31st March, 2018, four meetings of the Board were held.

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

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

The Board Diversity Policy of the Company requires the Board to have 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-election.

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 ('Listing Regulations').

The Company's Policy on remuneration of Directors, Key Managerial Personnel and other employees is provided under the section 'Report on Corporate Governance' in the Report and Accounts.

#### Board Evaluation

The Nominations and Remuneration Committee has approved the Policy on Board Evaluation, Evaluation of Board Committees' functioning and individual Director Evaluation. Board performance is assessed against the role and responsibilities of the Board as provided in the Act and the Listing Regulations. 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 respective 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



# GUJARAT HOTELS LIMITED

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

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.

### AUDIT COMMITTEE & AUDITORS

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

#### Statutory Auditors

The Auditors, Messrs. K C Mehta & Co., Chartered Accountants, (KCM), were appointed with your approval at the Thirty Fifth AGM to hold such office till the conclusion of the Fortieth AGM.

On the recommendation of the Audit Committee, the Board recommended for the ratification of the Members, the appointment of KCM from the conclusion of the ensuing AGM till the conclusion of the Thirty Seventh AGM. On the recommendation of the Audit Committee, the Board also recommended for the approval of the Members, the remuneration of KCM for the financial year 2018-19. Appropriate resolution for this purpose forms part of 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, 2018. 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 Listing Regulations, were on arm's length basis and in the ordinary course of business, and all such contracts or arrangements have been approved by the Audit Committee. 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. Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the website at [http://www.gujarathotelsltd.in/policies/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.gujarathotelsltd.in/policies/Policy_on_Related_Party_Transactions.pdf).

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis;
- laid down internal financial controls to be followed by your Company and that such internal financial controls were adequate and operating effectively; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### OTHER INFORMATION

#### Compliance with the conditions of Corporate Governance

The certificate from your Company's Auditors, Messrs. K C Mehta & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is annexed.

#### Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

#### Going Concern Status

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

#### Extract of Annual Return

The information required under Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is provided in the Annexure forming part of this Report.



# GUJARAT HOTELS LIMITED

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

### Particulars of Loans, Guarantees or Investments

During the year ended 31st March, 2018, the Company has neither given any loan or guarantee nor has it 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 Variable Frequency Drive (VFD) to optimise energy consumption.
2.	Installation of energy efficient Fan Coil Units (FCU) for guest rooms.
3.	Improvement in energy usage efficiency in lighting system by changing over to efficient lighting solutions such as Light Emitting Diodes (LED)
4.	Replacement of existing motors and pumps with more energy efficient equipment.
5.	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 Crash / Boom Barrier at Guest In & Out Gate	For Product Upgradation
2.	Induction of Robotic automatic swimming pool cleaner	For Product Improvement
3.	Upgradation of Fire Hydrant line	For Product Upgradation
4.	Upgradation of Electrical Panel	For Product Improvement
5.	Induction of TV Minihead end system	For 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 has been fully absorbed - NIL

- D) If not fully absorbed, areas where absorption has not taken place, and the reasons therefor - NIL

- iii) Expenditure incurred on research and development - NIL

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2017-18, foreign exchange earnings of the Hotel aggregated ₹ 958.87 lakhs (previous year ₹ 989.80 lakhs), while expenditure in foreign currency aggregated ₹ 32.30 lakhs (previous year ₹ 22 lakhs).

### EMPLOYEES

The total number of employees of the Company as on 31st March, 2018 stood at 187.

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 ₹ 8.50 lakhs per month or more during the financial year ended 31st March, 2018.

The details of top ten employees of the Company in terms of remuneration drawn, as required under Section 197(12) of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this Report.

### FORWARD-LOOKING STATEMENTS

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

### CONCLUSION

Your Directors and employees look forward to the future with confidence and stand committed to creating an even brighter future for all stakeholders.

On behalf of the Board

Place : New Delhi  
Date : 17th April, 2018

D R Choudhury J Singh  
Director Director





# GUJARAT HOTELS LIMITED

## ANNEXURE

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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, 2017 till 31st March, 2018 (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, 2018 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, 2018, 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) 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 an Operating Licence 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 for 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 for meaningful participation at the meeting.

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

We 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 and guidelines.

We further report that during the audit period the Company has had no specific events / actions that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For P B & Associates  
Company Secretaries

Place : New Delhi  
Date : 17th April, 2018

Pooja Bhatia  
FCS: 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.*



# GUJARAT HOTELS LIMITED

## ANNEXURE

### Annexure: A

The Members,  
Gujarat Hotels Limited

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.
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 : 17th April, 2018

Pooja Bhatia  
FCS: 7673 CP: 6485

### FORM NO. 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) of which the Company is an Associate.
b) Nature of contracts / arrangements / transactions	Agreement for operating the Company's Hotel
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 ₹ 3.31 Crores.
e) Date(s) of approval by the Board, if any	24th September, 1992
f) Amount paid as advances, if any	Nil

On behalf of the Board

Place : New Delhi  
Date : 17th April, 2018

D R Choudhury  
Director

J Singh  
Director



# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

#### TO THE MEMBERS OF GUJARAT HOTELS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Gujarat Hotels Limited ("the Company") for the year ended on 31<sup>st</sup> March, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

#### Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

#### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes

issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

#### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI Listing Regulations, as applicable for the year ended 31<sup>st</sup> March, 2018.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

#### Restrictions on use

9. The Certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the SEBI Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom it is shown or into whose hands it may come without our prior consent in writing.

For K. C. Mehta & Co.  
Chartered Accountants  
Firm's Registration No. 106237W

Place : New Delhi  
Date : 17<sup>th</sup> April, 2018

Vishal P. Doshi  
Partner  
Membership No. 101533



# GUJARAT HOTELS LIMITED

## ANNEXURE

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

as on the financial year ended on 31st March, 2018

[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<br>R C Dutt Road, Alkapuri<br>Vadodara 390 007<br>Tel No.: 0265-233 0033<br>E-mail : 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<br>F- 65, Okhla Industrial Area,<br>Phase I, New Delhi, 110 020<br>Tel Nos.: 011 4140 6149-52, 4160 9386 |

#### 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



# GUJARAT HOTELS LIMITED

## ANNEXURE

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
(1) 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
<b>Sub-total (A) (1)</b>	<b>20,33,963</b>	<b>0</b>	<b>20,33,963</b>	<b>53.70</b>	<b>20,33,963</b>	<b>0</b>	<b>20,33,963</b>	<b>53.70</b>	<b>0</b>
(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
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>20,33,963</b>	<b>0</b>	<b>20,33,963</b>	<b>53.70</b>	<b>20,33,963</b>	<b>0</b>	<b>20,33,963</b>	<b>53.70</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	200	200	0.00	0	100	100	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) FIIs	5,87,677	0	5,87,677	15.52	10	0	10	0.00	(15.52)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (1)</b>	<b>5,87,677</b>	<b>200</b>	<b>5,87,877</b>	<b>15.52</b>	<b>10</b>	<b>100</b>	<b>110</b>	<b>0.00</b>	<b>(15.52)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	1,50,403	3,800	1,54,203	4.07	3,00,003	2,200	3,02,203	7.98	3.91
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,84,810	3,25,665	8,10,475	21.40	7,74,322	2,31,518	10,05,840	26.55	5.16
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	64,871	0	64,871	1.71	2,20,814	0	2,20,814	5.83	4.12
c) Others (specify)									
i) Non Resident Individuals	43,726	95,400	1,36,126	3.60	44,288	71,500	1,15,788	3.06	0.54
ii) Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	0	0	0	0	1,08,753	0	1,08,753	2.87	2.87
<b>Sub-total (B)(2)</b>	<b>7,43,810</b>	<b>4,21,865</b>	<b>11,65,675</b>	<b>30.78</b>	<b>14,48,180</b>	<b>3,05,262</b>	<b>17,53,442</b>	<b>46.30</b>	<b>15.52</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>13,31,487</b>	<b>4,22,065</b>	<b>17,53,552</b>	<b>46.30</b>	<b>14,48,190</b>	<b>3,05,362</b>	<b>17,53,552</b>	<b>46.30</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>33,65,450</b>	<b>4,22,065</b>	<b>37,87,515</b>	<b>100</b>	<b>34,82,153</b>	<b>3,05,362</b>	<b>37,87,515</b>	<b>100</b>	<b>0</b>





# GUJARAT HOTELS LIMITED

## ANNEXURE

### (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:

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 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.	<b>Savi Portfolio Management Services Limited</b>				
	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
2.	<b>Rajasthan Global Securities Private Limited</b>				
	At the beginning of the year	N.A.	N.A.		
	Became part of the top ten Shareholders of the Company with effect from 15/12/2017	2,06,632	5.46		
	Increase / Decrease in Shareholding during the year i.e. w.e.f. 15/12/2017:				
	22/12/2017	(22,443)	0.59	1,84,189	4.86
	29/12/2017	(1,000)	0.02	1,83,189	4.84
	05/01/2018	(6,102)	0.16	1,77,087	4.68
	12/01/2018	(8,957)	0.24	1,68,130	4.44
	19/01/2018	(25,418)	0.67	1,42,712	3.77
	26/01/2018	(21,743)	0.57	1,20,969	3.19
	02/02/2018	(17,085)	0.45	1,03,884	2.74
	09/02/2018	(450)	0.01	1,03,434	2.73
	09/03/2018	(56)	0.00	1,03,378	2.72
	16/03/2018	(141)	0.00	1,03,237	2.72
	31/03/2018	(4,578)	0.11	98,659	2.60
	At the end of the year			98,659	2.60
3.	<b>Muktilal Ganulal Paldiwal</b>				
	At the beginning of the year	N.A.	N.A.		



