



GUJARAT HOTELS LTD.

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

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

28<sup>th</sup> July, 2022

Dear Sirs,

**Report and Accounts for the financial year ended 31<sup>st</sup> March, 2022**

We enclose, in terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Report and Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the Notice dated 13<sup>th</sup> July, 2022 convening the 40<sup>th</sup> Annual General Meeting (AGM) of the Company on 23<sup>rd</sup> August, 2022.

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

Yours faithfully,  
**Gujarat Hotels Limited**

  
**(Nitish Goenka)**  
**Chief Financial Officer**  
Encl: A/a



**Gujarat Hotels Limited**



**REPORT AND ACCOUNTS 2022**



Executive Club Exclusive room



Pool Side View



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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  
Ashish Thakar  
Benita Sharma

### Board Committees

#### Audit Committee

M Narayanan	Chairman
C K Koshy	Member
A Thakar	Member
M Bhatnagar	Member
N Goenka	Invitee
A Deshmukh	Invitee
Representative of Statutory Auditors	Invitee

#### Nominations and Remuneration Committee

C K Koshy	Chairman
N Anand	Member
M Narayanan	Member

#### Stakeholders Relationship Committee

A Thakar	Chairman
C K Koshy	Member
M Bhatnagar	Member

### Key Managerial Personnel

**Chief Executive Officer** - Avinash Deshmukh

**Chief Financial Officer** - Nitish Goenka

#### Registered Office

Welcomhotel Vadodara  
R C Dutt Road, Alkapuri  
Vadodara - 390 007  
Tel : 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, 1st Floor  
Okhla Industrial Area, Phase - 1  
New Delhi - 110 020  
Tel : 011-41406149  
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: +91 0265 233 0033 ● E-mail: ghlinvestors@yahoo.co.in ● Website: www.gujarathotelsltd.in

## NOTICE OF 40<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of the Members of Gujarat Hotels Limited will be held on **Tuesday, 23<sup>rd</sup> August, 2022, 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, 2022, 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, 2022.
3. To appoint a Director in place of Ms. Benita Sharma (DIN: 08582861) who retires by rotation and, being eligible, offers herself 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 Sections 139 and 142 of the Companies Act, 2013, Messrs. K C Mehta & Co. LLP, Chartered Accountants (FRN 106237W/W100829), be and are hereby re-appointed as the Auditors of the Company from the conclusion of this Annual General Meeting to hold such office for a period of five years till the conclusion of the Forty-Fifth Annual General Meeting, at a remuneration of ₹ 85,000/- (Rupees Eighty Five Thousand Only) to conduct the audit for the financial year 2022-23, payable in one or more instalments plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred.”

### SPECIAL BUSINESS

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

“Resolved that, in accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Ashish Thakar (DIN: 09383474) be and is hereby appointed a Non-Executive Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation.”

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

“Resolved that, in accordance with the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), consent be and is hereby accorded to the Company for entering into and / or continuing to enter into contracts / arrangements / transactions with ITC Limited (‘ITC’), a related party under Regulation 2(1)(zb) of the Listing Regulations, in connection with renewal of the Operating License Agreement for the Company’s Hotel, Welcomhotel Vadodara and such other matters, as set out in the Explanatory Statement annexed to the Notice convening this Meeting and on the terms and conditions as may be mutually agreed between the parties.

Resolved further that the Board of Directors of the Company (‘the Board’, which term shall be deemed to include the Audit Committee) be and is hereby authorised to perform and execute all such acts, deeds, matters and things including delegation of all or any of the powers conferred herein, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto, and also to settle any issue, question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem fit or desirable, subject to compliance with the applicable laws and regulations, without the Board being required to seek any further consent / approval of the Members.”



# GUJARAT HOTELS LIMITED

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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, 2022 is **Friday, 5<sup>th</sup> August, 2022**, and such Dividend, if declared, will be paid between **Wednesday, 24<sup>th</sup> August, 2022 and Monday, 29<sup>th</sup> August, 2022** to those Members entitled thereto.

By Order of the Board  
Gujarat Hotels Limited

Nakul Anand  
Chairman

Dated: 13<sup>th</sup> July, 2022  
Place: Gurugram

### NOTES:

- (i) Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this Annual General Meeting ('AGM'), is annexed. Additional information, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to re-appointment of the Statutory Auditors of the Company, as proposed under Item No. 4 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.
- (ii) Since this 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.
- (iii) Corporate Members are requested to send a certified copy (in PDF / JPG format) of the Board Resolution authorising their representative to attend this AGM, pursuant to Section 113 of the Act, through e-mail at **ghlinvestors@yahoo.co.in**.
- (iv) In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions for consideration at this AGM will be transacted through remote e-voting (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 services of Central Depository Services (India) Limited ('CDSL'). The Board has appointed Ms. Pooja Bhatia (Membership No: F7673), Partner, Messrs. P B & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinise the process of e-voting.
- (v) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on **Friday, 12<sup>th</sup> August, 2022 (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) Remote e-voting will commence at **10:00 a.m. on Friday, 19<sup>th</sup> August, 2022** and will end at **5:00 p.m. on Monday, 22<sup>nd</sup> August, 2022**, when e-voting module will be disabled by CDSL. During this period, Members of the Company holding shares either in certificate form or in dematerialised form, as on the cut-off date i.e. Friday, 12<sup>th</sup> August, 2022, may cast their votes electronically.
- (vii) In case you have any queries / grievances or issues regarding attending this AGM or e-voting on the CDSL e-voting system, you can write an email to **helpdesk.evoting@cdslindia.com** or contact Mr. Rakesh Dalvi, Sr. Manager, CDSL, at toll free no. 1800 22 55 33. You may also address your queries / grievances to the Company through e-mail at **ghlinvestors@yahoo.co.in** or call at 0124-4175260.
- (viii) 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, 2022 is being sent separately to the Members.
- (ix) Unclaimed dividend for the financial year ended 31<sup>st</sup> March, 2015 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 5<sup>th</sup> November, 2022, 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.gujarathotelsltd.in** under the section



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'General Information' under 'Investor Relations'. The Company will not be able to entertain any claim received after 3<sup>rd</sup> November, 2022 in respect of the same.

- (x) In conformity with the applicable regulatory requirements, the Notice of this AGM and the Report and Accounts 2022 are being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company or with the Depositories.
- (xi) 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 AGM Notice and the Report and Accounts 2022, or participate in 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 accessing the section "Service of Documents through Electronic Mode" on the Company's website at <https://gujarathotelsltd.in/AnnualGeneralMeetingInformation.html>.

Members holding shares in dematerialised form are requested to register / update their e-mail addresses with the relevant Depositories.

- (xii) 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 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 16<sup>th</sup> August, 2022 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.

- (xiii) 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 at [ghlinvestors@yahoo.co.in](mailto:ghlinvestors@yahoo.co.in).

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

- (a) Member who wish to attend this AGM through VC / OAVM are requested to login to the e- voting system of CDSL at [www.evotingindia.com](http://www.evotingindia.com) under "Shareholders / Members" login, under the EVSN of Gujarat Hotels Limited, by using their remote e-voting credentials. The procedure for attending the AGM is same as the steps enumerated under (II) below for remote e-voting.
- (b) The facility for the Members to join this AGM through VC / OAVM will be available from 30 minutes before the time scheduled for the AGM and may close not earlier than 30 minutes after the commencement of the AGM.
- (c) Members are requested to login to the CDSL 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 CDSL e-voting website

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

For Members holding shares in demat account with 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 select 'New System Myeasi', or launch internet browser by typing the URL: <https://web.cdslindia.com/myeasi/home/login>.
  - (b) Insert your existing user ID and password.
  - (c) After login, you will be able to view the e-voting menu.





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- (d) Click on '**e-vote**' link available for Gujarat Hotels Limited or '**e-voting service provider - CDSL**' and proceed to Step 2 to cast your vote.
- **If you are not registered for CDSL 'Easi / Easiest' facility**, you can also directly access the '**e-voting**' tab on the home page of [www.cdslindia.com](http://www.cdslindia.com) or click on <https://evoting.cdslindia.com/Evoting/EvotingLogin> with your demat account number and PAN.
- After OTP based authentication, you will be provided link for '**e-voting**' for Gujarat Hotels Limited or '**e-voting service provider - CDSL**' and proceed to Step 2 to cast your vote.

For Members holding shares in demat account with 'National Securities Depository Limited' (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.nsdl.com> and click on '**Beneficial Owner**' tab under the '**IDeAS**' section.
- (b) Insert your existing user ID, password and the verification code as shown on the screen.
- (c) After login, click on '**Access to e-voting**' under e-voting services and you will be able to see the e-voting page.
- (d) Click on '**evote**' link for Gujarat Hotels Limited or '**e-voting service provider - CDSL**' and proceed to Step 2 to cast your vote.
- **If you are not registered for 'IDeAS'**, you are required to follow the below-mentioned steps:
- (a) Launch internet browser by typing the URL: <https://www.evoting.nsdl.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 for Gujarat Hotels Limited or '**e-voting service provider - CDSL**' 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 CDSL e-voting website wherein you will be able to see the e-voting page.
- (c) Click on '**evote**' link for Gujarat Hotels Limited or '**e-voting service provider - CDSL**' 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. Once the vote is cast, the Member shall not be allowed to change it subsequently.

### **(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 CDSL 'Easi / Easiest' facility, you can login at [www.cdslindia.com](http://www.cdslindia.com) with your existing login and click on '**e-vote**' to proceed to Step 2 to cast your vote.



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

- Launch internet browser by typing the URL: **www.evotingindia.com** and click on 'Shareholder/ Member - Login'.
- Insert your existing user ID, password and the verification code as shown on the screen.

• **User ID:**

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*****.
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*****.
For Members holding shares in certificate form.	EVSN followed by your folio number registered with the Company.

• **Password:**

- If you are already registered with CDSL for remote e-voting, you should use your existing password for login.**

Members may also use OTP based login.

- If you are using CDSL e-voting system for the first time, you would need to enter your 10 digit alpha-numeric PAN and enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account.
- If you are unable to retrieve the password, or have forgotten your password, then enter the User ID and the image verification code, and click on Forgot Password & enter the details as prompted by the system.

You may also send an e-mail requesting for password at **helpdesk.evoting@cdslindia.com** mentioning your name, PAN, registered address and your DP ID & Client ID / folio number.

- Click on 'Submit'. Home page of remote e-voting opens.

### Facility for Non-Individual Members and Custodians – Remote e-voting

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which it wishes to vote on.
- The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
- A scanned copy of the Board Resolution / appropriate authorisation should be uploaded in PDF format in the system for the Scrutinizer to verify the same. Alternatively, non-individual Members are required to send the said documents together with attested specimen signature of the duly authorised signatory who are authorized to vote, to the Scrutinizer at **pooja@aasthalaw.com** and to the Company at **ghlinvestors@yahoo.co.in**, if they have voted from the given tab & not uploaded the same in the CDSL e-voting system.

