



GUJARAT HOTELS LTD.

R. C. Dutt Road, Alkapuri, VADODARA-390 007, Gujarat, India.  
Phone : (0265) 2330033 Fax : (0265) 2330050

**Date:** 16<sup>th</sup> August, 2023

The General Manager  
Dept. of Corporate Services  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

Dear Madam/Sir,

**Report and Accounts for the financial year ended 31<sup>st</sup> March, 2023**

Further to our letter dated 26<sup>th</sup> July, 2023, we hereby enclose, in terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Report and Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2023 together with the Notice dated 26<sup>th</sup> July, 2023 convening the 41<sup>st</sup> Annual General Meeting (AGM) of the Company on 11<sup>th</sup> September, 2023.

The aforesaid Report and Accounts and AGM Notice are also being uploaded on the Company's Website [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in).

Thanking You,

Yours faithfully,  
**Gujarat Hotels Limited**

**Sneha Gupta**  
**Company Secretary & Compliance Officer**

Encl: as above



**Gujarat Hotels Limited**



**REPORT AND ACCOUNTS 2023**



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  
Cheruvettolil Kochukoshy Koshy  
Mahalinga Narayanan  
Benita Sharma  
Ashish Thakar

### Board Committees

#### Audit Committee

M Narayanan	Chairman
M S Bhatnagar	Member
C K Koshy	Member
A Thakar	Member
N Goenka	Invitee
A Deshmukh	Invitee
Representative of Statutory Auditor	Invitee
S Gupta	Secretary

#### Nominations and Remuneration Committee

C K Koshy	Chairman
N Anand	Member
M Narayanan	Member
S Gupta	Secretary

#### Stakeholders Relationship Committee

A Thakar	Chairman
M S Bhatnagar	Member
C K Koshy	Member
S Gupta	Secretary

### Key Managerial Personnel

#### Chief Executive Officer

Avinash Deshmukh

#### Chief Financial Officer

Nitish Goenka

#### Company Secretary

Sneha Gupta

#### Registered Office

Welcomhotel Vadodara  
R C Dutt Road, Alkapuri  
Vadodara - 390 007  
Telephone No. : 0265-233 0033  
CIN : L55100GJ1982PLC005408  
Website : [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in)  
e-mail : [ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in)

#### Statutory Auditors

K C Mehta & Co. LLP  
Chartered Accountants  
Vadodara

#### Registrar and Share Transfer Agents

MCS Share Transfer Agent Limited  
F- 65, 1<sup>st</sup> Floor  
Okhla Industrial Area, Phase - 1  
New Delhi - 110 020  
Telephone No. : 011-4140 6149  
e-mail: [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com)



# GUJARAT HOTELS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

### GUJARAT HOTELS LIMITED

CIN: L55100GJ1982PLC005408

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

Tel: 0265 233 0033 ● E-mail: ghlinvestors@yahoo.co.in ● Website: www.gujarathotelsltd.in

### NOTICE OF 41<sup>ST</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty First Annual General Meeting of the Members of Gujarat Hotels Limited will be held on **Monday, 11<sup>th</sup> September, 2023, at 11:00 a.m. (IST)** for the transaction of the following businesses, through Video Conferencing / Other Audio Visual Means in conformity with the regulatory provisions and the Circulars issued by the Ministry of Corporate Affairs, Government of India:-

#### ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023, and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Final Dividend of ₹ 2/- per Equity Share of ₹10/- each for the financial year ended 31<sup>st</sup> March, 2023.
3. To appoint a Director in place of Mr. Nakul Anand (DIN: 00022279) who retires by rotation and, being eligible, offers himself for re-appointment.
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 or any amendment thereto or modification thereof, the remuneration of ₹ 85,000/- (Rupees Eighty Five Thousand Only) to Messrs. K C Mehta & Co. LLP, Chartered Accountants (FRN 106237W/W100829), Statutory Auditor of the Company, for conduct of audit for the financial year 2023-24, payable in one or more instalments, plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby approved.”

The Record Date fixed for the purpose of determining entitlement of the Members to the Final Dividend for the financial year ended 31<sup>st</sup> March, 2023 is **Friday, 25<sup>th</sup> August, 2023**. Such Dividend, if declared, will be paid between **Tuesday, 12<sup>th</sup> September, 2023 and Saturday, 16<sup>th</sup> September, 2023** to those Members entitled thereto.

By Order of the Board  
Gujarat Hotels Limited

Sneha Gupta  
Company Secretary

Dated: 26<sup>th</sup> July, 2023  
Place: Gurugram

#### NOTES:

- (i) Since this Annual General Meeting ('AGM') will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), (a) Members will not be able to appoint proxies for this AGM, and (b) Attendance Slip & Route Map are not annexed to this Notice.
- (ii) Corporate and Institutional Members (companies, trusts, societies etc.) are requested to send a certified copy (in PDF / JPG format) of the Board Resolution/ appropriate authorization to attend this AGM, pursuant to Section 113 of the Companies Act, 2013 ('the Act') through e-mail at [ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in) or by post to the Company at its Registered Office.
- (iii) In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable Circulars, the items for consideration at this AGM will be transacted through remote e-voting (i.e. facility to cast vote prior to the AGM) and also e-voting during the AGM, for which purpose the Board of Directors of the Company ('the Board') have engaged the



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## NOTICE OF ANNUAL GENERAL MEETING

services of National Securities Depository Limited ('NSDL'). The Board has appointed Ms. Pooja Bhatia (Membership No: F7673), Proprietor, Messrs. P B & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the process of e-voting.

Detailed instructions for e-voting and also for attending the AGM are annexed.

- (iv) **Remote e-voting will commence at 9:00 a.m. on Thursday, 7<sup>th</sup> September, 2023 and will end at 5:00 p.m. on Sunday, 10<sup>th</sup> September, 2023**, when e-voting module will be disabled by NSDL.
- (v) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on **Monday, 4<sup>th</sup> September, 2023 (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 e-voting during the AGM. Those who are not Members on the cut-off date should accordingly treat this Notice as for information purposes only.
- (vi) Pursuant to the Income-tax Act, 1961, dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source from such dividend at the prescribed rates. A communication providing detailed information & instructions with respect to tax on the Final Dividend for the financial year ended 31<sup>st</sup> March, 2023 is being sent separately to the Members. The said communication will also be made available on the Company's website [www.gujarathotelsind.in](http://www.gujarathotelsind.in).
- (vii) Unclaimed dividend for the financial year 2015-16 and the Equity Shares 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 26<sup>th</sup> October, 2023, pursuant to 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.gujarathotelsind.in](http://www.gujarathotelsind.in) under the section 'Unpaid and Unclaimed Dividend' under 'Investor Relations'. The Company will not be able to entertain any claim received after 24<sup>th</sup> October, 2023 in respect of the same.
- (viii) In conformity with the applicable regulatory requirements, the Notice and the Report and Accounts 2023 are being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company or with the Depositories. Members desirous of obtaining physical copies of the said Notice and the Report and Accounts 2023 are required to send a request to the Company at [ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in) or by post to its Registered Office, mentioning their name and DP ID and Client ID/Folio Number.
- (ix) Members who hold shares in the certificate form or who have not registered their e-mail addresses with the Company or with the Depositories and wish to receive the Notice and the Report and Accounts 2023, or attend the AGM, or cast their votes through remote e-voting or e-voting during the AGM, are required to register their e-mail addresses with the Company by filling the form available on Company's website at <https://www.gujarathotelsind.in/2021/investor-relations/shareholders-communication/ISR-1.pdf>.
- (x) Members who would like to express their views or ask questions with respect to the agenda items of the AGM will be required to register themselves as speaker by sending e-mail to the Company Secretary at [ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in) from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker by 5:00 p.m. on Monday, 4<sup>th</sup> September, 2023 will be able to speak at the AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time, for smooth conduct of the AGM.
- Further, Members who would like to have their questions / queries responded to during the AGM are requested to send such questions / queries in advance within the aforesaid time period.
- (xi) The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act and the Register of contracts with related party, and contracts and bodies etc. in which Directors are interested under Section 189 of the Act will remain available for inspection through electronic mode during the AGM, for which purpose Members are required to send an e-mail to the Company Secretary at [ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in).

## INSTRUCTIONS FOR ATTENDING THE AGM AND ALSO FOR E-VOTING

### I. Instructions for attending the AGM through VC / OAVM

- (a) Members who wish to attend this AGM through VC / OAVM are requested to follow the steps enumerated under (II) below for login to the NSDL e-voting system. After login, click on the 'VC / OAVM' link appearing under 'Join Meeting' against the Electronic Voting Event Number ('EVEN') of Gujarat Hotels Limited.



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- (b) The facility for the Members to join this AGM through VC / OAVM will be available from 15 minutes before the time scheduled for the AGM and may close not earlier than 15 minutes after the commencement of the AGM.
- (c) Members are requested to login to the NSDL e-voting system using their laptops / desktops / tablets with stable Wi-Fi or LAN connection for better experience. Members logging in from mobile devices or through laptops / desktops / tablets connecting via mobile hotspot or with low bandwidth, may experience audio / video loss due to fluctuation in their respective network.

### II. Instructions for remote e-voting

#### Step 1: Access to NSDL e-Voting system

#### A) For Individual Members holding shares in dematerialised form:

##### Individual Shareholders holding securities in demat mode with NSDL

If you are registered for NSDL 'IDeAS' facility, you are required to follow the below-mentioned steps:

- (a) Launch internet browser by typing the URL: <https://eservices.nsd.com> and click on 'Beneficial Owner' tab under the 'IDeAS' section.
- (b) Insert your existing user ID, password /OTP and the verification code as shown on the screen.
- (c) After login, click on 'Access to e-voting' under value added services and you will be able to see the e-voting page.
- (d) Click on 'evote' link available against Gujarat Hotels Limited or 'e-voting service provider - NSDL' and proceed to Step 2 to cast your vote.

If you are not registered for IDeAS e-Services:

- (a) The option to register is available at <https://eservices.nsd.com>.
- (b) Select 'Register Online for IDeAS' Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
- (c) Upon successful registration, please follow steps given at Points (a) to (d) above.

For eVoting through website of NSDL, you are required to follow the below-mentioned steps:

- (a) Launch internet browser by typing the URL: <https://evoting.nsd.com> and click on 'Shareholder / Member - Login'.
- (b) Insert your existing user ID, password / OTP and the verification code as shown on the screen and agree to the terms and conditions by clicking the box.
- (c) After authentication, you will be re-directed to NSDL e-services website wherein you will be able to see the e-voting page.
- (d) Click on 'evote' link available against Gujarat Hotels Limited or 'e-voting service provider - NSDL' and proceed to Step 2 to cast your vote.

##### For Members holding shares in demat account with Central Depository Services (India) Limited ('CDSL')

If you are registered for CDSL 'Easi / Easiest' facility, you are required to follow the below-mentioned steps:

- (a) Login at [www.cdslindia.com](http://www.cdslindia.com) and click on 'My Easi New (Token)' or launch internet browser by typing the URL: <https://web.cdslindia.com/myeasitoken/home/login>.
- (b) Insert your existing user ID and password.
- (c) After login, you will be able to view the e-voting menu.
- (d) Click on 'evote' link available against Gujarat Hotels Limited or 'e-voting service provider - NSDL' and proceed to Step 2 to cast your vote.





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If you are not registered for CDSL 'Easi / Easiest' facility, you can directly access the e-voting page by clicking on 'E Voting' on the home page of [www.cdslindia.com](http://www.cdslindia.com) with your demat account number and PAN.

After OTP based authentication, you will be provided link for 'evoting' against Gujarat Hotels Limited or 'e-voting service provider - NSDL'. Click on the link and proceed to Step 2 to cast your vote.

### For Members logging in through the websites of their Depository Participants

- (a) Login to your demat account, using the login credentials, through the concerned Depository Participant registered with NSDL / CDSL for e-voting.
- (b) Click on the option available for e-voting. You will be re-directed to NSDL e-services website wherein you will be able to see the e-voting page.
- (c) Click on 'evote' link available against Gujarat Hotels Limited or 'e-voting service provider - NSDL' and proceed to Step 2 to cast your vote.

Members who are unable to retrieve their user ID or password are advised to use 'Forgot User ID' / 'Forgot Password' option(s) available on the websites of the respective Depositories / Depository Participants.

### **(B) For Non-Individual Members holding shares in dematerialised form and Members holding shares in certificate form:**

If you are holding shares in dematerialised form and are registered for NSDL 'IDeAS' facility, you can login at <https://eservices.nsd.com> with your existing IDeAS login and click on 'Access to e-voting' to proceed to Step 2 to cast your vote.

Other Members are required to follow the below-mentioned steps:

- (a) Launch internet browser by typing the URL: <https://evoting.nsd.com> and click on 'Shareholder / Member - Login'.
- (b) Insert your existing user ID, password and the verification code as shown on the screen.

#### • User ID:

a) For Members holding shares in demat account with NSDL.	8 character DP ID followed by 8 digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12*****, then your user ID is IN300***12*****.
b) For Members holding shares in demat account with CDSL	16 digit Beneficiary ID. For example, if your Beneficiary ID is 12*****, then your user ID is 12*****.
c) For Members holding shares in certificate form.	EVEN followed by your Folio Number registered with the Company. For example if EVEN is 11111 and your folio number is 000*** then user ID is 11111000***.

#### • Password:

- (i) **If you are already registered with NSDL for remote e-voting, you should use your existing password for login.**  
Members may also use OTP based login.
- (ii) If you are using NSDL e-voting system for the first time, you would need to use your 'initial password' for login, which has been communicated to you by the Company.
- (iii) If you are unable to retrieve the 'initial password', or have forgotten your password:  
Click on 'Forgot User Details / Password?', if holding shares in dematerialised form, or  
Click on 'Physical User Reset Password?', if holding shares in certificate form.



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You may also send an e-mail requesting for password at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), mentioning your name, PAN, registered address and your DP ID & Client ID / folio number.

- (c) Agree to the terms and conditions by clicking the box.
- (d) Click on '**Login**'. Home page of remote e-voting opens.

### **Step 2: Cast your vote on NSDL e-voting website**

- (a) Select the EVEN of Gujarat Hotels Limited.
- (b) Now you are ready for remote e-voting as '**Cast Vote**' page opens.
- (c) Cast your vote by selecting appropriate option and click on '**Submit**'. Thereafter click on '**Confirm**' when prompted; upon confirmation, your vote is cast and the message '**Vote cast successfully**' will be displayed.