# GUJARAT HOTELS LIMITED

## ANNEXURE

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
	Became part of the top ten Shareholders of the Company with effect from 21/04/2017	7,317	0.19		
	Increase / Decrease in Shareholding during the year i.e. w.e.f. 21/04/2017:				
	26/05/2017	688	0.00	8,005	0.21
	02/06/2017	731	0.00	8,736	0.23
	16/06/2017	295	0.00	9,031	0.23
	23/06/2017	4	0.00	9,035	0.23
	28/07/2017	40	0.00	9,075	0.23
	04/08/2017	196	0.01	9,271	0.24
	08/09/2017	957	0.03	10,228	0.27
	15/12/2017	110	0.00	10,338	0.27
	22/12/2017 <sup>#</sup>	0	0.00	10,338	0.27
	02/03/2018 <sup>#</sup>	63,547	1.69	77,720	2.05
	09/03/2018	1,404	0.04	79,124	2.09
	16/03/2018	1,410	0.04	80,534	2.13
	23/03/2018	1,158	0.03	81,692	2.16
	31/03/2018	1,050	0.02	82,742	2.18
	At the end of the year			82,742	2.18
	<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 22/12/2017 and became part of the top ten Shareholders of the Company with effect from 02/03/2018				
4.	<b>Taradevi Muktilal Paldiwal</b>				
	At the beginning of the year	10,861	0.29		
	Increase / Decrease in Shareholding during the year:				
	07/04/2017	99	0.00	10,960	0.28
	05/05/2017	130	0.01	11,090	0.29
	19/05/2017	300	0.02	11,390	0.30
	26/05/2017	559	0.03	11,949	0.31
	14/07/2017	750	0.02	12,699	0.34
	21/07/2017	5	0.00	12,704	0.34
	28/07/2017	384	0.01	13,088	0.35
	11/08/2017	100	0.00	13,188	0.35
	18/08/2017	25	0.00	13,213	0.35
	01/09/2017	800	0.02	14,013	0.37
	20/10/2017	78	0.00	14,091	0.37
	17/11/2017	282	0.01	14,373	0.38
	15/12/2017 <sup>#</sup>	1000	0.03	15,373	0.41
	22/12/2017 <sup>#</sup>	1,650	0.04	17,023	0.45
	05/01/2018	1,050	0.03	18,073	0.48
	09/02/2018	300	0.01	18,373	0.49
	02/03/2018	11,000	0.29	29,373	0.78
	09/03/2018	500	0.01	29,873	0.79
	16/03/2018	905	0.02	30,778	0.81



# GUJARAT HOTELS LIMITED

## ANNEXURE

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
	31/03/2018	850	0.03	31,628	0.84
	At the end of the year			<b>31,628</b>	<b>0.84</b>
	# Ceased to be part of the top ten Shareholders of the Company on 15/12/2017 and became part of the top ten Shareholders of the Company with effect from 22/12/2017				
<b>5.</b>	<b>Chirayush Pravin Vakil</b>				
	At the beginning of the year	<b>23,482</b>	<b>0.62</b>		
	Increase / Decrease in Shareholding during the year:				
	12/01/2018	3,000	0.08	26,482	0.70
	19/01/2018	1,000	0.03	27,482	0.73
	At the end of the year			<b>27,482</b>	<b>0.73</b>
<b>6.</b>	<b>Classic Realities Private Limited</b>				
	At the beginning of the year	<b>N.A.</b>	<b>N.A.</b>		
	Became part of the top ten Shareholders of the Company with effect from 30/12/2017	<b>16,561</b>	<b>0.44</b>		
	Increase / Decrease in Shareholding during the year i.e. w.e.f. 30/12/2017:				
	31/03/2018	6,500	0.17	23,061	0.61
	At the end of the year			<b>23,061</b>	<b>0.61</b>
<b>7.</b>	<b>Sonal Lohia</b>				
	At the beginning of the year	<b>N.A.</b>	<b>N.A.</b>		
	Became part of the top ten Shareholders of the Company with effect from 15/12/2017	<b>20,000</b>	<b>0.53</b>		
	Increase / Decrease in Shareholding during the year:	0	0.00	0	0.00
	At the end of the year			<b>20,000</b>	<b>0.53</b>
<b>8.</b>	<b>Dheeraj Kumar Lohia</b>				
	At the beginning of the year	<b>N.A.</b>	<b>N.A.</b>		
	Became part of the top ten Shareholders of the Company with effect from 15/12/2017	<b>20,000</b>	<b>0.53</b>		
	Increase / Decrease in Shareholding during the year:	0	0.00	0	0.00
	At the end of the year			<b>20,000</b>	<b>0.53</b>
<b>9.</b>	<b>Falguni Nilesh Dedhia</b>				
	At the beginning of the year	<b>18,000</b>	<b>0.48</b>		
	Increase / Decrease in Shareholding during the year:	0	0.00	0	0.00
	At the end of the year			<b>18,000</b>	<b>0.48</b>
<b>10.</b>	<b>Dinesh Muktilal Paldiwal</b>				
	At the beginning of the year	<b>N.A.</b>	<b>N.A.</b>		
	Became part of the top ten Shareholders of the Company with effect from 31/03/2018	<b>10,522</b>	<b>0.28</b>		
	Increase / Decrease in Shareholding during the year:	0	0.00	0	0.00
	At the end of the year			<b>10,522</b>	<b>0.28</b>
<b>11.</b>	<b>Orange Mauritius Investments Limited</b>				
	At the beginning of the year	<b>3,40,661</b>	<b>8.99</b>		
	Increase / Decrease in Shareholding during the year:				
	15/12/2017#	(3,40,661)	8.99	0	0.00
	At the end of the year			<b>N.A.</b>	<b>N.A.</b>
	# Ceased to be part of the top ten Shareholders of the Company on 15/12/2017				



# GUJARAT HOTELS LIMITED

## ANNEXURE

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
<b>12.</b>	<b>Asia Advantage Fund</b>				
	At the beginning of the year	<b>2,47,016</b>	<b>6.52</b>		
	Increase / Decrease in Shareholding during the year:				
	15/12/2017 <sup>#</sup>	(2,47,016)	6.52	0	0.00
	At the end of the year			<b>N.A.</b>	<b>N.A.</b>
	<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 15/12/2017				
<b>13.</b>	<b>Arpita Jhabak</b>				
	At the beginning of the year	<b>1,25,258</b>	<b>0.33</b>		
	Increase / Decrease in Shareholding during the year:				
	04/08/2017	(500)	0.01	12,028	0.32
	01/09/2017	(1,389)	0.04	10,639	0.28
	08/09/2017	(2,501)	0.07	8,138	0.21
	13/10/2017 <sup>#</sup>	(1,000)	0.02	7,138	0.19
	At the end of the year			<b>N.A.</b>	<b>N.A.</b>
	<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 13/10/2017				
<b>14.</b>	<b>Vijay Shingh Lalji Khona</b>				
	At the beginning of the year	<b>8,778</b>	<b>0.23</b>		
	Increase / Decrease in Shareholding during the year:				
	15/12/2017 <sup>#</sup>	0	0.00	8,778	0.23
	At the end of the year			<b>N.A.</b>	<b>N.A.</b>
	<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 15/12/2017				
<b>15.</b>	<b>Abhay Krishi Udyog Pvt Ltd</b>				
	At the beginning of the year	<b>7,450</b>	<b>0.20</b>		
	Increase / Decrease in Shareholding during the year:				
	15/12/2017 <sup>#</sup>	0	0.00	7,450	0.20
	At the end of the year			<b>N.A.</b>	<b>N.A.</b>
	<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 15/12/2017				
<b>16.</b>	<b>Baldev Raj Masson</b>				
	At the beginning of the year	<b>7,200</b>	<b>0.19</b>		
	Increase / Decrease in Shareholding during the year:				
	21/04/2017 <sup>#</sup>	0	0.00	7,200	0.19
	13/10/2017 <sup>#</sup>	0	0.00	7,200	0.19
	15/12/2017 <sup>##</sup>	0	0.00	7,200	0.19
	At the end of the year			<b>N.A.</b>	<b>N.A.</b>
	<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 21/04/2017 and became part of the top ten Shareholders of the Company with effect from 13/10/2017				
	<sup>##</sup> Ceased to be part of the top ten Shareholders of the Company on 15/12/2017				



