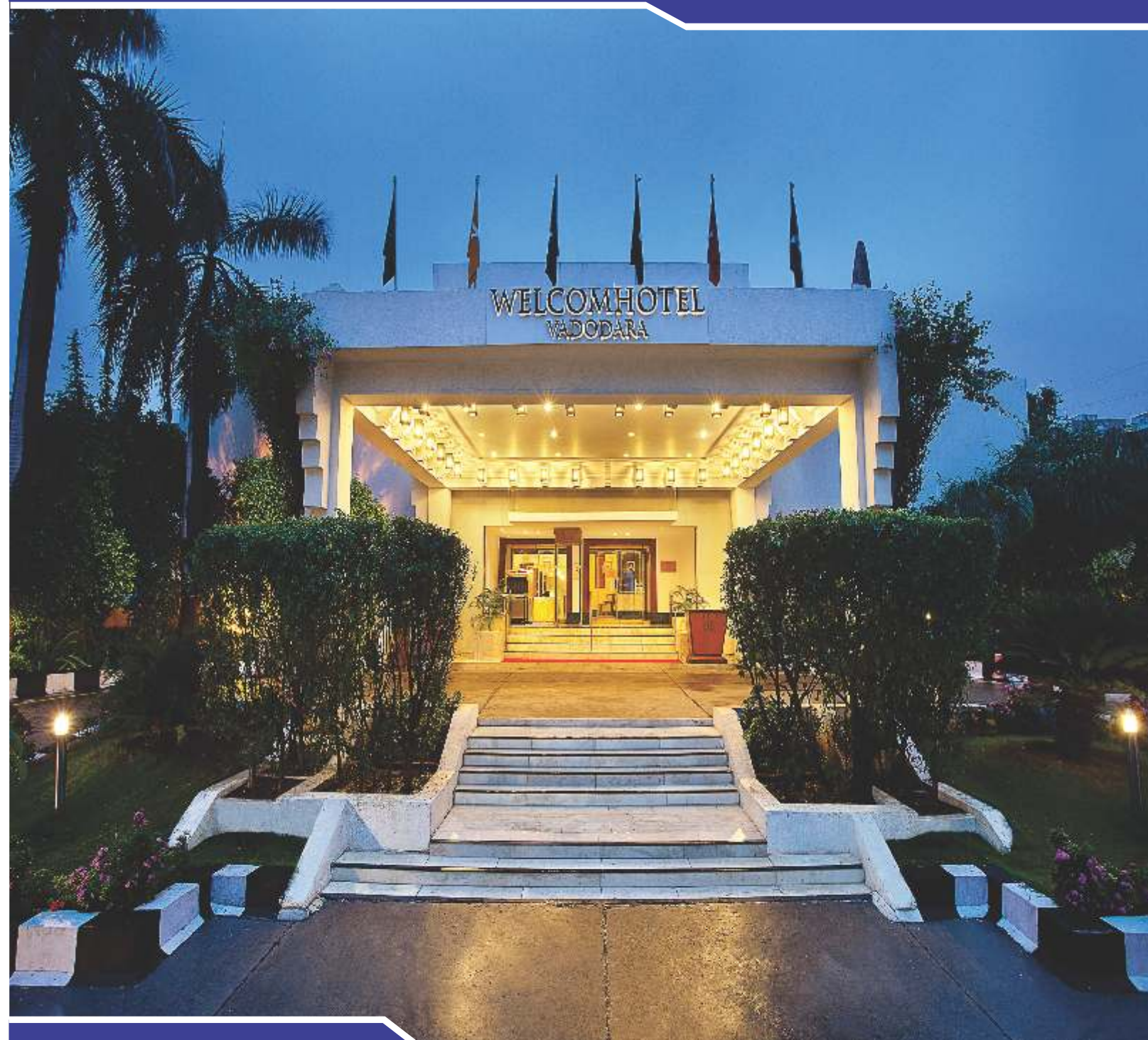




Gujarat Hotels Limited



REPORT AND ACCOUNTS 2019



Executive Club Exclusive room



Pool Side View



GUJARAT HOTELS LIMITED

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GUJARAT HOTELS LIMITED

BOARD OF DIRECTORS & COMMITTEES

Board of Directors

Chairman and Non-Executive Director

Nakul Anand

Non-Executive Directors

Mohan Swarup Bhatnagar
Devkanya Roy Choudhury
Cheruvettolil Kochukoshy Koshy
Mahalinga Narayanan
Jagdish Singh

Board Committees

Audit Committee

M Narayanan	Chairman
C K Koshy	Member
J Singh	Member
M Agarwal	Invitee
K Pahwa	Invitee
Representative of Statutory Auditors	Invitee

Nominations and Remuneration Committee

C K Koshy	Chairman
N Anand	Member
M Narayanan	Member
J Singh	Member

Stakeholders Relationship Committee

J Singh	Chairman
D R Choudhury	Member
C K Koshy	Member

Key Managerial Personnel

Chief Executive Officer - Kunal Pahwa

Chief Financial Officer - Mayur Agarwal

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, 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.: +91 0265 233 0033 • E-mail: ghlinvestors@yahoo.co.in • Website: www.gujarathotelsltd.in

NOTICE OF 37TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Seventh 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 Saturday, the 7th day of September, 2019 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, 2019, and the Reports of the Board of Directors and the Auditors.
2. To declare dividend for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr Jagdish Singh (DIN: 00042258) who retires by rotation and, being eligible, offers himself for re-election.
4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“Resolved that, in accordance with the provisions of Section 142 of the Companies Act, 2013, payment of remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) to Messrs. K C Mehta & Co., Chartered Accountants (FRN 106237W), to conduct the audit for the financial year 2019-20 plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby approved.”

SPECIAL BUSINESS

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

“Resolved that, in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Meeting hereby approves the appointment of Mr Mohan Swarup Bhatnagar (DIN: 00834857) as an Independent Director of the Company for a period of five years with effect from 28th June, 2019, or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines.”

6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

“Resolved that, in accordance with the provisions of Section 149 read with Schedule IV of the Companies

Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Meeting hereby approves the re-appointment of Mr Cheruvettolil Kochukoshy Koshy (DIN: 01478704) as an Independent Director of the Company for a period of five years with effect from 29th September, 2019, or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines.”

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

“Resolved that, in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Meeting hereby approves the re-appointment of Mr Mahalinga Narayanan (DIN: 00159288) as an Independent Director of the Company for a period of five years with effect from 29th September, 2019, or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines.”

The Register of Members of the Company will remain closed from Friday, 30th August, 2019 to Saturday, 7th September 2019, 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 Thursday, 29th August, 2019 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 Friday, 13th September, 2019 to those Members entitled thereto and whose names will appear in the Register of Members of the Company on 7th September, 2019, 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 29th August, 2019, 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
Date : 15th July, 2019

Jagdish Singh
Director

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 September, 2019.

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.

2. Explanatory Statement, pursuant to Section 102 of the Act, relating to the Special Business to be transacted at this AGM, is annexed.
3. Route map of the AGM venue, pursuant to the Secretarial Standard on General Meetings, is also 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 August, 2019 (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, 2012 and the corresponding Equity Shares of the Company in respect of which dividend

entitlements remain unclaimed for seven consecutive years will be due for transfer to the Investor Education and Protection Fund of the Central Government on 14th September, 2019, 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. Members are requested to claim the said dividend, details of which are available on the Company's website **www.gujarathotelsltd.in** under the section 'General Information' under 'Shareholder Value'. The Company will not be able to entertain any claim received after 12th September, 2019 in respect of the same.

7. Members may visit the Company's website to view the Financial Statements or access information pertaining to the Company. Queries, if any, should be sent at least 10 days before the AGM to the Chief Financial Officer at the Registered Office of the Company.
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. The procedure with respect to **remote e-voting** is provided below:
 - I. **The period for remote e-voting begins on Tuesday, 3rd September, 2019 at 9.00 a.m. and ends on Friday, 6th September, 2019 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 August, 2019, 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 '**Shareholders / Members**'.
 - IV. Now enter your user ID as under:
 - For CDSL: 16 digits beneficiary ID;
 - For NSDL: 8 character DP ID followed by 8 digits Client ID;
 - 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 is 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, please follow the steps given below:

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

XIX. Note for Non-Individual Members and Custodians

- Non-Individuals Members (i.e. other than HUF, Individuals, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

- 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 or write an email to helpdesk.evoting@cdslindia.com or contact



GUJARAT HOTELS LIMITED

Mr Rakesh Dalvi at telephone no. 18002005533 (toll free). You may also address your queries / grievances relating to remote e-voting or voting at the meeting to Mr M Agarwal, Compliance Officer, at e-mail ID ghlinvestors@yahoo.co.in or at telephone no. 0265 233 0033.

XXI. Those who become Members of the Company after despatch of the Notice but on or before **31st August, 2019 (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 www.gujarathotelsltd.in under the section 'Investor Relations' and on the website of CDSL; such Results will also be forwarded to BSE Limited, where the Company's shares are listed.

EXPLANATORY STATEMENT

Annexed to the Notice convening the Thirty Seventh Annual General Meeting to be held on Saturday, 7th September, 2019.

Item No. 5

The Board of Directors of the Company ('the Board') at the meeting held on 28th June, 2019, on the recommendation of the Nominations and Remuneration Committee ('the Committee'), approved the appointment of Mr Mohan Swarup Bhatnagar as Additional Director with effect from 28th June, 2019, and subject to the approval of the Members, also as Independent Director of the Company for a period of five years with effect from the said date, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations 2015').

Mr Bhatnagar (67) is a Science Graduate from St. Stephen's College, University of Delhi and is an MBA from the Faculty of Management Studies, University of Delhi.

Mr Bhatnagar joined ITC Limited (ITC) in 1975 in the Hotels Division. He held various job positions in Finance before taking over as the Head of Finance in 1997, with responsibility for Treasury, Audit, Purchasing / Material Management and Information Technology. Subsequently, he held charge of Growth and Development for the Hotels Business as Executive Vice President. He was a member of the Management Committee of the Division and was on the Boards of Joint Venture and Subsidiary companies of ITC. He retired from ITC in September, 2013. Currently, he is actively involved in angel investing and in mentoring select start-up ventures.

The Committee and the Board are of the view that the association of Mr Bhatnagar and the rich experience he brings with him, would benefit the Company. Declaration has been received from Mr Bhatnagar that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of your Board, Mr Bhatnagar fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for appointment as an Independent Director and he is independent of the management of the Company. Mr Bhatnagar will be entitled to sitting fees for attending the meetings of the Board and its Committees.

Requisite Notice under Section 160 of the Act proposing the appointment of Mr Bhatnagar has been received by the Company, and consent has been filled by Mr Bhatnagar pursuant to Section 152 of the Act.

Mr Bhatnagar holds 2500 shares in the Company.

Mr Bhatnagar and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

Item Nos. 6 & 7

The Members of the Company at the Thirty Second Annual General Meeting held on 29th September, 2014 approved the appointment of Mr Koshy and Mr M Narayanan as Independent Directors of the Company for a period of five years with effect from the said date. Mr Koshy and Mr Narayanan will complete their respective terms on 28th September, 2019.

The Board of Directors of the Company ('the Board') at the meeting held on 15th April, 2019, on the recommendation of the Nominations and Remuneration Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of Mr Koshy and Mr Narayanan as Independent Directors of the Company with effect from 29th September, 2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the



GUJARAT HOTELS LIMITED

Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to their respective re-appointment.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Mr Koshy and Mr Narayanan, and contribution to the Board processes by them, their continued association would benefit the Company. Declarations have been received from Mr Koshy and Mr Narayanan that they meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mr Koshy and Mr Narayanan fulfil the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as Independent Directors and they are independent of the management of the Company. Mr Koshy and Mr Narayanan will be entitled to sitting fees for attending meetings of the Board and its Committees.