### **Other Instructions**

- (a) In case of any query / grievance you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact:
  - (i) NSDL- by sending a request to Ms. Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at **022 - 4886 7000 and 022 - 2499 7000**;
  - (ii) CDSL - by sending a request to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. **1800 22 55 33**;
  - (iii) The Company- by sending a request to the Company Secretary at [ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in).
- (b) Those who become Members of the Company after sending the Notice but on or before **4<sup>th</sup> September, 2023 (cut-off date)** may write to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in) requesting for user ID and password. On receipt of user ID and password, the steps stated above under 'Step 2: Cast your vote on NSDL e-voting website' should be followed for casting of vote.

### **III. Instructions for e-voting during the AGM**

- (a) The procedure for e-voting during the AGM is same as mentioned under (II) above for remote e-voting.
- (b) Only those Members who are present in the AGM and have not cast their votes through remote e-voting prior to the AGM, shall be eligible to vote through the e-voting system available during the AGM. Members who have cast their votes by remote e-voting may attend the AGM, but they will not be entitled to cast their votes again.

### **IV. General Information**

- (a) There will be one vote for every DP ID & Client ID / Registered Folio No. irrespective of the number of joint holders.
- (b) **The Results of voting will be declared within two working days 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](http://www.gujarathotelsltd.in) under the section 'Investor Relations' and on the website of NSDL; such Results will also be forwarded to BSE Limited, where the Company's shares are listed.



# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

### N. Anand

Nakul Anand (66), DIN: 00022279, a Non-Executive Director of the Company since 6<sup>th</sup> January, 1998, was appointed as the Chairman of the Company effective 21<sup>st</sup> March, 2009. He is an Executive Director on the Board of ITC Limited ('ITC') and oversees the Hospitality and Travel & Tourism Businesses of ITC.

An Economics Honours Graduate from Delhi University with an AMP Degree from the Bond University, Australia, Anand joined erstwhile ITC Hotels Limited as a Management Trainee in 1978. He has also served as the Managing Director of that company from 2003 to 2005.

In a career that spans more than four decades, Anand has been acknowledged for his vision, commitment and for his role as a thought leader to the tourism and hospitality industry. Building on ITC's ethos as an exemplar in sustainability, he has passionately advocated the imperative for a sustainable business model of hoteliering. Leveraging the significant learnings of sustainable excellence within ITC, he has led the team at ITC Hotels to pioneer the concept of 'Responsible Luxury' in the hospitality industry. This commitment has won global recognition for ITC Hotels as the largest chain of hotels in the world having the maximum number of LEED® Platinum certified properties.

Anand has been a past President of the Hotel Association of India and past Chairman of the CII National Tourism Committee. He was also a Member of the India-Sri Lanka CEOs Forum, and Council Member & Executive Committee Member of the National Culture Fund, Ministry of Culture - Government of India. He 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 Senior Advisory Council of the Sustainability Hospitality Alliance.

Anand was recognised as the 'Corporate Hotelier of the World 2019' by Hotels Magazine USA. He was also conferred with Lifetime Achievement Awards at the Hotel Investment Conference - South Asia 2022 and by the Iconic Forum 2023, and the 'Outstanding Exemplar in the Promotion of Travel, Tourism & Hospitality Award' by FOODFOOD Awards 2022. In April 2023, he has been honoured with the prestigious 'Hall of Fame Award' at the Global Hospitality Awards 2023 organised by the International Hospitality Council, London, in collaboration with the International Institute of Hotel Management.

### Other Directorships

Name of the company	Position
ITC Limited <sup>#</sup>	Executive Director
International Travel House Limited <sup>#</sup>	Chairman & Non-Executive Director
Landbase India Limited	Chairman & Non-Executive Director
Fortune Park Hotels Limited	Chairman & Non-Executive Director
WelcomHotels Lanka (Private) Limited <sup>#</sup>	Chairman & Non-Executive Director
Srinivasa Resorts Limited	Vice Chairman & Non-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

### M. S. Bhatnagar

Mohan Swarup Bhatnagar (71), DIN: 00834857, was appointed as Non-Executive Independent Director of the Company on 28<sup>th</sup> June, 2019. He is a Graduate from St Stephen's College and holds a Master in Business Administration from FMS, Delhi University. He joined ITC Limited ('ITC') in the year 1975.

In a long career spanning over 40 years, he held various job positions in Finance function before taking over as the Head of Finance for Hotels Division of ITC. Subsequently, he held charge of Growth and Development for the Hotels Business as Executive Vice President. He was also a member of the Management Committee of the Hotels Division and was on the Board of various joint venture and subsidiary companies of ITC. He retired from ITC in September, 2013.

Post retirement, he is actively involved in angel investing and mentoring select start-up ventures.

Bhatnagar does not hold directorship of any other company.

### C. K. Koshy

Cheruvettolil Kochukoshy Koshy (78), DIN: 01478704, was appointed as a Non-Executive Independent Director on the Board of the Company on 1<sup>st</sup> May, 2007. He is a Master of Arts in Political Science and Public Administration. He joined the Indian Administrative Service in 1968, when he was allotted to the Gujarat Cadre, and superannuated in February, 2005.

In a long career spanning over 39 years, Koshy 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 also 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 the Joint Managing Director of 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, Koshy has been a consultant to the Department for International Development- UK, the World Bank and to the Department of Personnel and Administrative Reforms, Government of India. He was appointed Professor Emeritus in the faculty of Planning and Public Policy at CEPT University. He has also served as Advisor at CEPT Research and Development Foundation at CEPT University.

Koshy does not hold directorship of any other company.



# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

### M. Narayanan

Mahalinga Narayanan (78), DIN: 00159288, was appointed as Non-Executive Independent Director on the Board of the Company on 10<sup>th</sup> January, 2008. He is a Post Graduate in Commerce, Graduate in Law, Diploma Holder in Business Management and holds certified Associated Membership of the Indian Institute of Bankers. He has rich experience of over four decades in Banking, Project Finance, Administration and related areas.

Narayanan started his career with the Reserve Bank of India in 1964 and moved over to the Bank of Baroda in 1969 and continued till March, 1985. During his tenure in Bank of Baroda, he worked in all departments of commercial banking operation and was in-charge of large branches of the Bank. In April, 1985, he joined Industrial Finance Corporation of India and held senior management positions. In October, 1997, he joined Tourism Finance Corporation of India Limited as Managing Director and rose to the position of Chairman and Managing Director, which position he held till his retirement in September, 2006. He was conferred with "Udyog Rattan Award" in the year 2005 by the Institute of Economic Studies, New Delhi.

### Other Directorships

Name of the company	Position
Cox & Kings Limited <sup>#</sup>	Independent Director

### Committee Membership of other companies

Name of the company	Committee	Position
Cox & Kings Limited	Audit Committee	Chairman
	Remuneration Committee	Member
	Stakeholders Relationship Committee	Member

### B. Sharma

Benita Sharma (59), DIN: 08582861, was appointed as a Non-Executive Director on the Board of the Company on 15<sup>th</sup> October, 2019. An Economics Graduate from the Allahabad University, she started her career with ITC Limited's ('ITC') Hotels Division as a HMI (Hotel Management Institute) trainee in 1987 and then moved to various managerial positions in ITC in the areas of Sales, Reservations and Marketing. Since then, she has held senior management positions at several ITC Hotels in various locations. Earlier, she was posted as an Area Manager Leisure Hotels and General Manager with WelcomHotel Sheraton, New Delhi.

In 2012, Benita was entrusted with the portfolio of Area Manager - Golden Triangle, which included leisure hotels in Agra (ITC Mughal), Jaipur (ITC Rajputana), Manesar (ITC Grand Bharat), WelcomHotel Sheraton, New Delhi, WelcomHotel Dwarka, WelcomHotel Khimsar, WelcomHotel Bella Vista, WelcomHotel Jodhpur and WelcomHotel The Savoy. She employed innovative strategies which fructified 'Golden Triangle' hotels being top performers in the chain in terms of guest satisfaction indices, which is determined by quality parameters through guest feedback. Driven by creativity and quality of new inspirational

upmarket trends, her endeavour has always been to cultivate and maintain the finest hotel operation. Currently, she is the Area Manager for North, Luxury Hotels and General Manager of the flagship Hotel-ITC Maurya.

Benita does not hold directorship of any other company.

### A. Thakar

Ashish Thakar (56), DIN: 09383474, was appointed as Non-Executive Director of the Company effective 13<sup>th</sup> November, 2021. He is a Chartered Accountant and also holds a M.B.A. degree in Finance, with 30 years of experience of which 20 years has been in the hospitality industry. He joined ITC Limited ('ITC') in 1992 at its Corporate Head Office in Kolkata. During his stint with the ITC Hotels Division since 1994, he was posted at various hotels viz. Welcomgroup Searock, ITC Windsor, ITC Kakatiya, ITC Park Sheraton, ITC Sonar and thereafter at the Hotels Division Headquarters. He played a key role in the opening of ITC Kakatiya in 1996 and ITC Sonar in 2002 where he was posted as the first Financial Controller of these properties.

Between 2007 and 2011, Thakar headed the Strategic Systems Project Group at the Hotels Division which led the IT and business process transformation for ITC's Hotels. From 2012 till 2014, he worked in the Corporate Finance function at ITC's Corporate Head Office as a Divisional Manager in the Strategic Planning department.

Thereafter, Thakar led the Finance and Commercial function for all new and gestating businesses of ITC's Foods Division till 2021.

Since then he is leading the Finance, IT and Procurement functions of ITC's Hotels Division.

### Other Directorships

Name of the company	Position
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
Logix Developers Private Limited	Non-Executive Director
Landbase India Limited	Non-Executive Director

### Committee Membership of other companies: NIL

\* Denotes foreign company.

# Denotes listed Indian company whose securities are listed on a recognised stock exchange.

### Notes:

1. Other Directorships and Committee Memberships of Directors are as on 26<sup>th</sup> July, 2023.
2. Committee Memberships cover Committees under the Companies Act, 2013 viz., Audit Committee, Stakeholders Relationship Committee, Nominations and Remuneration Committee and CSR Committee of Indian companies.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

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

### THE COMPANY'S GOVERNANCE PHILOSOPHY

The Company firmly believes in developing a systematic and continuous process of good Corporate Governance practices across all levels. The Company's philosophy on Corporate Governance envisages attainment of a high level of transparency and accountability in its functioning and conduct of business, and places due emphasis on regulatory compliances. It has empowered the Executive Management to take decisions with regard to day-to-day operations and has also created a framework for proper checks and balances to ensure that such decisions are taken with care and responsibility to meet stakeholders' aspirations and societal expectations.

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

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

### BOARD OF DIRECTORS

#### Composition

In terms of the Articles of Association of the Company, the strength of the Board of Directors ('the Board') shall not be fewer than three nor more than twelve. Further, in accordance with statutory requirements, at least half of the total strength of the Board is required to comprise Independent Directors. The present strength of the Board is six, including the Non-Executive Chairman, two Non-Executive Directors (of which one is a Woman Director) and three Non-Executive Independent Directors.

The Independent Directors play a critical role in imparting balance to the Board processes by bringing independent judgment on issues of strategy, performance, resources, standards of Company conduct, etc.

The Company is headed by an experienced and empowered Board that is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The Board has delegated the general management and day-to-day affairs of the Company to the Chief Executive Officer of the Company who conducts them under the supervision of the Board. The Directors of the Company are eminent professionals, with experience in business/finance/

public administration and enterprises. 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 Directors of the Company possess the skills, expertise and competencies, as identified by the Board and provided in the Annexure forming part of this Report.**

The names and categories of the Directors and the number of Directorships held in body corporates and Committee Chairmanships / Memberships held by them in other Indian public limited companies as on 31<sup>st</sup> March, 2023 are given below. Further, none of the Directors is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

#### Composition of the Board as on 31<sup>st</sup> March, 2023

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

Director	Category	No. of other Directorship(s)*	No. of Membership(s) / Chairmanship(s) / of Audit Committee / Stakeholders Relationship Committee of other Indian public limited companies
N Anand	Chairman & Non-Executive Director	8	Nil
M S Bhatnagar	Non-Executive Independent Director	Nil	Nil
C K Koshy	Non-Executive Independent Director	Nil	Nil
M Narayanan	Non-Executive Independent Director	1	2
B Sharma	Non-Executive Director	Nil	Nil
A Thakar	Non-Executive Director	6	Nil

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

#### Meetings and Attendance

The Board generally meets at least four times in a year. The intervening period between two Board meetings was well within the maximum gap of 120 days prescribed under the Listing Regulations.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 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

All statutory and other significant & material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of shareholders.

The following in particular are also tabled for the Board's approval / periodic review or information:

- Annual operating plans & budgets and periodic review of the Company's business.
- 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.
- Write-offs / disposals, if any (fixed assets, receivables, advances etc).
- Significant development in Human Resources / Industrial Relations.
- Non-compliance of any regulatory or listing requirements and in relation to shareholders' services.

### Post-meeting follow-up system

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

### Details of Board Meetings during the financial year

During the financial year ended 31<sup>st</sup> March, 2023, five meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	26 <sup>th</sup> April, 2022	6	6
2	13 <sup>th</sup> July, 2022	6	6
3	18 <sup>th</sup> August, 2022	6	5
4	11 <sup>th</sup> October, 2022	6	6
5	13 <sup>th</sup> January, 2023	6	6

### Directors' attendance at Board Meeting and at the Annual General Meeting ('AGM') during the financial year

Director	No. of Board Meetings attended	Attendance at last AGM
N Anand	5	Yes
M S Bhatnagar	5	Yes
C K Koshy	5	Yes
M Narayanan	5	Yes
B Sharma	4	No
A Thakar	5	Yes

### COMMITTEES OF THE BOARD

Currently, there are three Board Committees – the Audit Committee, the Stakeholders Relationship Committee and the Nominations and Remuneration Committee. The terms of reference of the Committees are determined by the Board from time to time. Meetings of Board Committees are normally convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee Meetings, are placed before the Board with clearance of the 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. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

#### A. AUDIT COMMITTEE

The Audit Committee 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.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

The role of the Committee includes the following:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To recommend the appointment, remuneration and removal of Statutory Auditor;
- To recommend the appointment of the Chief Financial Officer of the Company;
- To approve transactions of the Company with related parties including modifications thereto;
- To evaluate the Company's internal financial controls and risk management systems.
- To review the following with the management:
  - a. Annual financial statements and Auditor's Report thereon before submission to the Board for approval;
  - b. Quarterly financial results before submission to the Board for approval;
  - c. 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.
- To review the following:
  - a. Management discussion and analysis of financial condition & results of operations, and matters required to be included in the Directors' Responsibility Statement;
  - b. Adequacy and effectiveness of the internal control systems laid down in the Company for compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Statutory Auditors' independence and performance, and effectiveness of the audit process;
  - d. System for storage, retrieval, security etc. of books of account maintained in the electronic form;
  - e. Functioning of Whistleblower mechanism in the Company.