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

- Click on 'e-voting' and select the EVSN of Gujarat Hotels Limited.
- Now you are ready for remote e-voting as 'Cast Vote' page opens.
- Cast your vote by selecting appropriate option and click on 'Submit'. Thereafter click on 'Confirm' when prompted; upon confirmation, your vote is cast.



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### Other Instructions

- (a) In case of any query / grievance for any technical issues related to login through Depository i.e. CDSL and NSDL, you may contact the following:
- (i) For 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**;
- (ii) For NSDL- by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free nos. **1800 1020 990** and **1800 22 44 30**.
- (b) Those who become Members of the Company after sending the Notice but on or before **12<sup>th</sup> August, 2022 (cut-off date)** may write to CDSL at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) 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 CDSL 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 through VC / OAVM and have not cast their votes on the Resolutions through remote e-voting, 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 also attend the meeting, but they will not be entitled to cast their votes once again.

### IV. General Information

- (a) There will be one vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.
- (b) **The Results of voting will be declared within 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 CDSL; such Results will also be forwarded to BSE Limited, where the Company's shares are listed.

### EXPLANATORY STATEMENT

Annexed to the Notice convening the Fortieth Annual General Meeting to be held on Tuesday, 23<sup>rd</sup> August, 2022.

#### Item No. 4

The Members of the Company at the Thirty Fifth Annual General Meeting ('AGM') held on 8<sup>th</sup> August, 2017 approved the appointment of Messrs. K C Mehta & Co., Chartered Accountants ('KCM'), as the Auditors of the Company for a period of five years from the conclusion of the said AGM. KCM will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of KCM (name changed to Messrs. K C Mehta & Co. LLP effective 7<sup>th</sup> June, 2022) as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the Forty Fifth AGM. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of KCM for the financial year 2022-23 as set out in the Resolution relating to their appointment.

The Committee considered various parameters like experience, technical knowledge, audit team size etc., and found KCM to be best suited to handle the audit of the financial statements of the Company.

KCM was established in 1958 and headquartered in Vadodara with branches in Ahmedabad, Mumbai and Bengaluru. It has large client base spanning Indian businesses, listed companies and Multinationals in India across sectors.

KCM have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.



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### Item No. 5

The Board of Directors of the Company ('the Board') at the meeting held on 12<sup>th</sup> November, 2021, on the recommendation of the Nominations and Remuneration Committee, appointed in terms of Section 161 of the Companies Act, 2013 ('the Act') read with Article 130 of the Articles of Association of the Company, Mr. Ashish Thakar as an Additional Non-Executive Director of the Company with effect from 13<sup>th</sup> November, 2021.

Mr. Thakar will vacate office at this Annual General Meeting ('AGM') and is eligible for appointment as Director. The Board at the meeting held on 13<sup>th</sup> July, 2022, recommended for the approval of the Members, the appointment of Mr. Thakar as a Non-Executive Director of the Company, as set out in the Resolution relating to his appointment.

Mr. Thakar is not in receipt of any remuneration from the Company. He neither holds any share in the Company (in individual capacity or on a beneficial basis for any other person) nor is he related to any other Director or Key Managerial Personnel of the Company. Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Thakar has been received by the Company, and consent has been given by Mr. Thakar pursuant to Section 152 of the Act.

Additional information in respect of Mr. Thakar, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing in the Report and Accounts under the section 'Your Directors'.

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

The Board recommends this Resolution for your approval.

### Item No. 6

As the Members are aware, the Company's Hotel, Welcomhotel Vadodara, pursuant to a rehabilitation package dated 4<sup>th</sup> October, 1990 was licensed to ITC Limited ('ITC') vide an Operating License Agreement ('OLA') entered in September, 1992. The said OLA was signed for a period of 30 years and is due for renewal effective 1<sup>st</sup> October, 2022.

It is now proposed to renew the OLA for a period of 30 years on same commercial terms. ITC being the promoter of the Company, is a related party under Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In terms of Regulation 23 of the Listing Regulations, approval of the Members is required for entering into material related party transactions which, either individually or taken together with previous transaction(s) during a financial year, are likely to exceed ₹ 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

Accordingly, the Board of Directors of the Company ('the Board') at the meeting held on 13<sup>th</sup> July, 2022, on the recommendation of the Audit Committee, recommended for the approval of the Members, entering into contracts / arrangements / transactions with ITC in connection with renewal of the OLA and such other matters, details of which, pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021, are given hereunder.

Sl. No	Particulars	Remarks
1	Name of the Related Party	ITC Limited ('ITC')
2	Nature of Relationship	ITC is a Promoter of the Company
3	Nature, tenure and material terms of the contract or arrangement	<ul style="list-style-type: none"> <li>➤ The Operating License Agreement ('OLA') with ITC for licensing of the Company's Hotel, Welcomhotel Vadodara, is proposed to be renewed for a period of 30 years with effect from 1<sup>st</sup> October, 2022, on same commercial terms.</li> <li>➤ In accordance with the terms of OLA, ITC will pay the following to the Company, for a period of 30 years:               <ul style="list-style-type: none"> <li>a. License Fees @ 15% of the Hotel's Net Operating Income or ₹ 60 lakhs per annum, whichever is higher.</li> <li>b. Reimbursement of salary and other expenses.</li> </ul> </li> </ul>



# GUJARAT HOTELS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

		<ul style="list-style-type: none"> <li>➤ In addition to the above, the Company reimburses the following to ITC -           <ol style="list-style-type: none"> <li>a. Cost of employees deputed by ITC to the Company.</li> <li>b. Cost of services availed.</li> </ol> </li> <li>➤ All revenue and expenses pertaining to the operation of the Hotel (including lease rent of land, property &amp; municipal tax) belong to ITC</li> </ul>
4	Nature of concern or interest	Financial
5	Estimated value of the proposed transaction and percentage of the Company's annual consolidated turnover for the immediately preceding financial year represented by such estimated value	<p>As stated above, the license fees is based on Net Operating Income and hence, the same would vary from year to year.</p> <p>The value of the said transactions for the financial year 2021-22 were as follows:</p> <p>Payments made by ITC to the Company:</p> <ul style="list-style-type: none"> <li>- License fees- ₹ 251.48 Lakhs; and</li> <li>- Reimbursements of salary and other expenses- ₹ 559.93 Lakhs.</li> </ul> <p>Reimbursements by the Company to ITC:</p> <ul style="list-style-type: none"> <li>- Cost of employees deputed from ITC- ₹ 69.86 Lakhs; and</li> <li>- Cost of services availed- ₹ 1.94 Lakhs.</li> </ul>
6	Justification as to why the proposed transaction is in the interest of the Company	<p>Under the existing model, the Company has been consistently earning profits and thereby declaring dividends to its shareholders. In case the OLA is not renewed, the Company will have to engage a hotel operator for Brand Licensing, selling / marketing and for operating the Hotel on a management contract basis and pay for management fees. Further, all expenses for operation of the Hotel, including lease rentals (being a considerable amount), annual capex and renovation/ upgradation charges, will have to be borne by the Company. Hence, the proposed renewal of OLA is in the best interest of the Company and will aid the growth of the Company's business.</p>
7	Details of valuation or other external party report, if such report has been relied upon	Not applicable
8	Any other information that may be relevant	Nil

The transactions with ITC, pursuant to the OLA, will be entered in the ordinary course business and on arm's length basis. Further, value limits for the individual transactions will be approved and reviewed by the Audit Committee of the Board at periodic intervals. The details of actual transactions entered into with ITC will be submitted to BSE Limited on a half-yearly basis and will also be disclosed in the Notes to the Financial Statements of the Company on an annual basis.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

Pursuant to the provisions of the Listing Regulations, all related parties of the Company (whether such related party is a party to the above-mentioned transaction or not) shall not vote to approve this Resolution.

The Board recommends this Resolution for your approval.

By Order of the Board  
Gujarat Hotels Limited

Dated: 13<sup>th</sup> July, 2022  
Place: Gurugram

Nakul Anand  
Chairman



# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

### N Anand

Nakul Anand (65), DIN: 00022279, a Non-Executive Director of the Company since 10<sup>th</sup> March, 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 Hospitality, Travel & Tourism Businesses of ITC.

An Economics Honours Graduate from the 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 as per the stringent norms of the U.S. Green Building Council.

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. During the year, he was conferred with the Lifetime Achievement Award at the Hotel Investment Conference - South Asia (HICSA) 2022 for his long, illustrious and invaluable contribution to the hospitality sector.

### Other Directorships

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

### Committee Membership of other companies

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

### A Thakar

Ashish Thakar (55), DIN: 09383474, was appointed as Additional Non-Executive Director of the Company effective 13<sup>th</sup> November, 2021. He is a Chartered Accountant and M.B.A. He joined ITC Limited in 1992 at Corporate Head Office in Kolkata. During his stint with the Hotels Division since 1994, he was posted at various hotels viz. Welcomgroup Searock, ITC Windsor, ITC Kakatiya, ITC Park Sheraton, ITC Sonar, Hotels Division Headquarters, etc. He was instrumental 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 which led the IT and business process transformation at ITC Hotels, by enabling the latest IT systems.

Post 2011 till 2014, he worked in the Strategic Planning cell of ITC Limited.

Thereafter, Thakar led the Finance and Commercial function for the Foods Division of ITC Limited.

### 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	Additional Non-Executive Director

### Committee Membership of other companies

Name of the company	Committee	Position
Srinivasa Resorts Limited	Audit Committee	Chairman
Fortune Park Hotels Limited	Corporate Social Responsibility Committee	Member

### B Sharma

Benita Sharma (58), 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 Hotels as a HMI (Hotel Management Institute) trainee in 1987 and then moved to various managerial positions in ITC Limited 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.



# GUJARAT HOTELS LIMITED

## YOUR DIRECTORS

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.

### C K Koshy

Cheruvettolil Kochukoshy Koshy (77), 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. Currently, he is an Advisor at CEPT Research and Development Foundation at CEPT University.

Koshy does not hold directorship of any other company.

### M Bhatnagar

Mohan Swarup Bhatnagar (70), 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.

### M Narayanan

Mahalinga Narayanan (77), 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
Tulip Star Hotels 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
Tulip Star Hotels Limited	Audit Committee	Chairman

<sup>#</sup> Denotes listed Indian company whose securities are listed on a recognised stock exchange.

<sup>\*</sup> Denotes foreign company.

Notes:

- Other Directorships and Committee Memberships of Directors are as on 13<sup>th</sup> July, 2022.
- Committee Memberships cover Committees under the Companies Act, 2013 viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and CSR Committee of Indian companies.



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

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

### THE COMPANY'S GOVERNANCE PHILOSOPHY

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

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

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

### BOARD OF DIRECTORS

#### Composition

In terms of the Articles of Association of the Company, the strength of 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. As on 31<sup>st</sup> March, 2022, the strength of the Board was six, including the Non-Executive Chairman, two Non-Executive Directors (including 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 judgement on issues of strategy, performance, resources, standards of Company conduct etc.

