

**57<sup>th</sup> ANNUAL REPORT  
2017-18**

**U. P. HOTELS LIMITED**



**CLARKS GROUP OF HOTELS**

#### BOARD OF DIRECTORS

Justice Shri Bisheshwar Prasad Singh (Retd.)  
(Appointed by Hon'ble NCLT, New Delhi  
vide Order dated 19.08.2016)

Shri Apurv Kumar  
Shri Rupak Gupta  
Shri Arvind Kumar  
Smt. Supriya Gupta  
Shri Shafi Alam  
(Appointed w.e.f. 12.05.2017)

Chairman  
Non-Executive Independent Director

Joint Managing Director & CFO  
Joint Managing Director & CFO  
Non-Executive Director  
Non-Executive Director  
Independent Director

#### COMPANY SECRETARY

Shri Prakash Chandra Prusty

#### HOTELS

Hotel Clarks Shiraz, Agra  
Hotel Clarks Amer, Jaipur  
Hotel Clarks Avadh, Lucknow  
Hotel Clarks Khajuraho, Khajuraho

#### BANKERS

State Bank of India  
Union Bank of India  
AXIS Bank  
Allahabad Bank  
HDFC Bank

#### REGISTERED & CORPORATE OFFICE AND OPERATIONS HEADQUARTER

1101, Surya Kiran,  
19, Kasturba Gandhi Marg,  
New Delhi – 110001.

#### AUDITORS

M/s. Satinder Goyal & Co.  
Chartered Accountants

#### REGISTRAR & TRANSFER AGENTS

Skyline Financial Services Private Limited  
D-153/A, 1st Floor, Okhla Industrial Area,  
Phase I, New Delhi- 110 020

### CONTENTS

Notice of AGM	.....	01
Boards' Report	.....	09
Management Discussions & Analysis	.....	28
Corporate Governance Report	.....	29
Secretarial Auditor's Certificate on Corporate Governance	.....	35
Auditor's Report	.....	36
Balance Sheet	.....	40
Statement of Profit & Loss	.....	41
Cash Flow Statement	.....	42
Notes on Financial Statements	.....	47

**U. P. Hotels Limited**  
**Registered & Corporate Office and Operation Headquarter:**  
1101, Surya Kiran, 19, Kasturba Gandhi Marg, New Delhi - 110001  
Tel: 011-23722596-98, Fax: 011-23312990  
Email: clarkssuryakiran@yahoo.co.in, Website: www.hotelclarks.com  
CIN No. L55101 DL1961PLC017307

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of the members of U. P. Hotels Limited will be held on Tuesday the 25th day of September, 2018 at 2.30 p. m. at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016 to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2018 together with the reports of the Board of Directors and the Auditors' thereon.
2. To appoint a director in place of Mr. Arvind Kumar (DIN - 00227012), who retires by rotation and being eligible, offers himself for re-appointment.

**Special Business:**

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**Resolved that** pursuant to the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013, Schedule V to the Companies Act, 2013 and rules made under the Companies Act, 2013, as amended from time to time, consent of the company be and is hereby accorded to appoint Mr. Apurv Kumar as Joint Managing Director & Chief Financial Officer of the Company for a period of three year with effect from 15th May, 2018 to 14th May, 2021 on the terms and conditions, as detailed below:

Salary: Rs. 5,25,000/- per month

**Perquisites & Allowances:**

- A. Mr. Apurv Kumar shall also be entitled to the following perquisites and allowances:
  - i. accommodation (furnished or otherwise) or house rent allowance in lieu thereof;
  - ii. reimbursement of utilities such as gas, water, electricity etc.;
  - iii. Payment / reimbursement of medical / hospitalization expenses for self and family members restricted to one month's salary;
  - iv. fees of clubs;
  - v. insurance policies such as Group personal accident policy, mediclaim policy, overseas travel insurance, Directors & Officers Liability policy or others as may be decided by the management from time to time;
  - vi. Company car with driver and fuel reimbursement with associated expenses;
  - vii. Provision of telephone(s) at residence and mobile phone with associated expenses;
  - viii. Provision of computer, laptop, and i-pad with associated expenses;
  - ix. Leaves as per the rules of the Company or approved by the Board of Directors;
  - x. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be agreed to by the Board of Directors from time to time.
- B. Mr. Apurv Kumar shall also be entitled to following perquisites which shall not be included in the computation of the aforesaid ceiling on perquisites and allowances:
  - a. contribution to provident fund, superannuation fund or annuity fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
  - b. gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
  - c. encashment of leave at the end of the tenure.
- C. Mr. Apurv Kumar shall not be entitled to any sitting fee for attending meeting of the Board or of any Committee thereof.

The Annual Remuneration of Mr. Apurv Kumar shall not exceed Rs. 84,00,000/- (Rupees Eighty Four Lakh only). This will be the minimum remuneration payable to Mr. Apurv Kumar irrespective of the quantum of profits / loss during the financial year. The terms and conditions of the said appointment and/or Agreement may be varied from time to time by the Board of Directors (including Nomination and Remuneration Committee) as it may in its discretion deem fit within the maximum amounts payable to managing directors as per Schedule V to the Companies Act, 2013 or any statutory amendments or re-enactment thereof.

**Resolved further that** the Board of Directors be and is hereby authorized to do all such acts, deeds or things as may be necessary, proper and expedient to give effect to this resolution."

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**Resolved that** pursuant to the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013, Schedule V to the Companies Act, 2013 and rules made under the Companies Act, 2013, as amended from time to time, consent of the company be and is hereby accorded to appoint Mr. Rupak Gupta as Joint Managing Director & Chief Financial Officer of the Company for a period of three year with effect from 15th May, 2018 to 14th May, 2021 on the terms and conditions, as detailed below:

Salary: Rs. 5,25,000/- per month

Perquisites & Allowances:

- A. Mr. Rupak Gupta shall also be entitled to the following perquisites and allowances:
- i. accommodation (furnished or otherwise) or house rent allowance in lieu thereof;
  - ii. reimbursement of utilities such as gas, water, electricity etc.;
  - iii. Payment / reimbursement of medical / hospitalization expenses for self and family members restricted to one month's salary;
  - iv. fees of clubs;
  - v. insurance policies such as Group personal accident policy, mediclaim policy, overseas travel insurance, Directors & Officers Liability policy or others as may be decided by the management from time to time;
  - vi. Company car with driver and fuel reimbursement with associated expenses;
  - vii. Provision of telephone(s) at residence and mobile phone with associated expenses;
  - viii. Provision of computer, laptop, and i-pad with associated expenses;
  - ix. Leaves as per the rules of the Company or approved by the Board of Directors;
  - x. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be agreed to by the Board of Directors from time to time.
- B. Mr. Rupak Gupta shall also be entitled to following perquisites which shall not be included in the computation of the aforesaid ceiling on perquisites and allowances:
- a. contribution to provident fund, superannuation fund or annuity fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961.
  - b. gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
  - c. encashment of leave at the end of the tenure.
- C. Mr. Rupak Gupta shall not be entitled to any sitting fee for attending meeting of the Board or of any Committee thereof.

The Annual Remuneration of Mr. Rupak Gupta shall not exceed Rs. 84,00,000/- (Rupees Eighty Four Lakh only). This will be the minimum remuneration payable to Mr. Rupak Gupta irrespective of the quantum of profits / loss during the financial year. The terms and conditions of the said appointment and/or Agreement may be varied from time to time by the Board of Directors (including Nomination and Remuneration Committee) as it may in its discretion deem fit within the maximum amounts payable to managing directors as per Schedule V to the Companies Act, 2013 or any statutory amendments or re-enactment thereof.

**Resolved further that** the Board of Directors be and is hereby authorized to do all such acts, deeds or things as may be necessary, proper and expedient to give effect to this resolution."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"Resolved that** pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018 (including any statutory modification(s) or re-enactment thereof from time to time), consent of the Company be and is hereby accorded to continue Mr. Bisheshwar Prasad Singh (DIN:06949954) as a non-executive and independent director of the Company.

**Resolved further that** the Board of Directors be and is hereby authorized to do all such acts, deeds or things as may be necessary, proper and expedient to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"Resolved that** pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018 (including any statutory modification(s) or re-enactment thereof from time to time), consent of the Company be and is hereby accorded to continue Mr. Arvind Kumar (DIN:00227012) as a non-executive director of the Company.

**Resolved further that** the Board of Directors be and is hereby authorized to do all such acts, deeds or things as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors  
For U. P. HOTELS LIMITED

Date: 02.08.2018  
Place: New Delhi

**Apurv Kumar**  
(Joint Managing Director & CFO)  
DIN: 00043538

**Registered Office:**  
1101, Surya Kiran Building, 19, K G Marg, New Delhi – 110001.

**Notes:**

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to special businesses to be transacted at the Fifty Seventh (57th) Annual General Meeting ("Meeting/AGM") is annexed hereto.
2. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT LEAST FORTY EIGHT (48) HOURS BEFORE THE TIME FIXED FOR THE MEETING.**

Pursuant to the provisions of section 105(1) of the Companies act, 2013, read with Rule 19 of the Companies (Management and administration) Rules, 2014, a person can act as a proxy on behalf of not exceeding fifty (50) members and holding in the aggregate not more than ten percent (10%) of

the total share capital of the company carrying voting rights. A member holding more than ten percent (10%) of the total share capital of the company carrying voting rights, will not act as proxy for any other member. The holder of proxy shall prove his identity at the time of attending the Meeting.

3. Corporate members intending to send their authorized representative(s) to attend the meeting, in terms of Section 113 of the Companies Act, 2013, are requested to send to the company a certified copy of the board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
4. This Notice is also being sent with the Annual Report along with the attendance slip, proxy form and route map of the venue of the Meeting.
5. Members/Proxies/Authorised Representatives are requested to bring the attendance slip, duly completed and signed in accordance with the specimen signatures registered with the Company, for admission to the Meeting. Members who hold shares in dematerialized form are requested to write their client ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. Members/ Proxies/ Authorised Representatives are requested to bring to the meeting necessary details of their shareholding and attendance slips. The Members are also requested to bring their copy of the Annual Report with them at the meeting as additional copies of the same will not be made available at the meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. During the period beginning twenty four (24) hours before the time fixed for the commencement of meeting and ending with the conclusion of the Meeting, a member will be entitled to inspect the proxies lodged at any time during the business hours of the company. Documents referred to in this Notice will be available for inspection by the members at the Registered Office of the Company from 11:30 a.m. to 01:30 p.m. on all working days upto the date of the Meeting and will also be available for inspection at the venue of the Meeting and will also be available on the website of the Company [www.hotelclarks.com](http://www.hotelclarks.com).
8. In terms of SEBI circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20-04-2018, the Company is required to obtain copy of PAN Card, Bank details, Email id and Mobile / Telephone No from all the shareholders holding shares in physical form. Accordingly, shareholders holding shares in physical form are requested to furnish self-attested copy of your PAN Card and original cancelled "Name printed Cheque" failing which copy of Bank Passbook / Statement attested by the Bank alongwith any change in their address to the Company or Company's Registrar & Share Transfer Agent, Skyline Financial Services Pvt. Ltd., quoting their folio number.

Members holding shares in physical mode are requested to immediately notify any change in their address alongwith self attested copy of address proof i.e. to the Company or to its RTA and in case members holding shares in demat mode, must inform about their PAN and any change in their address or bank particulars to their respective Depository Participants and not to the Company.

9. As per SEBI notification dated 8th June, 2018, request by members for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with effect from 5th December 2018. The Company has sent letters to its shareholders intimating about the above said requirement. This information and guidance on how to dematerialize their shares are also placed on website of the company at [www.hotelclarks.com](http://www.hotelclarks.com). Shareholders holding shares in physical form are requested to convert their physical shares into dematerialize form at the earliest to avail various benefits of dematerialization.
10. The Register of Members and the Share Transfer Books will be closed from Tuesday, 18th September, 2018 to Tuesday, 25th September, 2018 (both days inclusive).
11. Pursuant to Section 124(5) and 125 of the Companies act 2013, all unpaid dividend required to be transferred to the Investor Education & Protection Fund (IEPF) has been transferred upto the Financial Year 2009-10. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Secretarial Department at the Company's registered office or the Company's Registrar and Share Transfer Agent (Skyline Financial Services Private Limited) for revalidation and encash them before the due date. The details of such unclaimed dividends are available on the Company's website at [www.hotelclarks.com](http://www.hotelclarks.com). Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). The due date for transfer of unclaimed/unpaid dividends for the financial year 2010-11 to IEPF is 17th September, 2018.
12. All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF. In this regard, the Company had informed the members concerned through letter(s) and subsequently through publication of Notice(s) in daily Newspaper(s) advising them to claim their unclaimed/unpaid dividend from the company within stipulated time period. The Company has also uploaded in its website at [www.hotelclarks.com](http://www.hotelclarks.com), the details of the unclaimed / unpaid dividends for seven consecutive years or more and the corresponding shares liable to be transferred to the IEPF Authority.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5.

13. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away vide notification dated 7th May, 2018 issued by Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 25th September, 2017.
14. The Members can avail nomination facility in terms of the provisions of the Companies Act, 2013. On request, the necessary Form SH-13 can be obtained from the Company/RTA.
15. Pursuant to Sections 20, 101 and 136 of the Companies Act, 2013 and Rules made thereunder, Companies are allowed to send notices/ documents in electronic form to their Members. To enable the Company to send its Annual Report, Notice of AGM and other documents for the Financial Year ended 31st March, 2017 electronically, Members are requested to update their email IDs with their Depository Participants in case the shares are held in the electronic form or the Registrar & Share Transfer Agent of the Company, in case the shares are held in the physical form and accord their consent for receiving documents through electronic mode.
16. The Company is pleased to provide the e-voting facility (including remote e-voting) to members to enable them to exercise their right to vote through electronic means, in pursuance of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS2) issued by Institute of Company Secretaries of India.
17. The members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the Meeting but shall not be entitled to cast their vote again.

18. The Company has appointed Mr. Amar Gopal Gambhir of A.G.G & Associates, Company Secretary in Practice having Membership No. FCS 3668 and Certificate of Practice No. 3653, to act as the Scrutinizer, for conducting the scrutiny of the votes cast in fair and transparent manner.
19. The remote e-voting period will commence on Saturday, 22nd September, 2018 at 09:30 a.m. and will end on Monday, 24th September, 2018 at 5:00 p.m. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September, 2018, may cast their vote by remote e-voting. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.
20. The company has engaged the services of National Securities Depository Limited ('NSDL') for providing remote e-voting facility through electronic voting system to the shareholders of the company. The instructions for electronic voting by shareholders' are as under:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-into NSDL e-Voting website?

1. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Click on the icon "Login" which is available under 'Shareholders' section.
3. Enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. De-mat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in de-mat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in de-mat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) If you are holding shares in your demat account with NSDL or CDSL, click on icon "Forgot User Details/Password?" available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) If you are holding shares in physical mode, click on icon "Physical User Reset Password?" available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now click on "Login" button.
9. Then Home page of e-Voting will open.

**Details on Step 2 are given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. Click on e-Voting. Then, click on 'Active Voting Cycles'
2. Select "EVEN" of U. P. Hotels Limited.

3. Now you are ready for remote e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [aggandassociates@gmail.com](mailto:aggandassociates@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. You can also update your mobile number e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date (record date) of September 18, 2018.
6. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 18, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. The Chairman shall, at the meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, for all those members who are present at the meeting but have not casted their votes by availing the remote-voting facility.
8. The Scrutinizer will, after the conclusion of e-voting at the Meeting, first count the votes casted at the meeting and thereafter unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make, not later than three (3) days of the conclusion of the meeting, a consolidated scrutinizer's report of the total votes casted in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
9. The Results declared along with the report of the scrutinizer shall be placed on the website of the Company [www.hotelclarks.com](http://www.hotelclarks.com) and on the website of NSDL immediately after the declaration of result by the Chairman. The results shall also be immediately forwarded to the Stock Exchanges.
10. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of Annual General Meeting.
11. Non-resident Indian members as requested to inform about the following to the Company or its Share Transfer Agent or the concerned depository participant, as the case may be, immediately of:-
  - i. The change in the residential status on return to India for permanent settlement.
  - ii. The particulars of the NRE Account with a Bank in India along with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**ITEM NO. 3**

Mr. Apurv Kumar is Jt. Managing Director & CFO of the company and his appointment as Joint Managing Director & CFO was till 14th May, 2018. On the recommendation of Nomination & Remuneration Committee, the Board in its meeting held on 24.02.2018 appointed Mr. Apurv Kumar as Joint Managing Director & CFO for a period of three year with effect from 15.05.2018 to 14.05.2021.

Mr. Apurv Kumar aged about 57 years has done his Graduation from Mumbai University, Hospitality Management from Cornell University USA, MBA Alumni, Harvard Business School and enriched with an experience of more than 29 years in Industrial and Commercial activities. Mr. Apurv Kumar has travelled widely and has attended many prestigious seminars in India and abroad. He is actively involved in the Management and operations of the Hotels and is extensively involved into the day to day operations of the Company. He has played a pivotal role in the modernization of the Hotels owned by the company.

Keeping in view, Mr. Apurv Kumar's vast experience, expertise, performance and long association with your Company, it will be in the interest of your Company to approve his appointment and remuneration as proposed in the resolution no. 3 of this notice.

The terms of remuneration are duly considered and recommended by the Nomination & Remuneration Committee in their Meeting held on 24.02.2018. Brief resume of Mr. Apurva Kumar, nature of his expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, their shareholding in the Company, relationships amongst directors inter-se as stipulated under Listing Regulations, are provided in this notice and Boards' Report.

None of the directors and key managerial personnel and their relatives, except Mr. Apurv Kumar, is concerned or interested, whether directly or indirectly, financially or otherwise.

The Board recommends the Special Resolution set out at item no. 3 of this Notice for approval by the members of the Company.

**ITEM NO. 4**

Mr. Rupak Gupta is Jt. Managing Director & CFO of the company and his appointment as Joint Managing Director & CFO was till 14th May, 2018. On the recommendation of Nomination & Remuneration Committee, the Board in its meeting held on 24.02.2018 appointed Mr. Rupak Gupta as Joint Managing Director & CFO for a period of one year with effect from 15.05.2018 to 14.05.2021.

Mr. Rupak Gupta aged about 47 years, has done B.Sc. Management from University of New Haven, CT, USA. Apart from this, he has done Hotel Management Course from Cornell University USA and enriched with an experience of more than 18 years in Industrial and Commercial activities. He is actively involved in the Management and operations of the Hotels and is extensively involved into the day to day operations of the Company. He has played a key role in taking new initiatives and bringing new ideas which has helped towards the growth of the Company.

Keeping in view, Mr. Rupak Gupta's vast knowledge, experience, performance and long association with your Company, it will be in the interest of your Company to approve his appointment and remuneration as proposed in the resolution no. 4 of this notice.

The terms of remuneration are duly considered and recommended by the Nomination & Remuneration Committee in their Meeting held on 24.02.2018. Brief resume of Mr. Rupak Gupta, nature of his expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, their shareholding in the Company, relationships amongst directors inter-se as stipulated under Listing Regulations, are provided in this notice and Boards' Report.

None of the directors and key managerial personnel and their relatives, except Mrs. Supriya Gupta being mother, may be deemed to be concerned or interested, whether directly or indirectly, financially or otherwise.

The Board recommends the Special Resolution set out at item no. 4 of this Notice for approval by the members of the Company.

**STATEMENT AS PER SCHEDULE V - PART II SECTION II FOR ITEM NOS. 3 & 4**

**I. GENERAL INFORMATION**

1. Nature of industry: Hotel Industry.
2. Date or expected date of commencement of commercial production  
The company started its commercial production/operation in the year 1962.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial performance based on given indicators. (Rs. in Lakh)

Particulars	31.03.2018	31.03.2017
Revenue	9844.76	9080.40
Profit before Tax	535.66	660.14
Tax expense	231.02	283.56
Profit after tax	304.65	376.58
Total Comprehensive Income	358.85	415.23

Capital structure (Rs.)

Particulars	31.03.2017	31.03.2016
Equity Share Capital	540.00	540.00
Other Equity	8067.00	7708.14
Net worth	8607.00	8248.14

5. Foreign investment or collaborators, if any: As on 31st March, 2018, there were 11 NRIs invested in the Company. Apart from that, there was no foreign investment or collaborators.

**II. INFORMATION ABOUT THE APPOINTEES:**

Particulars	Mr. Apurv Kumar	Mr. Rupak Gupta
Background details	Mr. Apurv Kumar is a Graduate from Mumbai University. He completed Hospitality Management From Cornell University USA, a MBA Alumni of Harvard Business School and possesses experience of more than 29 years in industrial and commercial activities.	Mr. Rupak Gupta has done B. Sc. Management from University of New Haven, CT, USA, Hotel Management from Cornell University USA and possesses experience of more than 18 years in industrial and commercial activities.
Past remuneration	Rs. 2,50,000/- per month (exclusive all allowances and perquisites)	Rs. 2,50,000/- per month (exclusive all allowances and perquisites)
Recognition or awards	N.A.	N.A.
Job Profile	Mr. Apurv Kumar is Joint Managing Director & CFO of the company. He has contributed a lot to the growth of the company. He is actively involved in the Management and operations of the Hotels and is extensively involved into the day to day operations of the Company.	Mr. Rupak Gupta is Joint Managing Director & CFO of the company. He has contributed a lot to the growth of the company. He is actively involved in the Management and operations of the Hotels and is extensively involved into the day to day operations of the Company.
Remuneration proposed	Rs. 84,00,000/- per annum (inclusive all allowances and perquisites)	Rs. 84,00,000/- per annum (inclusive all allowances and perquisites)
Comparative remuneration profile with respect to industry, size of the company and profile of the position and person	Information on comparative remuneration profiles with respect to industry, size of the company is not available	Information on comparative remuneration profiles with respect to industry, size of the company is not available.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Arvind Kumar (Non-Executive Director) is paternal uncle of Mr. Apurv Kumar.	Mr. Rupak Gupta is son of Ms. Supriya Gupta (Director) of the Company.



**III. OTHER INFORMATION**

1. Reasons of loss or inadequate profits:

The business of the Company is substantially dependent on the domestic and foreign tourists. Various new hotels have come up in the vicinity and giving tough competition. As a result, there was lot of pressure on occupancy level and average room rate. Escalation in Staff cost, power & fuel cost, etc. have also put pressure on margins and profitability.

2. Steps taken or proposed to be taken for improvement.

The company is emphasizing in reducing cost, renovating its properties from time to time to meet the increasing competition in the market.

3. Expected increase in productivity and profits in measurable terms:

Since the company is working on reducing cost and generating more revenue, it is expected to perform better than the last year yet the improvement can not be quantified in measurable term as our business is of a seasonal nature and market remains uncertain.

4. Disclosures

The Corporate Governance report which forms part of the Boards' Report contains details of remuneration paid to Mr. Rupak Gupta and Mr. Apurv Kumar during the period under review.

**ITEM NO 5:**

Securities and exchange Board of India ('SEBI') vide notification dated 9th May, 2018 has come out with SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018 by further amending the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). The new Regulations shall be applicable with effect from 1st April, 2019 unless otherwise specifically provided in the said notification.

As per Regulation 17(1A) of New Regulations, "No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person."

Retd. Justice Mr. Bisheshwar Prasad Singh, a non-executive & independent director & Chairman has attained the age of seventy five years. Mr. Bisheshwar Prasad Singh has been appointed by Hon'ble National Company Law Tribunal ("NCLT") vide its order dated 19th August, 2016 as a Non Executive Independent Director & Chairman of the Company. Mr. Bisheshwar Prasad Singh has been a Director on the Board of the Company with effect from 22nd August, 2016. Under the guidance of Mr. Bisheshwar Prasad Singh, the Company has been able to comply with the various non compliances and in the process of revocation of suspension of trading of its shares with BSE Limited. Your Board considers that his association with the company would be beneficial for the company. Mr. Bisheshwar Prasad Singh has given declaration to the Board of Directors to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013.