### Composition

The composition of the Audit Committee is in conformity with the requirements of Section 177 of the Companies Act, 2013 ('the Act') and Regulation 18 of the Listing Regulations. The Audit Committee presently comprises four Non-Executive Directors, three of whom are Independent Directors. The

Chairman of the Committee is an Independent Director. The Chief Executive Officer, the Chief Financial Officer and the representative(s) of the Statutory Auditor are Invitees to the meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee. All members of the Committee are financially literate; three members, have accounting and financial management expertise.

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

### Meetings and Attendance

#### Details of Audit Committee Meetings during the financial year

During the financial year ended 31<sup>st</sup> March, 2023, four meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	26 <sup>th</sup> April, 2022	4	4
2	13 <sup>th</sup> July, 2022	4	4
3	11 <sup>th</sup> October, 2022	4	4
4	13 <sup>th</sup> January, 2023	4	4

#### Attendance at Audit Committee Meetings during the financial year

Member	No. of Meetings attended
M Narayanan	4
M S Bhatnagar	4
C K Koshy	4
A Thakar	4

### B. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board primarily oversees redressal of shareholder and investor grievances, approves transmission of shares, sub-division / consolidation, issue of duplicate share certificates, etc. The Committee also reviews adherence to the service standards adopted by the Registrar and Share Transfer Agent of the Company.

#### Composition

The composition of the Stakeholders Relationship Committee is in conformity with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations. The Stakeholders Relationship Committee presently comprises three Non-Executive Directors two of whom are Independent Directors. 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 and the details in respect of shareholders complaints, are provided under the section 'Board of Directors & Committees' in the Report and Accounts and Shareholders Information section of the Report and Accounts, respectively.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

### Meetings and Attendance

#### Details of Stakeholders Relationship Committee Meetings during the financial year

During the financial year ended 31<sup>st</sup> March, 2023, three meetings of the Stakeholders Relationship Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	1 <sup>st</sup> September, 2022	3	2
2	30 <sup>th</sup> November, 2022	3	3
3	9 <sup>th</sup> February, 2023	3	3

#### Attendance at Stakeholders Relationship Committee Meetings during the financial year

Member	No. of Meetings attended
A Thakar	3
M S Bhatnagar	2
C K Koshy	3

### C. NOMINATIONS AND REMUNERATION COMMITTEE

The Nominations and Remuneration Committee of the Board, inter-alia, identifies persons qualified to become Directors, and recommends to the Board, the appointment, remuneration and removal of Directors and senior management. The Committee's role also includes formulation of criteria for evaluation of performance of the Directors and the Board as a whole.

#### Composition

The composition of the Nominations and Remuneration Committee is in conformity with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Nominations and Remuneration Committee presently comprises three 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.

#### Meetings and Attendance

#### Details of Nominations and Remuneration Committee Meetings during the financial year.

During the financial year ended 31<sup>st</sup> March, 2023, four meetings of the Nominations and Remuneration Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	26 <sup>th</sup> April, 2022	3	3
2	18 <sup>th</sup> August, 2022	3	3
3	11 <sup>th</sup> October, 2022	3	3
4	13 <sup>th</sup> January, 2023	3	3

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

Member	No. of Meetings attended
C K Koshy	4
N Anand	4
M Narayanan	4

#### Remuneration Policy

The Company's Remuneration Policy aims at attracting and retaining high calibre talent. The Remuneration Policy, therefore, is market-led and is designed to attract & 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 <https://www.gujarathotelsltd.in/policies/2022/Remuneration-Policy-GHL.pdf>. There has been no change in the Policy during the year under review.

#### 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. During the year, the sitting fees, was revised from ₹20,000/- to ₹ 25,000/- and from ₹10,000/- to ₹ 15,000/- for each meeting of the Board and its Committees, respectively, effective 1<sup>st</sup> November, 2022. The Company has not granted stock options to any of its Directors.

#### Details of sitting fees paid to the Directors during the financial year ended 31<sup>st</sup> March, 2023:

Director	Sitting Fees (₹ in Lakhs)
M S Bhatnagar	1.95
C K Koshy	2.50*
M Narayanan	2.10

\*₹10,000 is being paid during the current financial year.

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.





# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

### Directors' Shareholding

Details of Shareholding of the Directors in the Company as on 31<sup>st</sup> March, 2023 are given below:

Director	No. of Equity Shares of ₹10/- each held singly / jointly
N Anand	Nil
M S Bhatnagar	2,500
C K Koshy	Nil
M Narayanan	Nil
B Sharma	Nil
A Thakar	Nil

### INDEPENDENT DIRECTORS' MEETING

The Independent Directors at their separate Meeting, review the performance of the non-Independent Directors, including the Chairman of the Company, and the Board, and also assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

### Meetings and Attendance

During the financial year ended 31<sup>st</sup> March, 2023, one Meeting of the Independent Directors was held on 29<sup>th</sup> March, 2023. All the Independent Directors attended the same.

### 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 financial results of the Company were announced within forty five days from the end of the quarter. Audited annual results for the financial year ended 31<sup>st</sup> March, 2022 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. 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](http://www.gujarathotelsltd.in).

Further, the Report and Accounts of the Company, inter-alia, including the Financial Statements, the Report of the Board of Directors and the Auditors' Report is sent to the Shareholders of the Company. The Report of the Board of Directors, forming part of the Report and Accounts, includes all aspects of Management Discussion and Analysis as required under the Listing Regulations.

### GHL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING – 2019

The GHL Code of Conduct for Prevention of Insider Trading - 2019, as approved by the Board, inter-alia, prohibits trading in securities of the Company by the Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

### GHL CODE OF CONDUCT

The GHL Code of Conduct, as adopted by the Board, is applicable to the Directors, senior management and employees of the Company. The Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct in relation to the Company's business and reputation. The Code covers GHL's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example. The Code is available on the Company's website [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in).

### Declaration as required under the Listing Regulations

All Directors and senior management of the Company have affirmed compliance with the GHL Code of Conduct for the financial year ended 31<sup>st</sup> March, 2023.

26<sup>th</sup> July, 2023  
Vadodara

A Deshmukh  
Chief Executive Officer

### WHISTLEBLOWER POLICY

Synopsis of the Whistleblower Policy of the Company is provided in the 'Report of the Board of Directors & Management Discussion and Analysis', forming part of the Report and Accounts. In this regard, no personnel was denied access to the Audit Committee. The Whistleblower Policy may be accessed on the Company's website at <https://www.gujarathotelsltd.in/policies/2022/Whistleblower-Policy-GHL.pdf>.

### FAMILIARISATION PROGRAMME FOR DIRECTORS

The Company 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, executive management, through presentations at the Board meetings, provides regular updates on the financial and business performance of the Company, material changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

Further details may be accessed on the Company's website at [https://gujarathotelsltd.in/policies/2023/Directors-Familiarisation-Programme-2023\\_GHL.pdf](https://gujarathotelsltd.in/policies/2023/Directors-Familiarisation-Programme-2023_GHL.pdf)

### POLICY ON RELATED PARTY TRANSACTIONS

The Policy, as approved by the Board, may be accessed on the Company's website at [https://www.gujarathotelsltd.in/policies/2022/Policy-on-Related-Party-Transcations\\_GHL.pdf](https://www.gujarathotelsltd.in/policies/2022/Policy-on-Related-Party-Transcations_GHL.pdf).

### OTHER DISCLOSURES

- During the last three years, there was neither any instance of non-compliance by the Company nor penalty/stricture imposed on the Company by the Stock Exchange/SEBI/ Statutory Authorities on any matter related to the capital markets.
- There are no inter-se relationships between the Directors and Key Managerial Personnel of the Company.
- During the year, the Company has not entered into any materially significant related party transaction which may have potential conflict with the interests of the Company at large. The details of related party transactions entered into by the Company during the year are provided in the 'Notes to the Financial Statements', forming part of the Report and Accounts.
- During the year, the senior management of the Company did not enter into any material financial and commercial transaction, in which they may have had potential conflict with the interest of the Company at large. As of 31<sup>st</sup> March, 2023, Mr. A Deshmukh, Chief Executive Officer, Mr. N Goenka, Chief Financial Officer, Ms. S Gupta, Company Secretary & Compliance Officer and Mr. K Chauhan, Head – Human Resource were the Senior Management Personnel. During the year, there was no change in Senior Management except for Company Secretary & Compliance Officer which is already covered in the Report and Accounts.
- The Company has not raised any funds through preferential allotment or qualified institutions placement.
- During the year, the Company was not required to obtain credit rating for any debt instrument, fixed deposit programme or any other scheme involving mobilisation of funds.
- The Company did not give any loan or advance to any of the firms /companies in which its Directors are interested.
- 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; this has also been confirmed by the Company's Secretarial Auditor, Messrs. PB & Associates.
- Details with respect to secretarial audit of the Company, and confirmation by the Board with respect to the Independent Directors, are 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.
- During the year, the Company has not issued any Global Depository Receipts or American Depository Receipts or warrants or any other convertible instrument.
- Information with respect to 'Commodity Price Risk or Foreign Exchange Risk and Hedging Activities' is not applicable on the Company.
- The total fees paid during the year by the Company to Messrs. K C Mehta & Co. LLP, Statutory Auditor and all entities in the network firm/network entities of which the Statutory Auditor are a member firm, aggregate ₹ 1.21 lakhs.
- There is no reportable agreement specified under Clause 5A of para A of Part A of Schedule III of the Listing Regulations which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.
- Compliance Officer under the Listing Regulations - Ms. Sneha Gupta\*

*\*Ms. Sneha Gupta was appointed as Company Secretary & Compliance Officer w.e.f. 18<sup>th</sup> August, 2022. Prior to Ms. Gupta, Ms. Parinita Bhutani was the Company Secretary & Compliance Officer of the Company who resigned w.e.f. close of work on 9<sup>th</sup> May, 2022.*

### DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS

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

#### 1. Chairman:

The Chairman of the Company is a Non-Executive Chairman and is separate from the post of Chief Executive Officer of the Company. 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 in the prescribed format are published in newspapers on an all India basis.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 3. Audit Opinion:

It has always been the Company's endeavor to present Financial Statements with unmodified audit opinion, i.e., without any qualification. The Statutory Auditor have issued an unmodified audit opinion on the Company's Financial Statements for the financial year ended 31<sup>st</sup> March, 2023.

### 4. Internal Audit:

The Internal Auditor submit their report 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.
- 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. Given the Company's size and

scale, 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. Strategic Insight

Ability to evaluate competitive corporate and business strategies and, based thereon, contribute towards progressive refinement of the Company's strategies for fulfilment of its goals.

#### 3. Industry Knowledge and Experience

Domain knowledge of Hotel business and its dynamics, long-term strategies and regulatory & competitive environment.

#### 4. 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.

#### 5. Corporate Governance

Commitment, belief and experience in setting governance practices to support the Company's compliance systems and governance policies / practices.

#### 6. Risk Management

Ability to appreciate key risks impacting the Company's business and contribute towards development of systems and controls for risk mitigation & compliance management.



# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

### Details of Annual General Meeting ('AGM')

Date	Monday, 11 <sup>th</sup> September, 2023
Venue	AGM will be held on electronic platform
Time	11:00 a.m.(IST)
Record Date	Friday, 25 <sup>th</sup> August, 2023
Dividend Payment Date	Between Tuesday 12 <sup>th</sup> September, 2023 and Saturday, 16 <sup>th</sup> September, 2023

### 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, 1<sup>st</sup> Floor, Okhla Industrial Area  
Phase – I, New Delhi - 110 020  
Telephone No. : 011 4140 6149  
Facsimile No. : 011 4170 9881  
e-mail : helpdeskdelhi@mcsregistrars.com

Shareholders holding shares in the dematerialised form should address their correspondence, to their respective Depository Participants ('DPs') other than for dividend and Report and Accounts, which should be addressed to the Company / RTA .

Shareholders are requested to provide their DP ID & Client ID / folio number(s), e-mail addresse(es) and contact number(s) to facilitate prompt and efficient investor servicing.

### Share Transfer System

During the financial year, no share transfers were required to be effected by the Company. The Company has a Share Transfer Committee presently comprising the following:

A Thakar – Director	Chairman
A Deshmukh- Chief Executive Officer	Member
N Goenka – Chief Financial Officer	Member
S Gupta <sup>1</sup> - Company Secretary & Compliance Officer	Member
P Bhutani <sup>2</sup> - Company Secretary & Compliance Officer	Member

<sup>1</sup>Appointed as Member w.e.f. 18<sup>th</sup> August, 2022

<sup>2</sup> Ceased to be Member w.e.f. close of work on 9<sup>th</sup> May, 2022

### Dematerialisation of Shares and Liquidity

The shares of the Company are traded 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 31<sup>st</sup> March, 2023, 36,09,981 Equity Shares of the Company, which translates to 95.31% of the Share Capital, stood dematerialised. The processing activities with respect to requests received for dematerialisation are generally completed within fifteen 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.

One complaint was received during the financial year ended 31<sup>st</sup> March, 2023 on 29<sup>th</sup> March, 2023 and the same was resolved on 3<sup>rd</sup> April, 2023. No complaint was received or pending against the Company with BSE Limited at the end of each of the quarters, the same position was also reflected on SCORES, the web based complaint redressal system of SEBI.