Consent of the Members by way of Special Resolution is required for re-appointment of Mr Koshy and Mr Narayanan, in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Listing Regulations 2015, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. During the proposed term of re-appointment, Mr Koshy and Mr Narayanan will attain the age of seventy five years on 12th February, 2020 and 1st July, 2020 respectively. The Special Resolutions under

Item No. 6 and 7, once passed, shall also be deemed as your approval under the Listing Regulations 2015, for continuation of Mr Koshy and Mr Narayanan as Independent Directors beyond the age of seventy five years.

Requisite Notices under Section 160 of the Act proposing the re-appointment of Mr Koshy and Mr Narayanan have been received by the Company, and consents have been filed by Mr Koshy and Mr Narayanan pursuant to Section 152 of the Act.

Additional information in respect of Mr Koshy and Mr Narayanan pursuant to the Listing Regulations 2015 and the Secretarial Standard on General Meetings, is appearing in the Report and Accounts under the sections 'Your Directors' and 'Report on Corporate Governance'. Mr Koshy and Mr Narayanan do not hold any share in the Company, either in their individual capacity or on a beneficial basis for any other person.

Mr Koshy and Mr Narayanan, and their relatives, are interested in the Special Resolutions relating to their respective re-appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Special Resolutions.

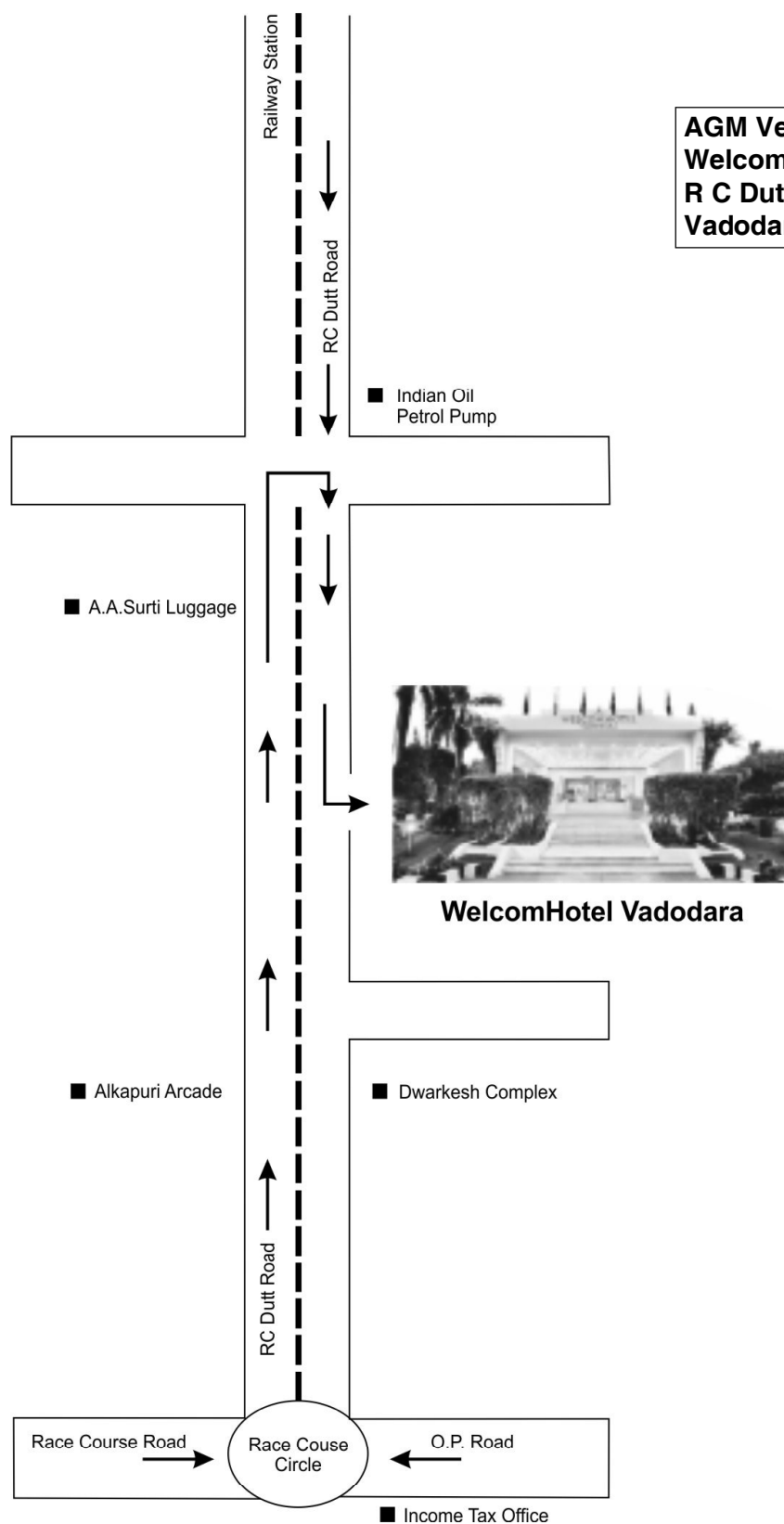
The Board recommends these Special Resolutions for your approval.

By Order of the Board
Gujarat Hotels Limited

Place : New Delhi
Date : 15th July, 2019

Jagdish Singh
Director

ROUTE MAP



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



GUJARAT HOTELS LIMITED

YOUR DIRECTORS

N Anand

Nakul Anand (62), 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, Anand 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 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, Council Member & Executive Committee Member of the National Culture Fund, Ministry of Culture, Government of India, and a Member on the Board of the International Tourism Partnership.

Other Directorships

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

CK Koshy

Chervettolil Kochukoshy Koshy (74), DIN:01478704, was appointed as an Independent Non-Executive Director of the Company on 1st May, 2007. He is Master of Arts in Political Science and Public Administration. He joined the Indian Administrative Service in 1968 from the Gujarat Cadre and superannuated in February 2005.

In a long career spanning over 38 years, he has held several eminent positions including those of Additional Chief Secretary - Department of Revenue, Industries and Mines, Tourism and Civil Aviation and Finance and Principal Secretary to the Chief Minister. He served the Government of India as Joint Secretary & Financial Advisor to the Department of Atomic Energy, and as Executive Director of Nuclear Power Corporation of India Limited. He has held the posts 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.

Koshy does not hold directorship of any other company.

M Narayanan

Mahalinga Narayanan (74), 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



GUJARAT HOTELS LIMITED

YOUR DIRECTORS

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
Cox & Kings Limited [#]	Independent Director
Tulip Star Hotels Limited [#]	Independent Director
Royale Indian Rail Tours Limited	Independent Director
Pride Hotels Limited	Chairman & Independent Director

Committee Membership of other Companies

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

J Singh

Jagdish Singh (53), DIN: 00042258, was appointed as a Non-Executive Director on the Board 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

* Denotes foreign company

[#] Denotes listed Indian company whose equity shares or preference shares or debt securities are listed on a recognised stock exchange.

Notes:

- Other Directorships and Committee Memberships of Directors are as on 15th April, 2019.
- 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.

between 2005 and 2015 and is presently the Head of Finance at ITC's Hotels Division.

Other Directorships

Name of the company	Position
International Travel House Limited [#]	Non-Executive Director
Fortune Park Hotels Limited	Non-Executive Director
Bay Islands Hotels Limited	Non-Executive Director
Srinivasa Resorts Limited	Non-Executive Director
Maharaja Heritage Resorts Limited	Non-Executive Director
Mimec (India) Limited	Non-Executive Director
Landbase India Limited	Additional Non-Executive Director
Logix Developers Private Limited	Non-Executive Director

Committee Membership of other companies

Name of the company	Committee	Position
International Travel House Limited	Stakeholders Relationship Committee	Member
	Audit 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

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 *	Non-Executive Director



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 2015').

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 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, judgement 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 ('the Board') to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

Composition

The Board comprises entirely of Non-Executive Directors including one Woman Director and two Independent Directors. The strength of the Board as on 15th April, 2019 is five.

The Board Diversity Policy of the Company requires the Board to have balance of skills, experience and diversity of perspectives appropriate to the Company. The skills, expertise and competencies of the Directors as identified by the Board, are provided in the Annexure forming part of this Report. These skills, expertise and competencies are available in the present mix of the Directors of the Company.

Composition of the Board as on 31st March, 2019

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

During the year, there was no change in the directorship. Mr R C Mehta resigned as Non-Executive Independent Director of the Company with close of work on 31st March, 2019, keeping in view the Regulation 17(1A) of Listing Regulations 2015.

Mr Mehta has confirmed that there are no other reasons for his resignation, other than stated above.

Meetings and Attendance

During the financial year ended 31st March, 2019, four meetings of the Board were held. The intervening period between two Board meetings was well within the maximum gap of 120 days prescribed under the Listing Regulations 2015.

Board Agenda

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated seven days prior to the Board meeting.

Information placed before the Board

The following matters are tabled for the Board's periodic review / information:

- Annual operating plans & budgets and periodic review of the Company's businesses.
- Quarterly performance.
- External Audit Management Reports (through the Audit Committee).
- Status of legal compliance.
- Status and effectiveness of risk management plans.
- Succession to senior management (through the Nominations and Remuneration Committee).
- Statutory compliance reports.
- Show cause / demand / prosecution / adjudication notices, if any, from revenue authorities which are considered materially important, including any exposure that exceeds 1% of the Company's net worth, and their outcome.



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- Write-offs / disposals (fixed assets, receivables, advances etc.) on a half-yearly basis.
- Significant development in Human Resources / Industrial Relations.
- Material non-compliance of any regulatory or listing requirements and in relation to shareholders' services.
- All other matters required to be placed before the Board for its review / information under the Listing Regulations 2015 and other statutes.

Post-meeting follow-up system

The Governance processes in the Company include an effective post-meeting follow-up, review and reporting process for action taken / pending on decisions of the Board and the Board Committees.

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	Nil	Nil
3	R C Mehta ¹	Non-Executive Independent Director	2	Yes	4	Nil
4	M Narayanan	Non-Executive Independent Director	4	Yes	4	4 (all as Chairman)
5	D R Choudhary	Non-Executive Director	4	Yes	1	Nil
6	J Singh	Non-Executive Director	4	Yes	8	3 (including 1 as Chairman)

¹ Resigned as Non-Executive Independent Director w.e.f. 1st April, 2019.

* Details with respect to other Directorships of the Directors are provided under the section 'Your Directors' in the Report and Accounts.

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 Board Committees are convened by the respective Committee Chairman. All the recommendations made by Board Committees during the year were accepted by the Board. Minutes of Board Committee meetings are placed before the Board for its information. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

Details of Board Meeting during the financial year

During the financial year ended 31st March, 2019, four meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	17th April, 2018	6	6
2	7th August, 2018	6	6
3	1st November, 2018	6	5
4	30th January, 2019	6	5

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

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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;
- To evaluate the Company's internal financial controls and risk management systems;
- To review with the management the following:
 - Annual financial statements and Auditor's Report thereon before submission to the Board for approval;
 - Quarterly financial statements before submission to the Board for approval;
- To review the following:
 - Management discussion and analysis of financial condition & results of operations, and matters required to be included in the Directors' Responsibility Statement;
 - 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;
 - Adequacy of internal control systems for compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - Reports of Internal Audit and discussion with Internal Auditors on any significant findings and follow-up thereon;
 - Statutory Auditors' independence and performance, and effectiveness of the audit process;
 - 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, as on 15th April, 2019, comprises three Non-Executive Directors, two of whom are Independent Directors. The Chairman of the Committee is an Independent Director. The Chief Executive Officer, the Chief Financial Officer and the 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; two members, including the Chairman of the Committee, 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, 2019, four meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	17th April, 2018	4	4
2	7th August, 2018	4	4
3	1st November, 2018	4	3
4	30th January, 2019	4	3

Attendance at Audit Committee Meetings during the financial year:

Member	No. of meetings attended
M Narayanan ¹	4
C K Koshy	4
R C Mehta ²	2
J Singh	4

¹ Appointed Chairman w.e.f. 15th April, 2019.