In compliance of the Listing regulations, it is therefore proposed to pass a special resolution in the ensuing Annual general Meeting for continuation of the directorship of Mr. Bisheshwar Prasad Singh in the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than proposed Director for his continuation as a director, is concerned or interested, financially or otherwise, in these Resolutions.

The Board commends the Special Resolution as set out at item no. 5 for approval of the Members.

**ITEM NO 6:**

Securities and exchange Board of India ('SEBI') vide notification dated 9th May, 2018 has come out with SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018 by further amending the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). The new Regulations shall be applicable with effect from 1st April, 2019 unless otherwise specifically provided in the said notification.

As per Regulation 17(1A) of New Regulations, "No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person."

Mr. Arvind Kumar, a non-executive director has attained the age of seventy five years. Under the guidance of Mr. Arvind Kumar, the Company has been able to comply with the various non compliances and in the process of revocation of suspension of trading of its shares with BSE Limited. Your Board considers that his association with the company would be beneficial for the company. Mr. Arvind Kumar has given declaration to the Board of Directors that he is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013.

In compliance of the Listing regulations, it is therefore proposed to pass a special resolution in the ensuing Annual general Meeting for continuation of the directorship of Mr. Arvind Kumar in the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except Mr. Arvind Kumar the proposed Director for his continuation as a director, is concerned or interested, financially or otherwise, in these Resolutions.

The Board commends the Special Resolution as set out at item no. 6 for approval of the Members.

Details of Directors seeking appointment & re-appointments:

Name of Director	Mr. Apurv Kumar	Mr. Rupak Gupta	Mr. Arvind Kumar	Mr. Bisheshwar Prasad Singh
Date of Birth	19.01.1961	28.03.1970	27.12.1939	09.07.1942
Nationality	Indian	Indian	Indian	Indian
Date of Appointment in the Company	06.08.1998	06.08.1998	17.02.2004	22.08.2016
Qualification	Graduate from Mumbai University, Hospitality Management From Cornell University USA, MBA, Alumni Harward Business School	B.Sc. Management from University of New Haven, CT, USA and Hotel Management from Cornell University, USA	B.Com, LL.B.	B.A. (Hons.), LL. B.
Expertise in specific functional areas	He has been an innovator in the hospitality industry for close to three decades. He is actively involved in the Management and operations of the Hotels and is extensively involved into the day to day operations of the Company.	He has wide experience in operation of hotels, exports. He is actively involved in the Management and operations of the Hotels and is extensively involved into the day to day operations of the Company.	He has decades of experience in the textiles and hotel industry.	He has more than 55 years of experience as an Advocate and a Judge of High Court(s) and Supreme Court.  He joined the Bar of the Supreme Court of India in November 1963 and practiced as an Advocate conducting Civil, Criminal and Constitutional matters till March 1987.  Appointed a judge of the Patna High Court on March 9, 1987  Appointed Chief Justice of the Bombay High Court on March 30, 2000.  Appointed judge of the Supreme Court of India on 14th of December, 2001. and retired on 8 July 2007.
No. of equity shares held in the Company	35,126	818,524	29,341	Nil
Other Directorship	<ol style="list-style-type: none"> <li>1. Clement Orient Pvt. Ltd.</li> <li>2. The Indian Textiles Co. Pvt. Ltd.</li> <li>3. Uttar Pradesh Export Industries Ltd.</li> <li>4. Brijrama Hospitality Pvt. Ltd.</li> <li>5. Indus Textile Pvt. Ltd.</li> <li>6. Indus Techpark Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Banaras Global Pvt. Ltd.</li> <li>2. Banaras House Engineering Pvt. Ltd.</li> <li>3. Banaras House Pvt. Ltd.</li> <li>4. U P Hotels India Ltd.</li> <li>5. Indian Textile Company (Holdings) Pvt. Ltd.</li> <li>6. The Indian Textiles Co. Pvt. Ltd.</li> <li>7. Uttar Pradesh Export Industries Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Indian Textile Co. Pvt. Ltd.</li> <li>2. U.P Hotels Clarks Limited.</li> <li>3. Bonita India Limited.</li> <li>4. Banaras International Ltd.</li> <li>5. Hotel Clarks (Varanasi) Ltd.</li> <li>6. Indus Textiles Pvt Ltd</li> <li>7. Kalyani Holdings &amp; Finance Ltd</li> <li>8. Indus Techpark Pvt Ltd</li> <li>9. Brijrama Hospitality Pvt Ltd.</li> <li>10. The Indian textiles Co. (Kolkatta) Pvt Ltd.</li> <li>11. Nightingale Jewellers Pvt Ltd.</li> <li>12. Naina Vanijya Pvt Ltd</li> <li>13. Indus Intex Pvt Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Indiabulls Housing Finance Limited</li> <li>2. Indiabulls Real Estate Limited</li> <li>3. Indiabulls Asset Reconstruction Co. Limited</li> </ol>
Other Committee Membership	-	-	-	-

By Order of the Board of Directors  
For U. P. HOTELS LIMITED

Date: 02.08.2018  
Place: New Delhi

**Apurv Kumar**  
(Joint Managing Director & CFO)  
DIN: 00043538

## BOARDS' REPORT

Dear Members,

Your Directors are pleased to present the 57th Annual Report of the Company for the financial year ended March 31, 2018.

## Financials

(Rs. in lakh)

	Current Year 2017-18	Previous Year 2016-17
Revenue from Operations	9405.31	8789.45
Other Income	439.45	290.95
Expenditure	9309.10	8420.26
Depreciation	676.28	650.57
Profit before tax	535.66	660.14
Tax expense	304.65	376.58
Profit after tax	304.65	376.58
Other Comprehensive Income	54.21	38.64
Total Comprehensive Income	358.85	415.23
Profits available for Appropriation	4894.76	4590.11
Transfer to General Reserve	-	-
Earning Per Equity Share (Basic)	5.64	6.97
Earning Per Equity Share (Diluted)	5.64	6.97

## Operations &amp; State of Company's Affairs

Revenue from operations (net) has increased from Rs. 8789.45 lakh (previous year) to Rs. 9405.31 lakh in the current year. The other income has increased from Rs. 290.95 lakh (previous year) to Rs. 439.45 lakh in the current year. The profit before tax has come down to Rs. 535.66 lakh in the current year from 660.14 in previous year. The profit after tax for the current year (before other comprehensive income) was Rs. 304.65 lakh as against Rs. 376.58 lakh in the previous year. The Total Comprehensive Income was Rs. 358.85 lakh in current year against Rs. 415.23 lakh in previous year.

The details on operations & state of affairs of the Company have been given in the report under Management Discussion & Analysis.

## Dividend

No dividend has been recommended by the Board for the financial year ended 31st March, 2018.

## Transfer to General Reserves

During the financial year, the Company has not transferred any amount out of the profits of the Company to the General Reserves.

## Directors and Key Managerial Personnel

During the year under review, Mr. Apurv Kumar and Mr. Rupak Gupta were appointed as Joint Managing Directors of the company with effect from 15th May, 2017 to 14th May, 2018. The Board in its meeting held on 24th February, 2018 appointed Mr. Apurv Kumar and Mr. Rupak Gupta as Joint Managing Directors & Chief Financial Officer of the company for a period of three years with effect from 15th May, 2018 to 14th May, 2021. The Board has recommended their appointment at the ensuing Annual General Meeting.

Mr. Arvind Kumar will retire by rotation at the ensuing Annual General Meeting, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Mr. Shafi Alam has been appointed as an Independent Director with effect from 12.05.2017.

Securities and Exchange Board of India ("SEBI") vide notification dated 9th May, 2018 has come out with SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018 ("New LODR Regulations") by further amending the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The new Regulations shall be applicable with effect from 01st April, 2019 unless otherwise specifically provided in the said notification.

In compliance with Regulation 17(1A) of New LODR Regulations, Mr. Bisheshwar Prasad Singh and Mr. Arvind Kumar, both non-executive directors have attained the age of seventy five years and for continuing their directorship as non-executive directors in the Company, the Board has recommended continuing their directorship at the ensuing Annual General Meeting company.

Mr. Apurv Kumar and Mr. Rupak Gupta are also Chief Financial Officer of the company during the year under review. Mr. Prakash Chandra Prusty is Company Secretary of the Company.

The company has received necessary declarations from the Independent Directors under section 149(6) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of Listing Regulations, 2015. A Separate Meeting of the Independent Directors pursuant to Section 149(8) and Schedule IV of the Companies Act, 2013 was held on 24.02.2018.

The Company has put in place an induction and familiarization program for all its Directors including the Independent Directors. The familiarization program for Independent Directors in terms of provisions of Regulation 46(2)(i) of Listing Regulations, is uploaded on the website of the Company at www.hotelclarks.com.

## Directors Responsibility Statement

Your Directors' state that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed and there were no material departures;

- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis; and
- (e) they have laid down internal financial controls for the company, which are adequate and are operating effectively.\*
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

\* Kindly refer to the Para "Internal Financial Controls" given herein below.

Due to the ongoing disputes and internal differences between the promoters group/management, there were few pending non-compliances under the Companies Act, 2013, Listing Regulations 2015. The Company is in the process of complying the same.

#### **Internal Financial Controls**

The Company has a systematic process and well-defined roles and responsibilities for people at different hierarchical levels. The Internal Financial Control (IFC) system of company comprises due compliances of company's policies and Standard Operating Procedures (SOPs) and internal audit checks. However, due to the differences and disagreements between the promoters / promoters group / management and ongoing suits which have been filed at the Hon'ble Civil Court, Lucknow and in the Hon'ble National Company Law tribunal, New Delhi, the appropriate discussions, supervisions, review on the affairs, operation of the company, the manner of strengthening the internal financial controls could not take place during the year under review at Board level. However, the Audit Committee discusses and take note of the Internal Audit Reports at appropriate intervals and issue advises to the Internal Auditors and units for better control.

#### **Auditors and Auditors Report**

Pursuant to the provisions of section 139 of the Companies Act 2013, M/s Satinder Goyal & Co., Chartered Accountants, (Firm Registration No.027334N) have been appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 56th AGM until the conclusion of 61st AGM of the company to be held in calendar year 2022. They have confirmed that they are not disqualified from continuing as the auditors of the Company.

The Auditors have submitted their Report on the Financial statements of the Company for the year ended 31st March, 2018. The Auditors' qualifications/ adverse opinion on non-compliances on various provisions of the Companies Act, 2013, Listing Regulations and other laws applicable to the Company are given in Auditors' Report.

The clarifications of the Board on the said qualifications /adverse opinion are in the **Annexure-1** attached to this Report.

#### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed A. G. G. & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the year ended 31st March, 2018. The Secretarial Audit Report is annexed as **Annexure 2**. The Board of Directors of the Company has initiated necessary measures as required for the rectification of the non-compliances and observations which have been referred in the Report. The Board has submitted its replies upon the said observations in the **Annexure-1** attached to this Report.

#### **Suspension from trading / Compliance of Regulation 31(2) of SEBI LODR Regulations / Clause 40A of erstwhile Listing Agreement**

The trading in shares of the company has been suspended since 25th February, 2015 on account of non-compliance of erstwhile Listing Agreement & Listing Regulations. The non-compliance was not intentional. There have been differences of opinion of few promoter directors on the operation of the company and such differences of opinion could not be settled/cured which led to non-compliances. However during the year under review, the Company has complied with most of pending compliances and applied to Stock Exchange for revocation of suspension of trading of shares in the company ('revocation application'). As on date of this report, the revocation application is being evaluated by the Stock Exchange and further order /advise in this regard is awaited.

#### **Particulars of Loans, Guarantees and Investments**

During the financial year under review, the company has not granted any loans and advances to related parties.

#### **Financial Performance/Financial Position of Subsidiaries / Associate Companies / Joint Ventures**

There are no Subsidiary Companies/Associate Companies/ Joint venture associated with the Company.

#### **Change in the Nature of Business:**

No changes occurred in the nature of business during the financial year under review.

#### **Annual Evaluation by the Board of its own performance, its Committees and Individual Directors**

The Board of Directors has made the annual evaluation of its own performance and that of its committees and individual directors based on assessment of a structured questionnaire (covering various aspects of the Board's functioning, Board culture, effective participation, contribution to the Board proceedings, etc.) furnished by each director / member-director of various committees in respect of their self assessment as well as the assessment of the Board/ Committees followed by the discussions with the directors/ members of the Committees. The entire Board, excluding the Director being evaluated, evaluated the performance of each Independent Director. The process of review of Non-Independent Directors, Chairman and the Board as a whole and also its Committees were undertaken in a separate meeting of Independent Directors. The Independent Directors' meeting also assessed the quality, quantity and timeliness of information required for the Board to perform its duties properly.

#### **Policy on Directors' Appointment and Policy on Remuneration**

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is given in **Annexure 3** and also uploaded in the website of the Company at [www.hotelclarks.com](http://www.hotelclarks.com) and its URL is [http://res.cloudinary.com/simplotel/image/upload/v1509797907/clarks-group-of-hotels/Remuneration\\_zzwd8c.pdf](http://res.cloudinary.com/simplotel/image/upload/v1509797907/clarks-group-of-hotels/Remuneration_zzwd8c.pdf).

#### Material changes during the Financial Year

There were no material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

#### Conservation of Energy, Technology Absorption and Foreign Earnings and Outgo Section-134(3)(m) of the Companies Act, 2013 and Rule-8 of Companies (Accounts) Rules, 2014

Your company monitors the systems and methods devised in the context of energy conservation on an ongoing basis. The details have been specified in Annexure 4.

#### Meetings of the Board

Five meetings of the Board were held during the year under review. For further details, please refer to Corporate Governance Report being part of this report.

#### Audit Committee & Whistle Blower/Vigil Mechanism Policy

The Audit Committee of the Company during the period under review comprised of Justice Mr. B. P. Singh (Retd.) – Chairman, Mr. Arvind Kumar & Mr. Shafi Alam as members.

In line with the provisions of Section 177 (9) of the Act and Clause 22 of the SEBI Listing Regulations, your company has adopted a policy on Vigil Mechanism/ Whistle Blower Policy which provides the Directors and employees of the company to report actual or suspected fraud or violation of your Company's Code of Conduct. The Whistle Blower Policy/Vigil Mechanism is available at company's website at [www.hotelclarks.com](http://www.hotelclarks.com) and its URL is [https://res.cloudinary.com/simplotel/image/upload/v1531809031/clarks-group-of-hotels/Whistleblower\\_Policy\\_-\\_Vigil\\_Machanism\\_gsrkz0.pdf](https://res.cloudinary.com/simplotel/image/upload/v1531809031/clarks-group-of-hotels/Whistleblower_Policy_-_Vigil_Machanism_gsrkz0.pdf)

#### Nomination & Remuneration Committee, Stakeholders' Relationship Committee

The details on composition, meetings, etc of Nomination & Remuneration Committee and Stakeholders' Relationship Committee have been given in Corporate Governance Report, being part of this report.

#### Corporate Social Responsibility (CSR) Committee

The details on the composition of the Corporate Social Responsibility (CSR) Committee are provided in the Report on Corporate Governance being part of this report

The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company and the initiatives undertaken by your Company on CSR activities during the year are set out in the Annual Report on CSR activities marked as "Annexure 5" of this report. The policy is available on the website of the Company [www.hotelclarks.com](http://www.hotelclarks.com).

The company was required to spend cumulatively Rs. 55,53,624/- during the year, however, the Company has spent Rs. 56,22,630/- on CSR activities during the year under review.

#### Particulars of Employees and Related Disclosures

The table containing the names and other Particulars of employees of the Company in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is appended as Annexure 6 of the Board's report.

The Company did not employ any such person whose particulars are required to be given under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as amended from time to time.

#### Risk Management

Risk is an integral and unavoidable component of business and your company is committed to managing the risk in a proactive and effective manner. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, legal risk.

The company has formulated a Policy on Risk Management for identification, evaluation, monitoring and minimization of identifiable risks and to ensure business growth with financial stability of the Company.

#### Contracts and Arrangements with Related Parties

There have been transactions entered into by the Company with related parties during the year under review. The related party transactions have been mentioned at the Notes No. 30 and 41(d) of the Notes on Financial Statements. The Audit Committee in its meeting dated 08.08.2017 had approved the related party transactions entered into by the company during the financial years 2014-15, 2015-16 and 2016-17 subject to the approval of Board and decision of Hon'ble National Company Law Tribunal (NCLT). Since the related party transactions are inter alia part of a legal case pending before the NCLT, the Board was of the opinion that any decision of the Board on the related party transactions may be contrary to the decision of the NCLT which may not be executable later. Accordingly, the Board has deferred its decision on approving related party transactions till the final decision of NCLT. Hence, the disclosures of particulars of contracts/arrangements entered into by the company with related parties & being part of the pending legal case have not been disclosed in the prescribed Form. However, the particulars of transaction with related party approved by Audit Committee and Board has been disclosed in the prescribed form attached herewith as Annexure 7.

#### Extract of Annual Return

The extract of annual return in form MGT-9 as per Sec-92(3) and Rule-12(1) of the Companies (Management and Administrative) Rules 2014 of the Company is enclosed herewith as Annexure 8 and is also available at the URL [https://res.cloudinary.com/simplotel/image/upload/v1531807489/clarks-group-of-hotels/Form\\_MGT-\\_9\\_AS\\_ON\\_31.03.2018.pdf](https://res.cloudinary.com/simplotel/image/upload/v1531807489/clarks-group-of-hotels/Form_MGT-_9_AS_ON_31.03.2018.pdf).

#### Management Discussion and Analysis & Corporate Governance

The Reports on the Management Discussion & Analysis and Corporate Governance as required under Listing Regulations form an integral part of this report as Annexure 9 and 10 respectively and are set out as separate sections to this Annual Report. A Certificate from the Company secretary in practice, certifying compliance of conditions of Corporate Governance as stipulated in the Listing Regulations, is annexed with the report on Corporate Governance.

**Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013**

The Company has adopted a policy on prevention of sexual harassment under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the Financial Year 2017-18, no case of sexual harassment was reported by any female.

**Other Disclosures**

- i. There was no change in Authorised Share Capital of the company during the year under review.
- ii. The Company has not accepted any deposits during the Financial Year under review.
- iii. The Company has not bought back any of its securities during the year under review.
- iv. The Company has not issued any Sweat Equity Shares during the year under review.
- v. No Bonus Shares were issued during the year under review.
- vi. The Company has not provided any Stock Option Scheme to the employees during the year under review.
- vii. The company did not issue equity shares with differential rights as to dividend, voting or otherwise.
- viii. The Auditors have not reported any fraud during the year under review;
- ix. As the company has no holding or subsidiary company, the information relating to receiving remuneration or commission from holding company or subsidiary company by the Jt. Managing Directors has not arisen.
- x. No significant and material orders were passed by the regulators during the period under review.

**Acknowledgement**

The Board expresses its sincere appreciation to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your company during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

**For and on behalf of Board**

for U. P. Hotels Limited

**Bisheshwar Prasad Singh**  
*(Non-Executive Chairman-  
Independent Director)*  
DIN: 06949954  
ADD: House No. 7,  
Second Floor,  
Block- A, Neeti Bagh  
New Delhi-110016

**Apurv Kumar**  
*(Jt. Managing Director &  
CFO)*  
DIN: 00043538  
ADD: 28 Shree Vihar  
Colony, Near Hotel  
Clark Amer, J L Nehru  
Marg, Jaipur- 302018

**Rupak Gupta**  
*(Jt. Managing Director &  
CFO)*  
DIN: 00007310  
ADD: 35-A, Friends  
Colony, (East)  
New Delhi- 110065

Date: 02.08.2018  
Place: New Delhi

**Reply by the Directors on the Qualification/Adverse Opinion of Statutory Auditors and Secretarial Auditors****Qualified Opinion in Auditors' Report**

- Qualification (i): As regards non-compliance of Minimum Public Shareholding, the Notes 39.1 to 39.3 of the Notes to Financial Statements are self explanatory.
- Qualification (ii): As regards concern on the issue of Oppression and Mismanagement, a case is pending in National Company Law Tribunal (NCLT) as a result of application filed by one group of promoters. By its order dated 19.08.2016, NCLT has directed both the Jt. Managing directors to continue in their respective positions. As regards non implementation of Policy on Risk Management, the Note 40.3 of the Notes to Financial Statements is self explanatory.
- Qualification (iii): As regards inter alia non-compliance of various provisions of SEBI Listing Regulations 2015, the Board has approved the financial results for the quarters ended 30.06.2017, 30.09.2017 and 31.12.2017 on 29th May, 2018 and also published the results and complied with Regulations 33 of Listing Regulations. The promoters have initiated to de-mat their shares and the company is hopeful to achieve 100% dematerialization of promoter's shareholdings. With regard to non-compliance of related party transactions, the Note 41 (d) of the Notes to Financial Statements is self explanatory.

**Adverse Opinion in Auditors' Report**

Adverse Opinion (i) and (ii): As regards risk management and internal financial controls, the notes no. 40.1 and 40.3 of the Notes to Financial Statements are self explanatory and the company is in the process of strengthening the same.

**Observations / Qualification of Secretarial Auditors**

1. As regards observation / Qualification no. 1, the notes no. 40.1 and 40.3 of the Notes to Financial Statements are self explanatory and the company is in the process of strengthening the same it is self explanatory.
2. As regards observations / qualification no. 2 on non-achieving of 100% de-mat of promoters' group shareholding, the promoters have initiated to de-mat their shares and the company is hopeful to achieve 100% dematerialization of promoter's shareholdings.
3. As regards observations / qualification no. 3 on non-compliance of Minimum Public Shareholding, the Notes 39.1 to 39.3 of the Notes to Financial Statements are self explanatory.
4. As regards observations / qualification no. 4 on non-compliance of related party transactions, the Note 41 (d) of the Notes to Financial Statements is self explanatory.
5. As regards observations / qualification no. 5 on non compliance of approval & publication of financial results pertaining to financial year 2017-18, the Board has approved the financial results for the quarters ended 30.06.2017, 30.09.2017 and 31.12.2017 on 29th May, 2018 and also published the results and complied with applicable Listing Regulations.

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2018  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members,  
**U. P. Hotels Limited**  
1101, Surya Kiran,  
19, Kasturba Gandhi Marg,  
New Delhi-110001

I Amar Gopal Gambhir, Practising Company Secretary have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **U. P. Hotels Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 has complied with all the statutory provisions listed hereunder except some specific provisions/compliances as per the details given in the Secretarial Audit Report.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e) The Securities and Exchange Board of India **(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period)**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

- g) 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;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Regulations entered into by the Company with BSE Ltd.

During the period under review the Company has not complied completely with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above

**The following are the list of observations and non-compliances noticed by us as per the records, Documents and information furnished to us:-**

**1. Pursuant to General order No. 1 of 2015 dated 20th of July 2015 of SEBI:**

- (i) The trading in the shares of the Company on BSE has been suspended and depositories have been directed to freeze the entire shareholding of the promoter and promoter group of the company.
- (ii) No transfer/ pledge of shares in the Suspended Company of Promoters & Promoter group and Directors will take place until 3 months after revocation of suspension.
- (iii) The Suspended Company, Its Promoters and Directors shall not issue prospectus, any other document or advertisement soliciting money from the public for the issue of securities, directly or indirectly; till the suspension is revoked by the recognized Stock exchange or securities of such Company are delisted in accordance with the applicable delisting requirements, whichever is earlier.