The e-mail ID earmarked by the Company for investor complaints: [ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in)

### Distribution of Shareholding as on 31<sup>st</sup> March, 2023

No. of Shares Slab	No. of Shareholders		No. of Equity Shares	
	Total	% to Shareholders	Total	% to Share Capital
1-500	4,974	94.6527	5,24,413	13.8458
501-1000	155	2.9496	1,22,264	3.2281
1001-2000	64	1.2179	92,959	2.4544
2001-3000	15	0.2854	36,285	0.9580
3001-4000	13	0.2474	44,582	1.1771
4001-5000	9	0.1713	42,540	1.1232
5001-10000	13	0.2474	84,981	2.2437
10001-50000	4	0.0761	1,04,416	2.7568
50001 – 100000	2	0.0381	1,59,182	4.2028
100001 & Above	6	0.1142	25,75,893	68.0101
<b>Total</b>	<b>5255</b>	<b>100.00</b>	<b>37,87,515</b>	<b>100.00</b>

### Categories of Shareholders as on 31<sup>st</sup> March, 2023

Sl. No.	Category	No. of Shares held	% to Share holding
<b>A</b>	<b>Promoter Holding</b>		
<b>1</b>	<b>Promoter and Promoter Group</b>		
	ITC Limited	17,33,907	45.78
	Russell Investments Limited	3,00,056	7.92
	<b>Sub-Total</b>	<b>20,33,963</b>	<b>53.70</b>
<b>B</b>	<b>Non-Promoter Holding</b>		
<b>2</b>	<b>Institutional Investors</b>		
A	Mutual Funds	NIL	NIL
B	Banks	100	-
C	Foreign Institutional Investors and Foreign Portfolio Investors	NIL	NIL
	<b>Sub-Total</b>	<b>100</b>	<b>-</b>
<b>3</b>	<b>Others</b>		
A	Private Corporate Bodies	1,43,047	3.78
B	Indian Public	13,64,832	36.04
C	NRIs	64,335	1.70
D	Others	1,18,238	4.78
	<b>Sub Total</b>	<b>17,53,452</b>	<b>46.30</b>
	<b>Grand Total</b>	<b>37,87,515</b>	<b>100.00</b>



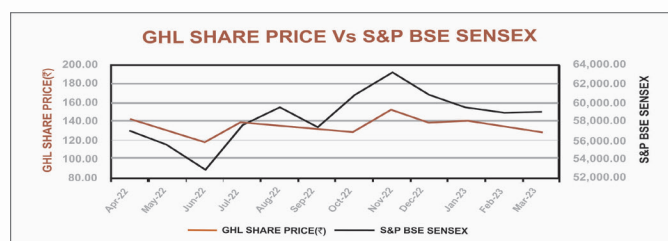
# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

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

Year	Month	High (₹)	Low (₹)	Volume (Nos.)	
2022	April	149.40	133.20	30,393	
	May	143.85	115.20	16,310	
	June	131.75	110.35	11,116	
	July	144.50	115.05	29,402	
	August	145.00	131.05	23,409	
	September	144.15	129.05	18,751	
	October	144.00	117.65	27,049	
	November	169.95	125.00	1,30,718	
	December	164.40	132.05	33,814	
	2023	January	164.80	133.40	38,745
		February	147.00	130.00	16,297
		March	142.80	124.20	25,406

### Performance in comparison to S&P BSE SENSEX



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

BSE Limited (507960)  
 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001  
 Telephone Nos. : 022-2272 1233/4,  
 Facsimile No. : 022-2272 1919  
 e-mail : is@bseindia.com  
 Website : www.bseindia.com

The Listing Fee for the financial year 2023-24 has been paid to BSE Limited.

### Dividend History (Last 10 years)

Year	Dividend ₹ per Share
2023-24	2.00*
2022-23	2.00
2021-22	2.00
2020-21	1.80
2019-20	2.50
2018-19	3.50
2017-18	3.50
2016-17	3.50
2015-16	3.50
2014-15	3.50

\*Subject to approval of the Shareholders at the ensuing AGM

### Financial Calendar

#### Financial Year 2023-24 (1<sup>st</sup> April – 31<sup>st</sup> March)

- 1 First Quarter Results July 2023
- 2 Second Quarter and Half-Year Results October / November 2023
- 3 Third Quarter Results January / February 2024
- 4 Fourth Quarter and Annual Results April / May 2024

### Particulars of Past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolution Passed
40 <sup>th</sup>	2021-22	AGM was held on electronic platform	23-08-2022	11:00 a.m	-
39 <sup>th</sup>	2020-21	AGM was held on electronic platform	25-09-2021	11:00 a.m.	-
38 <sup>th</sup>	2019-20		18-09-2020	11:00 a.m.	-

### Postal Ballot

Neither any special resolution was passed through postal ballot during the financial year 2022-23 nor is any special resolution presently proposed to be passed through postal ballot.

### Plant Locations

The Company does not have any separate plant locations other than Welcomhotel in Vadodara which is operated by ITC Limited.

### SHAREHOLDER REFERENCER

#### Service of Documents

In conformity with regulatory requirements, the Notice of the 41<sup>st</sup> Annual General Meeting of the Company and the Report and Accounts 2023 are being sent only through electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories. The Company will also provide physical copies of the said Notice and the Report and Accounts 2023 to the Shareholders upon request.

#### KYC details of Shareholders holding shares in the certificate form

Shareholders holding shares in the certificate form are required to mandatorily furnish their Permanent Account Number (PAN), specimen signature, details of bank account, nomination, complete postal address including pin code, mobile number & e-mail address to the Company. Shareholders who are yet to provide any of the aforesaid information to the Company or who would like to advise any change in such information may use the prescribed forms for this purpose, which may be accessed on the Company's website at <https://gujarathotelsltd.in/general-information.html> or can be furnished by the Company on request.



# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

Shareholders are also required to link their PAN with the Aadhaar Number, failing which their PAN will be made inoperative by the Income-tax authorities.

In the absence of the aforesaid information/ action, the folio(s) of the concerned Shareholder(s) will be frozen by the Company, in conformity with the regulatory requirements, with effect from 1<sup>st</sup> October, 2023; any service request from such Shareholders such as sub-division / consolidation / renewal of share certificates, issue of duplicate share certificates, change of address or bank particulars etc., will also not be processed.

### Dividend

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 DPs, in case shares are held in the dematerialised form, or to the RTA, where shares are held in the certificate form.

Pursuant to the Income-tax Act, 1961, dividend income is taxable in the hands of the Shareholders and the Company is required to deduct tax at source from such dividend at the prescribed rates. A communication providing detailed information & instructions with respect to tax on the Final Dividend for the financial year ended 31<sup>st</sup> March, 2023 is being sent separately to the Shareholders.

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

During the financial year 2022-23, unclaimed dividend for the financial year 2014-15 aggregating ₹ 8,69,014/- and 30,401 Equity Shares in respect of which dividend entitlements remained unclaimed for seven consecutive years were transferred by the Company to the Investor Education and Protection Fund established by the Central Government ('IEPF'), 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 2014-15 and the shares from the IEPF Authority by applying in the prescribed web e form IEPF- 5. This Form can be accessed on the website of the IEPF Authority at <http://www.iepf.gov.in/IEPF/corporates.html>.

The due dates for transfer of unclaimed dividend and the shares

to the IEPF for the subsequent financial years are given in the table below. Attention in particular is drawn that the unclaimed dividend for the financial year 2015-16 and the shares in respect of which dividend entitlements remain unclaimed for seven consecutive years will be due for transfer to the IEPF on 26<sup>th</sup> October, 2023, 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 shares are available on the Company's website at [www.gujarathotelsltd.in](http://www.gujarathotelsltd.in) under the section 'Investor Relations' under 'Unpaid and Unclaimed Dividend'.

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2015-16	20 <sup>th</sup> September, 2016	26 <sup>th</sup> October, 2023*
2016-17	8 <sup>th</sup> August, 2017	14 <sup>th</sup> September, 2024
2017-18	7 <sup>th</sup> August, 2018	12 <sup>th</sup> September, 2025
2018-19	7 <sup>th</sup> September, 2019	12 <sup>th</sup> October, 2026
2019-20	18 <sup>th</sup> September, 2020	25 <sup>th</sup> October, 2027
2020-21	25 <sup>th</sup> September, 2021	1 <sup>st</sup> November, 2028
2021-22	23 <sup>rd</sup> August, 2022	29 <sup>th</sup> September, 2029

\* The Company will not be able to entertain any claim received after 24<sup>th</sup> October, 2023.

The Company does not have any shares in Unclaimed Suspense Account.

### Depository Services

Shareholders may write to their 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, 4<sup>th</sup> Floor  
Kamala Mills Compound, Lower Parel  
Mumbai-400 013  
Telephone No. : 022-2499 7000  
e- mail : [info@nsdl.com](mailto:info@nsdl.com)  
Website : [www.nsdl.co.in](http://www.nsdl.co.in)

#### Central Depository Services (India) Limited

Marathon Futurex, 'A' Wing, 25<sup>th</sup> Floor  
NM Joshi Marg, Lower Parel, Mumbai 400 013  
Telephone Nos. : 022 2305-8640/8624/8639/8642/8663  
e- mail : [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com)  
Website : [www.cdslindia.com](http://www.cdslindia.com)



# GUJARAT HOTELS LIMITED

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

### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

#### BUSINESS ENVIRONMENT

After two years of continued impact of pandemic, the financial year 2022-23 marked a return to normalcy for the hospitality industry. However, the global economy still continues to struggle on account of various other macro factors viz. geo-political disturbances, high inflation, etc.

As per International Monetary Fund ('IMF') estimates, global GDP growth slowed to 3.4% during 2022, well below projections made at the beginning of the year. It is estimated to fall to 2.8% in 2023, before settling at 3.0% in 2024. Advanced economies are expected to see pronounced growth slowdown from 2.7% in 2022 to 1.3% in 2023. The emerging market and developing economies growth is estimated to grow by 3.9% in 2023 as against 4.0% in 2022. Asian economies are expected to drive most of the global growth in 2023, as they benefit from ongoing reopening dynamics and less intense inflationary pressures compared to other regions (Source: International Monetary Fund, World Economic Forum).

The Indian economy remained a bright spot in financial year 2022-23 amidst the global slowdown. The Government of India has continued its thrust on structural reforms to raise India's potential growth.

As per Ministry of Statistics & Programme Implementation's (MSPI) provisional estimate, the Indian economic growth is expected to be lower - at about 7% mark for financial year 2022-23, as compared to 9.1% registered for the previous financial year. However, in a year which saw growth decelerating across the world with recessionary expectations building up, the Indian economy on the other hand exhibited resilience, underpinned by robust domestic consumption demand and well supported by the Government's push on infrastructure buildup.

In light of India's G20 Presidency and the India@75 Azadi Ka Amrit Mahotsav celebrations, the Ministry of Tourism has designated 2023 as the 'Visit India Year' to promote inbound travel. As per India Brand Equity Foundation, travel & tourism are two of the largest industries in India, with a total contribution of about US\$ 178 billion to the Country's GDP. The Travel market in India is projected to reach US\$ 125 billion by the financial year 2027 from an estimated US\$ 75 billion in the financial year 2020. International Tourist arrivals are expected to reach US\$ 30.5 million by the financial year 2028. In the budget 2023-24, US\$ 2.1 billion is allocated to Ministry of Tourism as the sector holds huge opportunities for jobs and entrepreneurial interests.

With the strategic focus from Government coupled with large scale development of infrastructure, including roads, railways, metro-railways, airports and ports; the tourism and hospitality sector in the country is expected to have a multifold growth in the coming years.

#### FINANCIAL PERFORMANCE

During the year under review, your Company earned license fees of ₹ 366.10 lakhs (previous year ₹ 213.12 lakhs) from ITC Limited ('ITC') and total income of ₹ 563.18 (previous year ₹ 356.91). Total income showed an increase mainly due to increase in Revenue from Operations. Pre and post-tax profits increased to ₹ 516.82 lakhs (previous year ₹ 314.51 lakhs) and ₹ 425.19 lakhs (previous year ₹ 271.86 lakhs), respectively.

#### PROFIT, DIVIDENDS AND RETAINED EARNINGS

	(₹ in Lakhs)	
	2022-23	2021-22
<b>PROFITS</b>		
a. Profit Before Tax	516.82	314.51
b. Tax Expense		
Current Tax	87.57	77.04
Deferred Tax	4.06	(34.39)
c. Profit for the year	<u>425.19</u>	<u>271.86</u>
d. Other Comprehensive Income	-	-
e. Total Comprehensive Income	<u>425.19</u>	<u>271.86</u>

#### STATEMENT OF RETAINED EARNINGS

a. At the beginning of the year	<u>2986.27</u>	<u>2782.59</u>
b. Add: Total Comprehensive Income	425.19	271.86
c. Less: Dividend including Income Tax on Dividend paid	75.75	68.18
d. At the end of the year	<u>3335.71</u>	<u>2986.27</u>

Your Directors are pleased to recommend Final Dividend of ₹ 2.00 per Equity Share of ₹ 10/- each (previous year ₹ 2.00 per Equity Share) for the financial year ended 31<sup>st</sup> March, 2023. Total cash outflow on account of Final Dividend will be ₹ 75.75 lakhs (Previous year ₹ 75.75 lakhs).

#### Details of changes in Key Financial Ratio and Return on Net Worth

Pursuant to Schedule V (B) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), there has been no significant change (25% or more) in any key financial ratio(s). Change in Return on Net Worth of your Company is summarized below:

Financial Ratio	2022-23	2021-22	% Change	Reason for change
Return on Net Worth (%)	11.07	7.62	45	Higher revenue and profitability in current year

#### HOTEL OPERATIONS

Your Company's Hotel, Welcomhotel Vadodara, licensed to ITC recorded an income of ₹ 2456.87 lakhs during the year as compared to ₹ 1430.75 lakhs in the previous year.

During the year, the Indian hospitality sector bounced back strongly post the outbreak of COVID-19. The hotel witnessed a robust recovery in demand with the average rates and occupancy reaching the pre-pandemic levels.

The Food & Beverage segment of your Company's Hotel continues to be its major strength. The Peshawri Restaurant



# GUJARAT HOTELS LIMITED

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

& the Welcomcafe Cambay are leaders in premium dining segment.

As reported earlier, 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 Hon'ble High Court passed an Order on 24<sup>th</sup> 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 the Lease. For further details, please refer to Note No. 20A to the Financial Statements.

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

### INTERNAL FINANCIAL CONTROLS

Your Company is managed by the Board of Directors ('the Board') 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. GHIL Code of Conduct requires the Management to conform to the financial and accounting policies, systems and processes, conduct business ethically and ensure strict compliance with all applicable laws and regulations. The Code of Conduct has been widely communicated at all levels and provide the foundation 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 till implementation.