² Ceased to be Member and Chairman w.e.f. 1st April, 2019.

B. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Composition

The Stakeholders Relationship Committee presently comprises three Non-Executive Directors including one Independent Director. The Chairman of the Committee is a Non-Executive Director. The Company Secretary is the Secretary to the Committee.

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, 2019, seven meetings of the Stakeholders Relationship Committee were held, as follows:



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Sl. No.	Date	Committee Strength	No. of Members present
1	17th April, 2018	2	2
2	29th June, 2018	2	2
3	7th August, 2018	2	2
4	27th September, 2018	2	2
5	1st November, 2018	2	2
6	4th January, 2019	2	2
7	30th January, 2019	2	2

Attendance at Stakeholders Relationship Committee Meetings during the financial year:

Member	No. of meetings attended
J Singh	7
D R Choudhury	7
C K Koshy*	0

* Appointed Member w.e.f. 31st March, 2019.

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 Directors and the Board as a whole. The Committee's role includes recommending to the Board the appointment, remuneration and removal of Directors and Key Managerial Personnel.

Composition

The Nominations and Remuneration Committee, as on 15th April, 2019, comprises four Non-Executive Directors, two 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, 2019, two meetings of the Nominations and Remuneration Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	17th April, 2018	5	5
2	30th January, 2019	5	4

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

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

¹ Ceased to be Member w.e.f. 1st April, 2019.

Remuneration Policy

The Company's Remuneration Policy aims at attracting and retaining high calibre talent. The Remuneration Policy, therefore, is market-led and takes into account the competitive circumstance of each business so as to attract and retain quality talent and leverage performance significantly.

The Company's Policy on remuneration of Directors, Key Managerial Personnel and other employees, as approved by the Board, may be accessed on its website at http://www.gujarathotelsltd.in/policies/Remuneration-Policy_GHL.pdf. There has been no change in the Policy during the year.

Remuneration of Directors

Non-Executive Directors are entitled to sitting fees for attending the 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, 2019:

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

¹ Resigned as Non-Executive Independent Director w.e.f. 1st April, 2019.

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

Performance Evaluation

Performance evaluation of the Board, the Board Committees and the individual Directors was carried out by the Board in accordance with the Policy approved by the Nominations and Remuneration Committee in this regard; brief details of the same are provided in the 'Report of the Board of Directors & Management Discussion and Analysis' forming part of the Report and Accounts.



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Directors' Shareholding

Details of Shareholding of the Directors in the Company as on 31st March, 2019 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

OTHER DISCLOSURES

- 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

- Materially significant related party transactions which may have potential conflict with the interests of the Company at large:

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

- Details of utilisation of funds raised through preferential allotment or qualified institutions placement:

Not Applicable

- Credit rating(s) obtained by the Company for any debt instrument, fixed deposit programme or any other scheme involving mobilisation of funds:

None

- None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director by SEBI / Ministry of Corporate Affairs / Statutory Authorities, which has also been confirmed by Messrs. PB & Associates, Practising Company Secretaries.

- Confirmation by the Board with respect to the Independent Directors is provided in the 'Report of the Board of Directors & Management Discussion and Analysis', forming part of the Report and Accounts.

- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the 'Report of the Board of Directors & Management Discussion and Analysis', forming part of the Report and Accounts.

- Information with respect to 'Commodity Price Risk or Foreign Exchange Risk and Hedging Activities':

None

- The total fees paid by the Company to Messrs. K C Mehta & Co., Statutory Auditors, and all other entities forming part of the same network, aggregate ₹ 1,00,000/-.

- Compliance Officer under the Listing Regulations 2015:

Deepak Kumar Gulati, Company Secretary

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 the quarter. 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) and in its Gujarati edition as vernacular newspaper. Further, quarterly results, shareholding pattern and other material events & important information relating to the Company were submitted to BSE Limited through BSE Listing Centre, for dissemination on its website. The Company publishes its quarterly, half-yearly and annual financial results and also posts such results on its website www.gujarathotelsltd.in.

The Report of the Board of Directors, forming part of the Report and Accounts, includes all aspects of 'Management Discussion and Analysis' as required under the Listing Regulations 2015.

GHL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING – 2019

The GHL Code of Conduct for Prevention of Insider Trading, approved by the Board, 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 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



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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 2015

All Directors and senior management of the Company have affirmed compliance with the GHL Code of Conduct for the financial year ended 31st March, 2019.

New Delhi
15th April, 2019

K Pahwa
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' forming part of 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 fulfils 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.

Further details may be accessed on the Company's website at <http://www.gujarathotelsltd.in/policies/Director's-Familiarisation-programmes.pdf>

POLICY ON RELATED PARTY TRANSACTIONS

The Policy, as approved by the Board, may be accessed on the Company's website at

http://www.gujarathotelsltd.in/policies/Policy_on_Related_Party_Transactions.pdf

DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS 2015

The status of compliance with the discretionary requirements under the Listing Regulations 2015 is provided below:

1. **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.
2. **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.
3. **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, 2019.

4. **Separate posts of Chairman and Chief Executive Officer:** The Company has a Non-Executive Chairman and a Chief Executive Officer.
5. **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

- 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 2015.
- 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', forming part of the Report and Accounts.

ANNEXURE TO THE REPORT ON CORPORATE GOVERNANCE

SKILLS, EXPERTISE AND COMPETENCIES OF DIRECTORS

The Company believes that Board members should have a balance of skills, experience and diversity of perspectives appropriate to the Company. Accordingly, the Directors should possess one or more of the following skills, expertise and competencies:

1. **Leadership**
Leadership experience in a commensurate-sized organisation with understanding of organisational systems and processes, strategic areas and emerging business trends.
2. **Industry Knowledge and Experience**
Domain knowledge of Hotel business and its dynamics, long-term strategies and regulatory & competitive environment.
3. **Finance and Accounting**
Ability to understand financial policies, accounting statements and disclosure practices to contribute to the financial / risk management policies and practices of the Company.
4. **Governance**
Commitment, belief and experience in setting governance practices to support the Company's legal compliance systems and governance policies / practices.



GUJARAT HOTELS LIMITED

SHAREHOLDER INFORMATION

AGM Details

Date	Saturday, 7th September, 2019
Venue	WelcomHotel Vadodara, R C Dutt Road, Alkapuri Vadodara 390 007
Time	11.00 a.m.
Book Closure Dates	Friday, 30th August, 2019 to Saturday, 7th September, 2019 (both days inclusive)
Dividend Payment Date	Friday, 13th September, 2019

Registrar and Share Transfer Agents

Messrs. MCS Share Transfer Agent Limited are the Registrar and Share Transfer Agents (RTA) of the Company for carrying out share registration and other related activities of the Company.

Address for Correspondence

MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area
Phase – I, New Delhi - 110 020
Telephone Nos. : 011 4140 6149-52, 4160 9386
Facsimile 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.

Share Transfer Committee

The Share Transfer Committee of the Company generally meets once in ten days for approving share transfers. The processing activities with respect to requests received for share transfers are completed within fifteen days from the date of receipt of request. The Committee met 11 times during the financial year ended 31st March, 2019 to approve share transfers. There were no share transfers pending as on 31st March, 2019.

The Share Transfer Committee presently comprises the following:

D R Choudhury - Director	Member
J Singh - Director	Member
M Agarwal - Compliance Officer	Member

Dematerialisation of Shares and Liquidity

The shares of the Company are available for trading in the 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, 2019, a total of 35,25,013 Equity Shares of the Company, which translates to 93.07% of the Share Capital, stood dematerialised. The processing activities with respect to requests received for dematerialisation are completed between fifteen to thirty days.

Shareholder / Investor Complaints

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

The Company did not receive any complaint during the financial year ended 31st March, 2019.

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

Distribution of Shareholding as on 31st March, 2019

No. of Shares Slab	No. of Shareholders		No. of Equity Shares	
	Total	% to Share holders	Total	% to Share Capital
1 - 500	5,152	94.55	5,87,438	15.51
501 - 1000	138	2.53	1,12,061	2.96
1001 - 2000	68	1.25	1,00,167	2.65
2001 - 3000	26	0.48	62,030	1.64
3001 - 4000	16	0.29	58,804	1.55
4001 - 5000	11	0.20	50,785	1.34
5001 - 10000	23	0.42	1,63,405	4.31
10001 - 50000	8	0.15	1,47,787	3.90
50001 - 100000	3	0.06	2,26,954	5.99
100001 & Above	4	0.07	22,78,084	60.15
Total	5,449	100.00	37,87,515	100.00

Categories of Shareholders as on 31st March, 2019

Sl. No.	Category	No. of Shares held	% to Share holding
A	Promoter Holding		
1	Promoter and Promoter Group		
	ITC Limited	17,33,907	45.78
	Russell Investments Limited	3,00,056	7.92
	Sub-Total	20,33,963	53.70
B	Non Promoter Holding		
2	Institutional Investors		
a	Mutual Funds	NIL	NIL
b	Banks	100	0.00
c	Foreign Institutional Investors and Foreign Portfolio Investors	NIL	NIL
	Sub-Total	100	0.00
3	Others		
a	Private Corporate Bodies	1,93,726	5.11
b	Indian Public	13,35,461	35.27
c	NRIs	1,02,362	2.70
d	Others	1,21,903	3.22
	Sub Total	17,53,452	46.30
	Grand Total	37,87,515	100.00



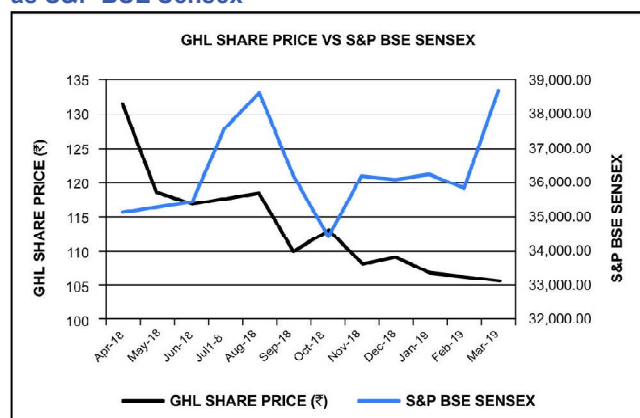
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SHAREHOLDER INFORMATION

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

Year	Month	High (₹)	Low (₹)	Volume (Nos.)
2018	April	138.00	120.00	93,584
	May	131.00	117.10	26,778
	June	127.35	115.00	18,090
	July	121.95	114.00	27,113
	August	122.95	114.50	14,900
	September	120.00	109.00	23,492
	October	114.00	105.05	18,787
	November	129.75	107.00	15,386
	December	114.90	107.00	40,291
2019	January	113.20	107.00	22,160
	February	111.85	100.05	12,395
	March	112.95	104.00	21,625

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 Fee for the financial year 2019-20 has been paid to BSE Limited.

Financial Calendar

Financial Year 2019-20 (1st April - 31st March)

- | | | |
|---|--------------------------------------|-------------------------|
| 1 | First Quarter Results | July 2019 |
| 2 | Second Quarter and Half-Year Results | October / November 2019 |
| 3 | Third Quarter Results | January / February 2020 |
| 4 | Fourth Quarter and Annual Results | May 2020 |

Particulars of past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolution Passed
36th	2017-18	WelcomHotel Vadodara	07-08-2018		None
35th	2016-17	R C Dutt Road Alkapuri	08-08-2017	11.00 a.m.	None
34th	2015-16	Vadodara 390 007	20-09-2016		None

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 Shares in certificate form

Effective 1st April, 2019, transfer of shares of a listed company can only be effected in dematerialised form in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Shareholders holding shares in the certificate form are therefore requested to dematerialise their shares in their own interest. Communication in this respect has been sent by the Company during the year to the concerned Shareholders. However, transfer deeds which were lodged with the Company on or before 31st March, 2019, but were returned due to any deficiency, will be processed upon re-lodgement.