**Due to ongoing disputes and internal differences, the Company could not put into operation fully the policy on risk management during the year and the internal financial controls.**

- 2. **The Company has not yet achieved 100 percent dematerialization of the promoter's group shareholdings as required under Circular No. DCS/COMP/CIR-03/2011-12 dated 29.06.2011 of BSE Ltd.**
- 3. **The Company has not complied with the Regulation 38 of SEBI (LODR), 2015 with regard to Minimum Public Shareholding (MPS).**
- 4. **The Related Party Transactions pertaining to the previous years and which are still continuing & renewed this year have not been approved by the Board of Directors and the Audit Committee as per the requirement of Section 188 of the Companies Act, 2013 and the Rules thereof and as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However one transactions was duly approved by Board and Audit Committee and details thereof are entered in the Register maintained under Section 189 of the Companies Act, 2013.**
- 5. **The Company did not comply with Regulation 29, 30, 33 and 47 of the SEBI (Listing Obligation and Disclosure Requirement), 2015 since the unaudited financial results / Limited review report were not approved by the Audit Committee and the Board for any of the quarters during the Financial year 2017-18 and hence the notice of the board meeting and the financial results for the respective quarters could not be published in the newspaper. However, the Company has complied with the non-compliances relating to the Regulation 29, 30, 33 and 47 of the SEBI (Listing Obligation and Disclosure Requirement), 2015 for the previous financial years i.e. 2013-2014, 2014-2015, 2015-2016 and 2016-2017. However as on date of this report the company has complied with the necessary compliances for the financial year 2017-18 in this regard.**

**I FURTHER REPORT THAT** for the purpose of examining adequacy of compliances with other applicable laws including industry sector/specific, under both Central and State Legislations, reliance has been based on the compliance certificates / reports issued by the Company Secretary based on the reports received by the company secretary from its hotel and service units etc. as part of the Company's Compliance Management and Reporting system. Based on the aforesaid internal Compliance Certificates/reports, we are of the opinion that the Company has generally complied with the following:-

- 1. Deposit of Employee Provident Fund, Employee State Insurance and Miscellaneous Provisions Act 1952 and other employee related statutory dues.
- 2. Applicable State and Central laws, including those related to the Environment, Food Safety and Standards and Prevention of Food Adulteration Act, 1954, Standards of Weights & Measure Act, 1976 pertaining to the operations of the Company. However, the notices received from the Statutory Authority, if any, are reported as part of the Board process for Compliance reporting and appropriate action is taken from time to time.
- 3. Deposit of taxes relating to Income Tax, Value added Tax, Central Excise, Central Sales Tax Act, Municipal /Local Authorities Taxes, Service Tax, Luxury tax and other applicable taxes including tax deducted at source. However, cases of disputed tax liabilities of substantial amount are in appeal with the Concerned Authorities.
- 4. Applicable stipulations pertaining to the Payment of Wages Act, Minimum Wages Act, Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975 and other related legislations.

**I FURTHER REPORT THAT** as on the date of reporting the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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 the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in accordance with the provisions of the companies Act, 2013 including the Rules thereof and Secretarial Standard-1, also 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.

**I FURTHER REPORT THAT** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For A.G.G. & Associates  
Company Secretaries**

**Amar Gopal Gambhir  
Practising Company Secretary  
FCS No.: 3668  
C P No.: 3653**

**Place:- New Delhi  
Date:- 02.08.2018**

**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.**



To,

The Members

**U. P. Hotels Limited**

Our Report of Even date is to be read along with this Letter

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of Law, Rules and regulations and Happening of events etc.
5. The Compliance of the above provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management was conducted the affairs of the Company.

**For A.G.G. & Associates  
Company Secretaries**

**Amar Gopal Gambhir  
Practising Company Secretary  
FCS No.: 3668  
C P No.: 3653**

**Place:- New Delhi**

**Date:- 02.08.2018**

**Nomination and Remuneration Policy**

The Nomination and Remuneration Committee of U P Hotels Limited (the Company) shall consist of 3 or more non-executive directors out of which not less than half shall be Independent.

**1. OBJECTIVE**

The Nomination and Remuneration Committee (the Committee) and Nomination and Remuneration Policy (this Policy), is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules made there under and Clause 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Key Objectives of the Committee would inter-alia be:

- to recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board members
- to recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management

**2. DEFINITIONS**

**(a) Key Managerial Personnel:**

Key Managerial Personnel means Managing Director or Chief Executive Officer or Manager, Whole time Director; Chief Financial Officer, Company Secretary, and such other officer as may be prescribed.

**(b) Senior Management:**

Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors, and shall also include all members of management one level below the executive directors including all functional heads.

**3. ROLE OF COMMITTEE**

The role of the Committee inter-alia will be the following:

- to formulate a criteria for determining qualifications, positive attributes and independence of a Director
- to recommend to the Board the appointment and removal of Director, KMP and Senior Management
- to carry out evaluation of performance of the Directors
- to recommend to the Board on policy relating to remuneration for Directors, (including whole-time Directors), Key Managerial Personnel and Senior Management.
- to devise a policy on Board diversity
- to develop a succession plan for the Board and to regularly review the plan

**4. MEMBERSHIP**

- The Committee shall consist of a minimum three (03) non-executive directors, majority of them being independent.
- Minimum two (02) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless otherwise terminated by the Board of Directors.

**5. CHAIRPERSON**

The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Company may be appointed as a member of the Committee but shall not be the Chairperson of the Committee.

In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

The Chairperson of the Committee shall attend the general meetings of the Company or in his/her absence, any other member of the Committee authorised by him/her in this behalf.

**6. FREQUENCY OF MEETINGS**

The Meetings of the Committee shall be held at such regular intervals as may be required.

**7. COMMITTEE MEMBERS' INTERESTS**

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, officials or such other persons as it considers appropriate to be present at the meetings of the Committee.

**8. SECRETARY**

The Company Secretary of the Company shall act as the Secretary of the Committee.

**9. VOTING**

Matters arising for determination at the Committee Meetings shall be decided by a majority of votes of the Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

**10. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- to ensure that there is an appropriate induction and training programme in place for new Directors and members of the Senior Management and reviewing its effectiveness;
- to ensure that on appointment to the Board, Non-Executive Directors and Independent Directors receive a formal letter of appointment in accordance with the guidelines provided under the Companies Act, 2013;
- to determine the appropriate size, diversity and composition of the Board;
- to set a formal and transparent procedure for selecting new Directors for appointment to the Board;
- to develop a succession plan for the Board and Senior Management and regularly reviewing the plan;
- to evaluate the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- to consider any other matters as may be requested by the Board.

**11. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its Members or the Secretary of the Committee
- to consider any other matters as may be requested by the Board;

**12. MINUTES OF COMMITTEE MEETING**

The proceedings of all meetings must be written in the form of Minutes and these Minutes must be signed by the Chairperson of the Committee at the subsequent Meeting or within one month from the date of the Meeting, whichever is earlier. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

**13. NOTIFICATION**

This Policy, including amendments thereof, shall be made available on the Company's website and in the Boards' Report of the Company.

**14. AMENDMENT**

This Policy can be modified at any time by the Board of Directors of the Company.

**CRITERIA LAID DOWN BY THE NOMINATION AND REMUNERATION  
COMMITTEE FOR DETERMINING THE FOLLOWING:-**

**I. Qualifications for appointment of Directors (including Independent Directors):**

The incumbent Directors shall be persons of eminence, standing and knowledge with significant achievements and experience in business, professions and / or public service. Broadly, the following points need to be considered by the Committee:-

- Their financial or business literacy, skills, etc.
- Their technical and industry experience.
- Other appropriate qualification / experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made there as amended from time to time.

The Nomination and Remuneration Committee shall have discretion to evaluate, consider and fix any other criteria or norms, from time to time, for selection of the most suitable candidate/s.

**II. Positive attributes of Directors (including Independent Directors):**

The following are some of the positive attributes of Directors (including Independent Directors) to be considered by the Committee -

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the hotel & tourism industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there as amended from time to time.

**III. Criteria for appointment of KMP & Senior Management:**

The following criteria needs to be considered by the Committee for appointment of any Key Managerial Personnel & Senior Management of the Company –

- To possess the necessary qualifications, experience, skills and expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to the Company's Code of Conduct for the time being in force and as amended from time to time.
- Any other responsibility that may be given in the course of their association with the Company.

**IV Policy Relating to Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel:**

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- To ensure that no director / KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weight age to arrive at a competitive quantum of remuneration.
- To ensure that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
  - Responsibilities and duties ;
  - Time and efforts devoted;
  - Value addition;
  - Profitability of the Company and growth of its business;
  - Analysing each and every position and skills for fixing the remuneration yardstick;
  - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are to be complied with.
- Whenever there is any deviation from the Policy, the justification / reasons thereof should also be indicated / disclosed adequately.

**Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 and forming part of Directors' Report.

A. CONSERVATION OF ENERGY		2017-18	
1.	Steps taken for conservation	Replacement of incandescent an fluorescent lamps with energy efficient LED Lightning at all units. Hotel teams continued their efforts to reduce energy consumption by controlled use of lighting and other equipment.	
2.	Steps taken for utilizing alternate sources of energy	Installation of Solar Power generation systems	
3.	Capital investment on energy conservation equipments	The company has made capital investment of Rs.28.54 lakh in new machine & panel at Hotel Clarks Avadh which is helping in saving of energy.	
B. TECHNOLOGY ABSORPTION		NA	
1.	Efforts made for technology absorption		
2.	Benefits derived		
3.	Expenditure on Research & Development, if any		
4.	Details of Technology imported, if any		
5.	Year of Import		
6.	Whether imported technology fully absorbed		
7.	Areas where absorption of imported technology has not taken place, if any		
C. FOREIGN EXCHANGE EARNING AND OUTGO:		FINANCIAL YEARS (Rs. in lakh)	
		2017-18	2016-17
1.	CIF Value of Imports	23.30	23.11
2.	Expenditure in Foreign Currency	89.53	53.19
3.	Earnings in Foreign Exchange	478.57	288.34

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

**Brief outline of the Company's Corporate Social Responsibility (CSR) Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

U. P. Hotels Ltd ("The Company") recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavors to make CSR a key business process for sustainable development.

The Company has framed its CSR policy taking into account the following measures: -

- Welfare measures for the community at large so as to ensure the poorer section of the Society derived the maximum benefits.
- Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness specially with regard to the economically backward class for their development and generation of income to avoid any liability of employment.
- Protection and safeguard of environment and maintaining ecological balance.

**Company's CSR scope is inter alia as follows:**

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation (including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically background groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga).
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- Sports and culture, training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Rural development projects viz. Infrastructure Support, Infrastructure for Village Electricity/Solar Light etc. Recurring expenditure should be borne by the beneficiaries.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Govt.
- Measures for the benefit of armed forces veterans, war widows and their dependents.

**Website for the CSR policy: [www.hotelclarks.com](http://www.hotelclarks.com)**

**Composition of the CSR Committee:** Corporate Social Responsibility Committee was consists of following members:

- Mr. Shafi Alam - Chairman
- Mr. Arvind Kumar - Member
- Mrs. Supriya Gupta - Member

**CSR Financials**

Particulars	Amount in Rs.
Average Net Profit of the company for last three financial years	6,11,89,357/-
Prescribed CSR expenditure (two percent of average net profit for last 3 financial year)	12,23,787/-
Unspent CSR amount for previous year*	43,29,837/-
Cumulative CSR expenditure for FY 2017-18	55,53,624/-
Details of CSR spent during the financial year	56,22,630/-
Amount unspent	NIL

\* The company was required to spend cumulatively Rs.47,10,562/- (Rs.21,28,518/- for F.Y. 2014-15, Rs.13,71,713/- for F.Y. 2015-16, Rs.12,10,331 for F.Y. 2016-17) till 31.03.2017. However, only Rs. 3,80,725/- had been spent in F.Y. 2016-17. Total unspent amount as on 31.03.2017 was Rs. 43,29,837/-.

Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project / activity identified	Sector in which the project is covered	Projects / Programs 1. Local Area / others 2. Specify the state and district where projects or programs were undertaken	Amount outlay (budget): Project or program wise	Amount spent on the project / program Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1	Contribution to Rajasthan Chief Minister Relief Fund	Socio-economic development	Jaipur	specific budget not fixed	2100000	2100000	Rajasthan
2	Contribution to Uttar Pradesh Chief Minister Relief Fund	Socio-economic development	Lucknow	specific budget not fixed	2100000	4200000	Uttar Pradesh State Government
3	Academic education by way of financial assistance to school	Promoting Education	Jaipur	specific budget not fixed	46410	4246410	Direct
4	Education of children in backward areas - Mid day meal supply at Govt. School, Jaipur	Promoting Education	Jaipur	specific budget not fixed	180000	4426410	Iskon Food Relief Foundation*
5	Rescue of small wild mammals, birds, reptiles, etc.	Animal Welfare	Bangaluru	specific budget not fixed	100000	4526410	Wildlife Rescue and Rehabilitation Centre*
6	Saving injured and stray animals, birds and reptiles	Animal Welfare	Jaipur	specific budget not fixed	601000	5127410	Raksha*
7	Provisions for aids and appliances to the differently-able persons	Promoting health care	Jaipur	specific budget not fixed	51000	5178410	Disha*
8	Rehabilitation of persons with disability	Promoting health care	Jaipur	specific budget not fixed	51000	5229410	Umang*
9	Education of children in backward areas	Promoting Education	Perli, Maharashtra	specific budget not fixed	120000	5349410	Shrimad Rajchandra Aatma Tatva Research Centre*
10	Swacha Bharat Abhiyan	Sanitation	Agra	specific budget not fixed	173220	5522630	Direct
11	Senior Citizen Healthcare	Promoting health care	New Delhi	specific budget not fixed	100000	5622630	Direct

\* *Iskon Food Relief Foundation (IFRF) is a not-for-profit, non-religious, non-sectarian public charitable trust provides children with the right nutrition to support their education. The Midday Meal Scheme of Govt of India is being implemented by IFRF. A majority of the population in India is still unable to get even one complete square meal for the day, only because they are stuck in the vicious circle of poverty and illiteracy. Mid Day Meal has resolved to liberate the underprivileged from this vicious cycle by serving children with sanctified food.*

*Wildlife Rescue and Rehabilitation Centre in collaboration with the State Wildlife Department of Karnataka has constructed the Bannerghatta Rehabilitation Centre (BRC) at Bengaluru for the rescue of small wild mammals, birds and reptiles. BRC houses and treats displaced injured and orphaned urban wildlife.*

*Raksha is a youth based organization located in Jaipur working for animal welfare and rights. Raksha also provides a free service of Snake and Bird 24\*7 Helpline to the Jaipur. Founded in 2003, RAKSHA is a non-profit organization dedicated to protect urban wildlife.*

*Disha is a unit of Disha Foundation in Jaipur. The mission of Disha Foundation is to facilitate empowerment of the Persons with disability, their families and support service, to widen scope of service delivery in the field of rehabilitation, to open opportunities for professionals to pursue specialized higher education in disability, to provide a platform for the Human resource development of multidisciplinary professionals in the field of rehabilitation.*

*Umang is a non-profit organization in Jaipur, strives for an inclusive society that provides equal opportunity for all by enhancing the quality of life of individuals with various disabilities. Umang reaches out to persons with Cerebral Palsy, Autism, Mental Challenges and Multiple Disabilities.*

*Shrimad Rajchandra Aatma Tatva Research Centre is a non-profit organization disseminate peace in the world through the Vitraag Vigyan philosophy. It operates numerous social service projects in the field of Education, Health and Women empowerment.*

**CSR Committee Responsibility Statement**

CSR Committee affirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Signed  
For U. P. Hotels Limited

(Chairman - CSR Committee)

(Jt. Managing Director)

(Jt. Managing Director)

**Information pursuant to section 197(12) of Companies Act, 2013.  
Information pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Executive directors	Ratio to median remuneration
Mr. Apurv Kumar	18.73:1
Mr. Rupak Gupta	18.87:1

Non-Executive directors	Ratio to median remuneration
Justice Mr. Bisheshwar Prasad Singh (Retd.) *	2.76:1
Mr. Shafi Alam *	0.69:1
Mr. Arvind Kumar @	0.20:1
Mrs. Supriya Gupta @	0.20:1

\* Independent directors gets sitting fee only.

@ Non Executive director gets sitting fee only.

- ii. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Director, Chief Executive Officer, Chief Financial Officer, Company Secretary	% increase in remuneration in the financial year
Mr. Apurv Kumar (JMD & CFO)	(0.07) %
Mr. Rupak Gupta (JMD & CFO)	(0.47) %
Justice Mr. Bisheshwar Prasad Singh (Retd.)*	(14.28) %
Mr. Shafi Alam **	-
Mrs. Supriya Gupta #	(90.95)%
Mr. Arvind Kumar #	18.18 %
Mr. Prakash Chandra Prusty - Company Secretary	-

\* Independent directors gets sitting fee only.

\*\* Independent Director appointed w.e.f. 12.05.2017

# Non Executive director gets sitting fee only.

- iii. The percentage increase in the median remuneration of employees in the financial year: 6.89%.
- iv. The number of permanent employees on the rolls of Company: 729
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average annual increase made in the salaries of employees other than the managerial personnel in the last financial year was around 8%. During the year under review, there was no increase in the managerial remuneration.
- vi. Affirmation that the remuneration is as per the remuneration policy of the company.
- The remuneration is as per the remuneration policy of the company.

**Information pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Details of employees drawing remuneration of equal or more than Rs.8.5 lakh per month or Rs.1.02 crore per annum during the financial year 2016-17:

Name	Designation	Remuneration (Rs.)	Nature of Duties	Qualification and Experience (in years)	Date of Employment	Age (Years)	Previous Employment, Post held & Period
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Details of top ten employees in terms of remuneration during the financial year 2017-18 (as on 31.03.2018):

Name, Designation & Age in years	Remuneration (CTC basis as on 31.03.2018) - in Rs.)	Nature of Duties	Qualification and Experience (in years)	Date of Employment	Previous Employment, Post held & Period
Mr. Rupak Gupta Jt. Managing Director & CFO 47 years	4090825/-	Affairs of the Company with respect to Hotel Clarks Shiraz, Agra	B. Sc. Management, Hotel Management 18 years	Promoter	Promoter
Mr. Apurv Kumar Jt. Managing Director & CFO 58 years	4061957/-	Affairs of the Company with respect to Hotel Clarks Amer, Jaipur, Hotel Clarks Avadh, Lucknow and Hotel Clarks Khajuraho, Khajuraho	Graduate, Hospitality Management, MBA 29 years	Promoter	Promoter
Mr. Debasish Bhowmik Sr. Vice President 55 years	4307700/-	Administration – Clarks Shiraz Agra	B. Com Diploma in Hotel Management & Catering Technology (DHMCT & AN) Certificate (Lead Auditor ISO Quality System in Hospitality Industry) Fellowship UNDP (ILO fellowship in F&B Service and Management Certificate(s)-International Hospitality Excellence Services from International Bodies) 34 Years	17.06.2018	1994- October'1999- Ramada Hotel, Hyderabad-F&B Manager November' 1999 to December'2015 & 16th June'2017 to till date- as Sr. Vice President in Clarks Group of Hotels
Mr. Uberoi Singh Tejpal Vice President & General Manager 59 years	3999996/-	Administration – Clarks Amer	Post Graduate Diploma in Hotel Management 35 years	05.07.2016	The Pikadeli New Delhi General Manager 9 months
Mr. K C Ajmera Sr. General Manager (Administration, Finance Corporates) 70 years	2755740/-	Administration, Finance & Accounts	B. Com. And Diploma in Hotel Accounts 49 years	01.06.1973	Coca Cola Jai drinks Co. Pvt Limited, Sr. Executive Accounts 2 & 1 years
Co. Kamal Kumar Manglik Vice President 71 years	2583396/-	Unit Head – Hotel Clarks Avadh Lucknow	Degree in M. Sc. (Electronics), PG Diploma in Management, PG Diploma in Information Technology, Diploma in International trade 46 years	15.04.2008	Served Indian Army - 35 years General Manager- Centaur Hotel, Delhi Chefair Flight Catering in Hotel Corporation of India
Mr. Ashok Agarwal CEO – Corporate 67 years	2383692/-	Corporate & Legal	B. Com. 46 years	Joined 1972	This is the First Company
Mr. Amulya Kakkar Sr. DGM-Finance & Administration 54 years	2441807/-	Finance & Accounts Head – Clarks Shiraz	M. Com M.B.A. (Specialized in Finance) Advance Diploma in Computer Management	Since 1984	This is the First Company, worked in different units.
Mr. C P Gupta General Manager – Finance 68 years	2063940/-	Finance & Accounts and Administration – Clarks Avadh	B. Com., Diploma in P C Applications, Short course SMEP 46 years	10.01.1973	Crompton Greaves, State bank of Bikaner and Jaipur
Mr. Rajneesh Sharma Chief Engineer 48 years	2005386/-	Engineering Dept.	B. Sc. And Diploma in Mechanical Engineering	05.03.2018	- June'2015 to March'2018 as Chief Engineer / MEP Coordinator at Seven Seas Hospitality Pvt. Ltd. - March'2018 to till date - as Chief Engineer at U P Hotels Ltd., Hotel Clarks Shiraz, Agra

Mr. Debasish Bhowmik, Sr. Vice President, Clarks Shiraz drawn remuneration in excess of that drawn by each of the Joint Managing Director of the Company. He along with his spouse and dependent children do not hold any shares in the Company.

Nature of Employment is contractual.

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 arms length transactions under third proviso thereto****1. Details of contracts or arrangement or transactions not at arm's length basis:**

There has been transaction entered into by the related parties with the company during the financial year. Since the related party transactions inter alia are part of a legal case pending before the Hon'ble National Company Law Tribunal (NCLT), New Delhi, the Board was of the opinion that any decision of the Board on the related party transactions may be contrary to the decision of the NCLT which may not be executable later. Accordingly, the Board has deferred its decision on approving related party transactions till the final decision of NCLT. Hence, the disclosures of particulars of contracts/arrangements entered into by the company with related parties & being part of the pending legal case are not provided.