Your Company has in place adequate internal financial controls with reference to Financial Reporting. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial information; complying with applicable statutes; and ensuring that transactions are carried out with proper authorisation. Such controls have been assessed during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on the results of this assessment carried out by the Management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed. Nonetheless, your Company recognises

that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes are undertaken to ensure that such systems are reinforced on an ongoing basis.

### RISK MANAGEMENT

Your Company continues to focus on a system-based approach to manage its business risks. Backed by strong internal control systems, the current Risk Management Framework consists of the following key elements:

- The Board has clearly laid down the roles and responsibilities of the Executive Management in relation to risk management covering a range of responsibilities, from strategic to operational. These role definitions, inter-alia, provide the foundation for appropriate risk management procedures, their effective implementation and independent monitoring and reporting by Internal Auditor.
- A combination of policies and procedures, bring 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.
- Internal Audit, an independent and external function, carries out risk focused audits, enabling identification of areas where risk management processes may need to be further strengthened. These audits are conducted by M/s Shah & Talati, Chartered Accountants, the Internal Auditor of the Company. The Audit Committee of the Board reviews Internal Audit findings and provides strategic guidance on internal controls. The Audit Committee closely monitors the internal control environment within your Company, including implementation of action plans emerging out of internal audit findings.
- A robust and comprehensive framework of strategic planning and performance management ensures realisation of business objectives based on effective strategy implementation. The annual planning exercise requires identification of top risks and setting out a mitigation plan with agreed timelines and accountabilities. Significant risks are periodically reviewed by the Chief Executive Officer who confirms that all relevant risks have been identified, assessed, evaluated and that appropriate mitigation systems have been implemented.

The combination of policies and processes as outlined above adequately addresses the various risks associated with your Company's business. The risk management practices of your Company and Internal Audit processes, have been found to be relevant and commensurate with the size and complexity of its operations.

### AUDIT AND SYSTEMS

Your Company believes that strong internal controls that are commensurate with the size and scale of your Company's





operations are concomitant 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 a mature and effective internal control environment that, inter-alia provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds / errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

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

M/s Shah & Talati, the Internal Auditor of the Company, have assured the Company that they are adequately skilled and 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, inter-alia, include reviewing the adequacy and effectiveness of the internal control environment, monitoring implementation of the action plans emerging out of review of significant Internal Audit findings including those relating to strengthening of your Company's risk management systems and discharging of statutory mandates.

The Statutory Auditor and the Secretarial Auditor of your Company have not reported any fraud to the Audit Committee or the Board under Section 143 (12) of the Companies Act, 2013 ('the Act') including rules made thereunder.

### HUMAN RESOURCE DEVELOPMENT

Your Company firmly believes that its employees are its core strength and accordingly development of people and providing a favorable work environment is the key priority to drive business objectives and goals.

As part of your Company's commitment to create a place where people can be successful both professionally and personally, efforts are made to create wholistic employee experience with equal importance on growth, engagement, and well-being. Endeavor is also made to provide specially crafted programs and practices to enable employees to perform at their full potential and set them up to succeed.

Your Company is dedicated in providing a safe, conducive and healthy working environment that enables its employees to work without fear of prejudice and gender bias. Your Company has put in place Grievance Redressal Procedures as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed there under. Your Company has Internal Committee to ensure that adequate preventive measures are taken and grievances in this regard, if any, are effectively addressed. During the year under review, no complaint relating to sexual harassment was received.

### WHISTLEBLOWER POLICY

Your Company's Whistleblower Policy encourages Directors and employees to bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of your Company, or actual or suspected instances of leak of unpublished price sensitive information or violation of the GHIL Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation. The Policy requires your Company to investigate such incidents, when reported, in an impartial manner and take 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 complainant 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 was denied access to the Committee during the year. The Whistleblower Policy is available on the Company's website at [https://www.gujarathotelsltd.in/policies/2020/Whistleblower\\_Policy\\_GHL.pdf](https://www.gujarathotelsltd.in/policies/2020/Whistleblower_Policy_GHL.pdf).

### DEPOSITS

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

### DIRECTORS

#### Changes in Directors

During the year under review, there were no changes in the composition of the Board of your Company.

#### Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with Article 147 of the Articles of Association of your Company, Mr. Nakul Anand (DIN: 00022279), Director, will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. Your Board has recommended his re-appointment.

#### Number of Board Meetings

Five meetings of the Board were held during the year ended 31<sup>st</sup> March, 2023.

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

The Nominations and Remuneration Committee has laid down the criteria for determining qualifications, positive attributes and independence of Directors (including Independent Directors). 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, competencies, experience and diversity of perspectives appropriate to your Company. The



# GUJARAT HOTELS LIMITED

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

skills, expertise and competencies of the Directors as identified by the Board, along with those available in the present mix of the Directors of your Company, are provided in the 'Report on Corporate Governance', forming part of the Report and Accounts.

The Articles of Association of the Company provides that the strength of the Board shall not be fewer than three nor more than twelve. Directors are appointed/ re-appointed with the approval of the Members. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise approved by the Members. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-appointment.

The Independent Directors of your Company have, inter-alia, confirmed that (a) they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 of the Listing Regulations, (b) they are independent from the management of your Company, and (c) they are not aware of any circumstance or situation which could impair or impact their ability to discharge duties with an objective, independent judgment and without any external influence. In the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the Act and the Listing Regulations, and are independent of the management of your 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 [https://www.gujarathotelsltd.in/policies/Remuneration-Policy\\_GHL.pdf](https://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, as reported in earlier years, formulated 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, inter-alia, against the roles and responsibilities of the Board as provided in the Act and the Listing Regulations. The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as fulfil expectations of other stakeholders through strategic supervision of your Company. Evaluation of functioning of Board Committees is based on discussions amongst Committee members and are shared by the respective Committee Chairmen 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 realizing its role of strategic supervision of the functioning of your Company in pursuit of its purpose and goals. The peer group ratings of the individual Directors are collated and made available to the Chairman of the Company.

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 against the laid down parameters anonymously in order to

ensure objectivity. Reports on functioning of the Committees were placed before the Board. The Independent Directors of the Board also reviewed the performance of the Chairman, other non-independent Directors and the Board, pursuant to Schedule IV of the Act and Regulation 25 of the Listing Regulations.

### Key Managerial Personnel

During the year, Ms. Parinita Bhutani, resigned as the Company Secretary of your Company with effect from close of work on 9<sup>th</sup> May, 2022. The Board, on the recommendation of the Nominations and Remuneration Committee appointed Ms. Sneha Gupta, as the Company Secretary of your Company with effect from 18<sup>th</sup> August, 2022.

### AUDIT COMMITTEE & AUDITORS

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

#### Statutory Auditor

Messrs. K C Mehta & Co. LLP, ('KCM') Chartered Accountants (Firm Registration No. 106237W/W100829), were re-appointed as the Company's Statutory Auditor with your approval at the Fortieth AGM held on 23<sup>rd</sup> August, 2022, to hold such office for a period of five years, till the conclusion of the Forty Fifth AGM of the Company.

KCM have submitted their Report on the Financial Statements of the Company which forms part of this Report and Accounts. There is no qualification, reservation, adverse remark or disclaimer given by the Auditor in their Report on the financial statements of the Company for the year ended 31<sup>st</sup> March, 2023.

Pursuant to Section 142 of the Act, the Board, on the recommendation of the Audit Committee, has recommended for the approval of the Members, the remuneration of KCM to conduct the statutory audit of the Company for the financial year 2023-24. Appropriate resolution seeking your approval to the above is appearing in the Notice convening the ensuing AGM of the Company.

#### Secretarial Auditor

Ms. Pooja Bhatia, Company Secretary in Practice, Proprietor, Messrs. P B & Associates was appointed by the Board as the Secretarial Auditor of your Company for the financial year ended 31<sup>st</sup> March, 2023. The Secretarial Auditor have confirmed that your Company has complied with the applicable laws and that there are adequate systems and processes in your Company commensurate with its size and scale of operations to monitor and ensure compliance with the applicable laws.

The Report of the Secretarial Auditor, pursuant to Section 204 of the Act, is provided in **Annexure 1** of this Report. There is no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in their Report for the financial year ended 31<sup>st</sup> March, 2023.



# GUJARAT HOTELS LIMITED

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

### RELATED PARTY TRANSACTIONS

During the year under review, all contracts or arrangements entered into by your Company with its related parties were in accordance with the provisions of the Act and the Listing Regulations. All such contracts or arrangements as approved by the Audit Committee, were in the ordinary course of business and on arm's length basis.

During the year under review, the Company obtained your approval for entering into material related party transactions, in the ordinary course of business and on arm's length basis, with ITC (Promoter of the Company), for renewal of Operating License Agreement for Company's Hotel, WelcomHotel Vadodara for another term of 30 years with effect from 1<sup>st</sup> October, 2022, on same commercial terms as that of the original agreement.

The details of material related party transactions of the Company in prescribed Form AOC-2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, are provided in **Annexure 2** to this Report. Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website at [https://www.gujarathotelsltd.in/policies/2022/Policy-on-Related-Party-Transcations\\_GHL.pdf](https://www.gujarathotelsltd.in/policies/2022/Policy-on-Related-Party-Transcations_GHL.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 judgments 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 your Company's Statutory Auditor, Messrs. K C Mehta & Co. LLP, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is annexed as **Annexure 3** to the Report.

#### Compliance with Secretarial Standards

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

#### Cost Records

Your 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 under review, by any Regulator, Court or Tribunal impacting the going concern status of your Company or its future operations.

#### Annual Return

The Annual Return of your Company is available on its website at [https://www.gujarathotelsltd.in/Annual\\_Return.html](https://www.gujarathotelsltd.in/Annual_Return.html).

#### Particulars of Loans, Guarantees or Investments

During the year under review, your Company has neither given any loan or guarantee nor made any investment under the provisions of Section 186 of the Act.

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

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

#### Conservation of Energy:

##### a) Steps taken or impact on conservation of energy:

Your Company's hotel is committed to adopt eco-friendly and energy conservation practices at its hotel and has accordingly, initiated several eco-friendly processes for energy and water conservation, waste management and measures to control water, noise and environmental pollution. Routine maintenance is performed to keep all equipment in the most efficient state of operations.

As a result of the aforesaid measures, optimum utilization of energy is being achieved in electrical units, PNG and water consumption.



# GUJARAT HOTELS LIMITED

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

b) **Steps taken for utilising alternate sources of energy:**  
NIL

c) **Capital investment on energy conservation equipment:**  
NIL

### **Technology Absorption:**

a) **Efforts made towards technology absorption and benefits derived:**  
NIL

b) **Expenditure incurred on research and development –**  
NIL

### **Foreign Exchange earnings and outgo:**

The Hotel being a licensed property, the foreign exchange earnings and expenditure belongs to the licensee.

### **EMPLOYEES**

The total number of employees of your Company as on 31<sup>st</sup> March, 2023 stood at 149 (including employees on deputation from ITC).

The information required under Section 197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure 4** 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 are intended to identify such forward-looking statements. Your 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 Company continues to monitor and respond with agility to the evolving situation while managing the uncertainties in the business environment. Your Directors and employees look forward to the future with a positive attitude and stand committed to deliver their best to create a better future for all stakeholders.

On behalf of the Board

Dated: 26<sup>th</sup> July, 2023  
Place: Gurugram  
DIN:

N Anand  
Chairman  
00022279

A Thakar  
Director  
09383474



# GUJARAT HOTELS LIMITED

## ANNEXURE 1

### FORM NO. MR – 3 SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,  
**Gujarat Hotels Limited**  
Welcome Hotels Vadodara  
R C Dutta Road, Alkapuri,  
Vadodara, Gujarat-390007

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 Welcome Hotel, Vadodara, R. C. Dutt Road, Alkapuri Vadodara GJ 390007 (hereinafter referred to as the 'Company') for the period commencing from 1<sup>st</sup> April 2022 till 31<sup>st</sup> March 2023 (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 available on MCA portal and also the information and management representation provided by the Company, its officers, agents and authorized representatives during the conduct Audit period, we hereby report that in our opinion, the Company has during the Audit Period 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 31<sup>st</sup> March 2023, 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (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; (as applicable to the Company)
- (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 as amended from time to time;
- (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.

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

#### We further report that

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

All meetings of the Board of Directors and Committee Meetings were called with adequate notice/shorter notice, agenda and detailed notes on agenda were sent along with notice/such later date in compliance with the provisions of the law, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**We 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 not undertaken any specific event/action 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**

**Pooja Bhatia  
FCS: 7673  
COP No.: 6485**

**UDIN: F007673E000560808**

**Place: New Delhi  
Dated: 6<sup>th</sup> July, 2023**

*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

The Members,  
**Gujarat Hotels Limited**  
Welcome Hotel Vadodara R C Dutt Road,  
Alkapuri, Vadodara, Gujarat-390007

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done 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.

#### Annexure: A

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P B & Associates**  
**Company Secretaries**

**Pooja Bhatia**  
**FCS: 7673**

**COP No.: 6485**

**UDIN: F007673E000560808**

**Place: New Delhi**  
**Dated: 6<sup>th</sup> July, 2023**



# GUJARAT HOTELS LIMITED

## ANNEXURE 2

### 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 of the related party and nature of relationship	<b>NIL</b>
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 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

Sl. No.	Particulars	Details of Contracts/Arrangements/Transactions
a)	Name of the related party and nature of relationship	ITC Limited ('ITC'), which is a Promoter of the Company.
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 24 <sup>th</sup> September, 1992 for an initial period of 30 years and last renewed for another period of 30 years with effect from 1 <sup>st</sup> October, 2022.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	ITC pays License fees @ 15% of Net Operating Income and reimburses salary and other expenses, as per OLA. Value of transactions during the financial year 2022-23, was as given below: - License fees- ₹ 431.99 lakhs; - Reimbursement of salary and other expenses- ₹ 730.76 lakhs.
e)	Date(s) of approval by the Board, if any	13 <sup>th</sup> July, 2022
f)	Amount paid as advances, if any	Nil

On behalf of the Board

Dated: 26<sup>th</sup> July, 2023  
Place : Gurugram  
DIN :

N Anand  
Chairman  
00022279

A Thakar  
Director  
09383474



# GUJARAT HOTELS LIMITED

## ANNEXURE 3

### INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNENCE

#### 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 March 31, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

#### Management 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.

#### Auditors' 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 during the year ended March 31, 2023.
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. LLP**  
Chartered Accountants  
Firm's Registration No. 106237W/W100829

Vishal P. Doshi  
Partner  
Membership No.101533  
UDIN:230101533BGSTDO3970

Place: Vadodara  
Date: July 26, 2023





# GUJARAT HOTELS LIMITED

## ANNEXURE 4

### 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 for the financial year ended 31<sup>st</sup> March, 2023

Name of Directors & Key Managerial Personnel (KMP)	Designation	Ratio of Remuneration to Median Remuneration of all Employees <sup>§</sup>	Increase in Gross Remuneration over Last Year (%) <sup>#</sup>
N Anand	Non-Executive Chairman	-	-
M S Bhatnagar	Independent Director	0.61:1	(11)*
C K Koshy	Independent Director	0.76:1	(8)*
M Narayanan	Independent Director	0.66:1	(9)*
B Sharma	Non-Executive Director	-	-
A Thakar	Non-Executive Director	-	-
A Deshmukh	Chief Executive Officer	15.79:1	12
N Goenka <sup>1</sup>	Chief Financial Officer	10.94:1	108 <sup>#</sup>
P Bhutani <sup>2</sup>	Company Secretary	0.76:1	(78) <sup>#</sup>
S Gupta <sup>3</sup>	Company Secretary	1.88:1	-

<sup>§</sup>Based on Gross remuneration.