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

During the financial year 2018-19, unclaimed dividend for the financial year 2010-11 aggregating ₹ 6,36,444/- and the corresponding 13,150 Equity Shares in respect of which dividend entitlements remained unclaimed for seven consecutive years or more, have been transferred by the Company to the IEPF established by the Central Government, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2010-11 and the corresponding shares, from the IEPF Authority by applying in the prescribed Form No. IEPF-5. This Form can be downloaded from the website of the IEPF Authority www.iepf.gov.in, the access link of which is also available on the Company's website www.gujarathotelsltd.in under the section 'General Information' under 'Shareholder Value'.

The unclaimed dividend for the undernoted years and the corresponding shares will be transferred by the Company to the IEPF in accordance with the schedule given below. Attention in particular is drawn that the unclaimed dividend for the financial year 2011-12 and the corresponding shares will be due for transfer to the IEPF on 14th September,



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SHAREHOLDER INFORMATION

2019, for which purpose 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' under 'Shareholder Value'

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
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
2017-18	7th August, 2018	12th September, 2025

* The Company will not be able to entertain any claim received after 12th September, 2019.

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

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 register or update their e-mail addresses with the Company may use the Form for registration / updation which can be downloaded from the Company's website under the section 'Investor Relations' under 'Shareholder Value'.

Depository Services

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

The contact details of the Depositories are given below:

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 RTGS (Real Time Gross Settlement) / NACH (National Automated Clearing House) / 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 IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), to their 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 the certificate form may use the Mandate Form for this purpose which can be downloaded from the Company's website **www.gujarathotelsltd.in** under the section 'General Information' under 'Shareholder Value'.

Address and Bank Details

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

Shareholders are advised that as a measure of protection against fraudulent encashment, their bank details or address as available with the RTA, will be printed on the dividend warrants or demand drafts where dividend cannot be remitted through electronic mode.

Permanent Account Number (PAN)

Shareholders holding shares in the certificate form are requested to send copies of their PAN Cards to the RTA to facilitate better servicing.

Furnishing of PAN Card, however, is mandatory as follows:

- 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 Shareholders, 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' under 'Shareholder Value'.



GUJARAT HOTELS LIMITED

REPORT OF THE BOARD OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

Your Directors submit their Report for the financial year ended 31st March, 2019.

BUSINESS ENVIRONMENT

The global economic growth softened to 3.6% in 2018 representing a marked slowdown compared to the 3.9% growth, anticipated at the beginning of the year, buoyed by a strong fiscal expansion in the USA which was offset largely by slower growth in some other large economies i.e. Europe, Japan etc. Going forward, global growth in 2019 is projected to decline further to 3.3% in the base case with risks to the downside emanating from political uncertainties, rising trade tensions, escalating protectionism and tighter financial conditions.

As per Ministry of Statistics & Programme Implementation (MSPI), Indian economy registered the GDP growth of 7% in 2018-19 as compared to 7.2% in 2017-18. The economy is expected to grow and maintain a level of 7.5% in 2019 and 2020 as per the World Bank estimates.

India is the most digitally-advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey. During 2018, foreign tourist arrivals (FTAs) in India stood at 10.56 million, achieving a growth rate of 5.2% year-on-year. The Government of India is also working to achieve 1% share in world's international tourist arrivals by 2020 and 2% share by 2025.

The operating environment in the hospitality sector showed improvement with foreign tourist arrivals. India's rising middle class and increasing disposable incomes have continued to support the growth of domestic tourism.

With the inauguration of Statue of Sardar Vallabhbhai Patel, also known as 'Statute of Unity', which is the highest standing statue in the world at a height of 182 meters, the tourism in the city of Vadodara is expected to grow.

FINANCIAL PERFORMANCE

During the year under review, your Company earned license fees of ₹ 369.87 lakhs (previous year ₹ 330.98 lakhs). The other income at ₹ 196.26 lakhs showed an increase mainly due to improvement in return on current investment. Pre and post-tax profits increased to ₹ 518.22 lakhs (previous year ₹ 453.13 lakhs) and ₹ 407.88 lakhs (previous year ₹ 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, 2019, thereby maintaining last year's dividend and involving a cash outflow of ₹ 160 lakhs including Dividend Distribution Tax of ₹ 27 Lakhs.

PROFITS, DIVIDEND AND RETAINED EARNINGS

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

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
Profits		
a. Profit Before Tax	5,18,22,363	4,53,12,928
b. <u>Tax Expense</u>		
Current Tax	1,16,53,499	92,72,310
Deferred Tax	(6,18,755)	23,50,502
c. Profit for the year	4,07,87,619	3,36,90,116
d. Other Comprehensive Income	-	-
e. Total Comprehensive Income	4,07,87,619	3,36,90,116
Statement of Retained Earnings		
a. At the beginning of the year	21,32,11,090	19,58,73,461
b. Add : Total Comprehensive Income	4,07,87,619	3,36,90,116
c. Less : Dividend paid including Income Tax on Dividend paid	1,59,81,176	1,59,54,974
d. Less : Income Tax on Dividend paid for earlier year	-	3,97,513
e. At the end of the year	23,80,17,533	21,32,11,090

Your Directors are pleased to recommend a dividend of ₹ 3.50 per Equity Share (Previous Year ₹ 3.50) of ₹ 10/- each for the year ended 31st March, 2019.

Details of changes in Key Financial Ratio & Return on Net Worth

The key financial ratio of the Company where there has been significant change (25% or more) and change in Return on Net Worth are summarized below, pursuant to Schedule V (B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'):

Financial Ratio	2018-19	2017-18	Change %	Reason for change
Current Ratio	27.8%	22.3%	25%	Increase in value of current investment based on accumulation of market return and fresh investment done during the year out of surplus funds.
Return on Net Worth	13.3%	12.0%	11%	Due to higher rate of growth in profit after tax.

HOTEL OPERATIONS

Your Hotel, WelcomHotel Vadodara, licensed to ITC Limited recorded an income of ₹ 2494.43 lakhs during the year as compared to ₹ 2218.56 lakhs in the previous year. There was an improvement in both occupancy and average room rates leading to an overall improvement in Hotel Performance.



GUJARAT HOTELS LIMITED

REPORT OF THE BOARD OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

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

Your Company has filed a writ petition in the Gujarat High Court seeking that the Gujarat State Government be directed to take action on your Company's application to have the leasehold land of the Hotel converted to freehold and transferred to your Company as per the existing government policy in this regard. The Honourable High Court passed an Order 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.

Your Company is also making all efforts for expeditious conversion of land from leasehold to freehold or in the alternative extension of Lease. For further details, please refer to Note no. 20A of the Accounts.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

INTERNAL FINANCIAL CONTROLS

Your Company is managed by the Board of Directors and the Executive Management with clearly defined roles, responsibilities and authorities. The Executive Management is responsible for the day-to-day conduct of the affairs of the Company, within the overall framework approved by the Board. Your Company also has a Code of Conduct which requires management to conform to the required financial and accounting policies, systems and processes, conduct business ethically and ensure strict compliance with all applicable laws and regulations. Ongoing Review Processes and the Risk Management Framework create a control environment in the Company and provide the cornerstones for Internal Financial Controls with reference to your Company's Financial Statements.

Your Company's Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by the 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 Auditors of the Company evaluates the adequacy and efficacy of such internal financial controls. Such controls have been assessed during the year by the

management. Based on the results of this assessment, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were 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 its emphasis on a systems-based approach to business risk management. Backed by strong internal control systems, the current Risk Management framework consists of the following key elements:

- The Board of Directors ("The Board") has clearly laid down the roles and responsibilities of the Company in relation to risk management covering a range of responsibilities, from strategic to operational. These role definitions provide the foundation for your Company's Risk Management Policy that is endorsed by the Board and is aimed at ensuring formulation of appropriate risk management procedures, their effective implementation and independent monitoring and reporting by Internal Audit.
- 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, which are regularly reviewed and updated in the light of changing business and regulatory environment, 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 business 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.

The combination of policies and processes as outlined above adequately address the various risks associated with your Company's business.



GUJARAT HOTELS LIMITED

REPORT OF THE BOARD OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

AUDIT AND SYSTEMS

Your Company believes that internal control is a necessary adjunct to the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance and comfort on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds / errors, accuracy and completeness of accounting records and 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 adequately resourced to deliver high standards of audit assurances.

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

HUMAN RESOURCE DEVELOPMENT

Your Company firmly believes that employees are the vital and most valuable assets and hence has created a favourable work environment that encourages innovation and meritocracy. Your Company continues to innovate in the way human resources are managed and developed, striking a balance between business needs and individual aspirations.

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 safe, secure, inclusive and gender friendly workplace. The Company has put in place Grievance Redressal Procedures and adopted a Policy on Sexual Harassment as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. The Company has an Internal Complaints Committee to ensure that grievances in this regard, if any, are effectively addressed. During the year under review, no complaint relating to sexual harassment has been received.

WHISTLEBLOWER POLICY

The Company's Whistleblower Policy encourages Directors and employees to bring to the Company's attention instances of unethical behavior, actual or suspected incidents of fraud, actual or suspected instances of leak of unpublished price sensitive information 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 deposits 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

Mr R C Mehta stepped down as Non-Executive Independent Director of the Company with effect from close of work on 31st March 2019, keeping in view the Regulation 17(1A) of the Listing Regulations 2015. Your Directors would like to record their appreciation for the services rendered by Mr Mehta.

The Board at the meeting held on 15th April, 2019, on the recommendation of the Nominations and Remuneration Committee, recommended for the approval of the Members the re-appointment of Mr C K Koshy and Mr M Narayanan as independent directors of your Company, in terms of Section 149 of the Act and Regulation 17 of the Listing Regulations 2015, with effect from 29th September, 2019.

Requisite Notices under Section 160 of the Act have been received in respect of Messrs. Koshy and Narayanan who have filed their consents to act as Directors of the Company, if appointed.

Appropriate resolutions seeking your approval to the aforesaid appointment will appear in the Notice convening the Thirty Seventh AGM of your Company.



GUJARAT HOTELS LIMITED

REPORT OF THE BOARD OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

Retirement by Rotation

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

Number of Board Meetings

During the year ended 31st March, 2019, 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 Non-Executive Directors, including Independent Directors, be drawn from amongst eminent professionals with experience in business / finance / law / public administration and enterprises.

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 skills, expertise and competencies of the Directors as identified by the Board, are provided in the 'Report on Corporate Governance', forming part of the Report and Accounts. 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 (a) they meet the criteria of independence as prescribed under Section 149 of the Act and Regulation 16 of the Listing Regulations 2015, and (b) they are not aware of any circumstance or situation which could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence. Further, in the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the Listing Regulations 2015 and are independent of the management of the Company.

The Company's Policy on remuneration of Directors, Key Managerial Personnel and other employees, as approved by the Board, may be accessed on its website at [http://www.gujarathotelsltd.in/policies/Remuneration-](http://www.gujarathotelsltd.in/policies/Remuneration-Policy_GHL.pdf)

[Policy_GHL.pdf](http://www.gujarathotelsltd.in/policies/Remuneration-Policy_GHL.pdf). There has been no change in the Policy during the year.

Board Evaluation

The Nominations and Remuneration Committee has approved the Policy on Board Evaluation, Evaluation of Board Committees' functioning and individual Director Evaluation and also specified that such evaluation will be done by the Board. Board performance is assessed against the role and responsibilities of the Board as provided in the Act and the Listing Regulations 2015. The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as fulfil expectations of other stakeholders through strategic supervision of the Company. Evaluation of functioning of Board Committees is based on discussions amongst Committee members and shared by each Committee Chairman with the Board. Individual Directors are evaluated in the context of the role played by each Director as a member of the Board at its meetings and in assisting the Board in realising its role of strategic supervision of the functioning of the Company in pursuit of its purpose and goals.

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

Key Managerial Personnel

Mr Deependra Rana resigned as the Chief Executive Officer of the Company with effect from 17th December, 2018.