# GUJARAT HOTELS LIMITED

## ANNEXURE

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
<b>17.</b>	<b>Pushpa Rani Masson</b>				
	At the beginning of the year	7,200	0.19		
	Increase / Decrease in Shareholding during the year:				
	21/04/2017 <sup>#</sup>	0	0.00	7,200	0.19
	13/10/2017 <sup>#</sup>	0	0.00	7,200	0.19
	15/12/2017 <sup>##</sup>	0	0.00	7,200	0.19
	At the end of the year			N.A	N.A.
	<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 21/04/2017 and became part of the top ten Shareholders of the Company with effect from 13/10/2017				
	<sup>##</sup> Ceased to be part of the top ten Shareholders of the Company on 15/12/2017				
<b>18.</b>	<b>Navjeevan Equity Brokering Pvt. Limited</b>				
	At the beginning of the year	N.A	N.A		
	Became part of the top ten Shareholders of the Company with effect from 15/12/2017	28,396	0.74		
	Increase / Decrease in shareholding during the year i.e. w.e.f. 15/12/2017:				
	22/12/2017 <sup>#</sup>	(18,196)	0.47	10,250	0.27
	At the end of the year			N.A	N.A.
	<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 22/12/2017				
<b>19.</b>	<b>Riddhi Fintrade Private Limited</b>				
	At the beginning of the year	N.A	N.A		
	Became part of the top ten Shareholders of the Company with effect from 15/12/2017	17,575	0.46		
	Increase / Decrease in shareholding during the year i.e. w.e.f. 15/12/2017:				
	22/12/2017	(2,074)	0.06	15,500	0.40
	29/12/2017 <sup>#</sup>	(5,000)	0.13	10,500	0.27
	At the end of the year			N.A	N.A.
	<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 29/12/2017				
<b>20.</b>	<b>NDA Securities Limited</b>				
	At the beginning of the year	N.A	N.A		
	Became part of the top ten Shareholders of the Company with effect from 22/12/2017	19,746	0.52		
	Increase /Decrease in shareholding during the year i.e. w.e.f. 22/12/2017:				
	29/12/2017 <sup>#</sup>	(13,941)	0.37	5,805	0.15
	12/01/2018 <sup>#</sup>	11,400	0.33	23,305	0.61
	19/01/2018	2,000	0.03	24,305	0.64
	09/02/2018	2,200	0.05	26,505	0.69





# GUJARAT HOTELS LIMITED

## ANNEXURE

Sl. No.	For each of the top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	16/02/2018	(688)	0.01	25,817	0.68
	23/02/2018	(317)	0.00	25,500	0.68
	02/03/2018	(1,600)	0.05	23,900	0.63
	09/03/2018	(6,600)	0.18	17,300	0.45
	23/03/2018	(2,000)	0.05	15,300	0.40
	31/03/2018 <sup>##</sup>	(6,500)	0.19	8,000	0.21
	At the end of the year			N.A.	N.A.
<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 29/12/2017 and became part of the top ten Shareholders of the Company with effect from 12/01/2018					
<sup>##</sup> Ceased to be part of the top ten Shareholders of the Company on 31/03/2018					
<b>21.</b>	<b>Choice Equity Broking Private Limited</b>				
	At the beginning of the year	N.A.	N.A.		
	Became part of the top ten Shareholders of the Company with effect from 15/12/2017	17,200	0.46		
	Increase / Decrease in shareholding during the year i.e. w.e.f. 15/12/2017:				
	22/12/2017 <sup>#</sup>	(16,500)	0.45	700	0.01
	At the end of the year			N.A.	N.A.
<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 22/12/2017					
<b>22.</b>	<b>Pragya Securities Pvt. Ltd.</b>				
	At the beginning of the year	N.A.	N.A.		
	Became part of the top ten Shareholders of the Company with effect from 15/12/2017	16,054	0.42		
	Increase / Decrease in shareholding during the year i.e. w.e.f. 15/12/2017:				
	22/12/2017 <sup>#</sup>	(14,050)	0.06	2,004	0.52
	At the end of the year			N.A.	N.A.
<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 22/12/2017					
<b>23.</b>	<b>Suresh Rathi Securities Pvt. Ltd.</b>				
	At the beginning of the year	N.A.	N.A.		
	Became part of the top ten Shareholders of the Company with effect from 22/12/2017	13320	0.35		
	Increase / Decrease in shareholding during the year i.e. w.e.f. 22/12/2017:				
	29/12/2017 <sup>#</sup>	(8320)	0.22	5000	0.13
	At the end of the year			N.A.	N.A.
<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 29/12/2017					



# GUJARAT HOTELS LIMITED

## ANNEXURE

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
24.	<b>Muktilal Ganulal Paldiwa</b>				
	At the beginning of the year	N.A.	N.A.		
	Became part of the top ten Shareholders of the Company with effect from 29/12/2017	11,400	0.30		
	Increase / Decrease in shareholding during the year i.e. w.e.f. 29/12/2017:				
	05/01/2018	497	0.01	11,897	0.31
	12/01/2018	6,004	0.16	17,901	0.47
	19/01/2018	8,667	0.23	26,568	0.70
	26/01/2018	12,868	0.34	39,436	1.04
	02/02/2018	12,098	0.32	51,534	1.36
	09/02/2018	4,704	0.12	56,238	1.48
	16/02/2018	4,058	0.11	60,296	1.59
	23/02/2018	1,017	0.02	61,313	1.61
	02/03/2018 <sup>#</sup>	(61,300)	1.61	13	0.00
	At the end of the year			N.A.	N.A.
	<sup>#</sup> Ceased to be part of the top ten Shareholders of the Company on 02/03/2018				

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

### (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.	<b>N Anand (Chairman)</b>				
	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

### Note:

Ms D R Choudhury, Mr C K Koshy, Mr R C Mehta, Mr M Narayanan and Mr J Singh, Directors, and Mr D Rana, Mr M Agarwal, and Mr D K Gulati, Key Managerial Personnel, 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.



# GUJARAT HOTELS LIMITED

## ANNEXURE

### 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
		Fee for attending Board / Board Committee Meetings	Commission	Independent Directors' Meeting Fees	
1.	Independent Directors				
	C K Koshy	1,30,000	0	10,000	1,40,000
	R C Mehta	70,000	0	0	70,000
	M Narayanan	1,30,000	0	10,000	1,40,000
	Total (B) (1)	3,30,000	0	20,000	3,50,000
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	0	0	0
	Total Amount (B) = (B)(1) + (B)(2)				3,50,000
	Total Managerial Remuneration (A+B)				3,50,000
	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)				35,52,325



# GUJARAT HOTELS LIMITED

## ANNEXURE

### 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	24,88,121	23,79,380	8,16,127	56,83,628
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	4,78,611	50,000	0	5,28,611
	(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	0	0	0	0
	- others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	<b>Total Amount</b>	<b>29,66,732</b>	<b>24,29,380</b>	<b>8,16,127</b>	<b>62,12,239</b>

#### Note:

Mr D Rana and Mr 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 tradable, 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 : 17th April, 2018

D R Choudhury  
Director

J Singh  
Director



# GUJARAT HOTELS LIMITED

## ANNEXURE

### 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	0.80:1	(7)
R C Mehta	Independent Director	0.40:1	-
M Narayanan	Independent Director	0.80:1	(7)
J Singh	Non-Executive Director	–	–
D Rana	Chief Executive Officer	17.04:1	21*
M Agarwal	Chief Financial Officer	13.95:1	16**
D K Gulati	Company Secretary	4.69:1	13

\* Reflects revision effective 1st January, 2018

\*\* Reflects revision effective 1st October, 2017

# Based on annualised remuneration

#### Notes

- The number of permanent employees as on 31st March, 2018 was 187.
- Compared to 2016-17, the figures for 2017-18 reflect that:
  - Median remuneration of employees - Decreased by 3.82% with increase in number of employees.
  - Average remuneration of employees excluding Key Managerial Personnel (KMP) - decreased by 4.12% with increase in number of employees.
  - Remuneration of KMPs - Increased by 17.88%, due to revision in remuneration during the year.
- Remuneration of Directors, KMP and other employees is in accordance with the Company's Remuneration Policy.