**2A. Details of material contracts or arrangement or transactions at arm's length basis:**

NIL

**2B. Details of Non material contracts or arrangement or transactions at arm's length basis:**

Sl. No.	Name of the Related Party	Nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1.	Mrs. Rajeshwari Kumar	Wife of Joint Managing Director and member of U. P. Hotels Limited	Ex-gratia Payment for outstanding contribution	Not Applicable	Rs. 15,00,000/-	24th February, 2018	Nil

For and on behalf of the Board of Directors of  
U. P. Hotels Limited

**Bisheshwar Prasad Singh**  
Chairman  
DIN: 06949954

**Apurv Kumar**  
Jt. Managing Director  
DIN: 00043538

**Rupak Gupta**  
Jt. Managing Director  
DIN: 00007310



**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.3.2018

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

**I. REGISTRATION & OTHER DETAILS:**

i	CIN	L28122DL1983PLC017141
ii	Registration Date	13th February, 1961
iii	Name of the Company	U P HOTELS LIMITED
iv	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered office & contact details	1101, Surya Kiran, 19, Kasturba Gandhi Marg, New Delhi-110 001 Tel. 23722596 / 23722597
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Pvt. Ltd. D-153A, 1st Floor, Okhla Industrial Area Phase I, New Delhi-110020 Tel: 64732681, 40450193

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Accommodation and food services provided by Hotels	55101	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SL. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL				

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)****(I) i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	2194645	544999	2739644	50.73	2194645	544999	2739644	50.73	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	178650	1854666	2033316	37.65	178650	1854666	2033316	37.65	0
e) Banks /FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>2373295</b>	<b>2399665</b>	<b>4772960</b>	<b>88.39</b>	<b>2373295</b>	<b>2399665</b>	<b>4772960</b>	<b>88.39</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2373295</b>	<b>2399665</b>	<b>4772960</b>	<b>88.39</b>	<b>2373295</b>	<b>2399665</b>	<b>4772960</b>	<b>88.39</b>	<b>0</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(1) Institutions</b>									
a) Mutual Funds		0	0	0	0	0	0	0	0
b) Banks / FI		0	0	0	0	0	0	0	0
c) Central Govt.		0	0	0	0	0	0	0	0
d) State Govt(s)		0	0	0	0	0	0	0	0
e) Venture Capital Funds		0	0	0	0	0	0	0	0
f) Insurance Companies		0	0	0	0	0	0	0	0
g) FIs		0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds		0	0	0	0	0	0	0	0
i) Others (specify)		0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates	0	0	0	0	0	0	0	0	0
i) Indian	105526	31534	137060	2.54	111782	31254	143036	2.65	0.11
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	184779	102275	287054	5.32	183820	85449	269269	4.99	-0.33
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	106332	0	106332	1.97	106332	0	106332	1.97	0.00
c) Others (specify)									
i) NRI		1573	180	1753	0.03	1963	0	1963	0.04
ii) Trust									
iii) Hindu Undivided Family									
iv) Clearing Members									
v) NBFCs registered with RBI									
vi) Others									
<b>SUB TOTAL (B)(2):</b>	<b>493051</b>	<b>133989</b>	<b>627040</b>	<b>11.61</b>	<b>510337</b>	<b>116703</b>	<b>627040</b>	<b>11.61</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>493051</b>	<b>133989</b>	<b>627040</b>	<b>11.61</b>	<b>510337</b>	<b>116703</b>	<b>627040</b>	<b>11.61</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>2866346</b>	<b>2533654</b>	<b>5400000</b>	<b>100.00</b>	<b>2883632</b>	<b>2516368</b>	<b>5400000</b>	<b>100.00</b>	<b>0.00</b>

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Shri Binay Kumar	42860	0.79	0	42860	0.79	0	0
2	Binay Kumar & Family	16625	0.31	0	16625	0.31	0	0
3	Binay Kumar & Sons	11652	0.22	0	11652	0.22	0	0
4	Smt. Veena Binay Kumar	142200	2.63	0	142200	2.63	0	0
5	Shri Alok Kumar	69300	1.28	0	69300	1.28	0	0
6	Smt. Uma Kumar	28800	0.53	0	28800	0.53	0	0
7	Shri Aditya Kumar	53692	0.99	0	53692	0.99	0	0
8	Shri Birendra Kumar	40470	0.75	0	40470	0.75	0	0
9	Birendra Kumar & Sons	66600	1.23	0	66600	1.23	0	0
10	Smt. Rani Upsam	44280	0.82	0	44280	0.82	0	0
11	Shri Apurv Kumar	35126	0.65	0	35126	0.65	0	0
12	Smt. Rajeshwari Kumar	22200	0.41	0	22200	0.41	0	0
13	Shri Arjun Kumar	47780	0.88	0	47780	0.88	0	0
14	Shri Anant Kumar	20692	0.38	0	20692	0.38	0	0
15	Shri Anoop Kumar	86372	1.60	0	86372	1.60	0	0
16	Shri Aryavir Kumar	800	0.01	0	800	0.01	0	0
17	Smt. Renuka Kumar	800	0.01	0	800	0.01	0	0
18	Shri Arvind Kumar	29341	0.54	0	29341	0.54	0	0

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
19	Smt. Vibha Agrawal	83016	1.54	0	83016	1.54	0	0
20	Shri Vivek Kumar	64566	1.20	0	64566	1.20	0	0
21	Smt. Shipra Kumar	36000	0.67	0	36000	0.67	0	0
22	Shri Udit Kumar	12894	0.24	0	12894	0.24	0	0
23	Shri Manish Kumar	126420	2.34	0	126420	2.34	0	0
24	Shri Rupak Gupta	818524	15.16	0	818524	15.16	0	0
25	P D Gupta & Sons	3600	0.07	0	3600	0.07	0	0
26	Shri Sushil Kumar	77924	1.44	0	77924	1.44	0	0
27	Kumar Sushil (HUF)	98280	1.82	0	98280	1.82	0	0
28	Smt. Meera Kumar	98248	1.82	0	98248	1.82	0	0
29	Shri Upendra Kumar	232796	4.31	0	232796	4.31	0	0
30	Smt. Anuradha Kumar	25092	0.46	0	25092	0.46	0	0
31	Shri Chaitanya Kumar	16200	0.30	0	16200	0.30	0	0
32	Shri Rakesh M Gupta	90520	1.68	0	90520	1.68	0	0
33	Smt. Sudhira Gupta	46280	0.86	0	46280	0.86	0	0
34	Shri Ravi M Gupta	100080	1.85	0	100080	1.85	0	0
35	Smt. Nandini Gupta	36720	0.68	0	36720	0.68	0	0
36	Shri Arnav Kumar	12894	0.24	0	12894	0.24	0	0
37	The Indian Textiles Co. Pvt. Ltd.	1313676	24.33	0	1313676	24.33	0	0
38	Hotel Clarks Varanasi Ltd.	179540	3.32	0	179540	3.32	0	0
39	Banaras House Pvt. Ltd.	540000	10.00	0	540000	10.00	0	0
40	Bonita India Ltd.	100	0.00	0	100	0.00	0	0
	<b>Total</b>	<b>4772960</b>	<b>88.39</b>	<b>0</b>	<b>4772960</b>	<b>88.39</b>	<b>0</b>	<b>0</b>

Note: Securities and Exchange Board of India (SEBI) vide its Order dated 2nd Dec, 2014 (Ref: WTM / PS / 49 / CFD / DEC /2014) confirmed the directions issued vide its interim order dated 4th June, 2013 (Ref: WTM / PS / 08 / CFD / JUN/ 2013) against the company, its directors, promoters and promoter group inter-alia has directed freezing of voting rights and corporate benefits like dividend rights, bonus etc. with respect to the excess of proportionate promoter/ promoter group shareholding;

(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( Including all Promoters)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	There is no change in promoters' shareholding between 01.04.2017 to 31.03.2018			
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs):

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
1	Radhey Shyam Agrawal	46804	0.87	46804	0.87
2	HB Stock Holdings Ltd.	45697	0.85	45697	0.85
3	R R B Securities Ltd.	29042	0.54	29042	0.54
4	New Mellenium Technology Management Limited	25568	0.47	25568	0.47
5	Vibha Nirjay Singh	25974	0.48	25974	0.48
6	Lok Prakashan Ltd.	24900	0.46	24900	0.46
7	Sridas Foundation	21600	0.40	21600	0.40
8	Usha Agrawal	33554	0.62	33554	0.62
9	Raviraj Developers Ltd.	15183	0.28	15183	0.28
10	V K Shah	13850	0.26	13850	0.26
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year (or on the date of separation, if separated during the year)	Same as above			

(v) Shareholding of Directors & KMP

S I . No.	Name of the Shareholder	Date	Shareholding at the beginning of the year		Increase / (Decrease)	Reason	Cumulative Share holding during the year		Remarks
			No. of shares at the beginning (01.04.2017/ end of the year 31.03.2018)	% of total shares of the company			No of shares	% of total shares of the company	
1	Shri Apurv Kumar (Jt. MD & CFO)	01.04.2017	35126	0.65	0.00		35126	0.65	
		31.03.2018	35126	0.65					
2	Shri Rupak Gupta (Jt. MD & CFO)	01.04.2017	818524	15.16	0.00		818524	15.16	
		31.03.2018	818524	15.16					
3	Smt. Supriya Gupta	01.04.2017	0	0.00	0.00		0	0.00	
		31.03.2018	0	0.00					
4	Shri Arvind Kumar	01.04.2017	29341	0.54	0.00		29341	0.54	
		31.03.2018	29341	0.54					
5	Shri Bisheshwar Prasad Singh	01.04.2017	0	0.00	0.00		0	0.00	
		31.03.2018	0	0.00					
6	Shri Shafi Alam	01.04.2017	0	0.00	0.00		0	0.00	
		31.03.2018	0	0.00					
7	Shri Prakash Chandra Prusty (CS)	01.04.2017	0	0.00	0.00		0	0.00	
		31.03.2018	0	0.00					

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the financial year</b>	NIL	NIL	NIL	NIL
• Additions	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: (Paid during the year)

SI. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Shri Apurv Kumar	Shri Rupak Gupta	
1	Gross Salary	3000000	3000000	6000000
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	NA	NA	
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	701957	730825	1432782
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	NA	NA	NA
2	Stock Option	NA	NA	NA
3	Sweat Equity	NA	NA	NA
4	Commission			
	- as % of profit	NA	NA	NA
	- others, specify	NA	NA	NA
5	Others (Contribution to PF)	360000	360000	720000
	Total (A)	4061957	4090825	8152782
	Ceiling as per the Act	*	*	

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors	Sitting Fee	Independent Directors' Meeting	Total Amount (Rs.)	Remarks
1	Independent Directors					
	• Fee for attending board/committee meetings	Shri Bisheshwar Prasad Singh	600000	0	600000	
		Shri Shafi Alam	150000	0	150000	
	• Commission		0	0	0	
	• Others, please specify		0	0	0	
	<b>Total (1)</b>		750000		750000	
2	Other Non-Executive Directors					
	• Fee for attending board/committee meetings	Smt. Supriya Gupta	45000	0	45000	
		Shri Arvind Kumar	45000	0	45000	
	• Commission		0	0	0	
	• Others, please specify		0	0	0	
	<b>Total (2)</b>		90000		90000	
	<b>Total (B)=(1+2)</b>		840000		840000	
	Total Managerial Remuneration	NA	NA	NA	NA	
	Overall Ceiling as per the Act	*	*	*	*	

\*The Remuneration paid to Independent Director and other Executive/Non Executive Directors was within the ceiling limit as per the Act and as per shareholders' approval.

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1577970	#	
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	27000	#	
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	NA	#	
2	Stock Option	NA		
3	Sweat Equity	NA		
4	Commission - as % of profit - others, specify	NA		
5	Others (Contribution to PF)	60480		
	<b>Total</b>	1665450		

# Mr. Apurv Kumar & Mr. Rupak Gupta are also CFO of the company, please refer to Part A above for remuneration details.

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

By the order of the Board of Directors  
For U. P. HOTELS LIMITED

**Bisheshwar Prasad Singh**  
Chairman  
DIN: 06949954

**Apurv Kumar**  
Joint Managing Director  
& Chief Financial Officer  
DIN: 00043538

**Rupak Gupta**  
Joint Managing Director  
& Chief Financial Officer  
DIN: 00007310

Placed: New Delhi  
Dated: 02.08.2018

**MANAGEMENT DISCUSSIONS & ANALYSIS****Industry Structure, Development, Opportunities and Outlook**

Tourism has now become a significant industry in India. It is a sun rise industry, an employment generator, a significant source of foreign exchange for the country. Tourism in India is the third largest foreign exchange earner of the country. The booming tourism industry has had a cascading effect on the hospitality sector with an increase in the occupancy ratios and average room rates.

The Indian hospitality industry has been instrumental in contributing to the nation's economic growth. This trend is expected to continue especially with the introduction of e-visa for foreign tourists and with the domestic economy improving, there are clear signs of increased domestic travel. The growth rate in room demand (about 6%) has been consistently outpacing the supply (about 3%) growth in India for the past few years.

The hotel industry in India thrives largely due to the growth in tourism and travel. Due to the increase in tourism with rising foreign and domestic tourists, hotel sector is bound to grow. There is an emergence of budget hotels in India to cater the much of the population who seek affordable stay. International companies are also increasingly looking at setting up such hotels. Imbalance in increase in tourists both domestic and foreign not been supported with equal number of rooms is a latent source of opportunity for growth.

The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). According to the data released by Department of Industrial Policy and Promotion (DIPP), the hotel and tourism sector attracted around US\$ 10.6 billion of FDI between April 2000 and September 2017.

As per the recent data, the number of Foreign Tourist Arrivals (FTAs) in November 2017 were 1,005,000 as compared to FTAs of 878,000 in November 2016 and 816,000 in November 2015. The growth rate in FTAs in November, 2017 over November 2016 was 14.4%. Further, Foreign Exchange Earnings (FEEs) from tourism increased 21.6% YoY to US\$ 2.6 billion in November 2017 (source: Ministry of Tourism).

Domestic travel spending also witnessed impetus, attributing 76.8% to the direct Travel & Tourism GDP. The appreciation of the US dollar has made international travel unattractive to many who are now seeking to travel within the country for holidays.

As per a report by ICRA, the revenue growth for the Indian hotel industry is expected to improve to 6-7% in FY18, despite growth prospects being scaled down from the earlier 8-10%, constrained by the regulatory hurdles the industry is currently facing. The growth is expected to come from the rise in online bookings. Hotel bookings are one of the least penetrated segments in the travel categories in India.

India, after China, is considered as one of the most lucrative hotel markets in the world and has the second largest construction pipeline in Asia. Growing affluence, potential for economic growth, increase in disposable incomes and the burgeoning middle class are expected to drive both leisure and business travel in the coming years.

The Indian government has also taken several steps to make India a global tourism hub. The government has initiated 'Project Mausam' under which it has proposed to establish cross cultural linkages and to revive historic maritime cultural and economic ties with 39 Indian Ocean countries. Further, since April 2017, the e-tourist visa facility has been made available to citizen of 161 countries. The government has introduced e-Tourist Visa (e-TV) for 161 countries as against the earlier coverage of 113 countries (source: Ministry of Tourism).

Apart from the above, the Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. The "Clean India" campaign and development of inland waterways for transport and tourism are projects that have gained momentum over the previous year. Additionally, programmes such as "Make in India" and the "Smart Cities" initiative have highlighted the Government's support to skill development and investments in Hospitality and Tourism.

Apart from the above initiatives, the government has proactively sought foreign investment from countries such as China, the United States and Japan, leading to an increase of business related travel to the country.

The long-term outlook for the Indian hospitality business continues to be positive, both for the business and leisure segments. The sector has potential for growth on the back of increases in disposable incomes, increase in foreign tourist arrivals, momentum from government-led initiatives, and the burgeoning middle-class population.

**Risks, Concerns and Threats**

The hospitality industry is prone to impact due to fluctuations in the economy caused by changes in global and domestic economies, change in market conditions, Economic risks, high capital costs, competition in the industry, government policies & regulations, poor infrastructure facilities and scarcity of land, etc.

High GST structure is not conducive for hotel industries. Hotel industry in India has huge staff turnover. Rising staff & utility costs, staff retention & guests satisfaction are the major concerns of the hotel industry in India. Profitability will continue to be a concern with high operational costs. To meet this situation, hotels have to add new customers and increase occupancy and additional attention has to be provided towards talent search, training and development of human resources on a long term basis.

**Segment Wise Performance & Financial Performance**

The key business segment of the company is hospitality and particularly Hotel Industry.

Your company has four hotels in its portfolio offering 643 rooms at Agra, Jaipur, Lucknow and Khajuraho under the brand name Clarks.

The revenue from operations (net) has increased by 7% from Rs. 8789.45 lakh (previous year) to Rs. 9405.31 lakh (current year). The other income has increased by 51.03% from Rs. 290.95 lakh (previous year) to Rs. 439.45 lakh. The expenses of the company have gone up by 10.55% to Rs. 9309.10 lakh from previous year figure of Rs. 8420.26 lakh on account of increased in employee expenses, power & fuel expenses and various other expenses.

The profit before tax has come down to Rs. 535.66 lakh in the current year from Rs. 660.14 lakh in previous year, a decrease of 18.86%. The profit after tax for the year (before other comprehensive income) was Rs. 304.65 lakh as against Rs. 376.58 lakh, a decline of 19.10%. The Total Comprehensive Income was Rs. 358.85 lakh in current year against Rs. 415.23 lakh in previous year.

There was decline of 4.28% in rooms sold during the current year against the previous year. The occupancy was declined by 2.49% in the current year. However, there was increase of 10.69% in Average Room Rate during the current year against the previous year. The Rev PAR has increased by 5.87% in the current year.

**Internal Controls**

Your Company has in place a system of internal controls, with documented procedures covering all functions in the hotel operating units. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The Company has a systematic process and well-defined roles and responsibilities for people at different hierarchical levels. However, due to the present ongoing disputes and internal differences/disagreements between the management, the appropriate discussions and supervisions of the business activities at the various levels cannot be managed appropriately. This has affected the flow of information at the management level and hence monitoring of the activities at different levels.

**Development in Human Resources and Industrial Relations**

The Company believes that its intrinsic strength is its people. Your Company strongly believes that human capital is the greatest asset and key differentiator. The Company has always paid special attention to recruitment and development of all categories of staff. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company enjoys harmonious relationship with its employees. The total number of people employed by the Company is 729.

**Cautionary Statement**

Statements made in the Management Discussion and Analysis, describing the Company's objectives, projections, estimates, predictions and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

Annexure-10

**REPORT ON CORPORATE GOVERNANCE**

**1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enables companies to maximize stakeholders' value by attracting financial and human capital and efficient performance. As a responsible corporate citizen, it is the earnest endeavour of the Company to improve its focus on Corporate Governance by increasing accountability and transparency to shareholders, bankers, customers etc.

The Company is aware regarding the Corporate Governance norms required for the compliances. There were few discrepancies/irregularities during the Financial Year 2017-18. The board met several times and many irregularities have since been complied with. However, due to the differences in opinion amongst the promoters, few non-compliances are still pending.

**2. BOARD OF DIRECTORS**

As on 31st March, 2018, the Board comprised of total six directors. Two were executive directors, two were non-executive directors and two were independent director. Independent Directors do not have any material pecuniary relationship and haven't entered into any transactions with the Company, its promoters & its management, which in the judgment of the Board may affect independence of the judgment of the Directors.

2.1 During the financial year ended 31st March, 2018, five board meetings were held. These were held on 12.05.2017, 08.08.2017, 20.08.2017, 17.12.2017 and 24.02.2018.

2.2 Details of attendance of directors at board meetings during the financial year and at the Company's fifty sixth Annual General Meeting together with the number of other directorships and committee memberships (other than U. P. Hotels Limited) held by them are as follows:

Name & Designation	Category	Attendance		No. of other Directorships		No. of other Board Committees in which he is a member or chairperson	
		Board Meeting	Last AGM	Public	Private	Chairperson	Member
Justice Mr. Bishshwar Prasad Singh (Retd.) (Chairman)	Non-Executive – Independent	5	Yes	3	0	-	-
Mr. Apurv Kumar (Joint Managing Director)	Promoter -Executive	5	Yes	1	5	-	-
Mr. Rupak Gupta (Joint Managing Director)	Promoter –Executive	5	Yes	3	5	-	-
Ms. Supriya Gupta (Director)	Non –Executive & Non - Independent	5	Yes	1	4	-	-
Mr. Arvind Kumar (Director)	Promoter – Non-Executive	4	Yes	5	8	-	-
Mr. Shafi Alam (Director)*	Independent – Non Executive	4	Yes	Nil	Nil	-	-

\* Mr. Shafi Alam has been appointed as an Independent Director of the Company with effect from 12.05.2017.

The attendance of directors at the meeting of Board of Directors during Financial Year 2017-18 is as below:

Name of Directors	No. of shares held as on 31.03.18	Attendance at Board Meetings				
		12.05.2017	08.08.2017	20.08.2017	17.12.2017	24.02.2018
Justice Mr. Bishshwar Prasad Singh (Retd.)	Nil	Y	Y	Y	Y	Y
Mr. Apurv Kumar	35126	Y	Y	Y	Y	Y
Mr. Rupak Gupta	818524	Y	Y	Y	Y	Y
Ms. Supriya Gupta	Nil	Y	Y	Y	Y	Y
Mr. Arvind Kumar	29341	Y	Y	Y	Y	N
Mr. Shafi Alam	Nil	Y	Y	N	Y	Y

S. No.	Date	Board Strength	No. of Directors present
1	12.05.2017	6	6
2	08.08.2017	6	6
3	20.08.2017	6	5
4	17.12.2017	6	6
5	24.02.2018	6	5

Shri Rupak Gupta & Smt. Supriya Gupta are related to each other. None of the other directors are related to each other.

All the directors have as on 31st March, 2018, filed the requisite declarations stating that the disqualification contemplated under Section 164 of the Companies Act, 2013 do not apply to them.

All the directors and members of senior management have as on 31st March, 2018, attended the compliances related to The code of conduct for Prevention of Insider Trading in its equity shares.

### 3. **AUDIT COMMITTEE**

#### Brief description of terms of reference

The brief terms inter alia include:

1. Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include, -
  - i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
  - ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - iii) Examination of the financial statement and the auditors' report thereon;
  - iv) Approval or any subsequent modification of transactions of the company with related parties;
  - v) Scrutiny of inter-corporate loans and investments;
  - vi) Valuation of undertakings or assets of the company, wherever it is necessary
  - vii) Evaluation of internal financial controls and risk management systems; Monitoring the end use of funds raised through public offers and related matters

#### Composition, name of members, Chairperson, Meetings & attendance at Audit Committee:

S. No.	Name of Member	Designation in Committee	Designation in Company	Date of the Meetings	No. of meetings attended
1.	Justice Mr. B. P. Singh (Retd.)	Chairman	Independent director	10-07-2017	5
2.	Mr. Shafi Alam*	Member	Independent director	08-08-2017 20-08-2017	
3.	Mr. Arvind Kumar	Member	Non-Executive Director	17.12.2017 24.02.2018	4

\* Mr. Shafi Alam has been appointed as an Independent Director of the Company with effect from 12.05.2017.

There were five meetings of Audit committee during the year. All the members of the Committee are financially literate. The Company Secretary acts as the Secretary to the Committee.

### 4. **NOMINATION AND REMUNERATION COMMITTEE**

Brief terms of reference:

- a. Formulation of the criteria for determining qualifications, Positive attributes and independence of a director;
- b. To identify persons qualifies to become directors and who may be appointed in senior management and to recommend to the Board for their appointment and removal;
- c. Recommend to the Board a policy relating to remuneration for directors, key managerial personnel and other employees;
- d. Evaluation of every director's performance & the Board;
- e. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.

#### Composition, name of members, Chairperson, Meetings & attendance at this Committee:

S. No.	Name of Member	Designation in Committee	Designation in Company	Date of the Meetings	No. of meetings attended
1.	Mr. Shafi Alam	Chairman	Independent director	24-02-2018	1
2.	Justice Mr. B. P. Singh (Retd.)	Member	Independent director		1
3.	Mrs. Supriya Gupta	Member	Non-Executive Director		1

#### Performance evaluation criteria for independent directors

The Board has adopted a Performance Evaluation Policy for Directors which provides inter alia the criteria for evaluation of performance of independent directors. The performance evaluation criteria for independent directors is given in the Boards' Report.



Remuneration of Directors

The details of remuneration paid to Managerial Personnel of the Company in Financial Year 2017-18 are as below:

S. No.	Name	Designation	Salary	Perquisites & Allowances	Other Benefits (contribution to Provident Fund)	Total	Stock Options Granted	No. of Shares as on 31.03.17	Service Contract/ Notice Period/severance fees
1.	Mr. Apurv Kumar	Jt. Managing Director	3000000/-	701957/-	360000/-	4061957/-	Nil	35126	Shareholders re-appointed Mr. Apurv Kumar for a period of 1 year with effect from 15.05.2017. Notice period is as per company's policy. No severance fees.
2.	Mr. Rupak Gupta	Jt. Managing Director	3000000/-	730825/-	360000/-	4090825/-	Nil	818524	Shareholders appointed Mr. Rupak Gupta, for a period of 1 year with effect from 15.05.2017. Notice period is as per company's policy. No Severance fees

Notice period, severance fee: Nil, Service contract: 1 year.