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.**

#### Composition of the Board as on 31<sup>st</sup> March, 2022

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	1
M Bhatnagar	Non-Executive Independent Director	Nil	Nil
C K Koshy	Non-Executive Independent Director	Nil	Nil
M Narayanan	Non-Executive Independent Director	2	3
B Sharma	Non-Executive Director	Nil	Nil
J Singh <sup>1</sup>	Non-Executive Director	-	-
A Thakar <sup>2</sup>	Non-Executive Director	5	1

<sup>1</sup> Resigned as Director w.e.f. close of work on 12<sup>th</sup> November, 2021.

<sup>2</sup> Appointed as Director w.e.f. 13<sup>th</sup> November, 2021.

\* Details with respect to other Directorships of the Directors 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.

#### 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.





# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

In addition to the above, the following 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 (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, 2022, six meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	17 <sup>th</sup> April, 2021	6	6
2	10 <sup>th</sup> July, 2021	6	6
3	16 <sup>th</sup> August, 2021	6	6
4	18 <sup>th</sup> October, 2021	6	5
5	12 <sup>th</sup> November, 2021	6	6
6	14 <sup>th</sup> January, 2022	6	6

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

Director	No. of Board Meetings attended	Attendance at last AGM
N Anand	6	Yes
M Bhatnagar	6	Yes
C K Koshy	6	Yes
M Narayanan	6	Yes
B Sharma	5	Yes
J Singh <sup>1</sup>	5	Yes
A Thakar <sup>2</sup>	1	NA

<sup>1</sup> Resigned as Director w.e.f. close of work on 12<sup>th</sup> November, 2021.

<sup>2</sup> Appointed as Director w.e.f. 13<sup>th</sup> November, 2021.

### 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 for its information. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

#### A. AUDIT COMMITTEE

The Audit Committee of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations.
- safeguarding of assets and adequacy of provisions for all liabilities.
- reliability of financial and other management information and adequacy of disclosures.
- compliance with all relevant statutes.

The role of the Committee includes the following:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;



## REPORT ON CORPORATE GOVERNANCE

- To recommend the appointment, remuneration and removal of Statutory Auditors;
- 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 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 Auditors 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; two members, including the Chairman of the Committee, have accounting and financial management expertise.

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

### Meetings and Attendance

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

During the financial year ended 31<sup>st</sup> March, 2022, six meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	17 <sup>th</sup> April, 2021	4	4
2	10 <sup>th</sup> July, 2021	4	4
3	16 <sup>th</sup> August, 2021	4	4
4	18 <sup>th</sup> October, 2021	4	4
5	14 <sup>th</sup> January, 2022	4	4
6	28 <sup>th</sup> March, 2022	4	4

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

Member	No. of Meetings attended
M Narayanan	6
M Bhatnagar	6
C K Koshy	6
J Singh <sup>1</sup>	4
A Thakar <sup>2</sup>	2

<sup>1</sup> Ceased to be Member w.e.f. close of work on 12<sup>th</sup> November, 2021.

<sup>2</sup> Inducted as a Member of the Committee w.e.f. 13<sup>th</sup> November, 2021.

### B. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board primarily oversees redressal of shareholder & investor grievances, approves transmission of shares, sub-division / consolidation and 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 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, are provided under the section 'Board of Directors & Committees' in the Report and Accounts.



# 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, 2022, three meetings of the Stakeholders Relationship Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	10 <sup>th</sup> July, 2021	3	3
2	26 <sup>th</sup> November, 2021	3	3
3	28 <sup>th</sup> March, 2022	3	3

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

Member	No. of Meetings attended
M Bhatnagar	3
C K Koshy	3
A Thakar <sup>1</sup>	2
J Singh <sup>2</sup>	1

<sup>1</sup> Inducted as a Member of the Committee w.e.f. 13<sup>th</sup> November, 2021.

<sup>2</sup> Ceased to be Member w.e.f. close of work on 12<sup>th</sup> November, 2021.

### 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 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.

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

### Meetings and Attendance

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

During the financial year ended 31<sup>st</sup> March, 2022, four meetings of the Nominations and Remuneration Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	17 <sup>th</sup> April, 2021	4	4
2	16 <sup>th</sup> August, 2021	4	4
3	12 <sup>th</sup> November, 2021	4	4
4	14 <sup>th</sup> January, 2022	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
J Singh <sup>1</sup>	3

<sup>1</sup> Ceased to be Member w.e.f. close of work on 12<sup>th</sup> November, 2021.

### 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/Remuneration-Policy\\_GHL.pdf](https://www.gujarathotelsltd.in/policies/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. The sitting fees, for the year under review, as determined by the Board was ₹ 20,000/- and ₹ 10,000/- for each meeting of the Board and its Committee, respectively. 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, 2022:

Director	Sitting Fees (₹ in Lakhs)
C K Koshy	2.60
M Narayanan	2.30
M Bhatnagar	2.20

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



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 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.

### Directors' Shareholding

Details of Shareholding of the Directors in the Company as on 31<sup>st</sup> March, 2022 are given below:

Director	No. of Equity Shares of ₹10/- each held singly / jointly
N Anand	Nil
M 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

#### Details of Independent Directors Meeting during the financial year

During the financial year ended 31<sup>st</sup> March, 2022, one Meeting of the Independent Directors was held as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	28 <sup>th</sup> March, 2022	3	3

Attendance at Independent Directors Meeting during the financial year:

Member	No. of meetings attended
M Bhatnagar	1
C K Koshy	1
M Narayanan	1

### 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, 2021 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' Reports are 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, 2022.

13<sup>th</sup> July, 2022  
Vadodara  
A Deshmukh  
CEO

### WHISTLEBLOWER POLICY

Synopsis of the Whistleblower Policy of the Company is provided in the 'Report of the Board of Directors & Management Discussion and Analysis' forming part of the Report and Accounts. The Whistleblower Policy may be accessed on



# GUJARAT HOTELS LIMITED

## REPORT ON CORPORATE GOVERNANCE

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).

### 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, the Directors of the Company are updated on 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.

Further details may be accessed on the Company's website at [https://www.gujarathotelsltd.in/policies/2022/Directors-Familiarisation-Programme-2022\\_GHL.pdf](https://www.gujarathotelsltd.in/policies/2022/Directors-Familiarisation-Programme-2022_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-Transactions\\_GHL.pdf](https://www.gujarathotelsltd.in/policies/2022/Policy-on-Related-Party-Transactions_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 Exchanges / 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.
- 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 advance any 'loans and advances 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 Auditors, 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 its Statutory Auditors, and all other entities forming part of the same network of which the Statutory Auditors are a member firm, aggregate ₹ 0.96 Lakhs.
- During the year, Ms. Parinita Bhutani, Company Secretary, was the Compliance Officer under the Listing Regulations.

### DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS

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

#### 1. Non-Executive Chairman's Office:

The Company has a Non-Executive Chairman but he does not maintain any separate office, and hence no expense in this regard is being incurred by the Company.

#### 2. Shareholder Rights:

The quarterly, half-yearly and annual financial results of the Company are posted on the Company's website and extract of these results in the prescribed format are published in



## REPORT ON CORPORATE GOVERNANCE

newspapers on all India basis. The complete Report and Accounts is sent to the Shareholders of the Company.

### 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 Auditors have issued an unmodified audit opinion on the Company's Financial Statements for the year ended 31<sup>st</sup> March, 2022.

### 4. Internal Audit:

The Internal Auditors 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	Tuesday, 23 <sup>rd</sup> August, 2022
Venue	The AGM will be held on electronic platform
Time	11.00 a.m.
Record Date	Friday, 5 <sup>th</sup> August, 2022
Dividend Payment Date	Between Wednesday 24 <sup>th</sup> August, 2022 and Monday, 29 <sup>th</sup> August, 2022

### Registrar and Share Transfer Agents

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

### Address for Correspondence

MCS Share Transfer Agent Limited  
F -65, 1st Floor, Okhla Industrial Area  
Phase – I, New Delhi - 110 020  
Telephone Nos : 011 4140 6149  
Facsimile No. : 011 4170 9881  
e-mail : helpdeskdelhi@mcsregistrars.com

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

### Share Transfer System

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

A Thakar <sup>1</sup> – Director	Chairman
N Goenka <sup>2</sup> – Chief Financial Officer	Member
A Deshmukh- Chief Executive Officer	Member
P Bhutani <sup>3</sup> - Company Secretary & Compliance Officer	Member
M Agarwal <sup>4</sup> - Chief Financial Officer	Member
J Singh <sup>5</sup> – Director	Chairman

<sup>1</sup>Appointed w.e.f 13<sup>th</sup> November, 2021

<sup>2</sup>Appointed w.e.f. 16<sup>th</sup> August, 2021

<sup>3</sup>Ceased to be Member w.e.f. 9<sup>th</sup> May, 2022

<sup>4</sup>Ceased to be Member w.e.f. 14<sup>th</sup> August, 2021

<sup>5</sup>Ceased to be Member and Chairman w.e.f. 12<sup>th</sup> November, 2021

### Dematerialisation of Shares and Liquidity

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

As on 31<sup>st</sup> March, 2022, a total of 35,70,881 Equity Shares of the Company, which translates to 94.28% 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.

The Company did not receive any complaint during the financial year ended 31<sup>st</sup> March, 2022. There were no complaints pending against the Company with BSE Limited at the end of each quarter as also on 31<sup>st</sup> March, 2022; 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, 2022

No. of Shares Slab	No. of Shareholders		No. of Equity Share	
	Total	% to Share holders	Total	% to Share Capital
1-500	5207	94.5524	563121	14.8678
501-1000	168	3.0507	130325	3.4409
1001-2000	73	1.3256	106650	2.8158
2001-3000	15	0.2724	38276	1.0106
3001-4000	12	0.2179	41919	1.1068
4001-5000	8	0.1453	37540	0.9912
5001-10000	13	0.2361	83354	2.2008
10001-50000	3	0.0545	90847	2.3986
50001 – 100000	3	0.0545	252465	6.6657
100001 & Above	5	0.0908	2443018	64.5019
<b>Total</b>	<b>5507</b>	<b>100</b>	<b>37,87,515</b>	<b>100</b>

### Categories of Shareholders as on 31<sup>st</sup> March, 2022

Sl. No.	Category	No. of Shares Held	% of Share holding
<b>A</b>	<b>Promoter Holding</b>		
1	<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>		
2	<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>
3	<b>Others</b>		
A	Private Corporate Bodies	1,37,912	3.64
B	Indian Public	13,80,682	36.45
C	NRIs	83,921	2.22
D	Others	1,50,937	3.99
	<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>



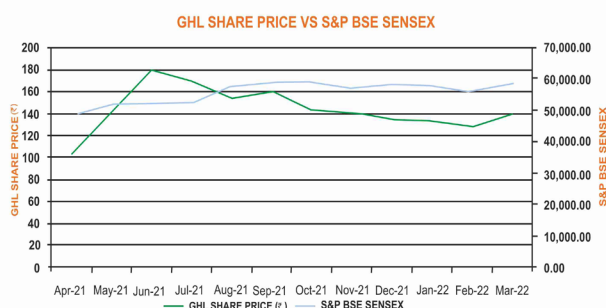
# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

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

Year	Month	High (₹)	Low (₹)	Volume (Nos.)	
2021	April	110.90	99.00	48,456	
	May	148.70	95.20	2,75,306	
	June	204.45	136.05	3,94,243	
	July	184.40	159.20	72,249	
	August	173.00	146.00	45,736	
	September	168.70	150.00	41,734	
	October	164.75	135.00	63,904	
	November	151.80	130.00	38,308	
	December	145.00	130.00	22,981	
	2022	January	148.90	111.95	32,025
		February	141.85	120.00	33,500
		March	156.90	108.95	59,942

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



Note - Indicates monthly closing positions.