# GUJARAT HOTELS LIMITED

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

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

Name	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
Deependra Rana*	37	Chief Executive Officer	30,71,195	17,21,410	Diploma in Hotel Mgmt.	15	25.01.2017	ITC Limited - General Manager
Mayur Agarwal*	32	Chief Financial Officer	25,48,155	18,75,760	B.Com, A.C.A., C.S.	8	25.01.2017	ITC Limited - Manager Finance
Deepak Kumar Gulati	32	Company Secretary	8,37,727	7,81,179	B.Com, A.C.S., LL.B	6	01.07.2015	Religare Securities Limited - Manager Compliance
Kritika Tandon	29	Executive	5,80,170	5,31,701	B. Sc. in Hospitality & Hotel Mgmt.	9	15.06.2016	Crowne Plaza - Senior Executive
Saikat Sengupta	46	Executive	4,11,130	3,64,402	B.Com	25	13.05.1995	Jindal Hotels Limited - Front office Assistant
Rajaram Kashiram Babar	51	Senior Executive	3,88,661	3,49,207	B.Com	21	01.12.2016	Hotel Kaviraj - Executive
Vasundhara Sonawane	51	Executive	3,78,995	3,34,275	HSC, Certificate Course in Cookery	28	01.04.1993	Nil
Naran Parmar	54	Supervisor	3,56,630	3,11,981	B.A.	32	20.05.1986	Nil
Neerusingh Devsingh Singh	54	Executive	3,51,016	3,09,383	5th Standard	37	25.10.1986	Hotel Havmore - Kitchen Helper
Moghajibhai Becharbhai Chaudhary	54	Demi Chef De Party	3,49,208	3,07,804	Matric	32	20.02.1995	Hotel Surya Palace - Bakery Assistant

\* On deputation from ITC Limited (ITC).

Notes:

- In respect of employees on deputation, gross remuneration disclosed as above is the deputation cost which is borne by the Company.
- For 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 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.
- The aforesaid employees are neither relative of any Director of the Company nor hold any equity share in the Company.

On behalf of the Board

Place : New Delhi  
Date : 17th April, 2018

D R Choudhury  
Director

J Singh  
Director



## GUJARAT HOTELS LIMITED

### CEO AND CFO COMPLIANCE CERTIFICATE

We, Deependra Rana, Chief Executive Officer and Mayur Agarwal, Chief Financial Officer, certify that:

- a) We have reviewed the financial statements including the cash flow statement for the year ended 31st March, 2018 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, 2018 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi  
Date : 17th April 2018

Deependra Rana  
Chief Executive Officer

Mayur Agarwal  
Chief Financial Officer



# GUJARAT HOTELS LIMITED

## BALANCE SHEET

As at 31st March, 2018

		Amount in ₹	
Particulars	Note	As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	2	1,56,23,727	1,61,26,011
b) Other Non-Current Assets	3	76,09,451	47,15,328
<b>Total Non-Current Assets</b>		<b><u>2,32,33,178</u></b>	<b><u>2,08,41,339</u></b>
<b>Current Assets</b>			
a) Financial Assets			
(i) Investments	4	20,84,82,957	19,20,21,618
(ii) Trade Receivables	5	1,41,54,244	1,38,65,699
(iii) Cash and Cash Equivalents	6	9,00,355	15,44,655
(iv) Other Bank Balances	7	5,31,82,631	4,92,37,838
(v) Other Financial Assets	8	63,49,124	71,58,199
b) Other Current Assets	3	4,06,324	3,90,718
<b>Total Current Assets</b>		<b><u>28,34,75,635</u></b>	<b><u>26,42,18,727</u></b>
<b>Total Assets</b>		<b><u>30,67,08,813</u></b>	<b><u>28,50,60,066</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	9	3,78,75,150	3,78,75,150
b) Other Equity	10	24,34,68,594	22,61,30,965
<b>Total Equity</b>		<b><u>28,13,43,744</u></b>	<b><u>26,40,06,115</u></b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Provisions	11	12,70,990	10,46,143
b) Deferred Tax Liabilities (Net)	12	1,13,64,002	90,13,500
<b>Total Non-Current Liabilities</b>		<b><u>1,26,34,992</u></b>	<b><u>1,00,59,643</u></b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
(i) Trade Payables	13	3,95,920	20,05,605
(ii) Other Financial Liabilities	14	1,11,18,126	86,40,049
b) Other Current Liabilities	15	11,72,866	73,266
c) Provisions	11	43,165	2,75,388
<b>Total Current Liabilities</b>		<b><u>1,27,30,077</u></b>	<b><u>1,09,94,308</u></b>
<b>Total Equity And Liabilities</b>		<b><u>30,67,08,813</u></b>	<b><u>28,50,60,066</u></b>

The accompanying notes 1 to 24 are an integral part of the Financial Statements.

In terms of our report of even date

On behalf of the Board

For K C Mehta & Co.  
Chartered Accountants  
Firm's Registration No. 106237W

Vishal P. Doshi  
Partner  
M.No. 101533

D R Choudhury  
Director

J Singh  
Director

Place : New Delhi  
Date : 17th April, 2018

D K Gulati  
Company Secretary

M Agarwal  
Chief Financial Officer



# GUJARAT HOTELS LIMITED

## STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2018

		Amount in ₹	
Particulars	Note	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
I Revenue From Operations	16	3,30,98,499	3,25,11,816
II Other Income	17	1,71,19,109	1,86,65,139
III <b>Total Income (I+II)</b>		<b>5,02,17,608</b>	<b>5,11,76,955</b>
IV <b>EXPENSES</b>			
Employee Benefits Expense	18	10,94,609	9,72,700
Depreciation and Amortization Expense		4,75,984	4,75,986
Other Expenses	19	33,34,087	24,80,790
<b>Total Expenses (IV)</b>		<b>49,04,680</b>	<b>39,29,476</b>
V <b>Profit Before Tax (III- IV)</b>		<b>4,53,12,928</b>	<b>4,72,47,479</b>
VI Tax Expense:			
Current Tax	20	92,72,310	1,19,72,888
Deferred Tax	20	23,50,502	(33,73,581)
VII <b>Profit for the Year (V-VI)</b>		<b>3,36,90,116</b>	<b>3,86,48,172</b>
VIII <b>Other Comprehensive Income</b>		-	-
IX <b>Total Comprehensive Income for the Year (VII+VIII)</b>		<b>3,36,90,116</b>	<b>3,86,48,172</b>
X Earnings per Equity Share (Face Value ₹10/- each):	21		
Basic (in ₹)		8.90	10.20
Diluted (in ₹)		8.90	10.20

The accompanying notes 1 to 24 are an integral part of the Financial Statements.