<sup>#</sup>It is not comparable for the KMPs who were there only for part of the financial years 2021-22 and/or 2022-23.

\*Reflects sitting fees paid during the year for attending Board and Board Committees Meetings.

<sup>1</sup>Appointed as Chief Financial Officer w.e.f. 16<sup>th</sup> August, 2021.

<sup>2</sup>Ceased to be Company Secretary w.e.f. close of work on 9<sup>th</sup> May, 2022.

<sup>3</sup>Appointed as Company Secretary w.e.f. 18<sup>th</sup> August, 2022.

#### Notes

- The number of permanent employees as on 31<sup>st</sup> March, 2023 was 149 (including employees on deputation from ITC Limited)
- Compared to the financial year 2021-22, the figures for the financial year 2022-23 reflect that:
  - Median remuneration of employees – Increased by 19%.
  - Average remuneration of employees – Increased by 21%.
  - Average remuneration of employees excluding (KMPs) – Increased by 25%.
  - Remuneration of KMPs – Increased by 7% due to change of KMPs.
- Remuneration of the Directors, KMPs and other employees is in accordance with the Company's Remuneration Policy.



# GUJARAT HOTELS LIMITED

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 for the financial year ended 31<sup>st</sup> March, 2023

Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment / deputation	Previous Employment/ Position Held	2022-23									
									2	3	4	5	6	7	8	9		
<b>Top ten employees in terms of remuneration drawn</b>																		
Avinash Deshmukh*	53	Chief Executive Officer	50,07,643	26,34,451	Diploma in Hotel Management	27	24.03.2021	ITC Limited General Manager, WelcomHotel Jodhpur										
Nilish Goneka*	31	Chief Financial Officer	34,69,085	23,70,248	B.Com (Hons.), A.C.A., C.S.	7	16.08.2021	ITC Limited Assistant Financial Controller, ITC Grand Goa Resort & Spa										
Saikat Kalyan Sengupta	51	Executive	6,30,667	5,81,266	B.Com	30	13.05.1995	Jindal Hotels Limited Front office Assistant										
Rajaram Kashiram Babar	56	Senior Executive	6,18,084	5,55,935	B.Com	26	01.12.2016	Hotel Kaviraj Executive										
Vasunthara Yogesh Sonawane	56	Executive	6,17,617	5,57,080	HSC, Certificate Course in Cookery	33	01.04.1993	Welcomgroup Mughal Sheraton Agra, Commi-III										
Sheha Gupta	31	Company Secretary	5,94,673	5,57,815	B.A. (H) Economics, A.C.S.	6	08.08.2022**	MPS Limited Assistant Manager Corporate Secretarial										
Francis Marsel Rodrigues	57	Executive	5,87,145	5,43,945	S.S.C	37	23.09.1986	Sun - n Sand, Trainee Steward										
Hitesh Babubhai Patel	46	Executive	5,59,142	5,15,942	B.Com	25	01.06.2003	Metro Chem Ind. Ltd. Time Keeper										
Bharat Kanchanlal Shah	56	Executive	5,46,951	5,03,751	B.Com	34	15.06.1991	Rosewell Sales Corp. Jr. Sales Representative										
Chander Mohan Chuhnuram Sharma	50	Executive	5,45,831	5,02,631	H.S.C.	28	01.12.1995	Nil										
<b>Other employees employed throughout the year and in receipt of remuneration aggregating ₹ 1.02 crores or more per annum</b>										NIL								
<b>Other employees employed for a part of the year and in receipt of remuneration aggregating ₹ 8.50 lacs or more per month</b>										NIL								

\* On deputation from ITC Limited

\*\* Appointed by the Board as Company Secretary w.e.f. 18<sup>th</sup> August, 2022

Notes:

- Gross remuneration includes salary, variable pay/ performance bonus, long term incentives, allowances & other benefits/ applicable perquisites, borne by the Company, except provisions for gratuity and leave encashment which are actuarially determined on own 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, surcharge (as applicable) & education cess deducted at source and employee's own contribution to provident fund.
- All appointments (except deputed employees) are/were contractual in accordance with terms and conditions as per the Company's Rules.
- None of the above employees is a relative of any Director of the Company nor they hold any equity share in the Company.

Dated: 28<sup>th</sup> July, 2023  
Place:Gurugram  
DIN:

On behalf of the Board

N Anand  
Chairman  
00022279

A Thakar  
Director  
09383474



## GUJARAT HOTELS LIMITED

### CEO AND CFO COMPLIANCE CERTIFICATE

To,  
Audit Committee &  
Board of Directors  
Gujarat Hotels Limited

We, A Deshmukh, Chief Executive Officer and N Goenka, Chief Financial Officer, certify that:

- a) We have reviewed the financial statements including the cash flow statement for the year ended 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 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: Gurugram  
Date: 19<sup>th</sup> April, 2023

Avinash Deshmukh  
Chief Executive Officer

Nitish Goenka  
Chief Financial Officer



# GUJARAT HOTELS LIMITED

## BALANCE SHEET

As at 31st March 2023

₹ in Lakhs

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	2	127.94	132.62
b) Other Non-Current Assets	3	55.17	59.46
<b>Total Non-Current Assets</b>		<b>183.11</b>	<b>192.08</b>
<b>Current Assets</b>			
a) Financial Assets			
(i) Investments	4	3,812.44	2,663.89
(ii) Trade Receivables	5	164.32	98.50
(iii) Cash and Cash Equivalents	6	1.16	18.86
(iv) Other Bank Balances	7	37.48	843.56
(v) Other Financial Assets	8	50.33	74.43
b) Other Current Assets	3	6.16	5.44
<b>Total Current Assets</b>		<b>4,071.89</b>	<b>3,704.68</b>
<b>Total Assets</b>		<b>4,255.00</b>	<b>3,896.76</b>
<b>EQUITY AND LIABILITY</b>			
<b>Equity</b>			
a) Equity Share Capital	9	378.75	378.75
b) Other Equity		3,638.28	3,288.85
<b>Total Equity</b>		<b>4,017.03</b>	<b>3,667.60</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
a) Provisions	10	12.42	13.18
b) Deferred Tax Liabilities (Net)	11	126.08	122.02
c) Other Financial Liabilities	12	0.55	0.18
<b>Total Non-Current Liabilities</b>		<b>139.05</b>	<b>135.38</b>
<b>Current Liabilities</b>			
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.		3.45	3.00
(ii) Other Financial Liabilities	12	80.36	77.47
b) Other Current Liabilities	13	13.24	10.87
c) Provisions	10	1.87	2.44
<b>Total Current Liabilities</b>		<b>98.92</b>	<b>93.78</b>
<b>Total Equity And Liabilities</b>		<b>4,255.00</b>	<b>3,896.76</b>

The accompanying notes 1 to 23 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. LLP  
Chartered Accountants  
Firm's Registration No. 106237W/W100829

Vishal P. Doshi  
Partner  
M.No. 101533

Benita Sharma  
Director  
New Delhi  
DIN: 08582861

Ashish Thakar  
Director  
Gurugram  
DIN: 09383474

Place : Gurugram  
Date : 19th April 2023

Avinash Deshmukh  
Chief Executive Officer  
Gurugram

Nitish Goenka  
Chief Financial Officer  
Gurugram

Sneha Gupta  
Company Secretary  
Gurugram



# GUJARAT HOTELS LIMITED

## STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2023

₹ in Lakhs

Particulars		Note	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
I	Revenue From Operations	14	366.10	213.12
II	Other Income	15	197.08	143.79
<b>III</b>	<b>Total Income (I+II)</b>		<b>563.18</b>	<b>356.91</b>
<b>IV</b>	<b>EXPENSES</b>			
	Employee Benefits Expense	16	17.01	15.15
	Depreciation and Amortization Expense		4.68	4.68
	Other Expenses	17	24.67	22.57
	<b>Total Expenses (IV)</b>		<b>46.36</b>	<b>42.40</b>
<b>V</b>	<b>Profit Before Tax (III- IV)</b>		<b>516.82</b>	<b>314.51</b>
VI	Tax Expense:			
	Current Tax	18	87.57	77.04
	Deferred Tax	18	4.06	(34.39)
<b>VII</b>	<b>Profit for the Year (V-VI)</b>		<b>425.19</b>	<b>271.86</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>		-	-
<b>IX</b>	<b>Total Comprehensive Income for the Year (VII+VIII)</b>		<b>425.19</b>	<b>271.86</b>
X	Earnings per Equity Share (Face Value ₹10/-each):	19		
	Basic (in ₹)		11.23	7.18
	Diluted (in ₹)		11.23	7.18

The accompanying notes 1 to 23 are an integral part of the Financial Statements.

In terms of our report of even date

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For K C Mehta & Co. LLP  
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Place : Gurugram  
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Chief Financial Officer  
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Sneha Gupta  
Company Secretary  
Gurugram



# GUJARAT HOTELS LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2023

### A. Equity Share Capital

₹ in Lakhs

	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 2023	378.75	-	378.75
For the year ended 31st March 2022	378.75	-	378.75

### B. Other Equity

₹ in Lakhs

	Reserves & Surplus		Total
	General Reserve	Retained Earnings	
<b>Balance as at April 01, 2022</b>	<b>302.58</b>	<b>2,986.27</b>	<b>3,288.85</b>
Total Comprehensive Income for the year	-	425.19	425.19
Final Dividend	-	75.75	75.75
<b>Balance as at March 31, 2023</b>	<b>302.58</b>	<b>3,335.71</b>	<b>3,638.28</b>
<b>Balance as at April 01, 2021</b>	<b>302.58</b>	<b>2,782.59</b>	<b>3,085.17</b>
Total Comprehensive Income for the previous year	-	271.86	271.86
Final Dividend	-	68.18	68.18
<b>Balance as at March 31, 2022</b>	<b>302.58</b>	<b>2,986.27</b>	<b>3,288.85</b>

The Board of Directors of the Company recommended a dividend of ₹ 2/- per share (for the year ended 31st March, 2022 - dividend ₹ 2/- 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 ₹ 75.75 Lakhs (for the year ended 31st March, 2022 - dividend ₹ 75.75 Lakhs), subject to deduction of Income Tax.

**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 23 are an integral part of the Financial Statements.

In terms of our report of even date

On behalf of the Board

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Chartered Accountants  
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Sneha Gupta  
Company Secretary  
Gurugram



# GUJARAT HOTELS LIMITED

## CASH FLOW STATEMENT

For the year ended 31st March, 2023

₹ in Lakhs

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAX	516.82	314.51
Adjustments for:		
Depreciation & Amortisation expense	4.68	4.68
Interest Income	(11.08)	(32.99)
(Gain)/Loss on sale of property, plant and equipment - Net	-	0.09
Net (gain)/loss on investments mandatorily measured at fair value through profit or loss	(185.00)	(110.80)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>325.42</b>	<b>175.49</b>
Adjustments for:		
Trade Receivables , Financial Assets and Other Assets	(72.88)	(12.65)
Trade Payables, Other Liabilities and Provisions	11.03	0.27
<b>CASH GENERATED FROM OPERATIONS</b>	<b>263.57</b>	<b>163.11</b>
Income Tax Paid( Net)	(83.27)	(69.04)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>180.30</b>	<b>94.07</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Current Investments	(2,257.00)	(438.00)
Sale/Redemption of Current Investments	1,293.45	1,224.15
Interest Received	41.50	2.68
Investment in bank deposits (original maturity more than 3 months)	-	(799.80)
Redemption / maturity of bank deposits	799.80	-
<b>NET CASH FROM/(USED) IN INVESTING ACTIVITIES</b>	<b>(122.25)</b>	<b>(10.97)</b>
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(75.75)	(68.18)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(75.75)</b>	<b>(68.18)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(17.70)</b>	<b>14.92</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>18.86</b>	<b>3.94</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>1.16</b>	<b>18.86</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE :</b>		
Cash & Cash equivalents	1.16	18.86
	<b>1.16</b>	<b>18.86</b>

### NOTES:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".  
The accompanying notes 1 to 23 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. LLP  
Chartered Accountants  
Firm's Registration No. 106237W/W100829

Vishal P. Doshi  
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Place : Gurugram  
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Sneha Gupta  
Company Secretary  
Gurugram



## NOTES TO THE FINANCIAL STATEMENTS

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) 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 Generally Accepted Accounting Principles (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 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 equipments' residual values and useful lives are reviewed at each balance sheet date and changes, if any, are treated as changes in accounting estimate.





# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Useful lives of different class of PPE are as follows:

Particulars	Useful Life as per Schedule II
Building	60 Years
Plant and Equipment	15 Years
Furniture's and fixtures	8 Years
Office equipment	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 and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. 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 fair value or transaction price, as applicable, when the company becomes party to contractual obligations. The transaction price includes transaction cost unless the asset 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



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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 unrealised 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 fair value and 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 transaction price that the Company receives or expects to receive as consideration 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 recognised as expense. The contributions in respect of provident fund and family pension are statutorily



## NOTES TO THE FINANCIAL STATEMENTS

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 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.

## NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	Gross Block				Depreciation / Amortisation				Net Block		
	April 01, 2021	Additions	Withdrawals and Adjustment	March 31, 2022	For the year	Withdrawals and Adjustment	March 31, 2022	For the year	Withdrawals and Adjustment	March 31, 2023	March 31, 2022
<b>Tangible Assets</b>											
Building	159.22	-	-	159.22	4.68	-	159.22	4.68	-	37.51	121.71
Plant and Equipment*	5.20	-	0.08	5.12	-	-	5.12	-	-	5.12	5.12
Furniture and Fixtures*	1.10	-	0.01	1.09	-	-	1.09	-	-	1.09	1.09
Office Equipment*	0.02	-	-	0.02	-	-	0.02	-	-	0.02	0.02
<b>Total</b>	<b>165.54</b>	<b>-</b>	<b>0.09</b>	<b>165.45</b>	<b>4.68</b>	<b>-</b>	<b>165.45</b>	<b>4.68</b>	<b>-</b>	<b>37.51</b>	<b>127.94</b>

\* Deemed cost on transition to Ind AS on fully depreciated assets



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-Current	Current	Non-Current
<b>3 OTHER ASSETS</b>				
<b>Advances other than capital advances</b>				
Security Deposit				
- With Others		23.29		23.29
- Statutory Authorities		2.00		2.00
Other Advances (prepaid expenses)	6.16		5.44	
Advance Tax (Net of Provisions)		29.88		34.17
<b>TOTAL</b>	<b>6.16</b>	<b>55.17</b>	<b>5.44</b>	<b>59.46</b>

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

Sl. No.	Investments in Mutual Funds	As at 31st March, 2023		As at 31st March, 2022	
		Unquoted		Unquoted	
1	ICICI Prudential Banking & PSU Debt Fund 11,24,750.948 Units (2022 - 11,24,750.948) of ₹10.00 each	309.83		293.95	
2	ICICI Corporate Bond Fund 12,41,451.718 Units (2022 - 12,41,451.718) of ₹10.00 each	310.02		293.68	
3	Aditya Birla Sun Life Floating rate fund 72,873.121 Units (2022 - 72,873.121) of ₹ 1000.00 each	218.32		206.63	
4	Aditya Birla Sun Life Savings Fund 1,37,924.934 Units ( 2022-1,37,924.934 ) of ₹100.00 each	646.21		612.24	
5	Kotak Savings Fund 18,84,512.723 Units (2022-18,84,512.723) of ₹10.00 each	691.69		657.51	
6	HDFC Ultra Short term Fund 52,52,228.620 Units (2022 - 48,86,033.012) of ₹10.00 each	678.69		599.88	
7	DSP Low Duration Fund - Growth 28,35,565.37 Units (2022- Nil) of ₹ 10.00 each	478.82		-	
8	SBI Magnum Low Duration Fund - Growth 16,053.68 Units (2022 - Nil) of ₹1000.00 each	478.86		-	
	<b>TOTAL</b>	<b>3,812.44</b>		<b>2,663.89</b>	

5	TRADE RECEIVABLES	As at	As at
		31st March, 2023	31st March, 2022
	Secured, considered good	-	-
	Unsecured, considered good	164.32	98.50
	Which have significant increase in credit risk	-	-
	Credit impaired	-	-
	Less: Allowance for credit impairment	-	-
	<b>TOTAL</b>	<b>164.32</b>	<b>98.50</b>

**NOTES TO THE FINANCIAL STATEMENTS**
**Trade receivables Ageing Schedule**

₹ in Lakhs

As at 31st March, 2023	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>	164.32	-	-	-	-	164.32
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
<b>Gross</b>	<b>164.32</b>	-	-	-	-	<b>164.32</b>

As at 31st March, 2022	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>	98.50	-	-	-	-	98.50
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Disputed Trade Receivables	-	-	-	-	-	-
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
<b>Gross</b>	<b>98.50</b>	-	-	-	-	<b>98.50</b>



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

₹ in lakhs

	As at 31st March, 2023	As at 31st March, 2022
<b>6 CASH AND CASH EQUIVALENTS @</b>		
Balances with Banks		
Current Accounts	1.12	18.86
Cash on Hand	0.04	-
<b>TOTAL</b>	<b>1.16</b>	<b>18.86</b>

@ 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

Deposit with Banks *	-	799.80
Earmarked balances	37.48	43.76
<b>TOTAL</b>	<b>37.48</b>	<b>843.56</b>

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

### 8 OTHER FINANCIAL ASSETS

Interest accrued on Deposits	1.76	32.19
Others Receivables - Unsecured, Considered Good	48.57	42.24
<b>TOTAL</b>	<b>50.33</b>	<b>74.43</b>

### 9 EQUITY SHARE CAPITAL

#### Authorised

	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 ₹ in lakhs	As at 31st March, 2022 (No. of Shares)	As at 31st March, 2022 ₹ in lakhs
Equity Shares of ₹10/- each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹10/- each, fully paid	37,87,515	378.75	37,87,515	378.75

#### Issued, Subscribed and Paid up

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

	31st March, 2023	31st March, 2022
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



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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

	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 %	As at 31st March, 2022 (No. of Shares)	As at 31st March, 2022 %
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%
Mr. Viren Shantilal Shah	2,18,197	5.76%	2,16,682	5.72%

### 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.

### E) Details of shares held by promoters

#### As at 31<sup>st</sup> March, 2023

Promoter Name	No. of shares at the end of the year	% of Total Shares	% change during the year
ITC Limited	17,33,907	45.78%	-
Russell Investments Limited	3,00,056	7.92%	-

#### As at 31<sup>st</sup> March, 2022

Promoter Name	No. of shares at the end of the year	% of Total Shares	% change during the year
ITC Limited	17,33,907	45.78%	-
Russell Investments Limited	3,00,056	7.92%	-

₹ in lakhs

As at 31st March, 2023		As at 31st March, 2022	
Current	Non-Current	Current	Non-Current

### 10 PROVISIONS

Provision for Long Term Employee Benefits	1.87	12.42	2.44	13.18
<b>TOTAL</b>	<b>1.87</b>	<b>12.42</b>	<b>2.44</b>	<b>13.18</b>





# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	As at	
	31st March, 2023	31st March, 2022
<b>11 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities	126.08	122.02
<b>Total</b>	<b>126.08</b>	<b>122.02</b>

### Movement in Deferred Tax Liabilities/Assets Balances

For the year 2022-23	Balance as on 01st April, 2022	Recognized in profit or loss	Balance as on 31st March, 2023
<b>Deferred Tax Liabilities in relation to:</b>			
<b>Other timing differences</b>			
On Depreciation on PPE	33.07	(1.15)	31.92
On gain on Investment at FVTPL	88.95	5.21	94.16
<b>Total Deferred Tax Liabilities (Net)</b>	<b>122.02</b>	<b>4.06</b>	<b>126.08</b>

For the year 2021-22	Balance as on 01st April, 2021	Recognized in profit or loss	Balance as on 31st March, 2022
<b>Deferred Tax Liabilities in relation to:</b>			
<b>Other timing differences</b>			
On Depreciation on PPE	34.23	(1.16)	33.07
On gain on Investment at FVTPL	122.18	(33.23)	88.95
<b>Total Deferred Tax Liabilities (Net)</b>	<b>156.41</b>	<b>(34.39)</b>	<b>122.02</b>

	As at 31st March, 2023		As at 31st March, 2022	
	Current	Non-Current	Current	Non-Current
<b>12 OTHER FINANCIAL LIABILITIES</b>				
Unpaid Dividend	37.48	-	43.76	-
Employee Related	42.88	0.55	33.71	0.18
<b>TOTAL</b>	<b>80.36</b>	<b>0.55</b>	<b>77.47</b>	<b>0.18</b>
<b>13 OTHER CURRENT LIABILITIES</b>				
Statutory Liabilities	13.24		10.87	
<b>TOTAL</b>	<b>13.24</b>		<b>10.87</b>	



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	₹ in Lakhs	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
<b>14 REVENUE FROM OPERATIONS</b>		
Operating License Fees	366.10	213.12
<b>TOTAL</b>	<b>366.10</b>	<b>213.12</b>
<b>15 OTHER INCOME</b>		
Interest Income		
- Deposit with Banks- Carried at Amortised Cost	10.08	32.39
- Deposit Others	1.00	0.60
Net gain/(loss) on financial assets mandatorily measured at FVTPL *	185.00	110.80
Other Non-Operating Income	1.00	—
<b>TOTAL</b>	<b>197.08</b>	<b>143.79</b>
* Includes 9.77 Lakhs ( 2022- 10.08 Lakhs) being net gain/(loss) on sale of investments.		
<b>16 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	575.35	436.21
Contribution to Provident and Other Fund	51.89	44.34
	627.24	480.55
Less: Recoveries made/Reimbursements received	(610.23)	(465.40)
<b>TOTAL</b>	<b>17.01</b>	<b>15.15</b>
<b>17 OTHER EXPENSES</b>		
Advertising/Sales Promotion	1.57	1.74
Consultancy/Professional fees	4.48	2.85
Travelling & Conveyance	2.75	1.69
Postage, Telephone, Stationery etc.	1.50	2.14
Miscellaneous Expenses	14.37	14.15
<b>TOTAL</b>	<b>24.67</b>	<b>22.57</b>
Miscellaneous expenses includes Auditors remuneration and expenses :		
Audit Fees	0.85	0.60
Fees for other services	0.36	0.36
<b>18 INCOME TAX EXPENSES</b>		
<b>A. Amount recognised in profit or loss</b>		
<b>Current Tax</b>		
Income Tax for the Year	87.56	77.05
Adjustments/(Credits) related to previous year	0.01	(0.01)
<b>Total Current Tax</b>	<b>87.57</b>	<b>77.04</b>
<b>Deferred Tax</b>		
Deferred tax for the year	4.06	(34.39)
<b>Total Deferred Tax</b>	<b>4.06</b>	<b>(34.39)</b>
<b>TOTAL</b>	<b>91.63</b>	<b>42.65</b>



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	₹ in Lakhs	
	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
<b>B. Reconciliation of effective tax rate</b>		
<b>Profit before tax</b>	516.82	314.51
<b>Indian tax rate</b>	25.168%	25.168%
Income Tax expense calculated at 25.168% (2022 25.168%)	130.07	79.16
Effects of:		
– Different tax rate on certain items	(38.45)	(36.50)
Adjustments recognised in the current year in relation to Current tax of prior years	0.01	(0.01)
<b>Income Tax recognised in profit or loss</b>	<b>91.63</b>	<b>42.65</b>
The tax rate of 25.168% (22% + surcharge @ 10% and cess @ 4%) used for the year 2022-23 and year 2021-22 is the corporate tax rate payable on taxable profits under the Income Tax Act, 1961.		
<b>19 EARNINGS PER EQUITY SHARE</b>		
Profit for the year (₹ in lakhs)	425.19	271.86
Number of equity shares outstanding	37,87,515	37,87,515
Basic and diluted earnings per share in ₹ (Face value ₹ 10/- per share)	11.23	7.18

## 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 of 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 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### C. Trade payables Ageing Schedule

₹ in Lakhs

As at 31st March, 2023	Outstanding for following periods from due date of payment						Total
	Not Due	Unbilled Payable	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	0.54	2.91	-	-	-	-	3.45
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>0.54</b>	<b>2.91</b>	-	-	-	-	<b>3.45</b>

As at 31st March, 2022	Outstanding for following periods from due date of payment						Total
	Not Due	Unbilled Payable	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	0.16	2.22	0.62	-	-	-	3.00
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>0.16</b>	<b>2.00</b>	<b>0.62</b>	-	-	-	<b>3.00</b>

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

E. Defined Benefit Plan:

The Company has taken a Policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability 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 as per the Operating License Agreement, hence no effect on Statement on Profit & Loss and Other Comprehensive Income.

#### Risk Management

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

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

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

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

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



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Gratuity	
	2022-23	2021-22
<b>I Components of Defined Benefit Cost Recognised in Profit or Loss</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
a. Current service cost	7.29	7.57
b. Past service cost	-	-
c. Net interest cost	(3.81)	(3.12)
<b>Remeasurements</b>		
a. Effect of charges in demographic assumption	-	-
b. Effect of changes in financial assumptions	(5.07)	(3.51)
c. Effect of experience adjustments	7.71	(0.46)
d. (Return) on plan assets (excluding interest income)	0.02	0.48
e. Changes in asset ceiling (excluding interest income)	-	-
f. Total remeasurements included in OCI	2.61	(4.45)
<b>Total defined benefit cost recognized in P&amp;L and OCI</b>	<b>6.10</b>	<b>(0.01)</b>
<b>II Net Assets/(Liabilities) recognised in Balance Sheet</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
1. Defined benefit obligation at end of period	109.01	115.50
2. Fair value of plan assets at end of period	158.00	162.42
3. Net defined benefit liability (asset)	(48.99)	(46.92)
<b>III Change in defined benefit obligation</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
1. Defined benefit obligation at beginning of period	115.50	110.55
2. Current service cost	7.29	7.57
3. Interest expenses	7.01	6.74
4. Remeasurements gains/(losses):		
a. Effect of changes in demographic assumptions	-	-
b. Effect of changes in financial assumptions	(5.07)	(3.51)
c. Effect of experience adjustments	7.71	(0.46)
5. Benefits Paid	(23.43)	(5.38)
6. <b>Present Value of DBO at end of the year</b>	<b>109.01</b>	<b>115.50</b>
<b>IV Change in fair value of plan assets</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
1. Fair value of plan assets at beginning of period	162.42	153.26
2. Interest income	10.81	9.87
3. Actual Company Contributions	8.18	4.19
4. Benefits Paid	(23.43)	(5.38)
5. Remeasurements Gains/(Losses) on plan assets	0.02	0.48
6. <b>Fair value of plan assets at end of period</b>	<b>158.00</b>	<b>162.42</b>
<b>V Significant actuarial assumptions</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
1. Discount rate (%)	7.50%	6.75%
2. Salary increase rate	6.0%	6.0%
3. Attrition Rate	3.0%	3.0%
4. Retirement Age	58	58
5. Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
6. Disability	Nil	Nil



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### VI Sensitivity Analysis

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

	<b>DBO as at 31-03-2023</b>	<b>DBO as at 31-03-2022</b>
1. Discount rate +100 basis points	103.11	109.39
2. Discount rate -100 basis points	115.54	122.26
3. Salary Increase Rate +1%	115.03	121.67
4. Salary Increase Rate -1%	103.47	109.82
5. Attrition Rate +1%	108.90	114.98
6. Attrition Rate -1%	109.13	116.07
<b>Maturity Analysis of the Benefit Payments</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Year 1	14.78	25.28
Year 2	20.61	12.76
Year 3	10.33	17.96
Year 4	9.44	8.81
Year 5	5.43	8.18
Next 5 years	44.22	38.88

F. Amount towards Defined Contribution Plans have been recognized under Contribution to Provident and Other Funds in Note 16: ₹51.89 Lakhs (2022- ₹44.34 Lakhs).