The Board at the meeting held on 30th January, 2019, on the recommendation of the Nominations and Remuneration Committee, appointed Mr Kunal Pahwa as the Chief Executive Officer of the Company with effect from 1st February, 2019.

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 Statutory 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 approval of the Members, payment of remuneration of KCM for the financial year 2019-20. Appropriate resolution for this purpose will appear in the Notice convening the Thirty Seventh AGM of the Company.



GUJARAT HOTELS LIMITED

REPORT OF THE BOARD OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

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, 2019. 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 2015. All such contracts or arrangements were entered in the ordinary course of business and on arm's length basis, and have been approved by the Audit Committee.

Further, the details of related party transactions of the Company in prescribed 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.

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 of the Statutory Auditors, Messrs. K C Mehta & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations 2015, 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 of the Act.

Cost Records

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit), Rules, 2014.

Going Concern Status

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

Extract of Annual Return

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

Particulars of Loans, Guarantees or Investments

During the year ended 31st March, 2019, the Company has neither given any loan or guarantee nor has made any investment under the provisions of Section 186 of the Act.

Particulars relating to Conservation of Energy and Technology Absorption

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

Conservation of Energy:

Steps taken on conservation of energy and impact thereof:

Sl. No.	Description
1.	Installation of energy efficient Gas Burners and Induction Cooker.
2.	Improvement in energy usage efficiency in lighting system by changing over to efficient lighting solutions such as Light Emitting Diodes
3.	Replacement of existing motors and pumps with more energy efficient equipment.
4.	Process improvement to enhance productivity and reduce specific energy consumption.



GUJARAT HOTELS LIMITED

REPORT OF THE BOARD OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

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.	Upgradation of Fire Alarm and Public Announcement system	For Product Upgradation
2.	Installation of Hoods and Fire Suppression system	For Product Upgradation
3.	Upgradation of CCTV monitoring system	For Product Upgradation
4.	Upgradation of Electrical Panel	For Product Improvement
5.	Induction of Diesel Generator	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 2018-19, foreign exchange earnings of the Hotel aggregated ₹ 1,117.54 lakhs (previous year ₹ 958.87 lakhs) while expenditure in foreign currency aggregated ₹ 55.14 lakhs (previous year ₹ 32.30 lakhs).

EMPLOYEES

The total number of employees of the Company as on 31st March, 2019 stood at 198.

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, 2019.

The information pursuant to Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 containing the names of top 10 employees in terms of remuneration drawn is provided in the Annexure forming part of this report.

The information 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 : 15th April, 2019

D R Choudhury J Singh
 Director Director



GUJARAT HOTELS LIMITED

ANNEXURE

FORM NO. MR – 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
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 – 390 007 (hereinafter referred to as the 'Company') for the period commencing from 1st April, 2018 till 31st March, 2019 (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 2018-19, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2019 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, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 mandatory Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meetings and General Meetings.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. as mentioned above, however, in the Corporate Governance Report filed pursuant to Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with BSE for the quarter ended September and December 2018 there is mismatch of date of the meeting.

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 and Committees Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and where the meeting was held in shorter notice due compliance was made, 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 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
Dated : 15th April, 2019

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

To
The Members
Gujarat Hotels Limited

Our report of 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. Wherever 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
Dated : 15th April, 2019

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 fourth 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, 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 ₹ 3.70 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 : 15th April, 2019

D R Choudhury
Director

J Singh
Director



GUJARAT HOTELS LIMITED

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

INDEPENDENT AUDITOR'S 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 31st March, 2019, 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, as amended ("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 31st March, 2019.
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. This Certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

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

Place : New Delhi
Date : 15th April, 2019

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, 2019

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L55100GJ1982PLC005408
- ii) Registration Date : 7th August, 1982
- iii) Name of the Company : Gujarat Hotels Limited
- iv) Category / Sub-Category of the Company : Public company - Limited by shares
- v) Address of the Registered office and contact details : WelcomHotel Vadodara
R C Dutt Road, Alkapuri
Vadodara 390 007
Tel No.: 0265-233 0033
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
F - 65, Okhla Industrial Area, Phase - I
New Delhi - 110 020
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 Break-up as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	20,33,963	0	20,33,963	53.70	20,33,963	0	20,33,963	53.70	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	20,33,963	0	20,33,963	53.70	20,33,963	0	20,33,963	53.70	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	20,33,963	0	20,33,963	53.70	20,33,963	0	20,33,963	53.70	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	100	100	....	0	100	100	....	....
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	10	0	10	....	0	0	0	....	....
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	10	100	110	....	0	100	100	....	....
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3,00,003	2,200	302,203	7.98	1,91,626	2,100	1,93,726	5.11	(2.87)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,74,322	2,31,562	10,05,884	26.56	7,97,094	2,03,602	10,00,696	26.43	(0.13)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,20,814	0	2,20,814	5.83	3,34,765	0	3,34,765	8.84	3.01
c) Others (specify)									
i) Non Resident Individuals	44,288	71,500	1,15,788	3.06	45,662	56,700	1,02,362	2.70	(0.36)
ii) Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	1,08,753	0	1,08,753	2.87	1,21,903	0	1,21,903	3.22	0.35
Sub-total (B)(2)	14,48,180	3,05,262	17,53,442	46.30	14,91,050	2,62,402	17,53,452	46.30	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	14,48,190	3,05,362	17,53,552	46.30	14,91,050	2,62,502	17,53,552	46.30	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	34,82,153	3,05,362	37,87,515	100	35,25,013	2,62,502	37,87,515	100	0



GUJARAT HOTELS LIMITED

ANNEXURE

(ii) Shareholding of Promoters (including Promoter Group):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	ITC Limited	17,33,907	45.78	Nil	17,33,907	45.78	Nil	Nil
2.	Russell Investments Limited	3,00,056	7.92	Nil	3,00,056	7.92	Nil	Nil

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	No Change 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.	Savi Portfolio Management Services Limited				
	At the beginning of the year	1,22,218	3.23		
	Increase / Decrease in Shareholding during the year:	0	0.00	0	0.00
	At the end of the year			1,22,218	3.23
2.	Muktilal Ganulal Paldiwal				
	At the beginning of the year	82,742	2.18		
	Increase / Decrease in Shareholding during the year:				
	06/04/2018	220	0.01	82,962	2.19
	13/04/2018	250	0.01	83,212	2.20
	01/06/2018	927	0.02	84,139	2.22
	15/06/2018	700	0.02	84,839	2.24
	27/07/2018	412	0.01	85,251	2.25
	05/10/2018	1,000	0.03	86,251	2.28
	30/11/2018	500	0.01	86,751	2.29
	31/12/2018	958	0.03	87,709	2.32
	18/01/2019	124	0.00	87,833	2.32
	08/02/2019	1,070	0.03	88,903	2.35
	01/03/2019	467	0.01	89,370	2.36
	15/03/2019	1,000	0.03	90,370	2.39
	22/03/2019	200	0.01	90,570	2.40
	31/03/2019	50	0.00	90,620	2.40
	At the end of the year			90,620	2.40
3.	Taradevi Muktilal Paldiwal				
	At the beginning of the year	31,628	0.84		



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
	Increase / Decrease in Shareholding during the year:				
	06/04/2018	180	0.00	31,808	0.84
	13/04/2018	53	0.00	31,861	0.84
	20/04/2018	1,449	0.04	33,310	0.88
	27/04/2018	1,933	0.05	35,243	0.93
	04/05/2018	1,060	0.03	36,303	0.96
	11/05/2018	2,196	0.06	38,499	1.02
	18/05/2018	1,343	0.04	39,842	1.06
	25/05/2018	1,191	0.03	41,033	1.09
	06/07/2018	1,600	0.04	42,633	1.13
	13/07/2018	1,678	0.04	44,311	1.17
	20/07/2018	2,095	0.06	46,406	1.23
	27/07/2018	3,735	0.10	50,141	1.33
	03/08/2018	415	0.01	50,556	1.34
	10/08/2018	685	0.02	51,241	1.36
	24/08/2018	1,169	0.03	52,410	1.39
	31/08/2018	1,616	0.04	54,026	1.43
	07/09/2018	1,655	0.04	55,681	1.47
	14/09/2018	1,311	0.03	56,992	1.50
	21/09/2018	2,480	0.07	59,472	1.57
	29/09/2018	2,259	0.06	61,731	1.63
	05/10/2018	1,534	0.04	63,265	1.67
	12/10/2018	976	0.03	64,241	1.70
	19/10/2018	64	0.00	64,305	1.70
	26/10/2018	600	0.02	64,905	1.72
	02/11/2018	605	0.02	65,510	1.74
	09/11/2018	4	0.00	65,514	1.74
	16/11/2018	143	0.00	65,657	1.74
	30/11/2018	2,299	0.06	67,956	1.80
	07/12/2018	515	0.01	68,471	1.81
	14/12/2018	10	0.00	68,481	1.81
	21/12/2018	590	0.02	69,071	1.83
	31/12/2018	600	0.02	69,671	1.85
	04/01/2019	1,000	0.03	70,671	1.88
	25/01/2019	21	0.00	70,692	1.88
	01/02/2019	701	0.02	71,393	1.90
	08/02/2019	388	0.01	71,781	1.91
	15/02/2019	714	0.02	72,495	1.93
	01/03/2019	700	0.02	73,195	1.95
	15/03/2019	34	0.00	73,229	1.95
	At the end of the year			73,299	1.95
4.	Shah Viren Shantilal				
	At the beginning of the year	N.A.	N.A.		
	Became part of the top ten Shareholders of the Company with effect from 14/12/2018	26,965	0.71		



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
	Increase / Decrease in Shareholding during the year i.e. w.e.f. 14/12/2018:				
	11/01/2019	28,946	0.76	55,911	1.47
	01/02/2019	7,194	0.19	63,105	1.66
	At the end of the year			63,105	1.66
5.	Chirayush Pravin Vakil				
	At the beginning of the year	27,482	0.73		
	Increase / Decrease in Shareholding during the year:	0	0.00	0	0.00
	At the end of the year			27,482	0.73
6.	Falguni Nilesh Dedhia				
	At the beginning of the year	18,000	0.48		
	Increase / Decrease in Shareholding during the year:				
	27/04/2018	5,175	0.14	23,175	0.62
	At the end of the year			23,175	0.62
7.	Classic Realities Private Limited				
	At the beginning of the year	23,061	0.61		
	Increase / Decrease in Shareholding during the year:				
	31/08/2018	100	0.00	23,161	0.61
	At the end of the year			23,161	0.61
8.	Dheeraj Kumar Lohia				
	At the beginning of the year	20,000	0.53		
	Increase / Decrease in Shareholding during the year:	0	0.00	0	0.00
	At the end of the year			20,000	0.53
9.	Karvy Stock Broking Limited				
	At the beginning of the year	N.A.	N.A.		
	Became part of the top ten Shareholders of the Company with effect from 30/11/2018	23,063	0.61		
	Increase / Decrease in Shareholding during the year i.e. w.e.f. 30/11/2018:				
	07/12/2018	149	0.00	23,212	0.61
	14/12/2018 [#]	(8,165)	(0.22)	15,047	0.39
	31/12/2018 ^{##}	*7,128	0.19	22,175	0.58
	04/01/2019	3,087	0.08	25,262	0.66
	11/01/2019 [#]	(23,721)	(0.63)	1,541	0.03
	31/03/2019 ^{##}	*15,274	0.40	16,815	0.43
	At the end of the year			16,815	0.43
	[#] Ceased to be part of the top ten Shareholders of the Company.				
	^{##} Became part of the top ten Shareholders of the Company.				
	* Includes shares acquired during the period when not part of the top ten Shareholders of the Company.				
10.	Sonal Lohia				
	At the beginning of the year	20,000	0.53		
	Increase / Decrease in Shareholding during the year:				
	20/04/2018	(1,000)	(0.03)	19,000	0.50