Non-executive Directors and Independent Directors are being paid sitting fee only for attending each meetings of the Board and Committees. Justice Mr. Bisheshwar Prasad Singh (Retd.) – Non executive Independent Director is being paid Rs.1,00,000/- for attending each meeting of Board of directors and or Committees held on same day. Mr. Shafi Alam – Non executive Independent Director is being paid Rs. 30,000/- for attending each meeting of Board of directors and or Committees held on same day. The non-executive directors are being paid Rs.5,000/- for attending each meeting of the Board and its Committees. The details of remuneration/sitting fee paid to the Independent Directors and Non-executive directors during the financial year 2017-18 are detailed below:

S. No.	Name of the Independent Director	Sitting fee paid (Rs.)	Stock Options Granted	No. of Shares held on 31.03.2018.
1.	Justice Mr. Bisheshwar Prasad Singh (Retd.) - Non executive Independent Director	6,00,000/-	Nil	Nil
2.	Mr. Shafi Alam - Non executive Independent Director	1,50,000/-	Nil	Nil
3.	Mr. Arvind Kumar - Non executive & Non Independent Director	45,000/-	Nil	29341
4.	Ms. Supriya Gupta - Non executive & Non Independent Director	45,000/-	Nil	Nil

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

During the year under review, the Stakeholders' Relationship Committee comprised of Mr. Shafi Alam (Chairman-Independent Director), Mr. Arvind Kumar and Mrs. Supriya Gupta. The Company Secretary acts as the Secretary to the Committee.

**Shareholders Complaints**

Number of shareholders' complaints received so far : Nil  
 Number of complaints solved to the satisfaction of the shareholders : Nil  
 Number of complaints not solved to the satisfaction of the shareholders : Nil  
 No. of pending complaints : Nil

Composition, name of members, Chairperson, Meetings & attendance at this Committee:

S. No.	Name of Member	Designation in Committee	Designation in Company	Date of the Meetings	No. of meetings attended
1.	Mr. Shafi Alam	Chairman	Independent director	24-02-2018	1
2.	Mr. Arvind Kumar	Member	Non-Executive Director		0
3.	Mrs. Supriya Gupta	Member	Non-Executive Director		1

**6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

Composition, name of members, Chairperson, Meetings & attendance at Corporate Social Responsibility ("CSR") Committee:

S. No.	Name of Member	Designation in Committee	Designation in Company	Date of the Meetings	No. of meetings attended
1.	Mr. Shafi Alam	Chairman	Independent director	08-08-2017 24-02-2018	2
2.	Mrs. Supriya Gupta	Member	Non-Executive director		2
3.	Mr. Arvind Kumar	Member	Non-Executive Director		1

The role and responsibilities of CSR Committee inter alia is as below:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the CSR related activities to be undertaken by the company;
- To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

**7. GENERAL BODY MEETING**

7.1 Location and time where the last three Annual General Meetings held:-

Financial year	Date of Meeting	Place	Time	Details of Special Resolution Passed Therein
2014-15	18-03-2017	PHD House, Opposite Asian Games Village, New Delhi	09.30 a.m.	1. Re-appointment of Mr. Birendra Kumar as Chairman & MD & CEO for a period of one year with effect from 15.05.2015; 2. Re-appointment of Mr. Apurv Kumar as Joint Managing Director & CFO for a period of one year with effect from 15.05.2015; 3. Re-appointment of Mr. Rupak Gupta as Joint Managing Director & CFO for a period of one year with effect from 15.05.2015; and 4. Re-appointment of Mrs. Supriya Gupta as Executive Director for a period of one year with effect from 15.05.2015;
2015-16	31-03-2017	-Do-	09.30 a.m.	1. Re-appointment of Mr. Apurv Kumar as Joint Managing Director & CFO for a period of one year with effect from 15.05.2016; and 2. Re-appointment of Mr. Rupak Gupta as Joint Managing Director & CFO for a period of one year with effect from 15.05.2016.
2016-17	25-09-2017	-Do-	02.30 p.m.	1. Re-appointment of Mr. Apurv Kumar as Joint Managing Director & CFO for a period of one year with effect from 15.05.2017; and 2. Re-appointment of Mr. Rupak Gupta as Joint Managing Director & CFO for a period of one year with effect from 15.05.2017. 3. Alteration of Articles of Association of the Company.

No ordinary or special resolution requiring a postal ballot under section 110 of the Companies Act, 2013 was proposed before the last Annual General Meeting. Similarly, no ordinary or special resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting.

**8. MEANS OF COMMUNICATION**

8.1 Half yearly report sent to each shareholder : No

8.2 Quarterly Results

- Which newspapers normally published in Financial Express (English)  
Jansatta (Hindi)
- Any website where displayed www.hotelclarks.com
- Whether it also displays official news releases and presentation made to institutional investors/analyst No

8.3 Whether management discussion & analysis is a part of annual report or not Yes, management discussion & analysis is a part of the annual report.

**9. GENERAL SHAREHOLDER INFORMATION**

9.1 AGM : Date, time & venue

57th Annual General Meeting  
Date : 25th September, 2018  
Day : Tuesday  
Time : 2.30 p.m.  
Venue : Modi Hall, PHD House, Opposite Asian Games Village, New Delhi-110016

9.2 Financial Year: 1st April to 31st March

Financial Calendar (tentative) for Results  
1st Quarter On or before 14.08.2018.  
2nd Quarter On or before 14.11.2018  
3rd Quarter On or before 14.02.2019.  
4th Quarter On or before 30.05.2019

9.3 Date of Book Closure Tuesday, 18.09.2018 to Tuesday, 25.09.2018 (both days inclusive)

9.4 Dividend No dividend is being proposed at the ensuing Annual General Meeting for the year ended 31.03.2018.

9.5 Listing On Stock Exchange The shares of the company are listed on BSE Ltd, Mumbai (BSE). However, due to non-compliance of Listing Agreement / Listing Regulations, the trading has been suspended since 25th February, 2015.

The Annual Listing fee has been paid to the BSE Ltd. (BSE), Mumbai for financial year 2018-19.

9.6 Stock Code 509960 (BSE)

9.7 Designated e-mail ID for Investors' Grievances uphlinvestorgrievance@bol.net.in

9.8 Monthly High and Low market price data of equity share traded on BSE Ltd (BSE) :

BSE Limited has suspended the trading of equity shares of the company vide its letter dated 12th January, 2015 and thus monthly high and low market price data of equity share traded on BSE Limited during the year under review can not be provided. Accordingly, performance in comparison to broad-based indices viz. BSE Sensex, CRISIL Index etc can not be provided.

9.9 Registrar & Share Transfer Agent

The company has engaged the services of Skyline Financial Services Pvt. Ltd. as its Registrar and Share Transfer Agent for physical transfer of shares as well as for electronic connectivity with NSDL & CDSL.

9.10 Share Transfer System

To expedite the transfer in physical segment, authority has been delegated to Stakeholders' Relationship Committee of the Board. The Registrar & Transfer Agent ensures that the transferred share certificates are dispatched within the stipulated time.

9.11 Shareholding Pattern as on 31st March, 2018:

Category	No of Shares held	% of Share holding
<b>1 Promoter's holding</b>		
Indian Promoters	47,72,960	88.39
Foreign Promoters	Nil	Nil
<b>2 Persons acting in concert</b>	Nil	Nil
<b>Sub Total (1 &amp; 2)</b>	47,72,960	88.39
Non-Promoters Holding		
<b>3 Institutional Investors</b>		
a) Mutual Funds & UTI	Nil	Nil
b) Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions, Non-Govt. Institutions)	Nil	Nil
c) Foreign Institutional Investors	Nil	Nil
<b>Sub Total (3)</b>	Nil	Nil
<b>4 Others</b>		
a) Private Corporate Bodies	1,41,036	2.65
b) Indian Public	4,69,650	8.69
c) NRIs/OCBs	1,963	0.04
d) Any other	12,391	0.23
e) Clearing Member/House		0.00
<b>Sub Total (4)</b>	<b>6,27,040</b>	<b>11.61</b>
<b>Grand Total (1 to 4)</b>	<b>54,00,000</b>	<b>100.00</b>

9.12 Distribution of Shareholding as on 31st March, 2018:

Shareholding of Nominal Value	No. of Shareholders	% of Share-Holders	Share Amount	% of Share-Holding
Upto - 5000	877	83.37	8,94,830	1.66
5001 – 10000	56	5.32	3,98,510	0.74
10001-20000	33	3.14	4,78,390	0.89
20001-30000	16	1.52	3,95,430	0.73
30001-40000	11	1.05	3,73,760	0.69
40001-50000	3	0.29	1,43,020	0.26
	9	0.86	6,93,830	1.28
	47	4.47	5,06,22,230	93.75
Total	1,052		5,40,00,000	100.00

9.13 Dematerialisation of Shares & Liquidity.

The company's shares are traded in dematerialized form and have to be delivered in the dematerialized form to all stock exchanges. The number of shares dematerialized as on 31st March, 2018 was 28,83,632 (53.40% of the total paid up capital) and the balance of 25,16,368 representing 46.60% were held in physical form. Investors may open an account with depository participant registered with either National Securities Depository Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL).

The company is yet to achieve 100% dematerialization of the promoters' group shareholding as required under circular no. DCS/COMP/CIR-03/2011-12 dated 29.6.2011 of BSE Ltd. As on 31.3.2018, only 43.95% of the promoters' shareholding were dematerialized.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's share is INE726E01014.

9.14 Information with regard to shares lying in "Unclaimed Suspense Account" as required under Regulation 39:

	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	52	5,942
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	52	5,942

9.15 Outstanding GDRs/ADRs Warrants or any convertible instruments, conversion date and likely impact on Equity.

The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.

9.16	Hotel locations	Clarks Shiraz, 54, Taj Road, Agra Clarks Amer, Jawahar Lal Nehru Marg, Jaipur Clarks Avadh, 8, Mahatma Gandhi Marg, Lucknow Clarks Khajuraho, Bamitha Road, Khajuraho		
9.17	Address for correspondence	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">                     Company:                      Company Secretary                      U. P. Hotels Limited                      1101, Surya Kiran, 19,                      Kasturba Gandhi Marg,                      New Delhi - 110001                      Tel No: 011-23722596-98                 </td> <td style="width: 50%;">                     Registrar:                      Skyline Financial Services Pvt. Ltd.                      D-153/A, 1st floor, Okhla Industrial Area,                      Phase I, New Delhi-110020.                      Tel. 011-26812682                 </td> </tr> </table>	Company: Company Secretary U. P. Hotels Limited 1101, Surya Kiran, 19, Kasturba Gandhi Marg, New Delhi - 110001 Tel No: 011-23722596-98	Registrar: Skyline Financial Services Pvt. Ltd. D-153/A, 1st floor, Okhla Industrial Area, Phase I, New Delhi-110020. Tel. 011-26812682
Company: Company Secretary U. P. Hotels Limited 1101, Surya Kiran, 19, Kasturba Gandhi Marg, New Delhi - 110001 Tel No: 011-23722596-98	Registrar: Skyline Financial Services Pvt. Ltd. D-153/A, 1st floor, Okhla Industrial Area, Phase I, New Delhi-110020. Tel. 011-26812682			

Shareholders holding shares in electronic mode should address all correspondence to their respective depository participant.

For any assistance regarding dematerialisation of shares, shares transfer, transmission, change of address and any other query relating to shares, please correspond with Registrars - Skyline Financial Services Pvt. Ltd.

## 10. DISCLOSURES

- 10.1 No money was raised by the Company through public issue, right issue, preferential issues etc. in the financial year under review.
- 10.2 The transactions with related parties relating to earlier years could not be placed before the Audit Committee for approval due to differences between the management and court proceedings. The related party transaction during the year under review has been entered in the register maintained under section 189 of the Companies Act, 2013 except the one part of litigation. Further, there were no material related party transactions during the year under review. The disclosure of transactions with related parties in compliance with the Ind AS is part of this Annual Report and disclosed in Note no. 30 of Notes to Financial Statements. The policy on dealing with related party transactions is available at company's website at www.hotelclarks.com.
- 10.3 The company has submitted the quarterly financial results with the stock exchange and published the same for the quarters ended 30.06.2014, 30.09.2014, 31.12.2014, 31.03.2015, 30.06.2015, 30.09.2015, 31.12.2015, 31.03.2016, 30.06.2016, 30.09.2016, 31.12.2016 and 31.03.2017 in the financial year 2017-18. Further, the Company has submitted the quarterly financial results with the stock exchange for the quarters ended 30.06.2017, 30.09.2017 and 31.12.2017 on 29th May, 2018.
- 10.4 The company has not yet achieved 100 per cent dematerialization of the shares of promoter's group during the year. The promoters have assured that they will endeavor to comply with this requirement.
- 10.5 Due to various non-compliances, BSE Limited had imposed total fine of Rs. 19,95,380/- as per SEBI Standard Operating Procedure Circular during the year. The Company has deposited the said amount with BSE Limited. The Company has applied to BSE Limited for revocation of suspension of trading of shares in the company.
- 10.6 Since the Company could not comply with Regulation 38 of Listing Regulations (erstwhile Clause 40A of the Listing Agreement), Securities & Exchange Board of India (SEBI) vide its order dated 04.06.2013 and 02.12.2014 inter alia directed freezing of voting rights and corporate benefits with respect to excess of proportionate promoter/promoter group shareholding and other directions against the promoter shareholders and directors. The appeal filed before the Securities Appellate Tribunal has been disposed off with certain directions. The Company has filed an application with Securities and Exchange Board of India for relaxation of its order to enable the promoters to consider voluntary delisting of shares as an option for compliances.
- 10.7 The directors and other identified persons have observed and complied with the requirements of Code of Conduct for Prevention of Insider Trading in Equity Shares of the Company in accordance with Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- 10.8 Since the company has no subsidiary during the financial year under review, it did not formulate policy for determining material subsidiaries.
- 10.9 Details of compliance of mandatory and non mandatory requirements of corporate governance are provided in this report.
- 10.10 Compliance with discretionary requirements/non mandatory requirements:
  - a. The Board: The Company has a non-executive independent director as its Chairman.
  - b. Shareholder right: Not sent half-yearly declaration on financial performance to shareholders.
  - c. Modified opinion in audit report: The Board gives necessary clarification on qualifications, adverse opinion in Auditors' Report.
  - d. Separate posts of chairperson and chief executive officer: The Company has non-executive independent director as its Chairman. There is no chief executive officer.
  - e. Reporting of internal auditor: The reports of internal auditor are reviewed in the Audit Committee meeting.

## 11. COMPLIANCE CERTIFICATE – CORPORATE GOVERNANCE

The Company has obtained a certificate from the Company Secretary in Practice regarding compliance of conditions of Corporate Governance as required by Schedule V of Listing Regulations and is annexed with this report.

## 12. CODE OF CONDUCT

The Company has framed a Code of Conduct and Ethics for members of the Board and Senior Management personnel of the Company. The said Code of Conduct is available on the website of the Company. The declaration by Joint Managing Director(s) is given below:

"We declare that all members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for the financial year 2017-18."

**Apurv Kumar**  
Joint Managing Director

**Rupak Gupta**  
Joint Managing Director

## 13. CEO & CFO CERTIFICATION

Compliance Certificate from the CEO and CFO is provided in the Annual Report.

For and on behalf of the Board of Directors  
**For U. P. HOTELS LIMITED**

**Bisheshwar Prasad Singh**  
Chairman  
DIN: 06949954

**Apurv Kumar**  
Joint Managing Director  
& Chief Financial Officer  
DIN: 00043538

**Rupak Gupta**  
Joint Managing Director  
& Chief Financial Officer  
DIN: 00007310

Placed: New Delhi  
Dated: 02.08.2018

## Secretarial Auditor's Certificate on Corporate Governance

To  
The Members of  
**U. P. Hotels Limited**

We have examined the compliance of the conditions of Corporate Governance by **U. P. Hotels Limited** ('the Company') for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Regulation. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on our examination, we state that:

1. *The Company has not complied with Regulation 38 of the Listing Regulation as regards minimum public shareholding.*
2. *The Company is yet to achieve 100% dematerialization of the promoter's group shareholding as required by circular of BSE Ltd.*
3. *All the related party transactions except one were not approved by the Audit Committee and Board of Directors. All the related party transactions except one are also not recorded in the register maintained under the Section 189 of the Companies Act, 2013.*
4. *Certain ongoing disputes and internal differences between the management has resulted in discrepancies and non-compliances of various provisions of the Companies Act, 2013, Listing Agreement/Regulations etc. The non-compliances at the beginning of the year under review have been complied with till date except as aforesaid.*

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For AGG & ASSOCIATES**  
**Company Secretaries**

**Amar Gopal Gambhir**  
(Proprietor)  
M. No: 3668  
CP No: 3653

Date: 02.08.2018  
Place: New Delhi

To

29.05.2018

The Board of Directors  
U. P. Hotels Limited  
1101, Surya Kiran Building,  
19, Kasturba Gandhi Marg,  
New Delhi – 110001.

### Re: CEO/CFO Certification

As stipulated in Regulations 17(8) of Listing Regulations, 2015, we hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that 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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transactions entered into by the company during the year which 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. The Company is having a system of internal controls, however due to the ongoing disputes and internal differences/disagreements between the management and ongoing suits which have been filed at the Hon'ble Civil Court, Lucknow and Hon'ble NCLT, New Delhi, the appropriate discussions, supervisions, review on the affairs, operation of the company could not take place during the year under review at Board level. However, the Audit Committee discusses and takes note of the Internal Audit Reports at appropriate intervals. The Company is in the process to introduce /implement internal financial controls in the ensuing year.
- d) We have indicated to the Auditors and the Audit Committee:
  - i. the company has a system of internal control over financial reporting during the year under reference; however due to the ongoing disputes and internal differences between the management there are certain discrepancies which resulted in non-compliances and management has initiated needful actions to fix the fragments in the internal control systems.
  - ii. The changes in accounting policies are due to adoption of Ind AS during the year and the same have been disclosed in the notes to accounts to the Financial Statements; and
  - iii. there were no instances of fraud during the year.

**For U. P. Hotels Limited**

**Apurv Kumar**  
Jt. Managing Director & CFO  
DIN: 00043538

**Rupak Gupta**  
Jt. Managing Director & CFO  
DIN: 00007310

## Independent Auditors' Report

To the Members of

U. P. Hotels Limited

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of U. P. Hotels Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

### Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the adequacy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedure selected depends on the auditor's Judgement, including the assessment of the risk of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

### Basis of Qualified Opinion

Attention is drawn to the following notes:

- (i) Note 39.1 to 39.3 regarding non-compliance of Minimum Public Shareholding by way of issue of bonus shares in terms of shareholders resolution dated 23.07.2013 on account of various litigations, delisting etc. as explained in the said notes. As such, the Company is yet to comply with the Listing Regulation as regards Minimum Public Shareholding, Securities & Exchange Board of India directives etc.
- (ii) Note 40.1 to 40.3 regarding concerns raised by the two Joint Managing Directors regarding working of the hotels and certain/various aspects of management and other matters, petition filed by one Joint Managing Director under Sections 397/398, 402, 403 and 237 of the Companies Act, 1956 and Sections 219 & 220 of the Companies Act, 2013 for oppression & mismanagement and raising of various concerns before the Company Law Board (now the National Company Law Tribunal) and contesting of the petition by the other Joint Managing Director which is explained in the said notes, on which we are unable to make any comment. Due to ongoing disputes and internal differences, there are differences of opinion/disagreement in the manner in which the internal financial controls need to be strengthened further and certain discrepancies / non compliances relating to various Acts, Listing Regulations etc. Further the Company could not put into an operation, the policy on risk management during the year and is in the process to introduce /implement internal financial controls along with risk matrix / management system. The said note also indicates the uncertainty related to the outcome of the above legal matter i.e. petition filed.
- (iii) Note 41 regarding non-compliance of various provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 (viz. Publication of financial results for any of the quarter ending during the year, Minimum Public Shareholding, 100% dematerialisation of promoters shareholding), Provisions of Companies Act, 2013 (viz. Approval of Related Party Transaction under Section 188 by the Audit Committee & the Board of Directors and recording of such transaction in the register under Section 189 etc.) as explained in said notes on account of various disputes/litigations, differences of opinion/disagreements etc. As such appropriate discussions / supervision / review / flow of information / monitoring could not take place. These defaults and non-compliances in current and previous years may result in penalties etc. which are not quantifiable at this stage.
- (iv) The ultimate outcome of the matter specified in paras (i) to (iii) cannot presently be determined and its consequential impact on these financial statements cannot be ascertained.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the Basis of Qualified Opinion paragraph, the financial statements give the information so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matters

Without qualifying our opinion, we draw attention to the Note no. 42 as regards imposition of fine of Rs. 19.95 lakhs by BSE Limited for various non-compliances.

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and as per information and explanations given to us during the course of audit, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (ii) 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) **Except for the matters described in the Basis of Qualified Opinion paragraph**, in our opinion, proper books of accounts 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 Cash Flows and the Statement of the Changes in Equity dealt with by this report are in agreement with the books of accounts.
  - d) In our Opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issues thereunder.
  - e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as director in terms of section 164(2) of the Act.
  - f) Based on the checking of the books and records of the Company as we considered appropriate and as per information and explanations given to us, our separate report with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls is as per Annexure B.
  - g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 24 to the financial statements;
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - There is no delay in transferring amounts to the Investor Education and Protection Fund.

For Satinder Goyal & Co.  
Chartered Accountants  
Firm's Regn. No: 027334N

Date: 29<sup>th</sup> May 2018  
Place: New Delhi

S.K. Goyal  
(Partner)  
Membership No. : 084613

**Annexure A to the Independent Auditors' Report**

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone Ind AS financial statements of U. P. Hotels Limited for the year ended 31st March, 2018

- (i) (a) The Company is maintaining proper records showing full particulars, including Quantitative details and situation of its fixed assets.
- (b) According to the explanation and information given to us, the Company has a regular programme of physical verification of its fixed assets. In our opinion, the frequency of physical verification is reasonable having regard to the size and the nature of its assets. As, informed to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the title deeds of immovable property are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. The discrepancies noticed on physical verification of inventory as compared to books of accounts were not material.
- (iii) During the year, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the Register maintained under Section 189 of the Act. Loan amount of Rs.8.70 lakhs outstanding on 1.4.2017 has been recovered by the company during the year i.e. on 30th June, 2017.
- (iv) According to the information and explanations given to us, in respect of guarantee, security, loans and investments made by the Company, the provisions of section 185 and 186 of the Act have been complied with. Loan amount of Rs. 8.70 lakhs given in the year ending 31.03.2017 to two relatives of directors has been recovered during the year.
- (v) The Company has not accepted any deposits from the public. As such requirement of clause (v) of paragraph 3 of the aforesaid order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(i) of the Companies Act, 2013 in respect of services carried out by the Company.
- (vii) a) According to records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities.

According to information and explanations given to us, except for the cases stated below, there are no other undisputed amount payable in respect of provident fund, investor education & protection fund, income tax, employees state insurance, wealth tax, sales tax, custom duty, service tax, excise duty, cess and other statutory dues which were outstanding at the year end for period of more than six months from the date they become payable.

	Amount in lakhs
House Tax/ Municipal Tax & Water tax /cess	48.3

- b) According to the information and explanations given to us, there are no dues outstanding of custom duty, excise duty, income tax, wealth tax and cess on account of any dispute which have not been deposited except for:

Name of statute	Nature of dues	Assessment Years	Forum where dispute is pending	Amount in lakhs
Income tax Act, 1961	Income Tax	2014-15	Commissioner of Income Tax Appeal, Lucknow	9.11
		1989-90 to 1991-92	Hon'ble High Court of Allahabad*	58.59

\*Please refer Note no. 24(a) to the Financial Statements.