In terms of our report of even date

On behalf of the Board

For K C Mehta & Co.  
Chartered Accountants  
Firm's Registration No. 106237W

Vishal P. Doshi  
Partner  
M.No. 101533

D R Choudhury  
Director

J Singh  
Director

Place : New Delhi  
Date : 17th April, 2018

D K Gulati  
Company Secretary

M Agarwal  
Chief Financial Officer



# GUJARAT HOTELS LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2018

### A. Equity Share Capital

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

Amount in ₹

Balance as of April 1, 2017	Changes in equity share capital during the year	Balance as of March 31, 2018
3,78,75,150	-	3,78,75,150

### B. Other Equity

Amount in ₹

	Reserves & Surplus		Total
	General Reserve	Retained Earnings	
<b>Balance as at April 01, 2016</b>	<b>3,02,57,504</b>	<b>17,31,80,263</b>	<b>20,34,37,767</b>
Total Comprehensive Income for the year	-	<b>3,86,48,172</b>	<b>3,86,48,172</b>
Dividends (including tax on dividend)	-	1,59,54,974	1,59,54,974
Employee Share Based Expense	-	(11,73,919)	(11,73,919)
Employee Share Based Expense Recovery	-	11,73,919	11,73,919
<b>Balance as at March 31, 2017</b>	<b>3,02,57,504</b>	<b>19,58,73,461</b>	<b>22,61,30,965</b>
<b>Balance as at April 01, 2017</b>	<b>3,02,57,504</b>	<b>19,58,73,461</b>	<b>22,61,30,965</b>
Total Comprehensive Income for the year	-	<b>3,36,90,116</b>	<b>3,36,90,116</b>
Dividends (including tax on dividend)	-	1,59,54,974	1,59,54,974
DDT earlier year	-	3,97,513	3,97,513
<b>Balance as at March 31, 2018</b>	<b>3,02,57,504</b>	<b>21,32,11,090</b>	<b>24,34,68,594</b>

The Board of Directors of the Company recommended a dividend of ₹ 3.50 per share (for the year ended 31st March, 2017 - 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, 2017 - dividend ₹ 1,32,56,303). Income tax on proposed dividend being ₹ 27,24,873 (for the year ended 31st March, 2017 - ₹ 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 24 are an integral part of the Financial Statements.

In terms of our report of even date

On behalf of the Board

For K C Mehta & Co.

Chartered Accountants

Firm's Registration No. 106237W

Vishal P. Doshi

Partner

M.No. 101533

Place : New Delhi

Date : 17th April, 2018

D R Choudhury  
Director

D K Gulati  
Company Secretary

J Singh  
Director

M Agarwal  
Chief Financial Officer





# GUJARAT HOTELS LIMITED

## CASH FLOW STATEMENT

For the year ended 31st March, 2018

Amount in ₹

Particulars	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAX	4,53,12,928	4,72,47,479
Adjustments for:		
Depreciation & Amortisation Expense	4,75,984	4,75,986
Interest Income	(34,53,950)	(40,53,737)
Dividend Income	(1,78,075)	(1,80,914)
Gain From Sale of Property Plant and Equipment (PPE)	(28,273)	
Net gain/(loss) on financial assets mandatorily measured at fair value through profit or loss	(1,33,58,789)	(1,44,30,487)
Other Non Operating Income	(86,856)	-
Other Non Operating Expense	99,378	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,87,82,347	2,90,58,327
Adjustments for:		
Trade Receivables, Financial Assets and Other Current Assets	(90,661)	(26,41,081)
Trade Payables, Other Liabilities and Provisions	17,00,052	22,25,334
CASH GENERATED FROM OPERATIONS	3,03,91,738	2,86,42,580
Income Tax Paid (Net)	(1,27,40,273)	(1,17,80,562)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,76,51,465</b>	<b>1,68,62,018</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale of Property Plant and Equipment	58,452	-
Purchase of Current Investments	(18,62,20,000)	(18,93,59,348)
Sale/Redemption of Current Investments	18,32,95,529	18,89,93,285
Dividend Income from Current Investments Received	1,78,075	1,80,914
Interest Received	40,31,382	41,67,222
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>13,43,438</b>	<b>39,82,073</b>
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(1,32,56,303)	(1,32,56,303)
Income Tax on Dividend Paid	(26,98,671)	(26,98,671)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(1,59,54,974)</b>	<b>(1,59,54,974)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>30,39,929</b>	<b>48,89,117</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>4,56,13,917</b>	<b>4,07,24,800</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>4,86,53,846</b>	<b>4,56,13,917</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE :</b>		
Cash, cheques and current accounts	9,00,355	15,44,655
Other Bank Balances:		
Deposits with original maturity more than 3 months having remaining maturity less than 12 months from Balance Sheet date.	4,77,53,491	4,40,69,262
	<b>4,86,53,846</b>	<b>4,56,13,917</b>

### NOTES:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows". The accompanying notes 1 to 24 are an integral part of the Financial Statements.

In terms of our report of even date

On behalf of the Board

For K C Mehta & Co.  
Chartered Accountants  
Firm's Registration No. 106237W

Vishal P. Doshi  
Partner  
M.No. 101533

D R Choudhury  
Director

J Singh  
Director

Place : New Delhi  
Date : 17th April, 2018

D K Gulati  
Company Secretary

M Agarwal  
Chief Financial Officer



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 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.

#### 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 business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### Property, Plant & Equipment – 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 equipment's 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 or cash generating unit 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.

### Financial instruments, Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets and financial liabilities. 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.

#### Financial Assets:

**Recognition:** Financial assets includes Investments, Trade receivable, Advances, Security Deposits, Cash and cash equivalents. Such Assets are initially recognized at transaction price when the company becomes party to contractual obligations. The transaction price includes transaction cost unless the assets is being valued through the Statement of Profit and Loss.

**Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.
- Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decision based on fair value of such assets. Such assets are subsequently measured at fair value, with unrealized gain and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivable, Advances, Security Deposits, Cash and Cash equivalents etc., are classified for measurement at amortised cost while Investment have been classified for measurement at Fair value through profit or loss (FVTPL).

**Impairment:** The Company assesses at each reporting date whether a financial asset (or group of financial assets) such as investment, trade receivable, advances and security deposit held at amortised cost are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**Reclassification:** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through profit or loss without restating the previously recognized gains or losses and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**De-recognition:** 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

Trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortised cost.

Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires

### Revenue

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 in the Statement of Profit and Loss on accrual basis using the effective interest method.
3. Dividend Income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

### 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 of India 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.



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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**

Dividends paid (including income tax thereon) is recognised 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 assumption used in the preparation of financial statements are set out below:

- **Actuarial Valuation:**

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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Property, Plant and Equipment

Particulars	Gross Block				Depreciation / Amortisation				Amount in ₹		
	April 1, 2016	Additions	Withdrawal and Adjustment	March 31, 2017	March 31, 2018	For the year	Withdrawal and Adjustment	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
<b>Tangible Assets</b>											
Building	1,61,88,565	-	-	1,61,88,565	4,80,170	4,75,986	-	9,56,156	4,75,984	-	1,52,32,409
Plant and Equipment*	7,63,701	-	-	7,63,701	-	-	-	-	-	-	7,63,701
Furniture and Fixtures*	1,27,884	-	-	1,27,884	-	-	-	-	-	-	1,27,884
Office Equipment*	2,017	-	-	2,017	-	-	-	-	-	-	2,017
<b>Total</b>	<b>1,70,82,167</b>	<b>-</b>	<b>-</b>	<b>1,70,82,167</b>	<b>4,80,170</b>	<b>4,75,986</b>	<b>-</b>	<b>9,56,156</b>	<b>4,75,984</b>	<b>-</b>	<b>1,61,26,011</b>

\* Fully depreciated assets





# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Amount in ₹			
	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
<b>3 OTHER ASSETS</b>				
<b>Advances other than capital advances</b>				
Deposits with Government, Public Bodies and others		23,28,947		23,28,947
Advance Others	4,06,324	-	3,90,718	1,61,073
Advance Tax (Net of Provisions)		52,80,504		22,25,308
<b>TOTAL</b>	<b>4,06,324</b>	<b>76,09,451</b>	<b>3,90,718</b>	<b>47,15,328</b>

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, 2018		As at 31st March, 2017		
	Name of Plan		Quoted	Unquoted	Quoted	Unquoted	
1	DHFL Pramerica Ultra Short Term Fund (Formerly known as DWS Ultra Short Term Fund) 10,40,731.248 (2017 - 10,40,731.248) Units of ₹ 10.00 each		-	2,19,45,588	-	2,05,11,251	
2	HDFC FMP 370 D Feb 2014 (1) Nil (2017-11,00,000) Units of ₹ 10.00 each		-	-	1,42,80,860	-	
3	ICICI Prudential Banking & PSU Debt Fund 11,24,750.948 Units (2017 - 11,24,750.948) of ₹ 10.00 each		-	2,24,70,274	-	2,10,99,203	
4	ICICI Prudential Ultra Short term Fund 12,41,451.718 Units (2017 - 12,41,451.718) of ₹ 10.00 each		-	2,21,22,670	-	2,07,60,425	
5	UTI Floating Rate Fund Short Term Fund 7749.911 Units (2017-7,749.911) of ₹ 1000.00 each		-	2,18,89,953	-	2,05,76,372	
6	SBI Premier Liquid Fund NIL (2017-1459.696) Units of ₹ 1000.00 each		-	-	-	37,25,608	
7	SBI Magnum Instacash 783.637 Units (2017-Nil) of ₹ 1000.00 each 2394.212 Units (2017-Nil) of ₹ 1000.00 each		-	70,22,018	-	-	
8	ABSL Floating Rate Fund -Long Term (Formerly known as BSL Floating Rate Fund -Long Term) 3,19,824.542 Units (2017-3,17,683.855) Units of ₹ 100.0 each		-	6,86,67,520	-	6,37,42,408	
9	ABSL Saving Fund (Formerly known as BSL Saving Fund) 1,29,174.683 Units (2017-85,362.604) Units of ₹ 100.00 each		-	4,43,64,934	-	2,73,25,491	
	<b>Aggregate amount of quoted and unquoted Investments</b>		-	<b>20,84,82,957</b>	<b>1,42,80,860</b>	<b>17,77,40,758</b>	
	<b>TOTAL</b>		-	<b>20,84,82,957</b>	-	<b>19,20,21,618</b>	