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
	31/12/18 [#]	0	0.00	0	0.00
	11/01/2019 ^{##}	0	0.00	0	0.00
	31/03/2019	(5,000)	(0.13)	14,000	0.37
	At the end of the year			14,000	0.37
[#] Ceased to be part of the top ten Shareholders of the Company.					
^{##} Became a part of the top ten Shareholders of the Company.					
11.	Rajasthan Global Securities Private Limited				
	At the beginning of the year	98,659	2.60		
	Increase / Decrease in Shareholding during the year:				
	20/04/2018	(4,756)	(0.13)	93,903	2.47
	27/04/2018	(5,596)	(0.15)	88,307	2.32
	06/07/2018	(790)	(0.02)	87,517	2.30
	27/07/2018	(8,520)	(0.22)	78,997	2.08
	02/11/2018	(10,975)	(0.29)	68,022	1.79
	16/11/2018	(4)	0.00	68,018	1.79
	30/11/2018	(6,189)	(0.16)	61,829	1.63
	07/12/2018	(170)	0.00	61,659	1.63
	14/12/2018	(18,503)	(0.49)	43,156	1.14
	21/12/2018	(417)	(0.01)	42,739	1.13
	31/12/2018	(11,108)	(0.29)	31,631	0.84
	04/01/2019	(5,000)	(0.13)	26,631	0.71
	11/01/2019	(5,000)	(0.13)	21,631	0.58
	25/01/2019	(2,800)	(0.07)	18,831	0.51
	01/02/2019 [#]	0	0.00	0	0.00
	At the end of the year			N.A.	N.A.
[#] Ceased to be a part of the top ten Shareholders of the Company.					
12.	Dinesh Mukilal Paldiwal				
	At the beginning of the year	10,522	0.28		
	Increase / Decrease in Shareholding during the year:				
	03/08/2018	112	0.00	10,634	0.28
	10/08/2018	424	0.01	11,058	0.29
	07/09/2018	500	0.01	11,558	0.30
	21/09/2018	85	0.00	11,643	0.30
	05/10/2018	1,000	0.03	12,643	0.33
	02/11/2018 [#]	0	0.00	12,643	0.33
	01/02/2019 ^{##}	0	0.00	12,643	0.33
	15/02/2019	300	0.01	12,943	0.34
	31/03/2019 [#]	0	0.00	12,943	0.34
	At the end of the year			N.A.	N.A.
[#] Ceased to be part of the top ten Shareholders of the Company.					
^{##} Became part of the top ten Shareholders of the Company.					

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

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

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

Ms D R Choudhury, Messrs. C K Koshy, R C Mehta, M Narayanan and J Singh, Directors, Messrs. M Agarwal and 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.

Mr K Pahwa, Chief Executive Officer, also did not hold any Shares of the Company either at the time of his appointment or at the end of the year or at any time during the year.

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, Wholtime 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	1,40,000	0	10,000	1,50,000
	R C Mehta*	70,000	0	0	70,000
	M Narayanan	1,40,000	0	10,000	1,50,000
	Total (B)(1)	3,50,000	0	20,000	3,70,000
2.	Other Non-Executive Directors				
	N Anand	0	0	0	0
	D R Choudhury	0	0	0	0
	J Singh	0	0	0	0
	Total (B)(2)	0	0	0	0
	Total (B) = (B)(1) + (B)(2)				3,70,000
	Total Managerial Remuneration (A+B)				3,70,000
	Overall ceiling as per the Act (Being 11% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)				37,59,620

* Ceased to be Non-Executive Independent Director with close of work on 31st March, 2019.



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
		K Pahwa* Chief Executive Officer	M Agarwal Chief Financial Officer	D K Gulati Company Secretary	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3,77,472	28,83,242	8,80,140	41,40,854
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	2,42,908	1,36,154	0	3,79,062
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total Amount	6,20,380	30,19,396	8,80,140	45,19,916

* Mr K Pahwa was appointed as Chief Executive Officer w.e.f. 1st February, 2019.

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 : 15th April, 2019

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	0.73:1	7
R C Mehta	Independent Director	0.34:1	-
M Narayanan	Independent Director	0.73:1	7
J Singh	Non-Executive Director	-	-
D Rana	Chief Executive Officer	12.68:1	(15) [#]
K Pahwa	Chief Executive Officer (w.e.f. 1st February, 2019)	3.11:1	-
M Agarwal	Chief Financial Officer	15.28:1	24 [*]
D K Gulati	Company Secretary	4.37:1	8

[#] Services reverted to ITC Limited effective 17th December, 2018.

^{*} Reflects revision in remuneration effective 1st October, 2018.

Notes

- The number of permanent employees as on 31st March, 2019 was 198.
- Compared to 2017-18, the figures for 2018-19 reflect that:
 - Median remuneration of employees - Increased by 9.65%.
 - Average remuneration of employees excluding Key Managerial Personnel (KMP) - Increased by 10.40% with increase in number of employees.
 - Remuneration of KMP - Increased by 13.21%, 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
Top ten employees in terms of remuneration drawn								
Mayur Agarwal*	33	Chief Financial Officer	31,51,156	22,24,668	B.Com., A.C.A., C.S.	9	25.01.2017	ITC Limited, Manager - Finance
Deependra Rana **	38	Chief Executive Officer	26,15,119	14,26,865	Dip. in Hotel Management	16	25.01.2017	ITC Limited, General Manager
Deepak Kumar Gulati	33	Company Secretary	9,01,740	8,39,928	B.Com., A.C.S., LL.B.	7	01.07.2015	Religare Securities Limited, Manager - Compliance
Roshan Jacob Rajan	31	Assistant Manager	7,36,681	6,46,118	B.B.A., P.G.D.M. (Marketing)	5	01.03.2018	The Fern Hotel, Sales Manager
Kunal Pahwa*	37	Chief Executive Officer	6,40,997	2,17,309	Dip. in Hotel Management	15	01.02.2019	ITC Limited, General Manager
Saikat Sengupta	47	Executive	4,18,385	3,58,861	B.Com.	26	13.05.1995	Jindal Hotels Limited, Front office Assistant
Rajaram Kashiram Babar	52	Senior Executive	4,17,582	3,17,347	B.Com.	22	01.12.2016	Hotel Kaviraj, Executive
Vasundhara Sonawane	52	Executive	4,01,005	3,36,903	HSC, Certificate Course in Cookery	29	01.04.1993	Nil
Vadansingh Guman Singh Ranavat	55	Junior Executive	3,89,706	3,13,972	HSC, Dip. in Hotel Management	38	05.01.1994	Hotel Rama-inn, Senior Captain
Pravin Makwana	56	Supervisor	3,64,111	3,10,407	8th Standard	34	10.04.1986	Dodsal Company, Welder

* On deputation from ITC Limited (ITC).

** Services reverted to ITC effective 17th December, 2018.

Notes:

- 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.
- 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 : 15th April, 2019

D R Choudhury
Director

J Singh
Director



GUJARAT HOTELS LIMITED

CEO AND CFO COMPLIANCE CERTIFICATE

We, Kunal Pahwa, 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, 2019 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, 2019 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) The changes in the Significant Accounting Policies arising from the adoption of the Indian Accounting Standards have been discussed with the auditors and have been approved by the Audit Committee; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Date : 15th April, 2019

Kunal Pahwa
Chief Executive Officer

Mayur Agarwal
Chief Financial Officer



GUJARAT HOTELS LIMITED

BALANCE SHEET

As at 31st March, 2019

Particulars	Note	Amount in ₹	
		As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	2	1,46,95,652	1,56,23,727
b) Other Non-Current Assets	3	66,72,434	76,09,451
Total Non-Current Assets		2,13,68,086	2,32,33,178
Current Assets			
a) Financial Assets			
(i) Investments	4	28,02,94,894	20,84,82,957
(ii) Trade Receivables	5	1,63,10,661	1,41,54,244
(iii) Cash and Cash Equivalents	6	7,63,039	9,00,355
(iv) Other Bank Balances	7	54,89,856	5,31,82,631
(v) Other Financial Assets	8	47,24,316	63,49,124
b) Other Current Assets	3	4,37,564	4,06,324
Total Current Assets		30,80,20,330	28,34,75,635
Total Assets		32,93,88,416	30,67,08,813
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	9	3,78,75,150	3,78,75,150
b) Other Equity		26,82,75,037	24,34,68,594
Total Equity		30,61,50,187	28,13,43,744
LIABILITIES			
Non-Current Liabilities			
a) Provisions	10	13,99,224	12,70,990
b) Deferred Tax Liabilities (Net)	11	1,07,45,247	1,13,64,002
Total Non-Current Liabilities		1,21,44,471	1,26,34,992
Current Liabilities			
a) Financial Liabilities			
(i) Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises.		—	—
b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		4,83,074	3,95,920
(ii) Other Financial Liabilities	12	92,72,344	1,11,18,126
b) Other Current Liabilities	13	12,64,039	11,72,866
c) Provisions	10	74,301	43,165
Total Current Liabilities		1,10,93,758	1,27,30,077
Total Equity And Liabilities		32,93,88,416	30,67,08,813

The accompanying notes 1 to 22 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 : 15th April, 2019

K Pahwa
Chief Executive Officer

M Agarwal
Chief Financial Officer

D K Gulati
Company Secretary



GUJARAT HOTELS LIMITED

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2019

		Amount in ₹	
Particulars	Note	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
I Revenue From Operations	14	3,69,86,948	3,30,98,499
II Other Income	15	1,96,25,544	1,71,19,109
III Total Income (I+II)		5,66,12,492	5,02,17,608
IV EXPENSES			
Employee Benefits Expense	16	12,08,580	10,94,609
Depreciation and Amortization Expense		4,73,636	4,75,984
Other Expenses	17	31,07,913	33,34,087
Total Expenses (IV)		47,90,129	49,04,680
V Profit Before Tax (III- IV)		5,18,22,363	4,53,12,928
VI Tax Expense:			
Current Tax	18	1,16,53,499	92,72,310
Deferred Tax	18	(6,18,755)	23,50,502
VII Profit for the Year (V-VI)		4,07,87,619	3,36,90,116
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the Year (VII+VIII)		4,07,87,619	3,36,90,116
X Earnings per Equity Share (Face Value ₹ 10/-each):	19		
Basic (in ₹)		10.77	8.90
Diluted (in ₹)		10.77	8.90

The accompanying notes 1 to 22 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 : 15th April, 2019

K Pahwa
Chief Executive Officer

M Agarwal
Chief Financial Officer

D K Gulati
Company Secretary



GUJARAT HOTELS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2019

A. Equity Share Capital

	Amount in ₹		
	Balance as at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March 2018	3,78,75,150	—	3,78,75,150
For the year ended 31st March 2019	3,78,75,150	—	3,78,75,150

B. Other Equity

	Reserves & Surplus		Amount in ₹
	General Reserve	Retained Earnings	Total
Balance as at April 01, 2017	3,02,57,504	19,58,73,461	22,61,30,965
Total Comprehensive Income for the year	—	3,36,90,116	3,36,90,116
Dividend	—	1,32,56,303	1,32,56,303
Income Tax on Dividend Paid	—	26,98,671	26,98,671
Dividend Distribution Tax (earlier year)	—	3,97,513	3,97,513
Balance as at March 31, 2018	3,02,57,504	21,32,11,090	24,34,68,594
Balance as at April 01, 2018	3,02,57,504	21,32,11,090	24,34,68,594
Total Comprehensive Income for the year	—	4,07,87,619	4,07,87,619
Dividend	—	1,32,56,303	1,32,56,303
Income Tax on Dividend Paid	—	27,24,873	27,24,873
Balance as at March 31, 2019	3,02,57,504	23,80,17,533	26,82,75,037

The Board of Directors of the Company recommended a dividend of ₹ 3.5 per share (for the year ended 31st March, 2018 - 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, 2018 - dividend ₹ 1,32,56,303). Income tax on proposed dividend being ₹ 27,24,873 (for the year ended 31st March, 2018 - ₹ 27,24,873).