- (viii) As per books and records maintained by the Company and according to the information and explanations given to us, the Company has no dues to the financial institution/bank as there was no loans outstanding as on 31.3.2018 from them. The Company has no debenture holder and loan from government. As such requirement of para 3 (viii) of the Order is applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debts instruments) or term loan. As such, requirement of para 3 (ix) of the Order is not applicable to the Company.
- (x) We have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) **In our opinion and according to the information and explanations given to us, all transactions with the related parties are not in compliance with Section 177 and 188 of the Companies Act, 2013. The details of such transactions have however been disclosed in the financial statements as required by the applicable standards and all related party transactions except one are also not recorded in the register under Section 189 of the Companies Act, 2013. (Refer Note 30 to the financial statements)**
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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 him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Satinder Goyal & Co.  
Chartered Accountants  
Firm's Regn. No: 027334N

Date: 29<sup>th</sup> May 2018  
Place: New Delhi

S.K. Goyal  
(Partner)  
Membership No. : 084613



## Annexure “B”

(Referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the Ind AS financial statements of U. P. Hotels Limited for the year ended 31st March, 2018)

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **U. P. Hotels Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control 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 the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgments, 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 system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedure 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 the generally accepted accounting principles, and that receipts and expenditure 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 unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Adverse Opinion

According to information and explanations given to us and based on our audit, the following weaknesses have been identified as at 31st March, 2018:

(i) **Attention is invited to Note 40.1 to 40.3**

- (a) **Both the Joint Managing Directors have raised concerns regarding working of hotels, certain/various aspects of management and on the matter pending before National Company Law Tribunal for Oppression and Mismanagement. Due to the ongoing disputes and internal differences, there are differences of opinion / disagreement in the manner, the internal financial controls needs to be strengthened and certain discrepancies / non compliances relating to various Acts, Listing Agreements etc.**
- (b) **A petition has been filed on 15 May 2015 by one of the Joint Managing Directors titled as Rupak Gupta Vs. UPHL & Ors. before the Company Law Board (now the National Company Law Tribunal), New Delhi against the Company and others under Sections 397/398, 402, 403 and 237 of the Companies Act, 1956 and Section 219 & Section 220 of the Companies Act, 2013 for oppression and mismanagement. The other Joint Managing Director has filed a reply to the petition on 09.05.2016 on behalf of the respondents - himself and has contested the petition and denied all the allegations. The petition is currently pending adjudication.**
- (c) **The risk management policy could not be fully implemented during the year. Further, appropriate discussion /supervision /review /flow of information /monitoring could not take place during the year at Board and Audit Committee Meetings. Due to the differences and disagreements between the management and ongoing suits which have been filed at the Hon’ble Civil Court, Lucknow, and in the Hon’ble NCLT, New Delhi. However, the Audit Committee discuss and takes note of the Internal Audit Report at appropriate intervals and issue verbal advise to the Internal Auditors and units for better control.**

(ii) **Based on the representation and information and explanations provided to us, the Company did not have an appropriate internal financial control system over financial reporting since the internal controls adopted by the Company did not adequately consider assessment, which is one of the components of internal control, with regard to the potential for fraud when performing risk assessment.**

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual financial statements will not be prevented or detected on a timely basis.

**In our opinion, because of the possible effect of the material weakness described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.**

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of the Company, and these material weakness does not affect our opinion on the financial statements of the Company.

For Satinder Goyal & Co.  
Chartered Accountants  
Firm’s Regn. No: 027334N

S.K. Goyal  
(Partner)  
Membership No. : 084613

Date: 29<sup>th</sup> May 2018  
Place: New Delhi

BALANCE SHEET AS AT 31st MARCH, 2018

(Rs. in Lakhs)

	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>A ASSETS</b>				
<b>1. NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	2	6254.90	5985.51	5972.88
Capital Work-In-Progress		74.46	2.06	-
Intangible Assets	2	5.11	7.25	4.50
Financial Assets :				
Other Financial Assets	3	-	-	-
Other Non-Current Assets	4	88.71	110.45	101.00
		<b>6423.18</b>	<b>6105.27</b>	<b>6078.38</b>
<b>2. CURRENT ASSETS</b>				
Inventories	5	324.35	345.12	280.26
Financial Assets :				
Investments	6	968.00	892.21	808.88
Trade Receivables	7	1010.42	975.57	835.45
Cash and Cash Equivalents	8	988.57	706.78	728.46
Bank Balances other than above	9	893.65	1530.17	1800.76
Other Financial Assets	3	61.28	65.45	52.04
Other Current Assets	10	487.12	177.60	174.79
		<b>4733.40</b>	<b>4692.90</b>	<b>4680.63</b>
<b>Total</b>		<b>11156.58</b>	<b>10798.17</b>	<b>10759.01</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>1. EQUITY</b>				
Equity Share Capital	11	540.00	540.00	540.00
Other Equity	12	8067.00	7708.14	7446.77
		<b>8607.00</b>	<b>8248.14</b>	<b>7986.77</b>
<b>2. NON - CURRENT LIABILITIES</b>				
Financial Liabilities :				
Other Financial Liabilities	13	151.47	0.25	1.12
Provisions	14	160.18	84.90	82.02
Deferred Tax Liabilities (Net)		316.84	293.72	328.34
		<b>628.49</b>	<b>378.86</b>	<b>411.48</b>
<b>3. CURRENT LIABILITIES</b>				
Financial Liabilities :				
Trade Payables	15	545.90	1068.42	915.90
Other Financial liabilities	16	703.93	579.55	477.45
Other Current Liabilities	17	350.58	307.14	262.26
Provisions	14	320.68	216.06	705.16
		<b>1921.09</b>	<b>2171.17</b>	<b>2360.76</b>
<b>TOTAL</b>		<b>11156.58</b>	<b>10798.17</b>	<b>10759.01</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1			
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-44			

As per our separate report of even date

For Satinder Goyal & Co.  
Chartered Accountants  
Firm Regn. No. 027334N

(CA S.K.Goyal)  
Partner  
Membership No. 084613

Place : New Delhi  
Date : 29th May 2018

For & on behalf of the Board of Directors of  
U. P. Hotels Limited

Bisheshwar Prasad Singh  
Chairman  
DIN 06949954

Rupak Gupta  
Joint Managing Director  
& Chief Financial Officer  
DIN 00007310

Apurv Kumar  
Joint Managing Director  
& Chief Financial Officer  
DIN 00043538

Prakash Chandra Prusty  
(Company Secretary)  
M.No : A14624

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. in Lakhs)

	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
<b>REVENUE</b>			
Revenue from Operations (Net)	18	9405.31	8789.45
Other Income	19	439.45	290.95
<b>Total Income (I)</b>		<b>9844.76</b>	<b>9080.40</b>
<b>EXPENSES</b>			
Consumption of Provisions, Beverages And Others	20	1451.89	1445.00
Employee Benefits Expense	21	2906.70	2566.36
Finance Costs	22	4.13	11.31
Depreciation and Amortization Expense	2	676.28	650.57
Other Expenses	23	4270.10	3747.02
<b>Total Expenses (II)</b>		<b>9309.10</b>	<b>8420.26</b>
<b>Profit before Tax</b>		<b>535.66</b>	<b>660.14</b>
<b>Tax Expense</b>			
Current Tax		230.00	318.18
Tax (Earlier Years)		(22.10)	-
Deferred Tax		23.12	(34.62)
<b>Profit for the Year (III)</b>		<b>304.65</b>	<b>376.58</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit & Loss :			
Actuarial Gain/(Loss) on Employee Benefits		54.21	38.64
<b>Other Comprehensive Income for the Year (IV)</b>		<b>54.21</b>	<b>38.64</b>
<b>Total Comprehensive Income for the Year (III+IV)</b>		<b>358.85</b>	<b>415.23</b>
Earning per equity share (Face Value of Rs. 10/- each)			
<b>(1) Basic</b>		<b>5.64</b>	<b>6.97</b>
<b>(2) Diluted</b>		<b>5.64</b>	<b>6.97</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-44		

As per our separate report of even date

For Satinder Goyal & Co.  
Chartered Accountants  
Firm Regn. No. 027334N

(CA S.K.Goyal)  
Partner  
Membership No. 084613

Place : New Delhi  
Date : 29th May 2018

For & on behalf of the Board of Directors of  
U. P. Hotels Limited

Bisheshwar Prasad Singh  
Chairman  
DIN 06949954

Rupak Gupta  
Joint Managing Director  
& Chief Financial Officer  
DIN 00007310

Apurv Kumar  
Joint Managing Director  
& Chief Financial Officer  
DIN 00043538

Prakash Chandra Prusty  
(Company Secretary)  
M.No : A14624

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. in Lakhs)

	Year ended 31.03.2018	Year ended 31.03.2017
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
Profit before Tax	358.85	415.23
Adjustments for :		
Depreciation & Amortisation	676.28	650.57
(Profit)/Loss on Sale of Property, Plant & Equipments	3.55	59.09
Finance Cost	4.13	11.31
<b>Operating Profit before changes in Current Assets and Liabilities</b>	<b>1042.82</b>	<b>1136.19</b>
Changes in Current Assets and Liabilities -		
Trade Receivables	(34.85)	(140.12)
Loans, Bank balance other than cash & cash equivalent and other Current Assets	331.16	254.37
Inventories	20.77	(64.87)
Current Liabilities	(250.08)	(189.60)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1109.82</b>	<b>995.97</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant & Equipments	(946.49)	(881.02)
Purchase/Addition of Intangibles	(6.25)	(5.96)
Addition in Capital WIP	(72.41)	(2.06)
Proceeds from Sale of Property, Plant & Equipments	5.66	8.10
Purchase of Investments	(75.79)	(83.34)
Investment in Other Non-Current Assets	21.74	(9.45)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1073.54)</b>	<b>(973.72)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Finance Cost	(4.13)	(11.31)
Proceeds (Repayments) of Long Term Borrowings (Net)		
Change in Other Long Term Liabilities & Provisions (Net)	249.62	(32.62)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>245.49</b>	<b>(43.93)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	281.78	(21.68)
Cash and Cash Equivalents as at Beginning of the Year	706.78	728.46
Cash and Cash Equivalents as at End of the Year	988.56	706.78
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1	
<b>NOTES ON FINANCIAL STATEMENTS</b>	2-44	

As per our separate report of even date

For Satinder Goyal & Co.  
Chartered Accountants  
Firm Regn. No. 027334N

(CA S.K.Goyal)  
Partner  
Membership No. 084613

Place : New Delhi  
Date : 29th May 2018

For & on behalf of the Board of Directors of  
U. P. Hotels Limited

Bisheshwar Prasad Singh  
Chairman  
DIN 06949954

Rupak Gupta  
Joint Managing Director  
& Chief Financial Officer  
DIN 00007310

Apurv Kumar  
Joint Managing Director  
& Chief Financial Officer  
DIN 00043538

Prakash Chandra Prusty  
(Company Secretary)  
M.No : A14624

## 1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

### 1. Company Overview

U. P. Hotels Limited ("the Company") is a Public Limited Company incorporated and domiciled in India and has its listing on the BSE Limited. The addresses of its Registered Office and Corporate Office are disclosed in the introduction to the annual report. The Company is in the business of owning and operating hotels. The Company has its hotels at Agra, Jaipur, Lucknow and Khajuraho.

#### 1.1 Basis for preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. For all periods up to and including the year ended March 31, 2017, the Company reported its Financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'IGAAP'). The Financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note No. 44 to the financial statements.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 29, 2018.

#### Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

#### Operating Cycle

Based on the nature of products/activities of the company and normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### 1.2 Use of Estimates and Judgements

The presentation of financial statements in conformity with Ind AS requires the management of the company to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, disclosures of contingent assets and liabilities as at the date of financial statements and the reported amount of revenues and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provisions for income taxes, useful life of depreciable assets and provisions for impairments & others.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

#### 1.3. Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

- a) Free hold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected significant costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.
- b) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.
- c) Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- d) The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

#### 1.4. Intangible Assets and Amortisation

Intangible assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible Assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

## 1.5 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

- a) Depreciation on fixed assets is provided on straight-line method at the rates prescribed by the schedule II of the Companies Act, 2013 and in the manner as prescribed by it.
- b) Intangible assets are amortized over their respective individual estimated useful life on straight line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

## 1.6 Inventories

Inventories at the year end are as per the physical verification conducted by the management. Inventories are stated at lower of cost and net realisable value after considering obsolescence. Cost is ascertained on weighted average basis at Jaipur & Khajuraho units and on First in First out basis at Agra & Lucknow units. Net realizable value is the estimated selling price in the ordinary course of the business less estimated cost necessary to make the sale. Unserviceable / damaged / discarded inventories and shortages observed at the time of physical verification are charged to Statement of Profit & Loss.

## 1.7 Foreign Currency Transactions / Translations

### Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

## 1.8 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

## 1.9 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of minimum lease payments at the inception of lease, whichever is lower. Leases under which the risks and rewards incidental to ownership are not transferred to lessee, is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term.

## 2.0 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

### i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

### ii) Subsequent measurement

#### a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

#### d) Investments in subsidiaries, joint ventures and associates

The Company has adopted to measure investments in subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

#### e) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) **De-recognition of financial instruments**

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

iv) **Fair value measurement of financial instruments**

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

**2.1 Impairment of Assets**

i) **Financial Assets**

In accordance with Ind AS 109, the company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) **Non-Financial Assets**

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

**2.2 Revenue Recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

a) Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations.

Revenue is recognized upon rendering of the service, provided pervasive of an arrangement exists, tariff/ rates are fixed or are determinable and collectability is reasonably certain. Revenue from sale of goods or rendering of services is net of Indirect taxes, returns and discounts.

b) Dividend income is accounted for when the right to receive the income is established.

**2.3 Interest**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**2.4 Income Taxes**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements

except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## 2.5 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 2.6 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

## 2.7 Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as at beginning of the period, unless they have been issued at a later date.

## 2.8 Employee benefits

### Defined contribution plans –

Company's contribution paid / payable during the year to Provident Fund & Employees State Insurance are recognized in the Statement of Profit & Loss. Provident Fund & Employees State Insurance contributions are made to a government administered Provident Fund & Employees State Insurance Corporation towards which the company has no further obligation beyond its monthly contribution. The contributions are recognized as employee benefit expenses when they are due.

### Defined benefit plans –

#### *Gratuity*

The Company makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or assets as of the reporting date. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

#### *Leave Encashment*

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

## 3.0 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.



2. Property, Plant & Equipment

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 1st April 2017	Additions	Sale/ Adjustment	Cost as at 31st March 2018	For the year	Sale/ Adjustment	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
<b>TANGIBLE ASSETS</b>									
Land Free Hold Building	18.12	-	-	18.12	-	-	-	18.12	18.12
Electrical Installations	5,023.29	434.22	8.38	5,449.13	193.84	16.19	1,585.65	3,863.48	3,615.28
Plant & Machinery	822.89	101.94	3.98	920.85	55.32	3.76	485.77	435.08	388.68
Office Equipments	3,595.54	215.13	79.49	3,731.19	283.23	73.88	2,570.37	1,160.83	1,234.54
Furniture & Fixtures	12.99	4.86	-	17.85	1.09	-	10.18	7.67	3.90
Vehicles	1,165.15	135.34	20.09	1,280.39	77.47	19.26	738.51	541.87	484.84
	662.25	51.21	40.29	673.17	61.50	38.28	445.32	227.85	240.15
<b>Total Tangible Assets</b>	<b>11,300.23</b>	<b>942.70</b>	<b>152.23</b>	<b>12,090.70</b>	<b>672.45</b>	<b>151.37</b>	<b>5,835.80</b>	<b>6,254.90</b>	<b>5,985.51</b>
Previous Year	11,809.48	881.02	1,390.26	11,300.23	647.36	1,169.23	5,314.72	5,985.51	5,972.88
<b>INTANGIBLE ASSETS</b>									
Trade Marks	1.41	-	-	1.41	0.06	-	1.38	0.02	0.08
Computer Software	32.58	1.69	-	34.27	3.77	-	29.19	5.08	7.17
<b>Total Intangible Assets</b>	<b>33.99</b>	<b>1.69</b>	<b>-</b>	<b>35.68</b>	<b>3.83</b>	<b>-</b>	<b>30.57</b>	<b>5.11</b>	<b>7.25</b>
Previous Year	31.17	5.96	3.14	33.99	3.21	3.14	26.74	7.25	4.50

<b>GRAND TOTAL</b>									
<b>Current Year</b>	<b>11,334.22</b>	<b>944.39</b>	<b>152.23</b>	<b>12,126.38</b>	<b>676.28</b>	<b>151.37</b>	<b>5,866.37</b>	<b>6,260.00</b>	<b>5,992.75</b>
Previous Year	11,840.65	886.98	1,393.41	11,334.22	650.57	1,172.38	5,341.46	5,992.75	5,977.38

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as at 1st April 2016	Additions	Sale/ Adjustment*	Cost as at 31st March 2017	For the year	Sale/ Adjustment	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
<b>TANGIBLE ASSETS</b>									
Land Free Hold Building	18.12	-	-	18.12	-	-	-	18.12	18.12
Electrical Installations	5,573.38	335.98	886.07	5,023.29	171.82	699.44	1,408.00	3,615.28	3,637.76
Plant & Machinery	928.02	73.72	178.85	822.89	48.47	174.72	434.21	388.68	367.56
Office Equipments	3,575.04	209.81	189.29	3,595.54	307.39	165.15	2,361.01	1,234.54	1,356.26
Furniture & Fixtures	12.87	0.41	0.30	12.99	1.00	0.28	9.09	3.90	4.51
Vehicles	1,077.19	155.60	67.64	1,165.15	63.43	64.93	680.31	484.84	395.39
	624.85	105.51	68.11	662.25	55.25	64.71	422.10	240.15	193.29
<b>Total Tangible Assets</b>	<b>11,809.48</b>	<b>881.02</b>	<b>1,390.26</b>	<b>11,300.23</b>	<b>647.36</b>	<b>1,169.23</b>	<b>5,314.72</b>	<b>5,985.51</b>	<b>5,972.88</b>
Previous Year	11,254.12	779.37	224.01	11,809.48	676.21	189.91	5,836.60	5,972.88	5,903.82
<b>INTANGIBLE ASSETS</b>									
Trade Marks	1.41	-	-	1.41	0.20	-	1.33	0.08	0.28
Computer Software	29.77	5.96	3.14	32.58	3.01	3.14	25.42	7.17	4.22
<b>Total Intangible Assets</b>	<b>31.17</b>	<b>5.96</b>	<b>3.14</b>	<b>33.99</b>	<b>3.21</b>	<b>3.14</b>	<b>26.74</b>	<b>7.25</b>	<b>4.50</b>
Previous Year	31.17	-	-	31.17	3.68	-	26.68	4.50	4.49

<b>GRAND TOTAL</b>									
<b>Current Year</b>	<b>11,840.65</b>	<b>886.98</b>	<b>1,393.41</b>	<b>11,334.22</b>	<b>650.57</b>	<b>1,172.38</b>	<b>5,341.46</b>	<b>5,992.75</b>	<b>5,977.38</b>
Previous Year	11,285.29	779.37	224.01	11,840.65	679.89	189.91	5,863.27	5,992.75	5,977.38

Notes:

The title deeds of freehold land of Khajuraho unit is in the name of erstwhile name of the Company i.e. Uttar Pradesh Hotels & Restaurants Limited.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(Rs. in Lakhs)

	Non-Current Assets			Current Assets		
	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
<b>3. OTHER FINANCIAL ASSETS</b>						
Fixed deposit with banks more than twelve months maturity	-	-	-	-	-	-
Interest Receivable	-	-	-	16.61	-	-
Recoverable from others	-	-	-	13.80	8.70	2.75
Interest accrued and due	-	-	-	0.47	37.43	37.69
Incentive accrued on Foreign Collection Earnings	-	-	-	08.85	08.86	-
Security Deposits	-	-	-	-	10.46	11.60
Rent accrued and due	-	-	-	0.01	-	-
Other receivables	-	-	-	21.54	-	-
				<b>61.28</b>	65.45	52.04
				<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>4. OTHER NON-CURRENT ASSETS</b>						
Security Deposits(Earnest Money)				75.03	75.69	75.33
Prepaid Expenses				0.08	0.71	8.87
Security Deposit - Others				10.44	-	-
Capital Advances				-	29.80	13.20
Leasehold land prepayments				3.16	3.37	3.60
Other Assets				-	0.87	-
				<b>88.71</b>	<b>110.45</b>	<b>101.00</b>
<b>5. INVENTORIES</b>						
Provisions & Beverages				157.62	166.93	161.95
Crockery, Cutlery, Chinaware, Linen etc				91.07	99.92	53.29
Other Stores				75.66	78.26	65.02
				<b>324.35</b>	<b>345.12</b>	<b>280.26</b>
The inventory of stocks, stores and spares has been taken, valued and certified by the management.						
<b>Breakup of Inventory</b>						
<b>i) Provisions &amp; Beverages</b>						
Provision, Foods & Beverages				26.32	30.08	27.57
Wines & Liquor				130.69	135.78	133.56
Cigar & Smokes				0.61	1.07	0.82
<b>Total Provisions &amp; Beverages</b>				<b>157.62</b>	<b>166.93</b>	<b>161.95</b>

6. INVESTMENTS

(Rs. in Lakhs)

	As at 31st March					
	2018		2017		2016	
	No. of Units	Cost	No. of Units	Cost	No. of Units	Cost
<b>INVESTMENTS - CURRENT (MUTUAL FUNDS)</b>						
<b>Quoted (Non-Trade)</b>						
Birla SunlifeDynamicBondFund--Retail-Plan-Monthly Dividend-Regular Plan (NAV 2018 Rs. 119.79 lakhs 2017 Rs. 124.05 lakhs 2016 Rs. 41.22 lakhs)	1122616.625	127.00	1,122,616.63	127.00	379,495.84	40.00
HDFC High interest Fund- Short Term Plan Fortnightly Dividend (NAV 2018 Rs. 174.71 lakhs 2017 Rs. 144.21 lakhs 2016 Rs. 60.06 lakhs)	1644919.835	174.05	1,361,767.41	144.05	566,576.51	60.05
HDFC Income Fund – Dividend – Option Payout (NAV 2018 Rs. 77.14 lakhs 2017 Rs. 78.88 lakhs 2016 Rs. 78.76 lakhs)	710561.407	81.05	710,561.41	81.05	710,561.41	81.05

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(Rs. in Lakhs)