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

BSE Limited (507960)  
 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001  
 Telephone Nos. : +91-22-2272 1233/4,  
 Facsimile No. : +91-22-2272 1919  
 e-mail : is@bseindia.com  
 Website : www.bseindia.com

The Listing Fee for the financial year 2022-23 has been paid to BSE Limited.

### Dividend History (Last 10 years)

Year	Dividend per Share
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
2013-14	3.50
2012-13	3.50

\*Subject to approval of the shareholders

### Financial Calendar

#### Financial Year 2022-23 (1<sup>st</sup> April – 31<sup>st</sup> March)

- 1 First Quarter Results July 2022
- 2 Second Quarter and Half-Year Results October / November 2022
- 3 Third Quarter Results January / February 2023
- 4 Fourth Quarter and Annual Results April / May 2023

### Particulars of Past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolution Passed
39 <sup>th</sup>	2020-21	The AGM was held on electronic platform	25-09-2021	11:00 a.m	-
38 <sup>th</sup>	2019-20		18-09-2020		-
37 <sup>th</sup>	2018-19	Welcomhotel Vadodara R C Dutt Road Alkapuri Vadodara 390007	07-09-2019		Re-appointment of Mr Cheruvettolil Kochukoshy Koshy and Mr Mahalinga Narayanan as Independent Directors of the Company from 29 <sup>th</sup> September, 2019 to 28 <sup>th</sup> September, 2024.

### Postal Ballot

Neither any special resolution was passed through postal ballot during the Financial Year 2021-22 nor is any special resolution presently proposed to be passed through postal ballot.

### Plant location

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

### SHAREHOLDER REFERENCER

#### Service of Documents

The Company sends Notices, Report and Accounts and other communications in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the other Shareholders.

However, in conformity with the applicable regulatory requirements, the Notice of the 40<sup>th</sup> Annual General Meeting of the Company and the Report and Accounts 2022 are being sent only through electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories.





# GUJARAT HOTELS LIMITED

## SHAREHOLDER INFORMATION

### 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, and details of their bank account, nomination, complete postal address including pin code, mobile number & e-mail address to the Company. Shareholders are also required to link their PAN with the Aadhaar Number by 31<sup>st</sup> March, 2023, failing which their PAN will be made inoperative by the Income-tax authorities.

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://www.gujarathotelsltd.in/InvestorRelations.html> or can be furnished by the Company on request.

In the absence of the aforesaid information, any service request from the Shareholders such as sub-division / consolidation / renewal of share certificates, issue of duplicate share certificates, change of address or bank particulars etc., will 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 Depository Participants ('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, 2022 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 2021-22, unclaimed dividend for the financial year 2013-14 aggregating ₹ 7,75,843/- and 9,900 Equity Shares in respect of which dividend entitlements remained unclaimed for seven consecutive years or more, were transferred by the Company to the Investor Education and Protection Fund ('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 2013-14 and the shares from the IEPF Authority by applying in the prescribed Form No. IEPF- 5. This Form can be downloaded from the website of the IEPF Authority 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 2014-15 and the shares in respect of which dividend entitlements remain unclaimed for seven consecutive years will be due for transfer to the IEPF on 5<sup>th</sup> November, 2022, for which purpose communication is being sent to the concerned shareholders advising them to write to the Company to claim their dividend. Notices in this regard will also be 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 'Shareholder Value'.

Financial Year	Date of declaration of Dividend	Due date for transfer to IEPF
2014-15	29 <sup>th</sup> September, 2015	5 <sup>th</sup> November, 2022*
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

\* The Company will not be able to entertain any claim received after 3<sup>rd</sup> November, 2022.

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

### Depository Services

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

The contact details of the Depositories are given below:

#### National Securities Depository Limited

Trade World, 'A' Wing, 4<sup>th</sup> Floor  
Kamala Mills Compound, Lower Parel  
Mumbai-400 013  
Telephone Nos. : 022-2499 4200  
Toll Free No. : 1800 1020 990 / 1800 224 430  
e-mail : [info@nsdl.co.in](mailto:info@nsdl.co.in)  
Website : [www.nsdl.co.in](http://www.nsdl.co.in)

#### Central Depository Services (India) Limited

Marathon Futurex, 'A' Wing, 25<sup>th</sup> Floor  
NM Joshi Marg, Lower Parel, Mumbai 400 013  
Telephone No. : +91 22 2305-8640/8624/8639/8642/8663  
Toll Free No. : 1800-22-5533  
e-mail : [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com)  
Website : [www.cdslindia.com](http://www.cdslindia.com)



### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

#### BUSINESS ENVIRONMENT

After a massive recessionary shock in 2020 due to the unprecedented COVID-19, the global economy resumed its recovery path, even with the emergence of new variants of the virus during the second wave. Government(s) continued to focus on increasing vaccination coverage and testings, and resorted to localised containment measures, contrary to nationwide lock-downs deployed during the first wave. Driven by strong consumer spending and renewed interest in investment, the global economy witnessed the highest growth rate in more than four decades. As per IMF estimates, global growth in 2021 stood at 6.1% (Vs. 3.1% decline in 2020); Advanced Economies grew by 5.2% (Vs. 4.5% decline in 2020) while Emerging Markets & Developing Economies clocked a faster pace of 6.8% (Vs. 2.0% decline in 2020).

While growth in 2021 seems promising, it is expected to taper down in the next two years. The geopolitical conflict in Europe coupled with pandemic led supply side disruptions, is causing inflationary trends across nations. Possibilities of new strains of a mutating virus pose continuous threat, thereby impacting the general economic sentiment. As per the latest IMF estimates, the global economy is projected to grow at 3.6% in 2022. In its report of January 2022, the World Bank forecasted global economic output to expand by 4.1% in 2022 and moderated to 3.2% in 2023. As per the said report, continued COVID-19 infections, diminished fiscal support, higher inflationary conditions and lingering supply bottlenecks would result into decelerated growth in 2022.

As per Ministry of Statistics & Programme Implementation's (MSPI) provisional estimate, as compared to -6.6% in 2020-21, the Indian economy GDP growth in Year 2021-22 is estimated to be at 8.9%, while the International Monetary Fund (IMF) pegs it at 8.2%.

Global tourism continued to be under pressure due to repeated waves of the pandemic and consequent reintroduction of travel restrictions in 2021. Despite that, the Indian travel and tourism industry witnessed a strong recovery in FY 2021-22. The increased demand was largely from improved domestic leisure travel, extended stays, weddings, social events and partial resumption of business travel in the country.

Shifting focus on emerging green shoots in the Indian economy, recent large scale development of infrastructure by the Government, including roads, railways, metro-railways, airports and ports are expected to aid long term growth of tourism and hospitality sector in the country. These investments, coupled with coordinated efforts of Government along with the industry should provide major stimulus for growth of Indian travel and tourism going forward.

#### FINANCIAL PERFORMANCE

During the financial year 2021-22, your Company earned license fees of ₹ 213.12 lakhs (previous year ₹ 99.31 lakhs). Total income showed an increase mainly due to increase in Revenue from Operations in line with recovery in Hotel Performance. Pre and post-tax profits increased to ₹ 314.51 lakhs (previous year ₹ 269.71 lakhs) and ₹ 271.86 lakhs (previous year ₹ 227.22 lakhs), respectively.

The Directors of your Company are pleased to recommend a Final Dividend of ₹ 2.00 per Equity Share of ₹ 10/- each (previous year ₹ 1.80 per Equity Share) for the financial year ended 31<sup>st</sup> March, 2022. Total cash outflow on account of Dividend will be ₹ 75.75 lakhs (previous year ₹ 68.18 lakhs).

	(₹ in lakhs)	
	FY 2021-22	FY 2020-21
<b>PROFITS</b>		
a. Profit Before Tax	314.51	269.71
b. Tax Expense		
Current Tax	77.04	20.03
Deferred Tax	(34.39)	22.46
c. Profit for the year	<u>271.86</u>	<u>227.22</u>
d. Other Comprehensive Income	-	-
e. Total Comprehensive Income	<u>271.86</u>	<u>227.22</u>

#### STATEMENT OF RETAINED EARNINGS

a. At the beginning of the year	<u>2782.59</u>	<u>2650.0</u>
b. Add: Total Comprehensive Income	271.86	227.22
c. Less: Dividend including Income Tax on Dividend paid	68.18	94.69
d. At the end of the year	<u>2986.27</u>	<u>2782.59</u>

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

Pursuant to Schedule V (B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), significant change (25% or more) in the key financial ratio(s) and Return on Net Worth of the Company is summarized below:

Financial Ratio	FY 2021-22	FY 2020-21	Change %	Reason for change
Debtors Turnover (In times)	2.30	0.86	168	Normalisation of disruption caused by the pandemic and consequential increase in revenue & profit has resulted in an improvement in the ratios
Return on Net Worth %	7.62	6.69	14	



### HOTEL OPERATIONS

Your Company's Hotel, Welcomhotel Vadodara, licensed to ITC Limited recorded an income of ₹ 1430.75 lakhs during the year as compared to ₹ 666.99 lakhs in the previous year.

With the outbreak of COVID-19, the hospitality industry has been severely impacted and the hotel remained shut from 1<sup>st</sup> May, 2021 to 25<sup>th</sup> June, 2021. The hotel resumed operations after easing of restrictions by local authorities and has thereafter demonstrated progressive improvement. Appropriate measures relating to safety, health and hygiene protocols have been put in place to ensure safety of all stakeholders. Your Company is consistently monitoring the situation of the pandemic and advisories issued by the State and Central Governments.

'Safe Stays' programme continues to be strengthened at the hotel with enhanced focus on safety, health and hygiene. Your Company continued to deploy tech-enabled channels to communicate safety advisories, enhance employee connect and keep the employee morale high.

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

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

### INTERNAL FINANCIAL CONTROLS

Your Company is managed by the Board of Directors ('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. GHL 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 cornerstones for Internal Financial Controls with reference to your Company's Financial Statements.