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 22 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 : 15th April, 2019

K Pahwa
Chief Executive Officer

M Agarwal
Chief Financial Officer

D K Gulati
Company Secretary



GUJARAT HOTELS LIMITED

CASH FLOW STATEMENT

For the year ended 31st March, 2019

Amount in ₹

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	5,18,22,363	4,53,12,928
Adjustments for:		
Depreciation & Amortisation expense	4,73,636	4,75,984
Interest Income	(13,17,822)	(34,53,950)
Dividend Income	(1,59,984)	(1,78,075)
Loss on sale of property, plant and equipment - Net	4,45,778	(28,273)
Net gain/(loss) on investments mandatorily measured at fair value through profit or loss	(1,80,05,340)	(1,33,58,789)
Other Non Operating Income	—	(86,856)
Other Non Operating Expense	—	99,378
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,32,58,631	2,87,82,347
Adjustments for:		
Trade Receivables, Financial Assets and Other Assets	(28,15,198)	(90,661)
Trade Payables, Other Liabilities and Provisions	(15,68,800)	17,00,052
CASH GENERATED FROM OPERATIONS	2,88,74,633	3,03,91,738
Income Tax Paid(Net)	(1,04,07,981)	(1,27,40,273)
NET CASH FROM OPERATING ACTIVITIES	1,84,66,652	1,76,51,465
B. Cash Flow from Investing Activities		
Sale of Property Plant and Equipment	8,661	58,452
Purchase of Current Investments	(22,43,40,000)	(18,62,20,000)
Sale/Redemption of Current Investments	17,05,32,754	18,32,95,529
Dividend Income	1,59,984	1,78,075
Interest Received	32,62,318	40,31,382
NET CASH FROM INVESTING ACTIVITIES	(5,03,76,283)	13,43,438
C. Cash Flow from Financing Activities		
Dividend Paid	(1,32,56,303)	(1,32,56,303)
Income Tax on Dividend Paid	(27,24,873)	(26,98,671)
NET CASH FROM FINANCING ACTIVITIES	(1,59,81,176)	(1,59,54,974)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,78,90,807)	30,39,929
OPENING CASH AND CASH EQUIVALENTS	4,86,53,846	4,56,13,917
CLOSING CASH AND CASH EQUIVALENTS	7,63,039	4,86,53,846
CASH AND CASH EQUIVALENTS COMPRISE :		
Cash, cheques and current accounts	7,63,039	9,00,355
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
	7,63,039	4,86,53,846

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 22 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 : 15th April, 2019

K Pahwa
Chief Executive Officer

M Agarwal
Chief Financial Officer

D K Gulati
Company Secretary

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) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended). 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 and Ind AS 1 – Presentation of Financial Statements 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. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP.

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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and 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.

Property, plant and equipment's residual values and useful lives are reviewed at each balance sheet date and changes, if any, are treated as changes in accounting estimate.

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
Furnitures and fixtures	8 years
Office equipment	5 Years

Impairment of Assets

Impairment loss is provided, if any, to the extent, the carrying amount of assets or cash generating units 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 fair 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.

(c) 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.

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

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Revenue

1. Revenue is measured at the fair value of the consideration received or receivable for services rendered, net of discounts to customers and excludes taxes such as Goods and Services Tax. Revenue from the sale of services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. Income from operating license fees are recognized on accrual basis in accordance with Operating License agreement. The timing of such revenue recognition is in the periods in which such services are rendered.
2. Interest Income is booked in the Statement of Profit and Loss 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 Company also makes contribution to defined benefit gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. 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.

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 and tax laws enacted during the 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 and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

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.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Dividend Distribution

Dividends paid (including income tax thereon) is recognised in the financial statements in the period in which in which the interim dividends are approved by the Board of Directors 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 an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount so recognized is the best estimate of the consideration required to settle the obligation at the reporting date, 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 Statement of Profit and Loss 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. Information about such valuation is provided in notes to the financial statements.

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				Net Block	
	April 1, 2017	Additions	Withdrawal and Adjustment	March 31, 2018	Withdrawal and Adjustment	For the year	March 31, 2018	Withdrawal and Adjustment	March 31, 2019	March 31, 2018
Tangible Assets										
Building	1,61,88,565	-	- 1,61,88,565	1,59,21,682	2,86,883	4,75,984	14,32,140	29,055	1,40,44,961	1,47,56,425
Plant and Equipment*	7,63,701	-	20,716	7,42,985	2,04,793	-	-	-	5,38,192	7,42,985
Furniture and Fixtures*	1,27,884	-	5,584	1,22,300	11,818	-	-	-	1,10,482	1,22,300
Office Equipment*	2,017	-	-	2,017	-	-	-	-	2,017	2,017
Total	1,70,82,167	-	26,300	1,70,55,967	4,83,494	4,75,984	14,32,140	29,055	18,76,721	1,56,23,727

* Fully depreciated assets



GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Amount in ₹			
	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
3 OTHER ASSETS				
Advances other than capital advances				
Security Deposit				
- With Others		23,28,947		23,28,947
- Statutory Authorities		2,00,000		
Other Advances (prepaid expenses)	4,37,564	-	4,06,324	-
Advance Tax (Net of Provisions)		41,43,487		52,80,504
TOTAL	4,37,564	66,72,434	4,06,324	76,09,451

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, 2019		As at 31st March, 2018	
		Unquoted		Unquoted	
1	DHFL Pramerica Ultra Short Term Fund Nil (2018 - 10,40,731.248) Units of ₹ 10.00 each		-		2,19,45,588
2	ICICI Prudential Banking & PSU Debt Fund 11,24,750.948 Units (2018 - 11,24,750.948) of ₹ 10.00 each		2,38,72,614		2,24,70,274
3	ICICI Prudential Corporate Bond Fund 12,41,451.718 Units (2018 - 12,41,451.718) of ₹ 10.00 each		2,37,12,100		2,21,22,670
4	UTI Floating Rate Fund Short Term Fund 7749.911 Units (2018-7,749.911) of ₹ 1000.00 each		2,34,74,167		2,18,89,953
5	SBI Magnum Instacash Nil Units (2018-3177.849) of ₹ 1000.00 each		-		70,22,018
6	Aditya Birla Sun Life Floating Rate Fund-Long Term 2,74,475.933 Units (2018-3,19,824.542) Units of ₹ 100.00 each		6,36,14,941		6,86,67,520
7	Aditya Birla Sunlife Saving Fund 1,37,924.934 Units (2018-1,29,174.683) Units of ₹ 100.00 each		5,11,71,946		4,43,64,934
8	Kotak Savings Fund 1128273.230 Units (2018-Nil) of ₹ 10.00 each		3,38,16,154		-
9	Reliance Liquid Fund 11416.769 Units (2018- Nil) of ₹ 1000.00 each		5,18,23,115		-
10	ICICI Prudential Liquid Fund 57413.509 Units (2018- Nil) of ₹ 100.00 each		88,09,857		-
	Aggregate amount of unquoted Investments		28,02,94,894		20,84,82,957
	TOTAL		28,02,94,894		20,84,82,957

	Amount in ₹	
	As at 31st March, 2019	As at 31st March, 2018

5 TRADE RECEIVABLES

Unsecured, Considered Good	1,63,10,661	1,41,54,244
TOTAL	1,63,10,661	1,41,54,244

6 CASH AND CASH EQUIVALENTS @

Balances with Banks		
Current Accounts	7,60,024	9,00,355
Cash on Hand	3,015	-
TOTAL	7,63,039	9,00,355

@ Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

7 OTHER BANKS BALANCES

Earmarked balances	54,89,856	54,29,140
On Deposit Accounts *	-	4,77,53,491
TOTAL	54,89,856	5,31,82,631

* 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, 2019	As at 31st March, 2018
8 OTHER FINANCIAL ASSETS		
Interest accrued on Deposits	1,58,000	22,10,348
Others - Unsecured, considered good	45,66,316	41,38,776
TOTAL	47,24,316	63,49,124

	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 ₹	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 ₹
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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

	31st March, 2019	31st March, 2018
As at the beginning of the year	37,87,515	37,87,515
Add - Shares issued during the year	-	-
Less -Shares bought back during the year	-	-
As at the end of the year	37,87,515	37,87,515

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

	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 %	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 %
ITC Limited	17,33,907	45.78%	17,33,907	45.78%
Russell Investments Limited	3,00,056	7.92%	3,00,056	7.92%

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 PROVISIONS

Provision for Long Term Employee Benefits

TOTAL

As at 31st March, 2019		As at 31st March, 2018	
Current	Non-Current	Current	Non-Current
74,301	13,99,224	43,165	12,70,990
74,301	13,99,224	43,165	12,70,990



GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Amount in ₹

Particulars	As at 31st March, 2019	As at 31st March, 2018
11 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities	1,07,45,247	1,13,64,002
Total	1,07,45,247	1,13,64,002

Movement in Deferred Tax Liabilities/Assets Balances

For the year 2018-19	Balance as on 1st April, 2018	Recognized in profit or loss	Balance as on 31st March, 2019
Deferred Tax Liabilities in relation to:			
Other timing differences			
On Depreciation on PPE	42,93,876	(2,52,926)	40,40,950
On Gain on Investment at FVTPL	70,70,126	4,73,819	75,43,945
Total Deferred Tax Liabilities	1,13,64,002	2,20,893	1,15,84,895
Deferred tax liabilities before MAT credit entitlement	1,13,64,002	2,20,893	1,15,84,895
Less: MAT credit entitlement	-	8,39,648	8,39,648
Total Deferred Tax Liabilities (Net)	1,13,64,002	(6,18,755)	1,07,45,247
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/assets in relation to:			
Other timing differences			
On Depreciation on PPE	43,83,618	(89,742)	42,93,876
On Gain on Investment at FVTPL	46,29,882	24,40,244	70,70,126
Total Deferred Tax Liabilities (Net)	90,13,500	23,50,502	1,13,64,002

	As at 31st March, 2019	As at 31st March, 2018
12 OTHER FINANCIAL LIABILITIES		
Unpaid Dividend	54,89,856	54,29,140
Employee Related	37,82,488	56,88,986
TOTAL	92,72,344	1,11,18,126
13 OTHER CURRENT LIABILITIES		
Statutory Liabilities	12,64,039	11,72,866
TOTAL	12,64,039	11,72,866



GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
14 REVENUE FROM OPERATIONS		
Operating License Fees	3,69,86,948	3,30,98,499
TOTAL	3,69,86,948	3,30,98,499
15 OTHER INCOME		
Interest Income		
- Deposit with Banks- Carried At Amortised Cost	11,78,600	32,72,160
- Deposit Others	1,39,222	1,81,790
Dividend Income on Investment measured at FVTPL	1,59,984	1,78,075
Net Gain/(Loss) on financial assets mandatorily measured at FVTPL*	1,80,05,340	1,33,58,789
Net Gain/(Loss) on Disposal of Fixed Assets	-	28,273
Other Non-Operating Income	1,42,398	1,00,022
TOTAL	1,96,25,544	1,71,19,109
* Includes 11,20,976/- (2018 - 6,81,882/-) being net gain/(loss) on sale of investments.		
16 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	4,24,61,991	3,85,90,070
Contribution to Provident and Other Fund	45,64,892	39,83,444
	4,70,26,883	4,25,73,514
Less: Recoveries made/Reimbursements received	(4,58,18,303)	(4,14,78,905)
TOTAL	12,08,580	10,94,609
17 OTHER EXPENSES		
Advertising / Sales Promotion	1,59,768	1,58,814
Consultancy / Professional fees	2,14,842	2,53,969
Travelling & Conveyance	8,10,746	10,96,527
Postage, Telephone, Stationery etc.	3,66,042	2,05,049
Miscellaneous Expenses	15,56,515	16,19,728
TOTAL	31,07,913	33,34,087
Miscellaneous expenses includes Auditors remuneration and expenses :		
Audit Fees	60,000	60,000
Fees for other services	40,000	-
18 INCOME TAX EXPENSES		
A. Amount recognised in profit or loss		
Current Tax		
Income Tax for the Year	1,15,04,441	94,81,109
Adjustments/(Credits) related to previous year	1,49,058	(2,08,799)
Total Current Tax	1,16,53,499	92,72,310
Deferred Tax		
Deferred tax for the year	2,20,893	23,50,502
Mat Credit Entitlement	(8,39,648)	-
Total Deferred Tax	(6,18,755)	23,50,502
TOTAL	1,10,34,744	1,16,22,812



GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Amount in ₹	
	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
B. Reconciliation of effective tax rate		
Profit before tax	5,18,22,363	4,53,12,928
Indian tax rate	27.82%	27.55%
Income Tax expense calculated at 27.82% (2018 27.55%)	1,44,16,981	1,24,84,845
Effects of:		
– Different tax rate on certain items	(29,22,098)	(7,56,048)
– Difference in taxable income/deductible expense	9,697	42,609
– Incomes that are not taxable in determining taxable profit	(44,508)	(49,064)
Adjustments recognised in the current year in relation to		
Current tax of prior years	(4,25,328)	(2,08,799)
Effect on deferred tax balances due to the change in income tax rate	–	1,09,269
Income Tax recognised in profit or loss	1,10,34,744	1,16,22,812

The tax rate used for the year 2018-19 and 2017-18 reconciliations above is the corporate tax rate of 25% + surcharge @ 7% and education cess @ 4% (2017-18 3%) payable on taxable profits under the Income Tax Act, 1961.