	As at 31st March					
	2018		2017		2016	
	No. of Units	Cost	No. of Units	Cost	No. of Units	Cost
Reliance Dynamic Bond Fund Dividend Plan (NAV 2018 Rs. 80.69 lakhs 2017 Rs. 77.84 lakhs 2016 Rs. 69.84 lakhs)	517527.72	72.56	517,527.72	72.56	517,527.72	72.56
Reliance Dynamic Bond Fund - Quarterly Dividend Plan (NAV 2018 Rs. 51.83 lakhs 2017 Rs. 52.36 lakhs 2016 Rs. 52.70 lakhs)	499555.396	50.00	499,555.40	50.00	499,555.40	50.00
Franklin (Templeton) India Low Duration Fund-Quarterly Dividend (NAV 2018 Rs. 142.65 lakhs 2017 Rs. 295.39 lakhs 2016 Rs. 415.23 lakhs)	1373837.432	143.48	2,864,786.93	298.38	4,016,586.04	418.00
Franklin India Dynamic Accrual Fund (NAV 2018 Rs. 163.76 lakhs 2017 Rs. 88.77 lakhs 2016 Rs. Nil)	1385130.29	164.00	753,027.46	89.00	-	-
BirlaSunlifeShort TermFund-Monthlydividendregular plan (NAV 2018 Rs. Nil) 2017 Rs. Nil NAV 2016 Rs. 25.10 lakhs)	-	-	-	-	213,558.395	25.00
TATA Income Fund Regular Plan -Appreciation Option (NAV 2018 Rs. 57.59 lakhs 2017 Rs. 55.32 lakhs 2016 Rs. 50.40 lakhs)	109898.262	40.00	109,898.26	40.00	109,898.26	40.00
HDFC Short Term Plan Dividend Option Payout (NAV 2018 Rs. Nil) 2017 Rs. Nil NAV 2016 Rs. 30.06 lakhs)	-	-	-	-	290,641.349	30.00
ABSL Corporate fund-Regular Growth (NAV 2018 Rs. 38.30 lakhs 2017 Rs. Nil 2016 Rs. Nil)	295966.291	38.00	-	-	-	-
ABSL Short Term Opportunities fund (NAV 2018 Rs. 38.27 lakhs 2017 Rs. Nil 2016 Rs. Nil)	376875.739	39.00	-	-	-	-
Birla Sunlife Short Term Opportunities fund (NAV 2018 Rs. 11.79 lakhs 2017 Rs. Nil 2016 Rs. Nil)	116062.016	12.00	-	-	-	-
HDFC Liquid Fund (NAV 2018 Rs. 15.14 lakhs 2017 Rs. Nil 2016 Rs. Nil)	443.835	15.00	-	-	-	-
Mahindra Liquid Fund - Direct Growth (NAV 2018 Rs. 25.24 lakhs 2017 Rs. Nil 2016 Rs. Nil)	2244.732	25.00	-	-	-	-
<b>Total</b>		<b>981.13</b>		<b>902.03</b>		<b>816.65</b>
Less:						
Provision for diminution in value of investments		13.13		9.82		7.78
<b>Total</b>		<b>968.00</b>		<b>892.21</b>		<b>808.88</b>
Aggregate Quoted Value of Investments		<b>996.92</b>		<b>917.37</b>		<b>823.37</b>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

(Rs. in Lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>7. TRADE RECEIVABLES</b>			
Unsecured, Unconfirmed -			
Outstanding for a period exceeding six months from due date			
Considered good	147.65	921.56	754.47
Considered Doubtful	26.96	1.11	2.95
	<b>174.61</b>	<b>922.67</b>	<b>757.42</b>
Less : Provision for doubtful debts	26.96	1.11	2.95
	<b>147.65</b>	<b>921.56</b>	<b>754.47</b>
Other Debts			
Considered good	862.78	54.01	80.98
	<b>862.78</b>	<b>54.01</b>	<b>80.98</b>
Total Debtors	<b>1,010.43</b>	<b>975.57</b>	<b>835.45</b>
Debts due by Firms or Private Companies in which a director is a partner or director or a member.			
Silk Emporium	0.04	0.02	0.49
<b>8. CASH AND CASH EQUIVALENTS</b>			
Balances with banks			
Current Accounts	949.94	553.92	549.63
In Deposit Accounts with maturity upto three months	-	129.06	150.00
Cheques in hand	13.09	9.42	7.95
Cash in hand	25.54	14.38	20.88
	<b>988.57</b>	<b>706.78</b>	<b>728.46</b>
<b>9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>			
Other bank balances			
Earmarked balances with banks	0.96	318.58	160.46
Deposit with more than three months but less than twelve months maturity	892.70	1,211.59	1,640.30
	<b>893.65</b>	<b>1,530.17</b>	<b>1,800.76</b>
<b>10. OTHER CURRENT ASSETS</b>			
Unsecured considered good, unless otherwise stated			
Balance with Government Authorities	297.91	28.05	21.68
Prepaid Expenses	115.88	105.11	89.86
Advance to be recovered	16.45	17.16	25.43
Leasehold land prepayment	0.22	0.22	0.22
Amount Deposited under Protest *	54.00	-	-
Other Recoverable	2.66	27.06	37.60
	<b>487.12</b>	<b>177.60</b>	<b>174.79</b>

\* Amount deposited under protest represents disputed rent amount deposited in the court. Against this amount the company has already provided rent amounting to Rs.0.36 Lakhs in the accounts.

**11. STATEMENT OF CHANGE IN EQUITY**

(i) Equity Share Capital

	As at 31st March, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b>						
Equity Shares of Rs. 10/- each	7000000	700.00	7000000	700.00	7000000	700.00
Preference Shares of Rs. 100/- each	100000	100.00	100000	100.00	100000	100.00
<b>Issued, Subscribed &amp; paid up</b>						
Equity Shares of Rs. 10/- each	5400000	540.00	5400000	540.00	5400000	540.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

Reconciliation of the numbers and amount of Equity shares -

For the year ended	As at 31st March, 2018		As at March 31, 2017		As at April 1, 2016	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Outstanding at beginning of the year	5400000	540.00	5400000	540.00	5400000	540.00
Add : Shares issued during the year	-	-	-	-	-	-
Less : Shares bought back during the year	-	-	-	-	-	-
Outstanding at the end of year	5400000	540.00	5400000	540.00	5400000	540.00

(i) Shareholders holding more than 5% shares -  
Equity Shares

Name of Shareholder	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
The India Textiles Co. Private Limited	1313676	24.33	1313676	24.33	1313676	24.33
Shri Rupak Gupta	818524	15.16	818524	15.16	818524	15.16
Banaras House Private Limited	540000	10.00	540000	10.00	540000	10.00

- (iii) The Company's Authorised Capital comprises of two class of shares. The Equity shares have a par value of Rs. 10 each and Preference shares have a par value of Rs. 100 each.
- (iv) The Company has at present one class of shares i.e. Equity Shares. Each shareholder is eligible to one vote per share held and is entitled to dividend on approval by shareholders. The Company declares and pays dividend in Indian Rupees. In the event of liquidation, the holders of Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.
- (v) During last 5 years immediately preceding the balance sheet date, no Equity Share has been issued pursuant to any contract without payment being received in cash. Further the company has neither allotted any share by way of bonus shares, nor it had bought back any Equity during aforesaid period of 5 years.
- (vi) No shares have been forfeited by the company during the year.

12. Other Equity

For the year ended March 31, 2018

(Rs. in Lakhs)

Reserves & Surplus					
Particulars	General Reserve	Revaluation Reserve	Retained Earnings	other comprehensive income	Total
Balance as at 1st April 2017	3069.49	-	4590.11	48.54	7708.14
Profit for the year			304.65		304.65
Other comprehensive income for the year				54.21	54.21
Balance as at 31 March 2018	3069.49	-	4894.76	102.74	8067.00

For the year ended March 31, 2017

Reserves & Surplus					
Particulars	General Reserve	Revaluation Reserve	Retained Earnings	other comprehensive income	Total
Balance as at 1st April 2016	3,069.49	153.85	4,213.53	9.89	7,446.77
Profit for the year	-	-	376.58	0.00	376.58
Other comprehensive income for the year	-	-	-	38.64	38.64
Less : Adjusted	-	(153.85)	-	-	(153.85)
Balance as at 31 March 2017	3069.49	-	4590.11	48.54	7708.14

13. OTHER FINANCIAL LIABILITIES

Payable to Employees  
Unpaid Dividends  
Others  
Total

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Payable to Employees	110.95	-	-
Unpaid Dividends	-	-	-
Others	40.52	0.25	1.12
Total	151.47	0.25	1.12

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

14. PROVISIONS

	Non-Current Assets			Current Assets		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Employees' Benefits						
Leave Encashment	45.88	64.70	64.17	19.69	4.91	4.96
Gratuity	114.30	20.20	17.85	70.99	0.54	1.23
Provision for Taxation (Net of Refunds)	-	-	-	230.00	145.60	341.51
Proposed Dividend	-	-	-	-	54.00	297.00
Tax on Proposed Dividend	-	-	-	-	10.99	60.46
<b>Total</b>	<b>160.18</b>	<b>84.90</b>	<b>82.02</b>	<b>320.68</b>	<b>216.06</b>	<b>705.16</b>

15. TRADE PAYABLES

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Total outstanding dues of micro, small and medium enterprises	-	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	545.90	1,068.42	915.90
	<b>545.90</b>	<b>1068.42</b>	<b>915.90</b>

16. OTHER FINANCIAL LIABILITIES -CURRENT

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Security Deposit	16.81	9.33	9.99
Employee Dues	99.90	186.55	225.56
Unpaid Dividends	314.63	311.11	153.50
Others	272.59	72.56	88.40
	<b>703.93</b>	<b>579.55</b>	<b>477.45</b>

17. OTHER CURRENT LIABILITIES

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance received from Customers	164.77	154.94	131.72
Statutory Remittances	185.56	152.20	130.54
Others	0.25	-	-
	<b>350.58</b>	<b>307.14</b>	<b>262.26</b>

18. REVENUE FROM OPERATIONS (Net)

	Year ended 31.03.2018	Year ended 31.03.2017
Room Sales	4,352.50	4,109.89
Provision. Beverages, Smokes and Others	4,742.67	4,220.21
Other Operating Revenue	310.15	459.34
Total	<b>9405.31</b>	<b>8789.45</b>

19. OTHER INCOME

	Year ended 31.03.2018	Year ended 31.03.2017
Interest Income from financial Assets		
Interest received from Banks	75.99	133.83
Interest income - Other than banks	1.21	1.36
Dividend Income from Investments	34.66	43.67
Gain on sale of investments	0.10	0.26
Foreign Exchange Adjustments	6.39	1.47
Others	321.10	110.37
	<b>439.45</b>	<b>290.95</b>

20. CONSUMPTION OF PROVISIONS, BEVERAGES AND OTHERS

	Year ended 31.03.2018	Year ended 31.03.2017
Opening Stock	166.93	161.95
Add : Purchases	1,442.57	1,449.98
Less : Closing Stock	157.62	166.93
	<b>1451.89</b>	<b>1445.00</b>

21. EMPLOYEE BENEFITS EXPENSE

	Year ended 31.03.2018	Year ended 31.03.2017
Salaries and Wages	2,516.76	2,222.81
Contribution to provident and other funds	318.01	244.17
Staff Welfare	71.92	99.38
	<b>2906.70</b>	<b>2566.36</b>

22. FINANCE COST

	Year ended 31.03.2018	Year ended 31.03.2017
Interest expense	3.46	11.00
Other Borrowing Cost	0.67	0.31
	<b>4.13</b>	<b>11.31</b>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

	Year ended 31.03.2018	Year ended 31.03.2017
<b>23. OTHER EXPENSES</b>		
Renewals & Replacements	186.81	147.11
Upkeep & Service Cost	239.42	212.70
Power & Fuel	1,210.47	1,104.06
Rent /Lease Charges	64.08	67.71
Repair & Maintenance	441.54	451.36
Insurance Charges	24.15	23.03
Rates, Taxes & Fees	136.82	143.28
Advertisement & Publicity	88.00	82.94
Commision to Travel Agents	209.32	53.40
Travelling, Conveyance & Car Running	365.87	316.92
Printing & Stationery	45.85	46.56
Music, Band & Orchestra	58.91	53.88
Banquet / F&B Expenses	454.26	392.97
Hire Charges	146.94	100.87
Provision for Diminution in value of investment	3.31	2.04
Provisions for doubtful trade receivables & advance/Bad Debts Written Off	3.86	21.39
Legal & Professional Charges	97.66	117.65
Loss on sale/disposal of Property, plant and equipments	3.55	59.09
Director's Sitting fees	8.40	8.80
Expenditure on Corporate Social Responsibility activities	56.23	3.81
Fees to Internal Auditor	15.37	14.86
Payments made to Statutory Auditors	16.81	8.69
Listing & filing fees	4.21	3.50
Donation	7.92	5.71
Miscellaneous Expenses	380.34	304.69
	<b>4270.10</b>	<b>3747.02</b>

**24. Contingent liabilities and commitments (to the extent not provided)**

**a. Contingent liabilities**

(Rs. In lakhs)

	31.3.2018	31.3.2017	01.4.2016
a. Claims against the Company not acknowledged as debts-			
Income Tax matters* (including interest and penalty, if any)	67.70	35.78	35.78
Other matters	6.50	6.50	6.50
b. Other moneys for which the company is contingently liable			
Export obligations in relation to imports	32.59	61.34	61.34
For non-compliances under Listing Regulations	Nil	188.31	114.51

\* The Income Tax Department has appealed to the Hon'ble High Court, Allahabad against the order of the Income Tax Appellate Tribunal upholding the views of the Company in respect of the claim of deduction regarding earnings in convertible foreign exchange under Section 80 HHD for Assessment Years 1989-90 to 1991-92....Rs. 58.59 lakhs. An appeal is pending with Commissioner of Income Tax (Appeals) for the assessment year 2014-15 against the assessment order passed by assessing officer...Rs. 9.11 lakhs.

- A stay has been granted by the Hon'ble Allahabad High Court as regards applicability of the notification under section 3 of the U P Industrial Disputes Act, 1947 regarding minimum wages applicable to hotels in Uttar Pradesh. Liability, if any, is unascertained. The Company believes that probability of claim succeeding is remote.
- A stay has been granted by Hon'ble High Court of Allahabad, Lucknow Bench in the matter of applicability of Provident Fund during infancy period. Liability, if any, is unascertained. The Management believes that the outcome of the above will not have any material adverse effect on the financial position of the Company.
- Some employees have filed claims in various courts/legal forums against suspension/termination etc. and have sought reliefs. The ultimate liability, if any, with respect to these claims is currently not ascertainable and in the opinion of management, would not have material effect on the financial statements.
- Pending assessments/cases of Luxury Tax, Value Added Tax, Employees State Insurance and Provident Fund (in respect of contractual/casual workers), Service Tax, House & Water Tax etc., further liability, if any, is unascertained and will and provided for on the finalization of assessments/ cases.

**b. Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (as certified by the Management) Rs. 17.87 lakhs (2017 - Rs. 15.26 lakhs).

- 25. Debit and credit balances in the financial statements are unconfirmed.
- 26. In the opinion of the Board, the assets of the Company have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. All known liabilities are accounted for and all contingent liabilities are stated.
- 27. The Company has a Cash Credit Limit of Rs. 160.00 lakhs (2017- Rs. 160.00 lakhs) from Allahabad Bank which is secured by hypothecation of present and future movable assets i.e. stock of provisions, wines, crockery, linen and other stores and also present and future book debts of the Company's hotels and is additionally secured by mortgage of the Company's hotels at Agra & Jaipur. However, the company has not utilized any amount from the limit as on 31.3.2018.

**28. Payment to Auditors (excluding Service Tax/GST)**

(Rs. In lakhs)

	2018	2017
Audit fee	7.50	6.96
Tax audit fee	4.00*	0.98
For certification and other services	5.31	0.75
<b>Total</b>	<b>16.81</b>	<b>8.69</b>

\* Includes Rs. 3.00 lakhs for Tax Audit for the financial years 2014-15, 2015-16 & 2016-17.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018**

29. The company's only business is operating/running hotels.

**30. Related Party Disclosures**

Disclosures as required by Indian Accounting Standard "Related Party Disclosures" (Ind AS 24) is as under:

Related parties :

1	Subsidiary Companies	Nil
2	Key Management Personnel	Shri Apurv Kumar (Joint Managing Director & Chief Financial Officer) Shri Rupak Gupta (Joint Managing Director & Chief Financial Officer) Shri Prakash Chandra Prusty, Company Secretary
3	Relatives of Key Management personnel	<ul style="list-style-type: none"> <li>- Smt. Supriya Gupta (Director)</li> <li>- Shri Arvind Kumar (Director)</li> <li>- Smt. Aditi G Mittal</li> <li>- Shri Akshay Gupta</li> <li>- Shri Binay Kumar</li> <li>- Smt. Veena Binay Kumar</li> <li>- Smt. Rani Upsam</li> <li>- Smt. Rajeshwari Kumar</li> <li>- Shri Arjun Kumar</li> <li>- Shri Anant Kumar</li> <li>- Shri Anoop Kumar</li> <li>- Shri Aryavir Kumar</li> <li>- Smt. Renuka Kumar</li> <li>- Smt. Vibha Agrawal</li> <li>- Shri Vivek Kumar</li> <li>- Smt. Shipra Kumar</li> <li>- Shri Udit Kumar</li> <li>- Shri Manish Kumar</li> <li>- Smt. Meera S Kumar</li> <li>- Shri Upendra Kumar</li> <li>- Smt. Anuradha Kumar</li> <li>- Smt. Sudhira Gupta</li> <li>- Shri Ravi M Gupta</li> <li>- Smt. Nandini Gupta</li> <li>- Shri Arnav Kumar</li> <li>- Smt. Uma Kumar</li> <li>- Shri Alok Kumar</li> <li>- Shri Aditya Kumar</li> <li>- Shri Rakesh M Gupta</li> <li>- Shri Sushil Kumar</li> <li>- Shri Chaitanya Kumar</li> </ul>
iii.	Entities over which Key Management Personnel have significant influence	<ul style="list-style-type: none"> <li>- U. P. Hotels Clarks Limited</li> <li>- U. P. Hotels India Limited</li> <li>- Kalyani Holdings &amp; Finance Limited</li> <li>- The Indian Textiles Co. Private Limited</li> <li>- Indian Textiles Company (Holdings) Private Limited</li> <li>- Hotel Clarks Varanasi Limited</li> <li>- Great Value Hotels Private Limited</li> <li>- Banaras House Private Limited</li> <li>- Bonita India Limited</li> <li>- Banaras International Limited</li> <li>- Banaras Global Private Limited</li> <li>- Banaras House Engineering Private Limited</li> <li>- U P Export Industries Limited</li> <li>- Indus Textiles Private Limited</li> <li>- Indus Techpark Private Limited</li> <li>- Brijrama Hospitality Private Limited</li> <li>- The Indian Textiles Co. (Kolkata) Private Limited</li> <li>- Nightangle Jewellers Private Limited</li> <li>- Naina Vanijya Private Limited</li> <li>- Indus Intex Private Limited</li> <li>- Clement Orient Private Limited</li> <li>- Daivik Wellness Centre Private Limited</li> <li>- Clarks Brij Hotels India Limited</li> <li>- Brij Pal Das Rama Devi Foundation</li> <li>- Nagreeka Brij Hotels Bhav Nagar Private Limited</li> <li>- Silk Emporium</li> <li>- Oriental Textiles</li> <li>- Rastriya Vikas Limited</li> <li>- Oriental Emporium</li> <li>- The Jaipur Shop</li> <li>- Pride Hospitality Limited</li> <li>- L P Gupta Family Trust</li> <li>- P D Gupta &amp; Sons</li> <li>- Birendra Kumar &amp; Sons</li> <li>- Binay Kumar &amp; Family</li> <li>- Binay Kumar &amp; Sons</li> <li>- Kumar Sushil (HUF)</li> </ul>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

Related Party Transactions

\* Bold figures in this note pertain to current year where as figures not in bold are pertaining to previous year.

Related Parties	Remuneration	Dividend	Rent Paid/ (Received)	Sitting fees	Donation	Loan Recoverable/ (Given)	Balance Outstanding Payable/ (Recoverable)
<b>Subsidiaries : NIL</b>							
<b>Key Management Personnel</b>							
Shri Apurv Kumar	40.62	-	2.40	-	-	-	1.70
	40.65	0.62	2.40	-	-	-	1.70
Shri Rupak Gupta	40.91	-	-	-	-	-	1.24
	41.10	14.52	-	-	-	-	1.23
Shri Prakash Chandra Pusty (w.e.f. 15th February 2017)	16.65	-	-	-	-	-	0.50
	2.08	-	-	-	-	-	-
Shri Sidharth Ghatak (Upto 16th May 2016)	3.30	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Other Directors</b>							
Smt. Supriya Gupta	4.47	-	-	-	0.45	-	0.91
	-	-	-	-	0.50	-	0.91
Shri Arvind Kumar	-	-	-	-	0.45	-	-
	-	0.52	-	-	0.55	-	-
<b>Relatives of Key Management Personnel</b>							
Smt. Aditi G Mittal	-	-	4.20	-	-	-	14.46
	-	-	4.20	-	-	-	11.50
Shri Akshay Gupta	5.57	-	-	-	-	-	0.38
	5.50	-	-	-	-	-	0.41
Shri Binay Kumar	-	-	-	-	-	-	-
	-	0.76	-	-	-	-	-
Smt. Veena Binay Kumar	-	-	-	-	-	-	-
	-	2.52	-	-	-	-	-
Smt. Rani Upsam	-	-	-	-	-	-	-
	-	0.79	-	-	-	-	-
Smt. Rajeshwari Kumar	24.84	-	-	-	-	-	0.36
	3.80	0.39	-	-	-	-	0.22
Shri Arjun Kumar	5.82	-	-	-	-	-	0.31
	5.81	0.85	-	-	-	-	0.38
Shri Anant Kumar	5.82	-	-	-	-	-	0.31
	5.81	0.37	-	-	-	-	0.38
Shri Anoop Kumar	8.51	-	-	-	-	4.17	-
	8.45	1.53	-	-	-	(6.81)	(4.17)
Shri Anyavir Kumar	-	-	-	-	-	-	-
	-	0.01	-	-	-	-	-
Smt. Renuka Kumar	4.09	-	-	-	-	-	4.53
	4.18	0.01	-	-	-	-	(5.61)
Smt. Vibha Agrawal	-	-	-	-	-	-	-
	-	1.47	-	-	-	-	-
Shri Vivek Kumar	-	-	-	-	-	-	-
	-	1.15	-	-	-	-	-
Smt. Shipra Kumar	-	-	-	-	-	-	-
	-	0.64	-	-	-	-	-
Shri Udit Kumar	-	-	-	-	-	-	-
	-	0.23	-	-	-	-	-
Shri Manish Kumar	3.23	-	-	-	-	-	-
	4.30	2.24	-	-	-	-	0.25
Smt. Meera S Kumar	-	-	-	-	-	-	-
	-	1.74	-	-	-	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

Related Parties	Remuneration	Dividend	Rent Paid/ (Received)	Sitting fees	Donation	Loan Recoverable/ (Given)	Balance Outstanding Payable/ (Recoverable)
Shri Upendra Kumar	-	-	4.13	-	-	-	-
Smt. Anuradha Kumar	-	-	0.45	-	-	-	-
Smt. Sudhira Gupta	-	-	0.82	-	-	-	-
Shri Ravi M Gupta	5.33	-	1.77	-	-	-	-
Smt. Nandini Gupta	5.51	-	0.65	-	-	-	-
Shri Amav Kumar	-	-	0.23	-	-	-	-
Smt. Uma Kumar	-	-	0.51	-	-	-	-
Shri Alok Kumar	-	-	1.23	-	-	-	-
Shri Aditya Kumar	-	-	0.95	-	-	-	-
Shri Rakesh M Gupta	-	-	1.61	-	-	-	-
Shri Sushil Kumar	-	-	1.38	-	-	-	-
Shri Chaitanya Kumar	-	-	0.29	-	-	-	-
Shri. Birendra kumar	-	-	0.72	-	-	-	-
<b>Entities over which Key Management Personnel have significant influence</b>							
Silk Emporium	-	-	(1.45)	-	-	-	(0.04)
ANK Travels Limited	-	-	(1.56)	-	-	-	(0.02)
The Jaipur Shop	-	-	(0.87)	-	-	-	-
	-	-	(0.86)	-	-	-	-
	-	-	(1.20)	-	-	-	-
	-	-	(1.20)	-	-	-	-
Brijpal Das Devi Foundation	-	-	-	-	3.00	-	-
The Indian Textiles Co. Pvt. Ltd.	-	-	-	-	2.00	-	-
	-	23.30	-	-	-	-	-
Birendra Kumar & Sons	-	1.18	-	-	-	-	-
Binay Kumar & Family	-	-	-	-	-	-	-
	-	0.29	-	-	-	-	-
Binay Kumar & Sons	-	-	-	-	-	-	-
	-	0.21	-	-	-	-	-
Kumar Sushil (HUF)	-	-	-	-	-	-	-
	-	1.74	-	-	-	-	-
Hotel Clarks Varanasi Ltd.	-	-	-	-	-	-	-
	-	3.18	-	-	-	-	-
Banaras House Pvt. Ltd.	-	-	-	-	-	-	-
	-	9.58	-	-	-	-	-
P D Gupta & Sons	-	-	-	-	-	-	-
	-	0.06	-	-	-	-	-
Bonita India Ltd.	-	-	-	-	-	-	-
	-	0.01	-	-	-	-	-

31. Employees Benefits

31.1 Defined Contribution Plans.

A sum of Rs.130.73 Lakhs (2017 - Rs. 135.09 lakhs) on account of Provident Fund has been debited to contribution to provident and other funds. Employees State Insurance contribution Rs. 41.92 Lakhs (2017 - Rs. 34.25 lakhs) has been debited to staff welfare expenses.