Particulars	Amount in ₹	
	As at 31st March, 2018	As at 31st March, 2017
<b>5 TRADE RECEIVABLES</b>		
Unsecured, Considered Good	1,41,54,244	1,38,65,699
<b>TOTAL</b>	<b>1,41,54,244</b>	<b>1,38,65,699</b>
<b>6 CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
Current Accounts	9,00,355	15,44,655
Cash on Hand	-	-
<b>TOTAL</b>	<b>9,00,355</b>	<b>15,44,655</b>
<b>7 OTHER BANKS BALANCES</b>		
Earmarked balances	54,29,140	51,68,576
On Deposit Accounts *	4,77,53,491	4,40,69,262
<b>TOTAL</b>	<b>5,31,82,631</b>	<b>4,92,37,838</b>

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



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>8 OTHER FINANCIAL ASSETS</b>		
Interest accrued on Deposits	22,10,348	29,67,006
Others - Unsecured, Considered Good	41,38,776	41,91,193
<b>TOTAL</b>	<b>63,49,124</b>	<b>71,58,199</b>

	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 ₹	As at 31st March, 2017 (No. of Shares)	As at 31st March, 2017 ₹
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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

### 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

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

No. of Shares outstanding at the beginning of the year  
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

	For the Period ended	
	31st March, 2018	31st March, 2017
	37,87,515	37,87,515
	-	-
	-	-
	37,87,515	37,87,515

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

ITC Limited  
Orange Mauritius Investments Limited  
Russell Investments Limited  
Asia Advantage Fund

	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 %	As at 31st March, 2017 (No. of Shares)	As at 31st March, 2017 %
ITC Limited	17,33,907	45.78%	17,33,907	45.78%
Orange Mauritius Investments Limited			3,40,661	8.99%
Russell Investments Limited	3,00,056	7.92%	3,00,056	7.92%
Asia Advantage Fund			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.

## 10 OTHER EQUITY

### General Reserve

At the beginning of the year  
At the end of the year

3,02,57,504 3,02,57,504 3,02,57,504 3,02,57,504

### RETAINED EARNING

At the beginning of the year  
Add : Profit for the year  
Less : Dividend  
Less : Income Tax on Dividend  
Less: DDT of earlier year  
At the end of the Year

At the beginning of the year	19,58,73,461	17,31,80,263
Add : Profit for the year	3,36,90,116	3,86,48,172
Less : Dividend	1,32,56,303	1,32,56,303
Less : Income Tax on Dividend	26,98,671	26,98,671
Less: DDT of earlier year	3,97,513	-
At the end of the Year	21,32,11,090	19,58,73,461
<b>TOTAL</b>	<b>24,34,68,594</b>	<b>22,61,30,965</b>



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
<b>11 PROVISIONS</b>				
Provision for Long Term Employee Benefits	43,165	12,70,990	2,75,388	10,46,143
<b>TOTAL</b>	<b>43,165</b>	<b>12,70,990</b>	<b>2,75,388</b>	<b>10,46,143</b>

As at  
31st March, 2018

As at  
31st March, 2017

## 12 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities	1,13,64,002	90,13,500
<b>TOTAL</b>	<b>1,13,64,002</b>	<b>90,13,500</b>

### Movement in Deferred Tax Liabilities Balances

For the year 2017-18	Balance as on 1st April, 2017	Recognized in profit or loss	Balance as on 31st March, 2018
----------------------	----------------------------------	---------------------------------	-----------------------------------

#### Deferred Tax liabilities in relation to:

##### Other timing differences

On Depreciation	43,83,618	(89,742)	42,93,876
On Current Investment at FVTPL	46,29,882	24,40,244	70,70,126
<b>Total deferred tax liabilities</b>	<b>90,13,500</b>	<b>23,50,502</b>	<b>1,13,64,002</b>

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:

##### Other timing differences

On Depreciation	54,09,782	(10,26,164)	43,83,618
On Current Investment at FVTPL	69,76,683	(23,47,417)	46,29,882
<b>Total Deferred Tax Liabilities</b>	<b>1,23,86,504</b>	<b>(33,73,581)</b>	<b>90,13,500</b>

As at  
31st March, 2018

As at  
31st March, 2017

## 13 TRADE PAYABLES

Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note 22(c))	3,95,920	20,05,605
<b>TOTAL</b>	<b>3,95,920</b>	<b>20,05,605</b>

## 14 OTHER FINANCIAL LIABILITIES

Unpaid Dividend*	54,29,140	51,68,576
Employee Related	56,88,986	34,71,473
<b>TOTAL</b>	<b>1,11,18,126</b>	<b>86,40,049</b>

\* 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	11,72,866	73,266
<b>TOTAL</b>	<b>11,72,866</b>	<b>73,266</b>



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
<b>16 REVENUE FROM OPERATIONS</b>		
Operating License Fees	3,30,98,499	3,25,11,816
<b>TOTAL</b>	<b>3,30,98,499</b>	<b>3,25,11,816</b>
<b>17 OTHER INCOME</b>		
Interest Income		
- Interest on Deposit with Banks- Carried At Amortised Cost	32,72,160	36,57,817
- Interest on Security Deposit	1,81,790	3,95,921
Dividend Income on Investment measured at FVTPL	1,78,075	1,80,914
Net gain / (loss) on financial assets mandatorily measured at fair value through profit or loss *	1,33,58,789	1,44,30,487
Net Gain / (Loss) on Disposal of Fixed Assets	28,273	-
Other Non-Operating Income	1,00,022	-
<b>TOTAL</b>	<b>1,71,19,109</b>	<b>1,86,65,139</b>
* Includes ₹ 6,81,882/- (2017-₹ 12,62,741/-) being net gain / (loss) on sale of investments.		
<b>18 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries,Wages and Bonus	3,85,90,070	3,49,17,586
Contribution to Provident and Other Fund	39,83,444	44,09,439
Workmen and Staff Welfare Expenses	47,00,881	46,96,479
Share Based Payment Expense	-	5,12,948
	4,72,74,395	4,45,36,452
Less: Recoveries made / Reimbursements received	(4,61,79,786)	(4,35,63,752)
<b>TOTAL</b>	<b>10,94,609</b>	<b>9,72,700</b>
<b>19 OTHER EXPENSES</b>		
Advertising / Sales Promotion	1,58,814	1,36,968
Legal & Professional Charges	2,53,969	3,59,582
Travelling & Conveyance	10,96,527	8,45,223
Postage, Telephone, Stationery etc.	2,05,049	2,36,721
Miscellaneous Expenses	16,19,728	9,02,296
<b>TOTAL</b>	<b>33,34,087</b>	<b>24,80,790</b>
Miscellaneous expenses includes Auditors remuneration and expenses (excluding taxes):		
Audit Fees	60,000	30,000
Tax Audit Fees	-	10,000
Fees for other services	-	36,000
<b>20 INCOME TAX EXPENSES</b>		
<b>A. Amount recognised in profit or loss</b>		
<b>Current tax</b>		
Income Tax for the Year	94,81,109	1,19,72,888
Adjustments / (Credits) related to previous year	(2,08,799)	-
<b>Total Current Tax</b>	<b>92,72,310</b>	<b>1,19,72,888</b>
<b>Deferred tax</b>		
On Book and Tax WDV movement	(89,742)	(10,26,164)
On current Investment measured at FVTPL	24,40,244	(23,47,417)
<b>Total Deferred Tax</b>	<b>23,50,502</b>	<b>(33,73,581)</b>
<b>TOTAL</b>	<b>1,16,22,812</b>	<b>85,99,307</b>



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
<b>B. Reconciliation of effective tax rate</b>		
<b>Profit Before Tax</b>	4,53,12,928	4,72,47,480
<b>Indian Tax Rate</b>	27.55%	31.96%
Income Tax expense calculated at 27.5525% (2017 31.9609%)	1,24,84,845	1,51,00,720
Effects of:		
Different tax rate on certain items	(7,56,048)	(5,16,255)
Difference in taxable income / deductible expense	42,609	64,526
Incomes that are not taxable in determining taxable profit	(49,064)	(57,822)
Adjustments recognised in the current year in relation to the Deferred tax of prior years	-	(42,58,967)
Adjustments recognised in the current year in relation to Current tax of prior years	(2,08,799)	-
Effect on deferred tax balances due to the change in income tax rate from 27.5525% to 27.82% (substantively enacted on 01.02.2018 and will be effective from 01.04.2018).	1,09,269	(17,32,895)
<b>Income Tax recognised in profit or loss</b>	<b>1,16,22,812</b>	<b>85,99,307</b>

The tax rate used for the year 2016-17 and 2017-18 reconciliations above is the corporate tax rate of (29% & 25% + surcharge @ 7% and education cess @ 3%) payable on taxable profits under the Income Tax Act, 1961.