Your Company's Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by the management and approved by the Audit Committee and the Board. These Policies are reviewed and updated from time

to time and audited by the Internal Auditor whose findings and recommendations are reviewed by the Audit Committee and tracked through 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, after 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 management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes 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 business risk management. 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 Auditors.
- 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 strengthened. These audits are conducted by M/s Shah & Talati, Chartered Accountants, the Internal Auditors 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 address the various risks associated with your Company's business. During the year, your Company continued to take necessary actions to handle the pandemic related threats and risks against the backdrop of second and third waves of the pandemic.

### 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 Auditors 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 six 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 mandate.

The Statutory Auditors and the Secretarial Auditors 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 strongly believes in the premise of placing people first in all its business decisions / imperatives. This belief was amplified in a crisis situation with empathy and employee wellbeing as topmost priority.

#### Initiatives to support our employees

Your Company continued to extend support to the associates

with care and empathy. To ensure "Personal Connect" and rush assistance, the HR team proactively enquires about the well-being of employees and their family. Your Company also endeavoured to facilitate convenient access to vaccine for associates and enabled extension of paid sick time to employees experiencing symptoms of, seeking testing or treatment for, or recovering from COVID-19. Consistent and clear communication about health risks and preventive measures have been shared to create awareness and mitigate risks.

Your Company also adopted several cost-containment measures (akin to the industry) on people and establishment costs to ensure business continuity and sustenance.

Your Company continues to provide a safe, secure, inclusive and a gender friendly workplace. The 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. The 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 GHL 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, your Company has not accepted any deposits 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, Mr. Jagdish Singh stepped down from the Board with effect from close of work on 12<sup>th</sup> November, 2021. Your Directors place on record their appreciation for the contribution made by Mr. Singh during his tenure.



The Board, on the recommendation of the Nominations and Remuneration Committee, appointed Mr. Ashish Thakar as an Additional Director of the Company with effect from 13<sup>th</sup> November, 2021. In accordance with Section 161 of the Act and Article 130 of the Articles of Association of the Company, Mr. Thakar will vacate his office at the ensuing Annual General Meeting ('AGM') and is eligible for appointment as a Director of the Company. The Board at the meeting held on 13<sup>th</sup> July, 2022, recommended for the approval of the Members, the appointment of Mr. Thakar as a Non-Executive Director of your Company, liable to retire by rotation.

Requisite Notice under Section 160 of the Act has been received by the Company for appointment of Mr. Thakar, who has filed his consent to act as Director of the Company, if appointed. Appropriate resolution seeking your approval to the aforesaid appointment is appearing in the Notice convening the ensuing AGM of the Company.

There were no other changes in the composition of the Board of the Company during the year.

### Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with Article 147 of the Articles of Association of the Company, Ms. Benita Sharma will retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. Your Board has recommended her re-appointment.

### Number of Board Meetings

Six meetings of the Board were held during the year ended 31<sup>st</sup> March, 2022.

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

The Independent Directors of your Company have, 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 judgement and without any external influence. In the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the Act and 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 role and responsibilities of the Board as provided in the Act and the Listing Regulations. The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as 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 shared by the respective Committee Chairman with the Board. Individual Directors are evaluated in the context of the role played by each Director as a member of the Board at its meetings and in assisting the Board in realizing its role of strategic supervision of the functioning of your Company in pursuit of its purpose and goals.

While the Board evaluated its performance against the parameters laid down by the Nominations and Remuneration Committee, the evaluation of individual Directors was carried out 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, Mr. Mayur Agarwal, Chief Financial Officer ('CFO') of the Company, who was on deputation from ITC Limited ('ITC'), reverted to ITC and accordingly resigned as the CFO of your Company with effect from close of work on 14<sup>th</sup> August, 2021. The Board, on the recommendation of the Nominations and Remuneration Committee and Audit Committee, appointed Mr. Nitish Goenka, as the CFO of your Company with effect from 16<sup>th</sup> August, 2021, in terms of the provisions of Section 203 of the Act. Mr. Goenka is on deputation from ITC.



# GUJARAT HOTELS LIMITED

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

Further, post the close of the financial year 2021-22, Ms. Parinita Bhutani, Company Secretary of the Company, tendered her resignation with effect from close of work on 9<sup>th</sup> May, 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 Auditors

The Statutory Auditors, Messrs. K C Mehta & Co., Chartered Accountants, ('KCM'), who were appointed with your approval at the Thirty Fifth AGM to hold such office for a period of five years, will complete their present term on conclusion of the ensuing Fortieth AGM of the Company.

The Board, on the recommendation of the Audit Committee, recommended for the approval of the Members, the re-appointment of KCM (name changed to Messrs. K C Mehta & Co. LLP (Firm Registration number 106237W/W100829), as the Auditors of the Company for a term of five years from the conclusion of the ensuing Fortieth AGM till the conclusion of Forty Fifth AGM.

KCM have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act. The Board, on the recommendation of the Audit Committee, also recommended for the approval of the Members, the remuneration of KCM for the financial year 2022-23. Appropriate resolution seeking your approval to the re-appointment and remuneration of KCM is appearing in the Notice convening the ensuing AGM of the Company.

### Secretarial Auditors

Messrs. PB & Associates, Practising Company Secretaries, were appointed by the Board as the Secretarial Auditors of your Company for the financial year ended 31<sup>st</sup> March, 2022. The Report of the Secretarial Auditors pursuant to Section 204 of the Act, is provided in **Annexure 1** of this Report. There are no qualifications, observations or other adverse remarks or disclaimer of the Secretarial Auditors in the report for the Financial Year 2021-22.

### RELATED PARTY TRANSACTIONS

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

The details of 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-Transacations\\_GHL.pdf](https://www.gujarathotelsltd.in/policies/2022/Policy-on-Related-Party-Transacations_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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis;
- laid down internal financial controls to be followed by your Company and that such internal financial controls were adequate and operating effectively; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### OTHER INFORMATION

#### Compliance with the conditions of Corporate Governance

The certificate of your Company's Statutory Auditors, 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 has complied 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

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

#### Going Concern Status

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



# GUJARAT HOTELS LIMITED

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

### Annual Return

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

### Particulars of Loans, Guarantees or Investments

During the year ended 31<sup>st</sup> March, 2022, the 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

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

#### Conservation of Energy:

a) Steps taken or impact on conservation of energy:

Sl. No.	Description
1.	Improvement in energy usage efficiency in lighting system by changing over to efficient lighting solutions such as Light Emitting Diodes.
2.	Process improvement to enhance productivity and reduce specific energy consumption.
3.	Placement of energy efficient Screw Type Air Compressor for laundry operations.
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 the Company as on 31<sup>st</sup> March, 2022 stood at 145.

The information as required under Section 197(12) of the Act and Rule 5(2) 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: 13<sup>th</sup> July, 2022**  
**Place:**

**B Sharma**  
**Director**  
**New Delhi**

**A Thakar**  
**Director**  
**Gurugram**



# GUJARAT HOTELS LIMITED

## ANNEXURE 1

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

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

[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

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 2021 till 31<sup>st</sup> March 2022 (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 provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit 2021-22, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March 2022 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 2022, 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; (to the extant applicable)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 period under review 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.

Adequate notice is given to all Directors for the Board Meetings and Committees Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and where meeting was held on shorter notice due compliance in respect of the same was made, 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 had no specific events / actions that have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For P B & Associates  
Company Secretaries**

**Pooja Bhatia  
FCS: 7673  
CP: 6485**

**Place: New Delhi  
Dated: 13<sup>th</sup> July 2022**

**UDIN: F007673D000611881**

*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**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

#### **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  
CP: 6485**

**Place: New Delhi  
Dated: 13<sup>th</sup> July 2022**

**UDIN: F007673D000611881**



### FORM No. AOC-2

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

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

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

a)	Name(s) of the related party and nature of relationship	<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

a)	Name(s) of the related party and nature of relationship	ITC Limited, 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 renewable for another period of 30 years.
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 year 2021-22, was as given below: - License fees- ₹ 251.48 Lakhs; - Reimbursement of salary and other expenses- ₹ 559.93 Lakhs.
e)	Date(s) of approval by the Board, if any	24 <sup>th</sup> September, 1992
f)	Amount paid as advances, if any	Nil

On behalf of the Board

Dated: 13<sup>th</sup> July, 2022  
Place :

**B Sharma**  
Director  
New Delhi

**A Thakar**  
Director  
Gurugram



# GUJARAT HOTELS LIMITED

## ANNEXURE 3

### INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

#### TO THE MEMBERS OF GUJARAT HOTELS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Gujarat Hotel Limited ("the Company") for the year ended on March 31, 2022, 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, 2022.
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

Pritesh Amin  
Partner  
Membership No.105926  
UDIN:22105926ANOP SX2016

Place: Vadodara  
Date: July 13, 2022



# 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

Name of Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median remuneration of all Employees <sup>§</sup>	Increase in Gross Remuneration over LY (%) <sup>#</sup>
N Anand	Non-Executive Chairman	-	-
M Bhatnagar	Independent Director	0.83:1	29*
C K Koshy	Independent Director	0.98:1	30*
M Narayanan	Independent Director	0.87:1	28*
B Sharma	Non-Executive Director	-	-
J Singh <sup>1</sup>	Non-Executive Director	-	-
A Thakar <sup>2</sup>	Non-Executive Director	-	-
A Deshmukh	Chief Executive Officer	16.79:1	4501
M Agarwal <sup>3</sup>	Chief Financial Officer	5.56:1	(65)
N Goenka <sup>4</sup>	Chief Financial Officer	6.26:1	-
P Bhutani	Company Secretary	4.03:1	24

<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 2020-21 and / or 2021-22.

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

1. Ceased to be Director w.e.f. close of work on 12.11.2021.

2. Appointed as Director w.e.f. 13.11.2021.

3. Ceased to be Chief Financial Officer w.e.f. close of work on 14.08.2021.

4. Appointed as Chief Financial Officer w.e.f. 16.08.2021.

#### Notes

1. The number of permanent employees as on 31<sup>st</sup> March, 2022 was 145.

2. Compared to the previous year 2020-21, the figures for 2021-22 reflects that:

i) Median remuneration of employees – Increased by 10%.

ii) Average remuneration of employees – Decreased by 1.63%.

iii) Average remuneration of employees excluding Key Managerial Personnel (KMPs) – Decreased by 4.06%.

iv) Remuneration of KMPs – Increased by 4.53% (due to changes in KMP during the financial years 2020-21 and 2021-22).