31.2 Disclosures as per actuarial valuation are given as under-

(Rs. In lakhs)

Description	Gratuity				Leave Encashment	
	Funded		Non Funded		Non Funded	
	2018	2017	2018	2017	2018	2017
<b>Change in present value of obligation</b>						
Present Value of Obligation as at beginning of the year	617.24	595.24	20.74	19.08	69.61	69.13
Interest Cost	46.19	47.62	1.63	1.53	5.46	5.53
Current Service Cost	79.28	34.84	2.23	1.81	11.02	10.18
Benefits Paid	(50.74)	(37.54)	-	-	-	-
Past Service Cost	-	-	-	-	-	-
Actuarial (gain)/loss on obligation	(32.15)	(22.92)	(1.54)	(1.68)	(20.52)	(15.22)
<b>Present value of obligation as at end of the year</b>	<b>659.82</b>	<b>617.24</b>	<b>23.06</b>	<b>20.74</b>	<b>65.57</b>	<b>69.61</b>
<b>Change in the fair value of plan assets</b>						
Fair value of plan assets at the beginning of year	430.70	369.68	-	-	-	-
Expected return on plan assets	32.11	30.58	-	-	-	-
Contributions	79.42	69.15	-	-	-	-
Benefits paid	(50.74)	(37.54)	-	-	-	-
Actuarial gain/(loss) on plan assets	-	(1.18)	-	-	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>491.49</b>	<b>430.70</b>	-	-	-	-
<b>Funded Status</b>	<b>168.33</b>	<b>186.55</b>	-	-	-	-
<b>Expenses recognised in statement of Profit &amp; Loss</b>						
Current Service Cost	79.28	34.84	2.23	1.81	11.02	10.18
Interest cost	46.19	47.62	1.63	1.53	5.46	5.53
Expected return on plan assets	(32.11)	(30.58)	-	-	-	-
Amount recognised in statement of Profit & Loss	93.35	51.88	3.86	3.34	16.48	15.71
Amount recognised in OCI	(32.15)	(21.74)	(1.54)	(1.68)	(20.52)	(15.22)

31.3 The Following table sets out the assumptions used in actuarial valuation of gratuity and leave encashment

Description	Gratuity						Leave Encashment	
	Funded				Non Funded		Non Funded	
	Lucknow		Others					
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>Financial Assumptions used to determine the Profit &amp; Loss Charge</b>								
a) Discounted Rate	8.00 P.A.	8.00 P.A.	8.00 P.A.	8.00 P.A.	7.84 P.A.	8.00 P.A.	7.84 P.A.	8.00 P.A.
b) Salary Escalation Rate	7.00 P.A.	7.00 P.A.	7.00 P.A.	7.00 P.A.	7.00 P.A.	7.00 P.A.	7.00 P.A.	7.00 P.A.
c) Expected Rate of Return on Asset	8.25 P.A.	8.25 P.A.	8.00 P.A.	8.00 P.A.				
<b>Demographic Assumptions used to Determine the Defined Benefit</b>								
a) Retirement Age	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
b) Employer Turnover/Attrition Rate								
18 to 30 Years	5%	5%	3%	3%	5%	5%	5%	5%
30 to 45 Years	3%	3%	2%	2%	3%	3%	3%	3%
Above 45 Years	1%	1%	1%	1%	1%	1%	1%	1%

Note:- Figures for the financial year ending 31.3.2017 have been restated as per Ind-AS to make these figures comparable with those of 31.3.2018.

**32. Impairment**

It is the view of the management that there are no impairment conditions that exist as on 31st March, 2018. Hence, no provision is required in the accounts for the year under review.

**33. Details of prior period expenditure debited under various heads:**

(Rs. In lakhs)

	31.03.2018	31.03.2017
Salary, Wages, Bonus etc.	-	2.57
Commission to Travel Agents etc.	-	7.84
Repair & Maintenance:		
- Building	-	2.30
- Others	0.03	2.57
<b>Total</b>	<b>0.03</b>	<b>15.28</b>

**34. Earnings per share**

Particulars	31.03.2018	31.03.2017
Profit after income tax	304.65	376.58
Weighted average number of equity shares outstanding	5400000	5400000
Earnings per share in rupees (face value of Rs. 10/- per share)- Basic & diluted	5.64	6.97

**35. Foreign Currency Earnings and Expenditure**

		31.03.2018	31.03.2017
A.	Earnings in foreign currency		
	On Hotel Earnings (realization basis)	478.57	288.34
B.	Value of imports calculated on CIF basis in respect of:		
	Provision, beverages & others	-	22.30
	Capital Goods	23.30	0.81
C.	Expenditure in foreign currency		
	Travelling, Staff Training, etc.	70.80	41.44
	Commission	18.73	11.75

**36. Consumption of provisions, beverages, wines & liquor etc.:**

Particulars	31.03.2018		31.03.2017	
		%		%
Imported	21.23	1.46	22.30	1.54
Indigenous	1430.66	98.54	1422.70	98.46
	<b>1451.89</b>	<b>100.0</b>	<b>1445.00</b>	<b>100.00</b>

37. During the year ended 31st March, 2018, the Company was required to spend an amount of Rs. 12.24 lakhs (2017 - Rs. 12.10 lakhs) on CSR activities. Further, the company was required to spend Rs. 43.30 lakhs pertaining to earlier years. Accordingly, the company was required to spend cumulatively Rs. 55.54 lakhs during financial year 2017-18 and has spent Rs. 56.23 lakhs during the year ended 31.03.2018. Details of CSR expenditure incurred during the year ending 31.3.2018 are as below:

Socio-economic development	42.00
Promoting Education	3.47
Animal Welfare	7.01
Promoting health care	2.02
Sanitation	1.73
<b>Total</b>	<b>56.23</b>

38. During the year, the company has recovered loan amount of Rs. 8.70 lakhs given inadvertently during the year ending 31.3.2017 to two relatives of directors.
- 39.1 The Company had taken corporate steps for compliance with Minimum Public Shareholding (MPS) requirement, by passing a board resolution dated 27.05.2013 and shareholder's resolution dated 23.07.2013 for issuance of Bonus Shares to the public shareholders. The said board resolution and the shareholders' resolution was however subject to status quo order dated 20.03.2013 in a civil suit filed before a Civil Court at Lucknow bearing Regular Suit No. 1574 of 2012, titled Birendra Kumar & Ors. vs. Sushil Kumar & Ors. ("Civil Suit"). The Civil Suit filed by three members of the promoter group family against other family members and the Company is also a party to the same. The suit is presently pending adjudication.
- 39.2 The Company was further unable to take requisite steps for issuance of Bonus Shares to the public shareholders even after the Extra-ordinary General meeting held on 23.07.2013 as 62.5% of promoter shareholders did not relinquish their right to Bonus shares and thus could not maintain/comply with the minimum public shareholding (MPS) requirement. Securities & Exchange Board of India (SEBI) vide its orders dated 04.06.2013 and 02.12.2014 has inter alia directed freezing of voting rights and corporate benefits with respect to excess of proportionate promoter/promoter group shareholding and other directions against the promoter shareholders and directors. The Company had preferred an appeal against the said order dated 02.12.2014 before the Securities Appellate Tribunal (SAT). SAT vide its Order dated November 11, 2016 permitted the Company to withdraw the appeals before SAT with liberty to move an application before the appropriate authority seeking permission to delist the Company and for that purpose to seek modification of the aforesaid orders dated 4th June, 2013 and 2nd December, 2014 from SEBI. The Order further states that in the event of the application for delisting being rejected, appellants are at liberty to approach SAT to challenge the said orders as also the impugned orders.
- 39.3 Since the promoters of the company could not come into consensus to waive off their bonus rights or to off load their shareholding to comply the MPS requirement, the Company has filed an application with SEBI seeking modification of its orders dated 4th June, 2013 and 2nd December, 2014 so that the continuation of the aforesaid orders shall not affect the efforts of the company/its promoters' for revocation of suspension of trading of shares / to delist shares of the company from stock exchange. The decision of SEBI is awaited.
- 40.1 Both the Joint Managing Directors and CFO have raised concerns regarding working of hotels, certain/various aspects of management and on the matter pending before National Company Law Tribunal for Oppression and Mismanagement. Due to the ongoing disputes and internal differences, there are differences of opinion / disagreement in the manner, the internal financial controls needs to be strengthened further and certain discrepancies/ non-compliances relating to various Acts, Listing Regulations etc. They have also given a caveat certificate to the Auditors as regards the matter specified in Para 40.2.
- 40.2 In the meanwhile, a petition has been filed on 15th May 2015 by one of the Joint Managing Directors titled as Rupak Gupta Vs. UPHL & Ors. before the Company Law Board (now the National Company Law Tribunal), New Delhi against the Company and others under Sections 397/398, 402, 403 and 237 of the Companies Act, 1956 and Section 219 & Section 220 of the Companies Act, 2013 for oppression and mismanagement. The other Joint Managing Director has filed a reply to the petition on 09.05.2016 on behalf of the respondents - himself and has contested the Petition and denied all the allegations. The Petition is currently pending adjudication.
- 40.3 The Company has formulated the Policy for Risk Management for identification/evaluation, monitoring and minimization of identifiable risks to ensure business growth with financial stability of the Company. Due to the differences and disagreements between the management and ongoing suits which have been filed at the Hon'ble Civil Court, Lucknow, and in the Hon'ble NCLT, New Delhi, the appropriate discussions, supervisions, review on the affairs, operation of the company could not take place during the year under review at Audit Committee and Board level. However, the Audit Committee discussed and took note of the Internal Audit Reports at appropriate intervals and issue verbal advises to the Internal Auditors and units for better control.

The Company is in the process to introduce/implement internal financial controls along with risk matrix/management system in the ensuing year.

41. On account of various disputes/litigations, difference of opinion / disagreement, the Company has been unable to comply with below provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Companies Act, 2013, etc. along with various aspects of management and internal issues, financial control etc.:
- a) The company has not complied with Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as it has not published financial results for any of the quarters for Financial Year 2017-18.
  - b) The Company has not complied with Regulation 38 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with regard to Minimum Public Shareholding (MPS).
  - c) The Company has not yet achieved 100 percent dematerialization of the promoter's shareholding as per circular no. DCS/COM/CIR-03/2011-12 dated 29.06.2011 of BSE Limited.
  - d) The Related Party Transactions relating to previous years could not be approved by the Audit Committee and Board of Directors during the year considering that since the issues pertaining to related party transactions falls within the purview of Oppression and Management and the legal matter on Oppression and Management is pending before the Hon'ble National company Law Tribunal (NCLT) for adjudication and any decision of the Board of Directors may be contrary to the decision of the NCLT which may not be executable later, the Board in its meeting on 20th August, 2017 decided to defer the related party transactions matter till the final decision of the NCLT. Accordingly, the transactions have not been entered in the Register maintained under Section 189 of the Companies Act, 2013. However, all transactions except one with the Related Parties were not approved during the year by Audit Committee & Board and the same were not entered in the prescribed Register except the approved one.
42. During the year, the company has complied most of the non-compliances occurring during the previous years. Due to various non-compliances, BSE Limited imposed total fine of Rs. 19.95 lakhs for the late/non-compliance. The Company has deposited the said amount with BSE Limited.
43. Amounts are given in lakhs except stated otherwise. Previous year figures have been regrouped/ reclassified wherever necessary to conform to this year's classification.
44. **FIRST TIME ADOPTION OF Ind AS**

This financial statement is the first financial statement that has been prepared in accordance with Ind AS together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant Accounting Policies. The transition to Ind AS has been carried out in accordance with Ind AS 101-'First time adoption of Indian Accounting Standards' with 1st April 2016 as the transition date.

This note explains the exemptions availed by the company on first time adoption of Ind AS and the principal adjustments made by the Company in restating its Indian GAAP financial statements as at 1st April 2016 and financial statements as at and for the year ended 31st March 2017 in accordance with Ind AS 101.

**Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has, accordingly, applied following exemptions:

- a) The Company has elected to consider carrying amount of all items of property, plant and equipments measured as per Indian GAAP as recognized in the financial statements as at the date of transition, as deemed cost at the date of transition. The effect of consequential changes arising on the application of other Ind AS has been adjusted to the deemed cost of Property, Plant & Equipment.
- c) The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 1st April 2016.
- d) The estimates at 1st April 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation:
  - Fair values of Financial Assets & Financial Liabilities
  - Impairment of financial assets based on expected credit loss model
  - Discount rates

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2016 and 31st March, 2017.

**Disclosure as required by Ind AS 101- First time adoption of Indian Accounting Standards**

Reconciliation of Equity -

(Rs. In lakhs)

Particulars	As at 31st March 2017			As at 1st April 2016		
	As per Indian GAAP	IND AS Adjustments	As per IND AS	As per Indian GAAP	IND AS Adjustments	As per IND AS
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, Plant and Equipment	5,989.11	(3.60)	5,985.51	5,976.70	(3.82)	5,972.88
Capital Work-In-Progress	2.06	-	2.06	-	-	-
Intangible Assets	7.25	-	7.25	4.50	-	4.50
Financial Assets :	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-
Other Non-Current Assets	107.08	3.38	110.46	97.40	3.60	101.00
<b>Total Non-current assets</b>	<b>6,105.49</b>	<b>(0.22)</b>	<b>6,105.27</b>	<b>6,078.60</b>	<b>(0.22)</b>	<b>6,078.38</b>
<b>Current assets</b>						
Inventories	345.12	-	345.12	280.26	-	280.26
Financial Assets :						
Investments	892.21	-	892.21	808.88	-	808.88
Trade Receivables	975.57	-	975.57	835.45	-	835.45
Cash and Cash Equivalents	706.78	-	706.78	728.46	-	728.46
Bank Balances other than above	1,530.17	-	1,530.17	1,800.76	-	1,800.76
Other Financial Assets	65.45	-	65.45	52.04	-	52.04
Other Current Assets	177.38	0.22	177.60	174.57	0.22	174.79
<b>Total Current assets</b>	<b>4,692.68</b>	<b>0.22</b>	<b>4,692.91</b>	<b>4,680.41</b>	<b>0.22</b>	<b>4,680.63</b>
<b>Total Assets</b>	<b>10,798.17</b>	<b>-</b>	<b>10,798.17</b>	<b>10,759.01</b>	<b>-</b>	<b>10,759.01</b>

Particulars	As at 31st March 2017			As at 1st April 2016		
	As per Indian GAAP	IND AS Adjustments	As per IND AS	As per Indian GAAP	IND AS Adjustments	As per IND AS
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	540.00	-	540.00	540.00	-	540.00
(b) Other equity	7,708.14	-	7,708.14	7,446.77	-	7,446.77
<b>Total Equity</b>	<b>8,248.14</b>	<b>-</b>	<b>8,248.14</b>	<b>7,986.77</b>	<b>-</b>	<b>7,986.77</b>
<b>Liabilities</b>						
<b>Non-current Liabilities</b>						
Financial Liabilities :						
Other Financial Liabilities	0.25	-	0.25	1.12	-	1.12
Provisions	84.90	-	84.90	82.02	-	82.02
Deferred Tax Liabilities (Net)	293.72	-	293.72	328.34	-	328.34
<b>Total Non-current Liabilities</b>	<b>653.59</b>	<b>-</b>	<b>378.86</b>	<b>556.07</b>	<b>-</b>	<b>411.48</b>
<b>Current Liabilities</b>						
Financial Liabilities :						
Trade Payables	1,068.42	-	1,068.42	915.90	-	915.90
Other Financial liabilities	579.55	-	579.55	477.45	-	477.45
Other Current Liabilities	307.14	-	307.14	262.26	-	262.26
Provisions	216.06	-	216.06	705.16	-	705.16
<b>Total Current Liabilities</b>	<b>1,896.44</b>	<b>-</b>	<b>2,171.17</b>	<b>2,216.17</b>	<b>-</b>	<b>2,360.76</b>
<b>Total Equity and Liabilities</b>	<b>10,798.17</b>	<b>-</b>	<b>10,798.17</b>	<b>10,759.01</b>	<b>-</b>	<b>10,759.01</b>

**Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

(Rs. In lakhs)

Particulars	As per Indian GAAP	IND AS Adjustments	As per IND AS
Revenue from Operations (Net)	8,789.45	-	8,789.45
Other Income	290.95	-	290.95
<b>Total revenue</b>	<b>9,080.40</b>	<b>-</b>	<b>9,080.40</b>
<b>Expenses :</b>			
Consumption of Provisions, Beverages And Others	1,445.00	-	1,445.00
Employee Benefits Expense	2,527.72	(38.64)	2,566.36
Finance Costs	11.31	-	11.31
Depreciation and Amortization Expense	650.79	0.22	650.57
Other Expenses	3,746.81	(0.22)	3,747.02
<b>Total Expenses</b>	<b>8,381.62</b>	<b>(38.64)</b>	<b>8,420.26</b>
<b>Profit before Tax</b>	<b>698.78</b>	<b>38.64</b>	<b>660.14</b>
Tax expense	318.18	-	318.18
Current Tax	-	-	-
Deferred Tax	(34.62)	-	(34.62)
<b>Profit for the Year</b>	<b>415.22</b>	<b>38.64</b>	<b>376.58</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss -	-	-	-
Remeasurements of the defined benefit plans	-	-	-
<b>Total Comprehensive Income for the period</b>	<b>415.22</b>	<b>-</b>	<b>415.22</b>

**Notes to the reconciliation of equity as at 1st April 2016 and 31st March 2017 and Total comprehensive income for the year ended 31st March 2017**

**1. Leasehold land**

Under Indian GAAP, land on lease was not covered under 'Leases' and therefore it was shown as Tangible assets. Under Ind AS, land on lease is considered as operating lease. Therefore, net block of leasehold land (31st March 2017 Rs. 3.38 Lakhs, 1st April 2016 Rs. 3.60 Lakhs) has been re-classified under the head "Other Non-Current Assets" whereas lease rental of Rs. 0.22 Lakhs chargeable within next 12 months has been classified under the head "Other Current Assets". Further, lease rental of Rs. 0.22 Lakhs has been charged to revenue during the year ended 31st March 2017. Leasehold land expenses in earlier years is correctly charged to revenue and has no impact on the profitability or other equity.

**2. Defined benefit obligation**

Under Ind AS, remeasurements i.e. actuarial gains and losses are to be recognized in 'Other Comprehensive Income' and are not to be reclassified to profit and loss in a subsequent period. Under the Indian GAAP, these remeasurements were forming part of the profit or loss. Therefore, actuarial gain/loss amounting to Rs. 38.64 Lakhs for the financial year 2016-17 has been recognized in OCI, which was earlier recognised as Employee benefits expense. However, the same has no impact on the total equity as at 31st March, 2017.

**3. Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on statement of cash flows.

**For & on behalf of the Board of Directors of U. P. Hotels Limited**

Bisheshwar Prasad Singh  
Chairman  
DIN 06949954

Apurv Kumar  
Joint Managing Director  
& Chief Financial Officer  
DIN 00043538

Rupak Gupta  
Joint Managing Director  
& Chief Financial Officer  
DIN 00007310

Prakash Chandra Prusty  
(Company Secretary)  
M.No : A14624

Place : New Delhi  
Date : 29th May 2018





## U. P. HOTELS LIMITED

CIN No. L55101 DL1961PLC017307

Regd. Office : 1101, Surya Kiran, 19, Kasturba Gandhi Marg, New Delhi- 110001

### ATTENDANCE SLIP

57<sup>th</sup> Annual General Meeting held on **Tuesday, 25th day of September, 2018 at 2.30 p.m.**

Name of Member	
Name of Proxy, if any / Authorised Representative	
Folio No./ DP Client ID No.	
No. of Shares held	

I/We hereby record my / our presence at the 57th Annual General Meeting of the Company to be held on Tuesday, 25th day of September, 2018, at 2.30 p.m. at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016.

\_\_\_\_\_  
Signature of First holder/Proxy/ Authorized Representative

#### Notes:

1. Members/Proxy holders/Authorised Representatives are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand it over at the entrance of the Meeting Venue.
2. Physical copy of the Annual Report for the Financial Year 2017-18 & the Notice of the AGM alongwith Attendance Slip & Proxy form is being sent in the permitted mode(s) to all members whose e-mail is not registered or have requested for hard copy. Please bring your copy of the Annual Report to the Meeting.
3. The Meeting is of members only and you are requested not to bring with you any person who is not a member or a proxy.



## U. P. HOTELS LIMITED

CIN No. L55101 DL1961PLC017307

Regd. Office : 1101, Surya Kiran, 19, Kasturba Gandhi Marg, New Delhi - 110001

### Form No. MGT-11

### Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

<p><b>Name of the member(s):</b></p> <p><b>Registered Address:</b></p> <p><b>E-mail ID:</b></p> <p><b>Folio No./Client ID:</b></p> <p><b>DP ID:</b></p>	
---	--

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_, Or failing him
2. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_, Or failing him
3. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_, Or failing him

as my/our Proxy to attend vote (on a poll) for me/us and on my/our behalf at the 57th Annual General Meeting for the Financial Year ending 31-03-2018 of the company to be held on Tuesday, 25th day of September, 2018 at 2.30 p.m. at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.	Description	Optional*		
		No. of Shares held by me	For	Against
<b>Ordinary Business</b>				
1	Adoption of Balance Sheet, Statement of Profit & Loss and Cash flow statement and the Reports of the Board of Directors and Auditors' thereon for the financial period ended on March 31, 2018.			
2	Re-appointment of Mr. Arvind Kumar, who retires by rotation & offers himself for re-appointment.			
<b>Special business</b>				
1	Appointment and fixation of remuneration of Shri Apurv Kumar for a period of three year w.e.f. 15th May, 2018.			
2	Appointment and fixation of remuneration of Shri Rupak Gupta for a period of three year w.e.f. 15th May, 2018.			
3	Continuation of directorship of Mr. Bisheshwar Prasad Singh in the company.			
4	Continuation of directorship of Mr. Arvind Kumar in the company.			

Signed this ..... day of September, 2018

\_\_\_\_\_  
 Signature of the Shareholder                      Signature of Proxy holder(s)                      Affix Revenue Stamp

**Note:**

This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the Meeting. \* This is only optional. A holder may vote either for or against each resolution. Please put 'X' in appropriate column against the resolutions indicated in the box. If you leave the 'for' or 'against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks fit. In case of joint shareholders, the signature of any of the shareholder will be sufficient, but the name of all shareholders should be stated.

## ROUTE FOR AGM VENUE



*If undelivered please return to:*



**U. P. HOTELS LIMITED**

CIN No. L55101 DL1961PLC017307

**Regd. Office:** 1101, Surya Kiran,  
19, Kasturba Gandhi Marg,  
New Delhi- 110001