### 21 EARNINGS PER EQUITY SHARE

Profit for the year	3,36,90,116	3,86,48,172
Number of equity shares outstanding	37,87,515	37,87,515
Basic and diluted earnings per share in ₹ (Face value ₹ 10/- per share)	8.90	10.20

### 22 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

- A. The Company was allotted 8200 sq mtrs of land at Vadodara in 1984 and an additional land of 2548 sq mtrs in 1989 at R C Dutt Road, Alkapuri, Vadodara through GILC (Gujarat Industrial Investment Corporation) on sub-lease for a period 30 years on which the Hotel Welcomhotel Vadodara was constructed. Lease term of land admeasuring 8200 Sq mtrs expired on 30.09.2014 and lease term of land admeasuring 2548 sq mtrs is valid till 30.11.2018.

The High Court of Gujarat in pursuance of Writ petition filed by Company in April 2013, passed an Order on December 24, 2014 restraining the State Government from disturbing the peaceful and actual possession of the Company over the hotel property in any manner. The writ petition is pending.

The Company has made necessary application to State Government for Conversion of land from Leasehold to Freehold or Extension of Lease, which is in process.

- B. The Board of Directors of the Company recommended a dividend of ₹ 3.50 per share (for the year ended 31st March, 2017 - 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, 2017 - dividend ₹ 1,32,56,303). Income tax on proposed dividend being ₹ 27,24,873 (for the year ended 31st March, 2017 - ₹ 26,98,671).

- C. 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 31<sup>st</sup> March 2018. 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.

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

- E. Defined Benefit Plan:

The Company has taken a Policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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.

The accounting charge for benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method.

All such Employee Benefit expenditure / provisions are reimbursed by the Licensee (ITC Limited) as per the Operating License Agreement, hence no effect on Statement of Profit & Loss and Other Comprehensive Income.

### Risk Management

The defined Benefit Plan expose the company to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

**Investment Risks:** This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

**Interest Rate Risk:** The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

**Salary Cost Inflation Risk:** The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

These Plans have a relatively balanced mix of investments in order to manage the above risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under various statutes.

(Amount in ₹)

Particulars	Gratuity	
	2017-18	2016-17
<b>I Components of Defined Benefit Cost Recognised in Profit or Loss</b>	<b>31-03-2018</b>	<b>31-03-2017</b>
a. Current Service Cost	5,19,816	4,65,044
b. Past Service Cost	-	-
c. Net Interest Cost	(72,060)	(76,559)
<b>Remeasurements (recognized in OCI)</b>		
a. Effect of changes in demographic assumptions	-	-
b. Effect of changes in financial assumptions	(5,46,692)	5,98,892
c. Effect of experience adjustments	(7,00,483)	(1,96,570)
d. (Return) on plan assets (excluding interest income)	1,10,903	7,67,471
e. Changes in asset ceiling (excluding interest income)	-	-
f. Total remeasurements included in OCI	(13,58,078)	(3,65,149)
Total defined benefit cost recognized in P&L and OCI	(9,10,323)	23,335
<b>II Net Assets / (Liabilities) recognised in Balance Sheet</b>	<b>31-03-2018</b>	<b>31-03-2017</b>
1. Defined benefit obligation at end of period	1,02,97,864	1,11,00,682
2. Fair value of plan assets at end of period	1,20,08,773	1,15,29,880
3. Net defined benefit liability (asset)	(17,10,909)	(4,29,198)
<b>III Change in Defined Benefit Obligation</b>	<b>31-03-2018</b>	<b>31-03-2017</b>
1. Defined benefit obligation at beginning of period	1,11,00,682	1,08,14,081
2. Current Service Cost	5,19,816	4,65,044
3. Interest Expenses	7,22,369	7,60,749
4. Remeasurements gains / (losses) :		
a. Effect of changes in demographic assumptions	-	-



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

b. Effect of changes in financial assumptions	(5,46,692)	5,98,892
c. Effect of experience adjustments	(7,00,483)	(1,96,570)
5. Benefits Paid	(7,97,828)	(13,41,514)
6. <b>Present Value of DBO at end of the year</b>	<b>1,02,97,864</b>	<b>1,11,00,682</b>
<b>IV Change in Fair Value of Plan Assets</b>	<b>31-03-2018</b>	<b>31-03-2017</b>
1. Fair value of Plan Assets at beginning of period	1,15,29,880	1,07,98,351
2. Interest Income	7,94,430	8,37,309
3. Actual Company Contributions	3,71,388	4,68,263
4. Benefits Paid	(7,97,828)	(13,41,514)
5. Remeasurements Gains / (Losses) on plan assets	1,10,903	7,67,471
6. <b>Fair Value of Plan Assets at end of period</b>	<b>1,20,08,773</b>	<b>1,15,29,880</b>
<b>V Significant Actuarial Assumptions</b>	<b>31-03-2018</b>	<b>31-03-2017</b>
1. Discount Rate (%)	7.50%	6.75%
2. Salary Increase Rate	7.0%	7.0%
3. Attrition Rate	2.0%	2.0%
4. Retirement Age	58	58
5. Pre-retirement Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	
6. Disability	Nil	Nil

### VI Sensitivity Analysis

The below Sensitivity Analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the Defined Benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the Sensitivity Analysis did not change compared to the prior period.

	<b>DBO as at 31-03-2018</b>	<b>DBO as at 31-03-2017</b>
1. Discount rate +100 basis points	96,70,706	1,03,57,486
2. Discount rate -100 basis points	1,09,90,814	1,19,26,941
3. Salary Increase Rate +1%	1,09,36,454	1,18,61,560
4. Salary Increase Rate -1%	97,07,734	1,04,01,215
5. Attrition Rate +1%	1,03,17,961	1,10,96,733
6. Attrition Rate -1%	1,02,76,102	1,11,04,734
<b>Maturity Analysis Of The Benefit Payments</b>	<b>31-03-2018</b>	<b>31-03-2017</b>
Year 1	3,99,061	7,49,038
Year 2	7,69,443	3,95,101
Year 3	12,11,853	7,47,025
Year 4	5,12,504	11,59,420
Year 5	20,56,016	5,08,223
Next 5 years	46,03,103	65,97,881

F. Amount towards Defined Contribution Plans have been recognized under Contribution to Provident and Other Funds in Note 18: ₹ 39,83,444/- (2017- ₹ 44,09,439/-)

G. Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2018 on 28th March, 2018 notifying new Standard Ind AS 115 "Revenue from Contracts with Customers". This Ind AS is applicable for annual period beginning on or after 1st April, 2018. The Company expects that there will be no material impact on the financial statements resulting from the implementation of this standard.