3. Remuneration of the Directors, KMP 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) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of employment / deputation	Previous Employment/ Position Held
1	2	3	4	5	6	7	8	9
Top ten employees in terms of remuneration drawn.								
Avinash Deshmukh*	52	Chief Executive Officer	44,61,720	23,89,778	Diploma in Hotel Mgmt.	26	24.03.2021	ITC Limited General Manager
Nilish Goenka*	30	Chief Financial Officer	16,64,450	10,97,431	B.Com (Hons.), A.C.A., C.S.	6	16.08.2021	ITC Limited Manager Finance
Mayur Agarwal #	36	Chief Financial Officer	14,78,317	10,24,381	B.Com, A.C.A., C.S.	12	25.01.2017	ITC Limited Manager Finance
Pamita Bhutani	33	Company Secretary	10,72,212	9,68,923	C.S., M.B.A.	8	05.12.2019	BLS International Service Limited Asst. Company Secretary
Rajaram Kashiram Babar	55	Senior Executive	4,88,017	4,45,492	B.Com	25	01.12.2016	Hotel Kaviraj Executive
Saikot Sengupta	50	Executive	4,65,773	4,22,349	B.Com	29	13.05.1995	Jirdal Hotels Limited Front office Assistant
Vasundhara Sonawane	55	Executive	4,61,593	4,18,226	HSC Certificate Course in Cookery	32	01.04.1993	Nil
Vinay Patel	33	Executive	4,43,205	3,99,859	B.Com	13	02.11.2017	Neopolitan Pizza Pvt Ltd Purchase Executive
Vadansingh Ramavat	57	Jr. Executive	4,28,701	3,85,150	Hotel & Catering Management	38	05.01.1994	Rama Inn Hotel Sr. Captain
Natu Parmar	50	Executive	4,25,382	3,82,163	B.Com	25	06.07.2017	Flexatherm Pvt. Ltd. Sr. Purchase Executive
Other Employees employed throughout the year and in receipt of remuneration aggregating ₹ 1,02 Crores or more per annum								
NIL								
Other employees employed for a part of the year and in receipt of remuneration aggregating ₹ 8,50,000/- or more per month								
NIL								

\* On deputation from ITC Limited (ITC)

# Till 14<sup>th</sup> August, 2021

Notes:

- Gross remuneration includes salary, variable pay/ performance bonus, Company's contribution to provident fund, allowances & other benefits / applicable prerequisites borne by the Company except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less income tax & education cess deducted at source and employee's own contribution to provident fund.
- All appointments (except in case of employees on deputation) are/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.

On behalf of the Board

B Sharma  
Director  
New Delhi

A Thakar  
Director  
Gurugram

Dated: 13<sup>th</sup> July, 2022  
Place:



## CEO AND CFO COMPLIANCE CERTIFICATE

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 31st March, 2022 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2022 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 : Vadodara**  
**Date : 26<sup>th</sup> April, 2022**

**A Deshmukh**  
**Chief Executive Officer**

**N Goenka**  
**Chief Financial Officer**



# GUJARAT HOTELS LIMITED

## BALANCE SHEET

As at 31st March 2022

₹ in Lakhs

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a) Property, Plant and Equipment	2	132.62	137.39
b) Other Non-Current Assets	3	59.46	67.46
<b>Total Non-Current Assets</b>		<b>192.08</b>	<b>204.85</b>
<b>Current Assets</b>			
a) Financial Assets			
(i) Investments	4	2663.89	3339.23
(ii) Trade Receivables	5	98.50	86.87
(iii) Cash and Cash Equivalents	6	18.86	3.94
(iv) Other Bank Balances	7	843.56	49.02
(v) Other Financial Assets	8	74.43	43.84
b) Other Current Assets	3	5.44	4.69
<b>Total Current Assets</b>		<b>3704.68</b>	<b>3527.59</b>
<b>Total Assets</b>		<b>3896.76</b>	<b>3732.44</b>
<b>EQUITY AND LIABILITY</b>			
<b>EQUITY</b>			
a) Equity Share Capital	9	378.75	378.75
b) Other Equity		3288.85	3085.17
<b>Total Equity</b>		<b>3667.60</b>	<b>3463.92</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
a) Provisions	10	13.18	13.47
b) Deferred Tax Liabilities (Net)	11	122.02	156.41
c) Other Financial Liabilities	12	0.18	-
<b>Total Non-Current Liabilities</b>		<b>135.38</b>	<b>169.88</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		3.00	4.97
(ii) Other Financial Liabilities	12	77.47	85.88
b) Other Current Liabilities	13	10.87	6.85
c) Provisions	10	2.44	0.94
<b>Total Current Liabilities</b>		<b>93.78</b>	<b>98.64</b>
<b>Total Equity And Liabilities</b>		<b>3896.76</b>	<b>3732.44</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.  
Chartered Accountants  
Firm's Registration No. 106237W

Vishal P. Doshi  
Partner  
M.No. 101533

B Sharma  
Director  
New Delhi

A Thakar  
Director  
Gurugram

Place : Vadodara  
Date : 26th April 2022

A Deshmukh  
Chief Executive Officer  
Vadodara

N Goenka  
Chief Financial Officer  
Vadodara

P Bhutani  
Company Secretary  
New Delhi



# GUJARAT HOTELS LIMITED

## STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2022

₹ in Lakhs

Particulars		Note	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
I	Revenue From Operations	14	213.12	99.31
II	Other Income	15	143.79	206.41
<b>III</b>	<b>Total Income (I+II)</b>		<b>356.91</b>	<b>305.72</b>
<b>IV</b>	<b>EXPENSES</b>			
	Employee Benefits Expense	16	15.15	12.59
	Depreciation and Amortization Expense		4.68	4.68
	Other Expenses	17	22.57	18.74
	<b>Total Expenses (IV)</b>		<b>42.40</b>	<b>36.01</b>
<b>V</b>	<b>Profit Before Tax (III- IV)</b>	<b>7</b>	<b>314.51</b>	<b>269.71</b>
VI	Tax Expense:			
	Current Tax	18	77.04	20.03
	Deferred Tax	18	(34.39)	22.46
<b>VII</b>	<b>Profit for the Year( V-VI)</b>		<b>271.86</b>	<b>227.22</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>		-	-
<b>IX</b>	<b>Total Comprehensive Income for the Year( VII+VIII)</b>		<b>271.86</b>	<b>227.22</b>
X	Earnings per Equity Share (Face Value ₹10/- each):	19		
	Basic (in ₹)		7.18	6.00
	Diluted (in ₹)		7.18	6.00

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

In terms of our report of even date

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

Vishal P. Doshi  
Partner  
M.No. 101533

Place : Vadodara  
Date : 26th April 2022

On behalf of the Board

B Sharma  
Director  
New Delhi

A Thakar  
Director  
Gurugram

A Deshmukh  
Chief Executive Officer  
Vadodara

N Goenka  
Chief Financial Officer  
Vadodara

P Bhutani  
Company Secretary  
New Delhi





# GUJARAT HOTELS LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2022

### A. Equity Share Capital

₹ in Lakhs

	Balance as at the beginning of the reporting year	Changes in equity share capital due to prior period errors	Restated Balance 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 2022	378.75	-	378.75	-	378.75
For the year ended 31st March 2021	378.75	-	378.75	-	378.75

### B. Other Equity

₹ in Lakhs

	Reserves & Surplus		Total
	General Reserve	Retained Earnings	
<b>Balance as at April 01, 2021</b>	<b>302.58</b>	<b>2782.59</b>	<b>3085.17</b>
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at April 01, 2021	<b>302.58</b>	<b>2782.59</b>	<b>3085.17</b>
Total Comprehensive Income for the year	-	271.86	271.86
Final Dividend	-	68.18	68.18
<b>Balance as at March 31, 2022</b>	<b>302.58</b>	<b>2986.27</b>	<b>3288.85</b>
<b>Balance as at April 01, 2020</b>	<b>302.58</b>	<b>2650.06</b>	<b>2952.64</b>
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at April 01, 2020	<b>302.58</b>	<b>2650.06</b>	<b>2952.64</b>
Total Comprehensive Income for the previous year	-	227.22	227.22
Final Dividend	-	94.69	94.69
<b>Balance as at March 31, 2021</b>	<b>302.58</b>	<b>2782.59</b>	<b>3085.17</b>

The Board of Directors of the Company recommended a dividend of ₹ 2/- per share (for the year ended 31st March, 2021 - dividend ₹ 1.80 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, 2021 - dividend ₹ 68.18 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

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

Vishal P. Doshi  
Partner  
M.No. 101533

Place : Vadodara  
Date : 26th April 2022

On behalf of the Board

B Sharma  
Director  
New Delhi

A Thakar  
Director  
Gurugram

A Deshmukh  
Chief Executive Officer  
Vadodara

N Goenka  
Chief Financial Officer  
Vadodara

P Bhutani  
Company Secretary  
New Delhi



# GUJARAT HOTELS LIMITED

## CASH FLOW STATEMENT

For the year ended 31st March, 2022

₹ in Lakhs

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAX	314.51	269.71
Adjustments for:		
Depreciation & Amortisation expense	4.68	4.68
Interest Income	(32.99)	(1.64)
Dividend Income	-	(0.12)
(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	(110.80)	(203.60)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>175.49</b>	<b>69.03</b>
Adjustments for:		
Trade Receivables, Financial Assets and Other Assets	(12.65)	66.25
Trade Payables, Other Liabilities and Provisions	0.27	(11.22)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>163.11</b>	<b>124.06</b>
Income Tax Paid (Net)	(69.04)	(41.07)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>94.07</b>	<b>82.99</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Current Investments	(438.00)	(509.62)
Sale/Redemption of Current Investments	1224.15	510.01
Dividend Income	-	0.12
Interest Received	2.68	1.47
Investment in bank deposits (original maturity more than 3 months)	(799.80)	-
<b>NET CASH FROM/(USED) IN INVESTING ACTIVITIES</b>	<b>(10.97)</b>	<b>1.98</b>
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid	(68.18)	(94.69)
Income Tax on Dividend Paid	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(68.18)</b>	<b>(94.69)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>14.92</b>	<b>(9.72)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>3.94</b>	<b>13.66</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>18.86</b>	<b>3.94</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE :</b>		
Cash & Cash equivalents	18.86	3.94
	<b>18.86</b>	<b>3.94</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.  
Chartered Accountants  
Firm's Registration No. 106237W

Vishal P. Doshi  
Partner  
M.No. 101533

B Sharma  
Director  
New Delhi

A Thakar  
Director  
Gurugram

Place : Vadodara  
Date : 26th April 2022

A Deshmukh  
Chief Executive Officer  
Vadodara

N Goenka  
Chief Financial Officer  
Vadodara

P Bhutani  
Company Secretary  
New Delhi



## 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 it meets the recognition criteria 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.



## 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. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets and financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e, the date when the Company commits to purchase or sell the asset.

#### Financial Assets:

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

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

Financial assets are classified as those measured at:

- Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved

## NOTES TO THE FINANCIAL STATEMENTS

investment strategy that triggers purchase and sale decision based on fair value of such assets. Such assets are subsequently measured at fair value, with unrealized gain and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

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

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

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

**De-recognition:** Financial assets are derecognized when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset.

### Financial Liabilities

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

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

### Offsetting Financial Instruments

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

### Revenue

1. Revenue is measured at the fair value of the consideration received or receivable for services rendered, net of discounts to customers and excludes taxes such as Goods and Services Tax. Revenue from the sale of services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. Income from operating license fees are recognized on accrual basis in accordance with Operating License agreement. The timing of such revenue recognition is in the periods in which such services are rendered.
2. Interest Income is booked in the Statement of Profit and Loss using the effective interest method.
3. Dividend Income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

### Employee Benefits

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

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

The Company also makes contribution to defined benefit gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. The Company has taken a Policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability with respect to the employees and the premium paid to LIC is charged to Statement of Profit & Loss. The difference between the actuarial valuation of the gratuity with respect to employees at the year-end and the contribution paid to LIC is further adjusted in the books of accounts.