19 EARNINGS PER EQUITY SHARE

Profit for the year	4,07,87,619	3,36,90,116
Number of equity shares outstanding	37,87,515	37,87,515
Basic and diluted earnings per share in (Face value ₹ 10/- per share)	10.77	8.90

20 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

- A. The Company was allotted 8200 sq mtrs of land at Vadodara in 1984 and an additional land of 2548 sq mtrs in 1988 at R C Dutt Road, Alkapuri, Vadodara through GIIC (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 of land admeasuring 2548 sq mtrs expired on 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 for hearing.

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

- B. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- C. The Company operates in one segment i.e. Hoteliering and within one geographical segment i.e. India.
- D. Defined Benefit Plan:

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.

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



GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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.

Particulars	(Amount in ₹)	
	2018-19	2017-18
I Components of Defined Benefit Cost Recognised in Profit or Loss	31-03-2019	31-03-2018
a. Current Service Cost	6,41,829	5,19,816
b. Past Service Cost	–	–
c. Net Interest Cost	(1,84,109)	(72,060)
Remeasurements		
a. Effect of changes in demographic assumptions	(2,108)	–
b. Effect of changes in financial assumptions	–	(5,46,692)
c. Effect of experience adjustments	(1,42,950)	(7,00,483)
d. (Return) on plan assets (excluding interest income)	24,103	1,10,903
e. Changes in asset ceiling (excluding interest income)	–	–
f. Total remeasurements included in OCI	(1,69,160)	(13,58,078)
Total defined benefit cost recognized in P&L	2,88,560	(9,10,323)
II Net Assets /(Liabilities) recognised in Balance Sheet	31-03-2019	31-03-2018
1. Defined Benefit Obligation at end of period	1,11,12,243	1,02,97,864
2. Fair value of plan assets at end of period	1,30,58,222	1,20,08,773
3. Net defined benefit liability (asset)	(19,45,979)	(17,10,909)
III Change in Defined Benefit Obligation	31-03-2019	31-03-2018
1. Defined benefit obligation at beginning of period	1,02,97,864	1,11,00,682
2. Current service cost	6,41,829	5,19,816
3. Interest expenses	7,55,904	7,22,369
4. Remeasurements gains /(losses):		
a. Effect of changes in demographic assumptions	(2,108)	–
b. Effect of changes in financial assumptions	–	(5,46,692)
c. Effect of experience adjustments	(1,42,950)	(7,00,483)
5. Benefits Paid	(4,38,296)	(7,97,828)
6. Present Value of DBO at end of the year	1,11,12,243	1,02,97,864
IV Change in Fair Value of Plan Assets	31-03-2019	31-03-2018
1. Fair value of plan assets at beginning of period	1,20,08,773	1,15,29,880

NOTES TO THE FINANCIAL STATEMENTS

2. Interest income	9,40,012	7,94,430
3. Actual Company Contributions	5,23,630	3,71,388
4. Benefits Paid	(4,38,296)	(7,97,828)
5. Remeasurements Gains/(Losses) on plan assets	24,103	1,10,903
6. Fair Value of Plan Assets at end of period	1,30,58,222	1,20,08,773
V Significant Actuarial Assumptions	31-03-2019	31-03-2018
1. Discount rate (%)	7.50%	7.50%
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 (2012-14) Ultimate	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.

	DBO as at 31-03-2019	DBO as at 31-03-2018
1. Discount rate +100 basis points	1,04,84,869	96,70,706
2. Discount rate -100 basis points	1,18,04,923	1,09,90,814
3. Salary Increase Rate +1%	1,17,46,789	1,09,36,454
4. Salary Increase Rate -1%	1,05,25,722	97,07,734
5. Attrition Rate +1%	1,11,27,835	1,03,17,961
6. Attrition Rate -1%	1,10,95,064	1,02,76,102
Maturity Analysis of the Benefit Payments	31-03-2019	31-03-2018
Year 1	8,04,294	3,99,061
Year 2	11,17,591	7,69,443
Year 3	5,58,914	12,11,853
Year 4	22,04,073	5,12,504
Year 5	13,03,903	20,56,016
Next 5 years	43,23,660	46,03,103

- E. Amount towards Defined Contribution Plans have been recognized under Contribution to Provident and Other Funds in Note 16: ₹ 45,64,892/- (2018 - ₹ 39,83,444/-).
- F. The financial statements were approved for issue by the Board of Directors on 15th April, 2019.
- G. Company has adopted IND As 115 'Revenue from Contracts with Customers' w.e.f. 01st April 2018 on prospective basis and there is no material impact on Financial Statements.
- H. Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30th March, 2019 notifying new Standard Ind AS 116 'Leases' and other consequential amendment in existing Ind As. This Ind AS is applicable for annual period beginning on or after 01st April, 2019. The company is in the process of analysing the impact of such amendment which are not expected to be material.



GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

21 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, 2019		As at March 31, 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial Assets					
a) Measured at Amortised Cost					
i) Cash and cash equivalents	6	7,63,039	7,63,039	9,00,355	9,00,355
ii) Other bank balances	7	54,89,856	54,89,856	5,31,82,631	5,31,82,631
iii) Trade Receivables	5	1,63,10,661	1,63,10,661	1,41,54,244	1,41,54,244
iv) Other Financial Assets	8	47,24,316	47,24,316	63,49,124	63,49,124
Sub - total		2,72,87,872	2,72,87,872	7,45,86,354	7,45,86,354
b) Measured at Fair Value through Profit or Loss					
i) Investment in mutual funds	4	28,02,94,894	28,02,94,894	20,84,82,957	20,84,82,957
Sub - total		28,02,94,894	28,02,94,894	20,84,82,957	20,84,82,957
Total Financial Assets		30,75,82,766	30,75,82,766	28,30,69,311	28,30,69,311
B. Financial Liabilities					
Measured at Amortised Cost					
i) Trade Payables		4,83,074	4,83,074	3,95,920	3,95,920
ii) Other Financial Liabilities	12	92,72,344	92,72,344	1,11,18,126	1,11,18,126
Total Financial Liabilities		97,55,418	97,55,418	1,15,14,046	1,15,14,046

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. Financial Risk Management Objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Liquidity Risk

The company has current assets aggregate to ₹ 30,80,20,330/- (2018- ₹ 28,34,75,635) including Current Investments, Cash and cash equivalents and Other bank balances of ₹ 28,65,47,789/- (2018- ₹ 26,25,65,943/-) against an aggregate Current liability of ₹ 1,10,93,758/- (2018- ₹ 1,27,30,077/-) on the reporting date. Further, while the Company's total equity stands at ₹ 30,61,50,187/- (2018- ₹ 28,13,43,744/-) 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.

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



GUJARAT HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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.

Credit Risk

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.

22 Related Party Disclosures

Related Party Transactions

i) Name of related parties and nature of relationships.

ITC Limited, 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	
	2019	2018	2019	2018
License Fees Received	4,36,44,599	3,88,34,172	—	—
Purchase of Services	3,64,514	5,13,635	—	—
Remuneration of Managers on Deputation Reimbursed	59,16,468	52,36,397	—	—
Recoveries of Contractual Remuneration (Including Managers on Deputation)	5,30,58,539	5,15,02,148	—	—
Expenses Recovered	21,68,155	24,00,471	—	—
Expenses Reimbursed	—	44,604	—	—
Dividend Payments	60,68,675	60,68,675	700	700
Remuneration to Key Management Personnel - Director's Sitting Fees			3,70,000	3,50,000
Balance amount recoverable	2,08,65,894	1,82,92,750	—	—
Balance amount payable	—	—	—	—



GUJARAT HOTELS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
GUJARAT HOTELS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Gujarat Hotels Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the matter
1.	<p>Evaluation of uncertain legal position of leasehold land.</p> <p>(Refer note no. 20A to the financial statements)</p> <p>The lease period of land held by the Company has expired. The Company has filed necessary writ petition with High Court of Gujarat in April, 2013 which is still pending for adjudication. The Company has also made necessary application to State Government for Conversion of land from Leasehold to Freehold or Extension of Lease, which is in process. This matter being sub-judice, essentially involves significant judgement to determine the possible outcome and therefore, we have considered it as a key audit matter.</p>	<p>We performed the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained details of application made to State Government. • Obtained details of writ petition filed to the High Court of Gujarat and order copy passed by the High Court of Gujarat restraining the State Government from disturbing the actual possession over the property. • Obtained details of progress in the matter. • Discussed the case with the Company's legal advisor about the possible outcomes. • Read the minutes of the board meetings. <p>Based on the procedures described, management's evaluation on the same is acceptable.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance

and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing

so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter/s should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid 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 31st March 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019, 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended, the Company has neither paid nor provided for any remuneration to its directors during the year.
- h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company 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

Place : New Delhi
Date : 15th April 2019

Vishal P. Doshi
Partner
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 financial statements for the year ended 31st March, 2019, we report that:

- i. (a) 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 immovable properties are held in the name of the Company, with respect to land, the Company has filed a writ petition with Gujarat High Court seeking that the Gujarat State Government be directed to take action on Company's application to have the leasehold land of the Hotel Converted to freehold and transferred to Company as per the existing government policy in this regard.
- ii. The Company does not have any inventory and therefore, reporting under clause (ii) of the Order is not applicable to the Company.
- iii. 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. The Company has not given any loans, guarantees or security. In respect of the Investments made, in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act.
- v. 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 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) 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, value added tax, goods and service 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, value added tax, goods and service tax, cess and any other statutory dues were in arrears, as at 31st March 2019 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, value added tax and goods and service tax which have not been deposited on account of any dispute.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures and therefore, reporting under clause (viii) of the Order is not applicable to the Company.
- ix. 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. To the best of our knowledge 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. The Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.



GUJARAT HOTELS LIMITED

INDEPENDENT AUDITOR'S REPORT

- 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 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 : 15th April 2019

Vishal P. Doshi
Partner
Membership No. 101533

ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Gujarat Hotels Limited** on the financial statements of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to financial statements of **Gujarat Hotels Limited** (“the Company”) as of 31st March 2019 in conjunction with our audit of the 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the, “Guidance note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 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 ICAI. 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 with reference to financial statements were 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 with reference to financial statements and their

operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2019, 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 : 15th April 2019

Vishal P. Doshi
Partner
Membership No. 101533



Cambay Pavilion - 24x7 Fine Dining restaurant



Peshawri - Speciality restaurant catering to North-West Frontier cuisine



Gujarat Hotels Limited