## NOTES TO THE FINANCIAL STATEMENTS

### 23 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 ₹

Particulars	Note	As at March 31, 2018		As at March 31, 2017	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. Financial Assets</b>					
<b>a) Measured at amortised cost</b>					
i) Cash and cash equivalents	6	9,00,355	9,00,355	15,44,655	15,44,655
ii) Other bank balances, other than (i) above	7	5,31,82,631	5,31,82,631	4,92,37,838	4,92,37,838
iii) Trade Receivables	5	1,41,54,244	1,41,54,244	1,38,65,699	1,38,65,699
iv) Other Financial Assets	8	63,49,124	63,49,124	71,58,199	71,58,199
<b>Sub - total</b>		<b>7,45,86,354</b>	<b>7,45,86,354</b>	<b>7,18,06,391</b>	<b>7,18,06,391</b>
<b>b) Measured at Fair value through Profit or Loss</b>					
i) Investment in mutual funds	4	20,84,82,957	20,84,82,957	19,20,21,618	19,20,21,618
<b>Sub - total</b>		<b>20,84,82,957</b>	<b>20,84,82,957</b>	<b>19,20,21,618</b>	<b>19,20,21,618</b>
<b>Total Financial Assets</b>		<b>28,30,69,311</b>	<b>28,30,69,311</b>	<b>26,38,28,009</b>	<b>26,38,28,009</b>
<b>B. Financial Liabilities</b>					
<b>Measured at amortised cost</b>					
i) Trade Payables	13	3,95,920	3,95,920	20,05,605	20,05,605
ii) Other Financial Liabilities	14	1,11,18,126	1,11,18,126	86,40,049	86,40,049
<b>Total Financial Liabilities</b>		<b>1,15,14,046</b>	<b>1,15,14,046</b>	<b>1,06,45,654</b>	<b>1,06,45,654</b>

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. Liquidity Risk

The Company has current assets aggregate to ₹ 28,34,75,635/- (2017- ₹ 26,42,18,727/-) including Current Investments, Cash and cash equivalents and Other bank balances of ₹ 26,25,65,943/- (2017- ₹ 24,28,04,111/-) against an aggregate Current liability of ₹ 1,27,30,077/- (2017- ₹ 1,09,94,308/-) on the reporting date.

Further, while the Company's total equity stands at ₹ 28,13,43,744/- (2017- ₹ 26,40,06,115/-) and it has no borrowings. In such circumstances, liquidity risk or the risk that the company may not be able to settle or meet its obligations as they become due does not exist.

#### IV. Market Risk

The Company invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of the underlying portfolio of the mutual fund schemes in which the company has invested, such price risk is not significant.

#### V. Credit Risk

The Company's deployment in financial instruments such as mutual funds and fixed deposit are made in high quality papers/counterparties.

The Company has receivable balances with ITC Limited under the Operating Service Agreement, which are generally short term in nature. Accordingly, the Company has concluded that no provision for expected credit loss is required.



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 24 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	Chairman & Non-Executive Director
J Singh	Non-Executive Director
R C Mehta	Non-Executive Director
C K Koshy	Non-Executive Director
M Narayanan	Non-Executive Director
D R Choudhury	Non-Executive Director

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

Amount in ₹

Particulars	ITC Limited		Key Management Personnel	
	2018	2017	2018	2017
License Fees Received	3,88,34,172	3,73,64,758	-	-
Purchase of Services	5,13,635	4,57,134	-	-
Remuneration of Managers on Deputation Reimbursed [Includes Share based payment]	52,36,397	50,14,004	-	-
Recoveries of Contractual Remuneration (Including Managers on Deputation)	5,15,02,148	4,88,17,608	-	-
Expenses Recovered	24,00,471	8,62,472	-	-
Expenses Reimbursed:	44,604	2,71,750	-	-
Dividend Payments	60,68,675	60,68,675	700	700
Remuneration to Key Management Personnel - Director's Sitting Fees			3,50,000	3,70,000
Balance amount recoverable	1,82,92,750	1,80,56,467	-	-
Balance amount payable	-	16,86,867	-	-

Signature to Notes 1 to 24

In terms of our report of even date

On behalf of the Board

For K C Mehta & Co.  
Chartered Accountants  
Firm's Registration No. 106237W

Vishal P. Doshi  
Partner  
M.No. 101533

D R Choudhury  
Director

J Singh  
Director

Place : New Delhi  
Date : 17th April, 2018

D K Gulati  
Company Secretary

M Agarwal  
Chief Financial Officer



# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
GUJARAT HOTELS LIMITED

### **Report on the Indian Accounting Standards (Ind AS) financial statements**

We have audited the accompanying Ind AS financial statements of **Gujarat Hotels Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

### **Management's Responsibility for the Ind AS financial statements**

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 Ind AS financial statements that 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) prescribed under Section 133 of the Act.

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 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**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Ind AS financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 including the Ind AS, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

- d. in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
- e. on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
- 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 B"; and
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our

information and according to the explanations given to us:

- i. the Company does not have any pending litigations which would impact its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K. C. Mehta & Co.  
Chartered Accountants  
Firm's Registration No. 106237W

Vishal P. Doshi  
Partner

Place : New Delhi  
Date : 17<sup>th</sup> April, 2018

Membership No. 101533

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our Independent Auditor's Report to the members of **Gujarat Hotels Limited** ("the Company") on the Ind AS financial statements for the year ended 31<sup>st</sup> March, 2018, we report that:

- i. (a) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. In our opinion and According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of building are held in the name of the Company. In respect of leasehold land, 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 converted to freehold and transferred to Company as per the existing government policy in this regard.

- ii. The Company does not have any inventory and therefore, reporting under clause (ii) of the Order is not applicable to the Company.
- iii. In our opinion and according to the information and explanations 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 and therefore, reporting under clause (iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security. In respect of the Investments made, the Company has complied with the provisions of section 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, reporting under clause (v) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, in view of Rule 3 of the Companies (Cost Records and Audit) Amendments Rules 2014 the maintenance of cost records under



# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company and therefore, reporting under clause (vi) of the Order is not applicable to the Company.

- vii. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, sales tax, service tax, value added tax, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, value added tax, cess and any other statutory dues were in arrears, as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, sales tax, service tax and value added tax which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any loans or borrowings from any financial institution, government or debenture holders.
- ix. In our opinion, the Company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans during the year and therefore, reporting under clause (ix) of the Order is not applicable to the Company.
- x. In our opinion and according to information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- xi. In our opinion and according to the information and explanations given to us, the Company has not paid or provided any managerial remuneration during the year and therefore, reporting under clause (xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to information and explanations given to us, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to 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 therefore, reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For K. C. Mehta & Co.  
Chartered Accountants  
Firm's Registration No. 106237W

Place : New Delhi  
Date : 17<sup>th</sup> April, 2018

Vishal P. Doshi  
Partner  
Membership No. 101533





# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

#### **Report on the Internal Financial Controls 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 **Gujarat Hotels Limited** ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the 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 ("ICAI"). 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 Act.

#### **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") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing issued by ICAI deemed to be prescribed under section 143(10) of the Act 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 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence 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 Ind AS 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 Ind AS 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 Ind AS 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.



## GUJARAT HOTELS LIMITED

### INDEPENDENT AUDITOR'S REPORT

#### 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 31<sup>st</sup> March, 2018, 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 K. C. Mehta & Co.  
Chartered Accountants  
Firm's Registration No. 106237W

Place : New Delhi  
Date : 17<sup>th</sup> April, 2018

Vishal P. Doshi  
Partner  
Membership No. 101533

**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

**36TH 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. :

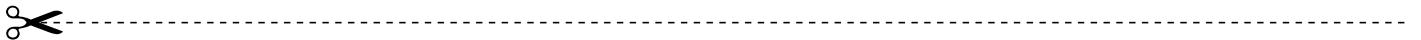
No. of Shares held :

I hereby record my presence at the 36th Annual General Meeting of the Company held on Tuesday, 7th August, 2018 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 233 0033 • E-mail: ghlinvestors@yahoo.co.in • Website: www.gujarathotelsltd.in

**36TH 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 36th Annual General Meeting (AGM) of the Company to be held on, 7th August, 2018 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 on the items as indicated hereafter:



Resolution Number	Description	Optional (✓)	
		For	Against
Ordinary Business			
1	Adoption of the Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and the Auditors.		
2	Declaration of dividend for the financial year ended 31st March, 2018.		
3	Appointment of Ms Devkanya Roy Choudhury, who retires by rotation and offers herself for re-election.		
4	Ratification of appointment of Messrs. K C Mehta & Co., Chartered Accountants, as Auditors, from the conclusion of the 36th AGM till the conclusion of the 37th AGM and approval to their remuneration for the financial year 2018-19.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Signature of Member: \_\_\_\_\_

Affix  
Revenue  
Stamp

#### INSTRUCTIONS

- (1) The Proxy Form, in order to be effective, should be completed, stamped, signed and deposited / received at the Registered Office of the Company, **Gujarat Hotels Limited, WelcomHotel Vadodara, R C Dutt Road, Alkapuri, Vadodara 390 007**, not less than 48 hours before the commencement of the AGM i.e. by **11.00 a.m. on 5th August, 2018**.
- (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.
- (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**