## NOTES TO THE FINANCIAL STATEMENTS

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 into 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.

#### Estimation uncertainty relating to the global pandemic COVID-19

Due to the ongoing COVID-19 pandemic, the Company's revenue from operation from its hoteliering business has been impacted. The Company has assessed the possible effects of the pandemic on the carrying amounts of property, plant & equipment, investments, trade receivables, etc. Based on its review and current indicators of the future economic conditions, the company does not expect any significant impact on such carrying values.

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Gross Block				Depreciation / Amortisation				Net Block		
	April 01, 2020	Withdrawals and Adjustments	March 31, 2021	Additions	Withdrawals and Adjustments	For the year	March 31, 2021	For the year	March 31, 2022	March 31, 2021	March 31, 2022
<b>2 Property, Plant and Equipment</b>											
<b>Tangible Assets</b>											
Building	159.22	-	159.22	-	-	4.68	23.47	4.68	28.15	4.68	32.83
Plant and Equipment*	5.20	-	5.20	-	0.08	-	5.12	-	-	-	5.12
Furniture and Fixtures*	1.10	-	1.10	-	0.01	-	1.09	-	-	-	1.09
Office Equipment*	0.02	-	0.02	-	-	-	0.02	-	-	-	0.02
<b>Total</b>	<b>165.54</b>	<b>-</b>	<b>165.54</b>	<b>-</b>	<b>0.09</b>	<b>4.68</b>	<b>23.47</b>	<b>4.68</b>	<b>28.15</b>	<b>4.68</b>	<b>32.83</b>
											<b>137.39</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, 2022		As at 31st March, 2021	
	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)	5.44		4.69	
Advance Tax (Net of Provisions)		34.17		42.17
<b>TOTAL</b>	<b>5.44</b>	<b>59.46</b>	<b>4.69</b>	<b>67.46</b>

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

Sl. No.	Investments in Mutual Funds	As at 31st March, 2022		As at 31st March, 2021	
		Unquoted		Unquoted	
1	ICICI Prudential Banking & PSU Debt Fund 11,24,750.948 Units (2021 - 11,24,750.948) of ₹ 10.00 each	293.95		280.98	
2	ICICI Corporate Bond Fund 12,41,451.718 Units (2021 - 12,41,451.718) of ₹ 10.00 each	293.68		281.66	
3	UTI Ultra Short Term Fund Nil Units (2021 - 7,749.911) of ₹ 1000.00 each	-		252.56	
4	Aditya Birla Sun Life Floating rate fund 72,873.121 Units (2021 - 1,69,549.179) of ₹ 1000.00 each	206.63		737.85	
5	Aditya Birla Sun Life Savings Fund 1,37,924.934 Units (2021 - 1,37,924.934) of ₹ 100.00 each	612.24		587.09	
6	Kotak Savings Fund 18,84,512.723 Units (2021 - 18,84,512.723) of ₹ 10.00 each	657.51		635.66	
7	HDFC Ultra Short term Fund 48,86,033.012 Units (2021 - 43,76,815.869) of ₹ 10.00 each	599.88		518.49	
8	UTI Liquid Cash Plan Nil Units (2021- 1340.178) of ₹ 1000.00 each	-		44.94	
	<b>TOTAL</b>	<b>2663.89</b>		<b>3339.23</b>	

	As at 31st March, 2022		As at 31st March, 2021	
<b>5 TRADE RECEIVABLES</b>				
Secured, considered good		-		-
Unsecured, considered good		98.50		86.87
Which have significant increase in credit risk		-		-
Credit impaired		-		-
Less: Allowance for credit impairment		-		-
<b>TOTAL</b>		<b>98.50</b>		<b>86.87</b>



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

₹ in Lakhs

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>						
- considered good	98.50	-	-	-	-	98.50
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
<b>Disputed Trade Receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
<b>Gross</b>	<b>98.50</b>	-	-	-	-	<b>98.50</b>

As at 31st March, 2021	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>						
- considered good	86.87	-	-	-	-	86.87
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
<b>Disputed Trade Receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
<b>Gross</b>	<b>86.87</b>	-	-	-	-	<b>86.87</b>



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

₹ in lakhs

	As at 31st March, 2022	As at 31st March, 2021
<b>6 CASH AND CASH EQUIVALENTS @</b>		
Balances with Banks		
Current Accounts	18.86	3.93
Cash on Hand	-	0.01
<b>TOTAL</b>	<b>18.86</b>	<b>3.94</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	43.76	49.02
<b>TOTAL</b>	<b>843.56</b>	<b>49.02</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	32.19	1.87
Others Receivables - Unsecured, Considered Good	42.24	41.97
<b>TOTAL</b>	<b>74.43</b>	<b>43.84</b>

## 9 EQUITY SHARE CAPITAL

### Authorised

Equity Shares of ₹10/- each 1,00,00,000 1,000.00 1,00,00,000 1,000.00

### Issued, Subscribed and Paid up

Equity Shares of ₹10/- each, fully paid 37,87,515 378.75 37,87,515 378.75

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

	31st March, 2022	31st March, 2021
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, 2022 (No. of Shares)	As at 31st March, 2022 %	As at 31st March, 2021 (No. of Shares)	As at 31st March, 2021 %
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	2,16,682	5.72%	1,45,371	3.84%

### 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 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%	-

#### As at 31 March, 2021

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, 2022		As at 31st March, 2021	
Current	Non-Current	Current	Non-Current

### 10 PROVISIONS

Provision for Long Term Employee Benefits	2.44	13.18	0.94	13.47
<b>TOTAL</b>	<b>2.44</b>	<b>13.18</b>	<b>0.94</b>	<b>13.47</b>



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>11 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities	122.02	156.41
<b>Total</b>	<b>122.02</b>	<b>156.41</b>

### Movement in Deferred Tax Liabilities/Assets Balances

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>

For the year 2020-21	Balance as on 01st April, 2020	Recognized in profit or loss	Balance as on 31st March, 2021
<b>Deferred Tax Liabilities in relation to:</b>			
<b>Other timing differences</b>			
On Depreciation on PPE	35.37	(1.14)	34.23
On gain on Investment at FVTPL	98.58	23.60	122.18
<b>Total Deferred Tax Liabilities (Net)</b>	<b>133.95</b>	<b>22.46</b>	<b>156.41</b>

	As at 31st March, 2022		As at 31st March, 2021	
	Current	Non-Current	Current	Non-Current
<b>12 OTHER FINANCIAL LIABILITIES</b>				
Unpaid Dividend	43.76	-	49.02	-
Employee Related	33.71	0.18	36.86	-
<b>TOTAL</b>	<b>77.47</b>	<b>0.18</b>	<b>85.88</b>	<b>-</b>
<b>13 OTHER CURRENT LIABILITIES</b>				
Statutory Liabilities	10.87		6.85	
<b>TOTAL</b>	<b>10.87</b>		<b>6.85</b>	



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	₹ in Lakhs	
	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>14 REVENUE FROM OPERATIONS</b>		
Operating License Fees	213.12	99.31
<b>TOTAL</b>	<b>213.12</b>	<b>99.31</b>
<b>15 OTHER INCOME</b>		
Interest Income		
- Deposit with Banks- Carried at Amortised Cost	32.39	0.14
- Deposit Others	0.60	1.50
Dividend Income on Investment measured at FVTPL	-	0.12
Net gain/(loss) on financial assets mandatorily measured at FVTPL *	110.80	203.60
Other Non-Operating Income	-	1.05
<b>TOTAL</b>	<b>143.79</b>	<b>206.41</b>
* Includes 10.08 Lakhs ( 2021- 1.81 Lakhs) being net gain/(loss) on sale of investments.		
<b>16 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	436.21	475.05
Contribution to Provident and Other Fund	44.34	57.03
	480.55	532.08
Less: Recoveries made/Reimbursements received	(465.40)	(519.49)
<b>TOTAL</b>	<b>15.15</b>	<b>12.59</b>
<b>17 OTHER EXPENSES</b>		
Advertising/Sales Promotion	1.74	1.73
Consultancy/Professional fees	2.85	3.37
Travelling & Conveyance	1.69	0.86
Postage, Telephone, Stationery etc.	2.14	1.42
Miscellaneous Expenses	14.15	11.36
<b>TOTAL</b>	<b>22.57</b>	<b>18.74</b>
Miscellaneous expenses includes Auditors remuneration and expenses :		
Audit Fees	0.60	0.60
Fees for other services	0.36	0.50
<b>18 INCOME TAX EXPENSES</b>		
<b>A. Amount recognised in profit or loss</b>		
<b>Current Tax</b>		
Income Tax for the Year	77.05	19.84
Adjustments/(Credits) related to previous year	(0.01)	0.19
<b>Total Current Tax</b>	<b>77.04</b>	<b>20.03</b>
<b>Deferred Tax</b>		
Deferred tax for the year	(34.39)	22.46
<b>Total Deferred Tax</b>	<b>(34.39)</b>	<b>22.46</b>
<b>TOTAL</b>	<b>42.65</b>	<b>42.49</b>



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	₹ in Lakhs	
	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>B. Reconciliation of effective tax rate</b>		
Profit before tax	314.51	269.71
Indian tax rate	25.168%	25.168%
Income Tax expense calculated at 25.168% (2021 25.168%)	79.16	67.88
Effects of:		
– Different tax rate on certain items	(36.50)	(25.58)
Adjustments recognised in the current year in relation to Current tax of prior years	(0.01)	0.19
<b>Income Tax recognised in profit or loss</b>	<b>42.65</b>	<b>42.49</b>
The tax rate of 25.168% (22% + surcharge @ 10% and cess @ 4%) used for the year 2021-22 and year 2020-21 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)	271.86	227.22
Number of equity shares outstanding	37,87,515	37,87,515
Basic and diluted earnings per share in ₹ (Face value ₹ 10/- per share)	7.18	6.00

## 20 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

- A. The Company was allotted 8200 sq mtrs of land at Vadodara in 1984 and an additional land of 2548 sq mtrs in 1988 at R C Dutt Road, Alkapuri, Vadodara through GIIC (Gujarat Industrial Investment Corporation) on sub-lease for a period 30 years on which the hotel Welcomhotel Vadodara was constructed. Lease term of land admeasuring 8200 Sq mtrs expired on 30.09.2014 and of land admeasuring 2548 sq mtrs expired on 30.11.2018.

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

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

- B. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March 2022. 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.