G. The financial statements were approved for issue by the Board of Directors on 19th April, 2023

H. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending:

- Ind AS 1, 'Presentation of Financial Statements' - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies.

- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases.

- Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - This amendment has introduced a definition of 'accounting estimates' and included amendments to help distinguish changes in accounting policies from changes in accounting estimates.

The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2023. The Company expects that there will be no material impact on the financial statements resulting from the implementation of these amendments.

### 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.



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### II Categories of Financial Instruments

₹ in Lakhs

Particulars	Note	As at		As at	
		March 31 <sup>st</sup> , 2023		March 31 <sup>st</sup> , 2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. Financial Assets</b>					
<b>a) Measured at amortised cost</b>					
i) Cash and cash equivalents	6	1.16	1.16	18.86	18.86
ii) Other bank balances	7	37.48	37.48	843.56	843.56
iii) Trade Receivables	5	164.32	164.32	98.50	98.50
iv) Other Financial Assets	8	50.33	50.33	74.43	74.43
Sub - total		<b>253.29</b>	<b>253.29</b>	<b>1,035.35</b>	<b>1,035.35</b>
<b>b) Measured at fair value through profit or loss</b>					
i) Investment in mutual funds	4	3,812.44	3,812.44	2,663.89	2,663.89
Sub - total		<b>3,812.44</b>	<b>3,812.44</b>	<b>2,663.89</b>	<b>2,663.89</b>
<b>Total Financial Assets</b>		<b>4,065.73</b>	<b>4,065.73</b>	<b>3,699.24</b>	<b>3,699.24</b>
<b>B. Financial Liabilities</b>					
<b>Measured at amortised cost</b>					
i) Trade Payables		3.45	3.45	3.00	3.00
ii) Other Financial Liabilities	12	80.91	80.91	77.65	77.65
<b>Total Financial Liabilities</b>		<b>84.36</b>	<b>84.36</b>	<b>80.65</b>	<b>80.65</b>

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

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

### III 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 ₹4071.89 Lakhs (2022 - ₹3704.68 Lakhs) including Current Investments, Cash and cash equivalents and Other bank balances of ₹3851.08 Lakhs (2022 - ₹3526.31 Lakhs) against an aggregate Current liability of ₹98.92 Lakhs (2022 - ₹93.78 Lakhs) on the reporting date. Further, the Company's total equity stands at ₹4017.03 Lakhs (2022 - ₹ 3667.60 Lakhs) 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 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 Lessee under the Operating Service Agreement, which are generally short term in nature. Accordingly, the Company has concluded that no provision for expected credit loss is required.



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 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
A Thakar	Non-Executive Director
C K Koshy	Non-Executive Director
M Narayanan	Non-Executive Director
M S Bhatnagar	Non-Executive Director
B Sharma	Non-Executive Director

#### iii) Disclosure of transactions between Company and Related Parties and status of outstanding balance as on 31.03.2023:

₹ in Lakhs

Particulars	ITC LIMITED		Key Management Personnel	
	2023	2022	2023	2022
License Fees Received	431.99	251.48	-	-
Purchase of Services	1.80	1.94	-	-
Remuneration of Key Management Personnel on Deputation Reimbursed	80.89	69.86	-	-
Recoveries of Contractual Remuneration (including Managers on Deputation)	705.51	536.59	-	-
Expenses Recovered	25.25	23.34	-	-
Dividend Payments	34.68	31.21	0.05	0.05
Remuneration to Key Management Personnel				
- Short Term Benefits			8.36	10.72
- Director's Sitting Fees			6.45	7.10
Balance amount recoverable	212.86	140.65	-	-
Balance amount payable	2.57	0.45	-	-

### 23 Ratio Analysis and its elements:

Ratio	Numerator	Denominator	As at	As at
			March 31 <sup>st</sup> , 2023	March 31 <sup>st</sup> , 2022
Current ratio (in times)	Current Assets	Current Liabilities	41.16	39.51
Return on Equity ratio (in %)	Profit for the year	Average Shareholder's Equity	11.07	7.62
Trade Receivable Turnover Ratio (in times)	Revenue From Operations	Average Trade Receivable	2.79	2.30
Net Capital Turnover Ratio (in times)*	Revenue From Operations	Working capital (Current assets- Current liabilities)	0.09	0.06
Net Profit ratio (in %)	Profit for the year	Total Income	75.50	76.17
Return on Capital Employed (in %)	Profit before tax	Average Capital Employed	13.03	8.49
Return on Investment (in %)	Income from Investments	Time weighted average Investments	5.46	4.07

Debt- Equity Ratio, Debt Service Coverage ratio, Inventory Turnover ratio, Trade Payable Turnover Ratio are not applicable to the Company.

\*Robust growth in revenue has resulted in an improvement in the ratio.

On behalf of the Board

Benita Sharma  
Director  
New Delhi  
DIN: 08582861

Ashish Thakar  
Director  
Gurugram  
DIN: 09383474

Avinash Deshmukh  
Chief Executive Officer  
Gurugram

Nitish Goenka  
Chief Financial Officer  
Gurugram

Sneha Gupta  
Company Secretary  
Gurugram





# 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 March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the 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 March 31, 2023, 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 Auditors' 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 Key Audit Matter
1	<p><b>Evaluation of uncertain legal position of leasehold land.</b></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"> <li>● Obtained details of application made to State Government.</li> <li>● 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.</li> <li>● Obtained details of progress in the matter.</li> <li>● Read the minutes of the board meetings.</li> </ul> <p>Based on the procedures described, management's evaluation of the same is acceptable.</p>

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the 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, Corporate Governance Report and Shareholder's Information but does not include the financial statements and our auditors' 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 identified above 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.



## INDEPENDENT AUDITOR'S REPORT

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

### 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, total 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) specified 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.

### Auditors' 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 auditors' 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 with reference to financial statements 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 auditors' 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 auditors' 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.

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 period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because



# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

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, 2020 ("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 Ind AS specified under Section 133 of the Act;
  - e. on the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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";
  - g. with respect to the other matters to be included in the Auditors' 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; and
  - h. the other matters to be included in the Auditors' Report in accordance with Rule 11 with respect to the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 20A to the financial statements;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses as at March 31, 2023;
  - iii. there has been no delay in transferring amounts,

required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv.(a) the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend declared and paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company from Financial Year beginning April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year 2022-2023.

**For K C Mehta & Co. LLP**  
**Chartered Accountants**  
**Firm's Registration No. 106237W/W100829**

**Vishal P. Doshi**  
**Partner**

**Place: Vadodara**  
**Date: April 19, 2023**

**Membership No. 101533**  
**UDIN: 23101533BGSTCC5662**



# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditors' Report to the members of **Gujarat Hotels Limited** ("the Company") on the financial statements for the year ended March 31, 2023, we report that:

- i. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE");  
(B) The Company does not have any intangible assets, and hence reporting under clause (i)(a)(B) of the order is not applicable to the Company;
- b) The Company has a regular program of physical verification of PPE which, in our opinion is reasonable. The PPE 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.
- d) The Company has not revalued its PPE (including Right of Use Assets) or intangible assets or both during the year, and hence reporting under this clause of the Order is not applicable to the Company;
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. a) The Company does not have any inventory and therefore, reporting under clause (ii) (a) of the Order is not applicable to the Company;
- b) The Company has not availed any working capital limits at any points of time during the year, from banks or financial institutions and therefore, reporting under clause (ii)(b) of the Order is not applicable to the Company.
- iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and therefore the reporting under clause (iii) of the Order is not applicable to the Company;
- iv. The Company has not granted any loans, made any investments, or provided any guarantees or security to which provisions of section 185 and 186 of the Act apply and therefore, reporting under clause (iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are considered to be deemed deposits during the year, hence directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable to the Company. According to information and explanations provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by 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 and on the basis of our examination of the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including Goods and Services Tax, provident fund, employee's state insurance, income-tax, value added tax, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employee's state insurance, income tax, value added tax, cess and any other statutory dues were in arrears, as at March 31, 2023, for a period of more than six months from the date they become payable.  
b) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no statutory dues as referred to in sub clause (a) above which have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).



## GUJARAT HOTELS LIMITED

### INDEPENDENT AUDITOR'S REPORT

- ix. a) The Company has not taken any loans or borrowings from any lender and therefore, reporting under clause (ix)(a) of the Order is not applicable to the Company;
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and therefore, reporting under clause (ix)(c) of the Order is not applicable to the Company.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the records of the company, we report that the company has not taken any funds from any entity or person and therefore, reporting under clause (ix) (e) of the order is not applicable to the Company.
- f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and therefore, reporting under clause (x)(b) of the Order is not applicable to the Company;
- xi. a) To the best of our knowledge and according to information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year;
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
- c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.
- xii. The Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us:
- a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934
- b) the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as covered under the requirements of the Reserve Bank of India Act, 1934.
- c) the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India.
- d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention,



# GUJARAT HOTELS LIMITED

## INDEPENDENT AUDITOR'S REPORT

which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due;

- xx. Since the Company doesn't satisfy any of the criteria prescribed under Sections 135(1) of the Companies Act 2013 during the immediately preceding financial year, thus there was no requirement for the Company to spend any amount on CSR activities during the year

ended March 31, 2023, Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the order is not applicable to the Company.

- xxi. The Company is not required to prepare consolidated financial statements and therefore, reporting under this clause of the Order is not applicable to the Company..

**For K C Mehta & Co. LLP**  
**Chartered Accountants**

**Firm's Registration No. 106237W/ W100829**

**Vishal P. Doshi**  
**Partner**

**Place: Vadodara**

**Membership No. 101533**

**Date: April 19, 2023**

**UDIN: 23101533BGSTCC5662**

## 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 March 31, 2023, 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



## GUJARAT HOTELS LIMITED

### INDEPENDENT AUDITOR'S REPORT

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.

#### **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 March 31, 2023, 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. LLP**  
**Chartered Accountants**  
**Firm's Registration No. 106237W/ W100829**

**Vishal P. Doshi**  
**Partner**

**Place: Vadodara**  
**Date: April 19, 2023**

**Membership No. 101533**  
**UDIN: 23101533BGSTCC5662**

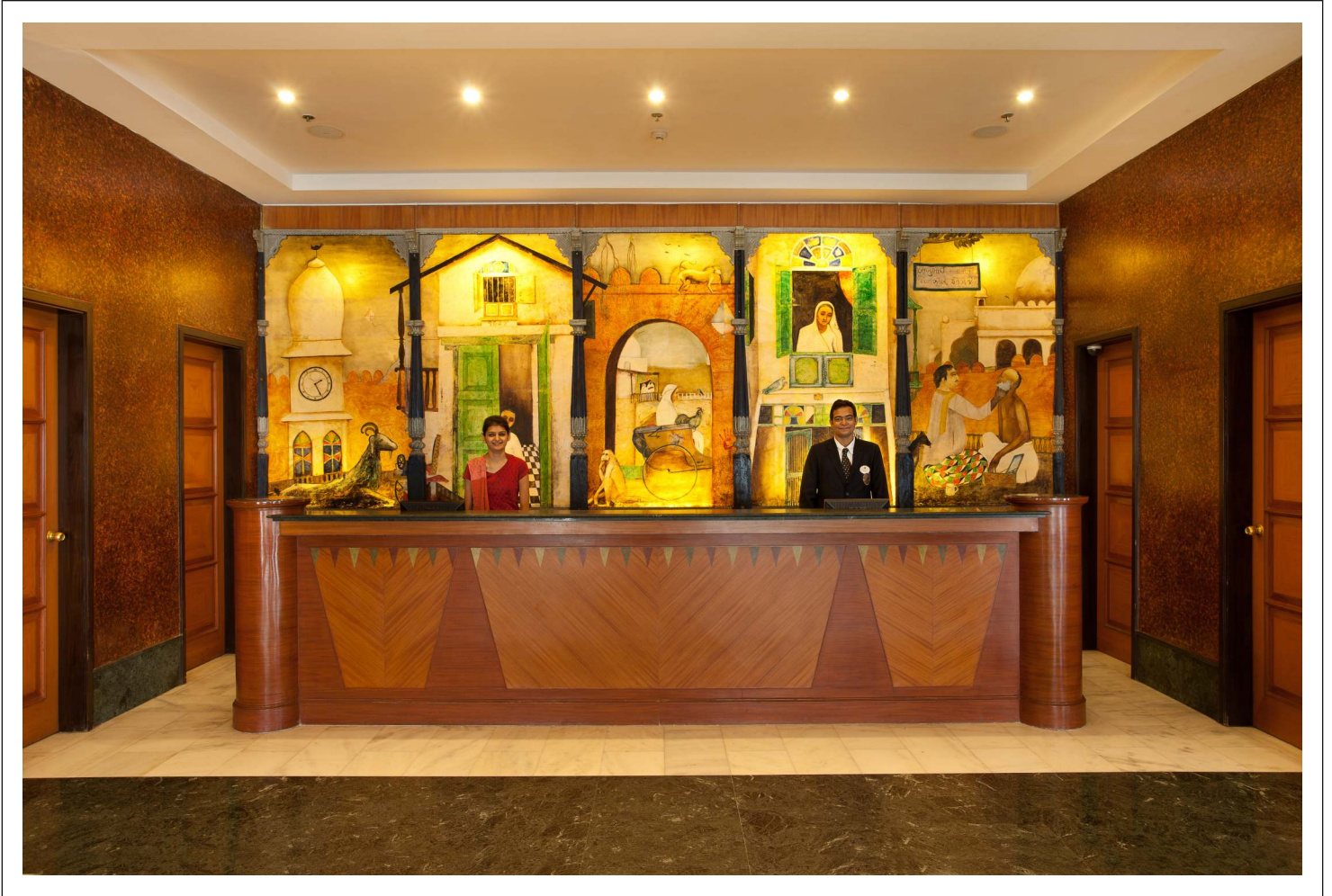


Welcomcafe Cambay 24x7 Fine Dining restaurant



Peshawri - Speciality restaurant offering North-West Frontier cuisine





**Gujarat Hotels Limited**