**NOTES TO THE FINANCIAL STATEMENTS**
**C. Trade payables Ageing Schedule**

₹ in Lakhs

As at 31.03.2022	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>2.22</b>	<b>0.62</b>	-	-	-	<b>3.00</b>

As at 31.03.2021	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	3.19	1.62				4.97
Disputed Dues - MSME							-
Disputed Dues - Others							-
<b>Total</b>	<b>0.16</b>	<b>3.19</b>	<b>1.62</b>	-	-	-	<b>4.97</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 of Profit & Loss and Other Comprehensive Income.

#### Risk Management

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

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

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

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

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



# GUJARAT HOTELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Gratuity	
	2021-22	2020-21
<b>I Components of Defined Benefit Cost Recognised in Profit or Loss</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
a. Current service cost	7.57	6.37
b. Past service cost	-	-
c. Net interest cost	(3.12)	(2.24)
<b>Remeasurements</b>		
a. Effect of changes in demographic assumptions	-	(1.07)
b. Effect of changes in financial assumptions	(3.51)	(6.98)
c. Effect of experience adjustments	(0.46)	(1.78)
d. (Return) on plan assets (excluding interest income)	0.48	0.62
e. Changes in asset ceiling (excluding interest income)	-	-
f. Total remeasurements included in OCI	(4.45)	(10.44)
<b>Total defined benefit cost recognized in P&amp;L and OCI</b>	<b>(0.01)</b>	<b>(6.31)</b>
<b>II Net Assets /(Liabilities) recognised in Balance Sheet</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
1. Defined benefit obligation at end of period	115.50	110.55
2. Fair value of plan assets at end of period	162.42	153.26
3. Net defined benefit liability (asset)	(46.92)	(42.72)
<b>III Change in Defined Benefit Obligation</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
1. Defined benefit obligation at beginning of period	110.55	123.92
2. Current service cost	7.57	6.37
3. Interest expenses	6.74	7.21
4. Remeasurements gains /(losses):		
a. Effect of changes in demographic assumptions	-	(1.07)
b. Effect of changes in financial assumptions	(3.51)	(6.98)
c. Effect of experience adjustments	(0.46)	(1.78)
5. Benefits Paid	(5.38)	(17.13)
6. <b>Present Value of DBO at end of the year</b>	<b>115.50</b>	<b>110.55</b>
<b>IV Change in Fair Value of Plan Assets</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
1. Fair value of plan assets at beginning of period	153.26	149.15
2. Interest income	9.87	9.45
3. Actual Company Contributions	4.19	11.18
4. Benefits Paid	(5.38)	(17.13)
5. Remeasurements Gains /(Losses) on plan assets	0.48	0.62
6. <b>Fair value of plan assets at end of period</b>	<b>162.42</b>	<b>153.26</b>
<b>V Significant Actuarial Assumptions</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
1. Discount rate (%)	6.75%	6.25%
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



**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 31-03-2022</b>	<b>DBO as at 31-03-2021</b>
1. Discount rate +100 basis points	109.39	104.11
2. Discount rate -100 basis points	122.26	117.68
3. Salary Increase Rate +1%	121.67	117.08
4. Salary Increase Rate -1%	109.82	104.53
5. Attrition Rate +1%	114.98	109.91
6. Attrition Rate -1%	116.07	111.25
<b>Maturity Analysis of the Benefit Payments</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
Year 1	25.28	6.40
Year 2	12.76	24.28
Year 3	17.96	11.41
Year 4	8.81	16.16
Year 5	8.18	7.83
Next 5 years	38.88	32.23

F. Amount towards Defined Contribution Plans have been recognized under Contribution to Provident and Other Funds in Note 16: ₹ 44.34 Lakhs (2021- ₹ 57.03 Lakhs).

G. The financial statements were approved for issue by the Board of Directors on 26<sup>th</sup> April, 2022.

**21 Financial Instruments and Related Disclosures**
**I Capital Management**

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

**II Categories of Financial Instruments**

₹ in Lakhs

Particulars	Note	As at March 31, 2022		As at March 31, 2021	
		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	18.86	18.86	3.94	3.94
ii) Other bank balances	7	843.56	843.56	49.02	49.02
iii) Trade Receivables	5	98.50	98.50	86.87	86.87
iv) Other Financial Assets	8	74.43	74.43	43.84	43.84
<b>Sub - total</b>		<b>1035.35</b>	<b>1035.35</b>	<b>183.67</b>	<b>183.67</b>

**NOTES TO THE FINANCIAL STATEMENTS**

₹ in Lakhs

Particulars	Note	As at March 31, 2022		As at March 31, 2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>b) Measured at fair value through profit or loss</b>					
i) Investment in mutual funds	4	2663.89	2663.89	3339.23	3339.23
<b>Sub - total</b>		<b>2663.89</b>	<b>2663.89</b>	<b>3339.23</b>	<b>3339.23</b>
<b>Total Financial Assets</b>		<b>3699.24</b>	<b>3699.24</b>	<b>3522.90</b>	<b>3522.90</b>
<b>B. Financial Liabilities</b>					
<b>Measured at amortised cost</b>					
i) Trade Payables		3.00	3.00	4.97	4.97
ii) Other Financial Liabilities	12	77.65	77.65	85.88	85.88
<b>Total Financial Liabilities</b>		<b>80.65</b>	<b>80.65</b>	<b>90.85</b>	<b>90.85</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 ₹ 3704.68 Lakhs ( 2021 - ₹ 3527.59 Lakhs) including Current Investments, Cash and cash equivalents and Other bank balances of ₹ 3526.31 Lakhs (2021- ₹ 3392.19 Lakhs) against an aggregate Current liability of ₹ 93.78 Lakhs ( 2021- ₹ 98.64 Lakhs) on the reporting date. Further, while the Company's total equity stands at ₹ 3667.60 Lakhs (2021- ₹ 3463.92 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
J Singh	Non-Executive Director (upto 12th Nov 2021)
A Thakar	Non-Executive Director (Wef 13th Nov 2021)
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 31.03.2022:**

Particulars	₹ in Lakhs			
	ITC LIMITED		Key Management Personnel	
	2022	2021	2022	2021
License Fees Received	251.48	117.19	-	-
Purchase of Services	1.94	0.88	-	-
Remuneration of Managers on Deputation Reimbursed	69.86	70.11	-	-
Recoveries of Contractual Remuneration (Including Managers on Deputation)	536.59	600.38	-	-
Expenses Recovered	23.34	22.77	-	-
Dividend Payments	31.21	43.35	0.05	0.06
Remuneration to Key Management Personnel				
- Short Term Benefits			10.72	8.66
- Director's Sitting Fees			7.10	5.50
Balance amount recoverable	140.65	128.82	-	-
Balance amount payable	0.45	0.22	-	-

### 23 Ratio Analysis and its elements:

Ratio	Numerator	Denominator	As at	As at
			March 31, 2022	March 31, 2021
Current ratio (in times)	Current Assets	Current Liabilities	39.51	35.76
Return on Equity ratio (in %)	Profit for the year	Average Shareholder's Equity	7.62	6.69
Trade Receivable Turnover Ratio (in times)*	Revenue From Operations	Average Trade Receivable	2.30	0.86
Net Capital Turnover Ratio (in times)*	Revenue From Operations	Working capital (Current assets-Current liabilities)	0.06	0.03
Net Profit ratio (in %)	Profit for the year	Total Income	76.17	74.32
Return on Capital Employed (in %)	Profit before tax	Average Capital Employed	8.49	7.61
Return on Investment (in %)**	Income from Investments	Time weighted average Investments	4.07	5.97

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

\*Normalisation of disruption caused by Covid & consequential increase in revenue has resulted in an improvement in the ratio.

\*\*Decrease in Market return of Debt Oriented Mutual Funds has resulted in decline in the ratio.

On behalf of the Board

B Sharma  
Director  
New Delhi

A Thakar  
Director  
Gurugram

A Deshmukh  
Chief Executive Officer  
Vadodara

N Goenka  
Chief Financial Officer  
Vadodara

P Bhutani  
Company Secretary  
New Delhi



# 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, 2022, 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, 2022, 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 the adverse consequences of doing so would reasonably



## INDEPENDENT AUDITOR'S REPORT

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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 of 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, 2022;
- 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.

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

**Place: Vadodara**  
**Date: April 26, 2022**

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**  
**UDIN: 22101533AHUPOK4531**



### 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, 2022, 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 this clause is not applicable;
- b) As explained to us, 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) According to the information and explanations given to us no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules thereunder, hence disclosure in its financial statements is not required;
- ii. a) The Company does not have any inventory and therefore, reporting under this clause of the Order is not applicable to the Company;
- b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and therefore, reporting under this clause of the Order is not applicable to the Company;
- iii. During the year, 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 this clause of the Order is not applicable to the Company;
- iv. The Company has not given any loans, investments, guarantees or security covered under Section 185 of the Act. In respect of the investments made, in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year from the public and consequently, the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and rules framed there under are not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, in view of Rule 3 of the Companies (Cost Records and Audit) Amendments Rules 2014 the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company and therefore, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. a) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including Goods and Services Tax, provident fund, employee's state insurance, income-tax, value added tax, cess and other material 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, 2022, for a period of more than six months from the date they become payable.



## INDEPENDENT AUDITOR'S REPORT

- b) According to the information and explanations given to us, there are no statutory dues as referred to in sub clause (a) above which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, no unrecorded transactions in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) The Company has not taken any loans or borrowings from any lender and therefore, reporting under this clause 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 other lenders.
- 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 hence, reporting under this clause of the Order is not applicable.
- 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) The Company does not have any subsidiaries, associates or joint ventures and hence, reporting under this clause of the Order is not applicable.
- f) The Company has not raised any loans during the year and hence reporting on this clause of the Order is not applicable.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instrument) during the year and therefore, reporting under this clause 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 this clause 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 according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business;
- b) The reports of internal auditors for the period under audit have been considered by us;
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us:
- a) 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 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) the Company does not have more than one Core Investment Companies which are part of the Group;
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.





## GUJARAT HOTELS LIMITED

### INDEPENDENT AUDITOR'S REPORT

- xviii. There has been no resignation of the statutory auditors during the year and therefore, reporting under this clause of the Order is not applicable to the Company;
- 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, 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. According to the information and explanations given to us, section 135 of the Act is not applicable to the Company and therefore, reporting under this clause 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.**  
**Chartered Accountants**  
**Firm's Registration No. 106237W**

**Place: Vadodara**  
**Date: April 26, 2022**

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**  
**UDIN: 22101533AHUPOK4531**



### 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, 2022, 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.

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



## GUJARAT HOTELS LIMITED

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, 2022, based on the internal control over financial reporting

criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place: Vadodara**  
**Date: April 26, 2022**

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**  
**UDIN: 22101533AHUPOK4531**



Welcomcafe Cambay 24x7 Fine Dining restaurant



Peshawri - Speciality restaurant offering North-West Frontier cuisine



**Gujarat Hotels Limited**

