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Board of Directors

Chairman & Non-Executive Director

Nakul Anand

Non-Executive Directors

Prafull I. Bhuva
Cheruvettolil Kochukoshy Koshy
Rohit C. Mehta
Mahalinga Narayanan
Subrahmoneyan Chandra Sekhar
Ashok K. Tandon

BOARD COMMITTEES

Audit Committee

Rohit C. Mehta	Chairman
Prafull I. Bhuva	Member
C. K. Koshy	Member
M. Narayanan	Member
S.C.Sekhar	Member
Representative of Statutory Auditors	Permanent Invitee
Rajani Sharma	Secretary

Investor Services Committee

S.C.Sekhar	Chairman
Nakul Anand	Member
Ashok K. Tandon	Member
Rajani Sharma	Secretary

Company Secretary

Rajani Sharma

Auditors

M/s. Talati & Talati
Chartered Accountants
Vadodara

Registered Office

WelcomHotel Vadodara
R.C.Dutt Road
Vadodara - 390 007
Tel. : 0265-2330033



GUJARAT HOTELS LIMITED

Nakul Anand

Nakul Anand was appointed a Director on the Board of Directors of the Company on March 10, 1998 and as Chairman of the Board effective 21st March, 2009. He is an Economics Honours graduate from Delhi University. He has a rich experience of 30 years in hotel industry during which he has held various positions in ITC - Welcomgroup's prestigious hotels including that of General Manager of the flagship hotel, ITC Maurya. He is currently the Divisional Chief Executive of Hotels Division of ITC Limited.

Anand is widely recognised for excellent man-management and team building abilities and for infusing the spirit of action and result oriented work culture. A firm believer of value based strategies, he has created a unique quality control model of operational excellence. He has won a number of awards for excellence including General Manager of the Year among General Managers worldwide, the Green Hotelier, to name a few.

Other Directorships

Name of the Company

International Travel House Limited
Fortune Park Hotels Limited
Landbase India Limited
Srinivasa Resorts Limited
Bay Islands Hotels Limited
Maharaja Heritage Resorts Limited
Adayar Gate Hotels Limited

Position

Chairman & Director
Chairman & Director
Chairman & Director
Vice Chairman & Director
Director
Director
Director

Other Committee Memberships

Nil

Prafull I.Bhuva

Prafull I. Bhuva was appointed a Director on the Board of Directors of the Company on May 25, 1998. He holds a Bachelor's degree in Chemical Engineering from Kinki University, Osaka, Japan. He has a rich experience of 39 years in Chemical Industry and also in Industrial Relations & Management. He was the President of Federation of Gujarat Industries.

Other Directorships

Name of the Company

Indo-Nippon Chemical Co. Limited
Bhuva Holdings Limited
Darshan Overseas PTE Limited*

Position

Director
Director
Director

Other Committee Memberships

Nil



GUJARAT HOTELS LIMITED

C. K. Koshy

C. K. Koshy was appointed a Director on the Board of Directors of the Company on May 1, 2007. He is Master of Arts in Political Science and Public Administration from Kerala University and qualified for the Indian Administrative Service in 1968. During his distinguished career spanning over 35 years, he held several positions with the Government of Gujarat including Additional Chief Secretary, in the departments of Revenue, Industries and Mines, Tourism and Civil Aviation and Finance and Principal Secretary to the Chief Minister. He also served as Managing Director of the Tourism Corporation of Gujarat, Gujarat State Small Industries Corporation, Girinar Scooters Limited, Sardar Sarovar Narmada Nigam Limited, and as Joint Managing Director of the Gujarat Industrial Investment Corporation.

Koshy also served the Government of India as Joint Secretary and Financial Advisor to the Department of Atomic Energy and as Executive Director of Nuclear Power Corporation Limited, a Public Sector Undertaking of the Government of India. At the time of his retirement in February 2005, he was the Chairman of Gujarat State Petroleum Corporation Limited, Gujarat Petronet Limited and Gujarat Energy Research and Management Institute.

Other Directorships

Name of the Company

Surat Textile Mills Limited
ITI Limited

Position

Special Director
Special Director

Other Committee Memberships

Nil

Rohit C.Mehta

Rohit C. Mehta was appointed a Director on the Board of Directors of the Company on March 28, 2003. He is a Law Graduate from Bombay University. Mehta is a prominent and successful Industrialist with a wide and varied experience in the management of business and industry. He has the privilege of being Chairman and Managing Director of Rohit Mills Limited for more than 40 years. He has also been the President of Federation of Indian Chamber of Commerce and Industry. He has been on the boards of various other reputed companies. He has been associated with a number of industries, associations, federations and several social, educational, sports and charitable organisations. He has also been the International President of Lions Club International. He is an active promoter of Lionism in India and a recipient of various awards.

Other Directorships

Name of the Company

Torrent Cables Limited
GRUH Finance Limited
Cama Hotels Limited

Position

Chairman & Director
Director
Director

Other Committee Memberships

Name of the Company

GRUH Finance Limited

Committee

Audit Committee

Position

Member



GUJARAT HOTELS LIMITED

M. Narayanan

M. Narayanan was appointed a Director on the Board of Directors of the Company on January 10, 2008. His academic qualifications include a post graduation in Commerce, degree in Law, diploma in Business Management and Certified Associated Membership of the Indian Institute of Bankers. He has considerable experience of over four decades in Banking, Project Finance, Administration and related areas.

Narayanan started his career with Reserve Bank of India in 1964 and handled work in its various departments. In 1969 he moved over to the Bank of Baroda and continued there till March, 1985. During his tenure with Bank of Baroda he worked in all departments of commercial banking operation and was incharge of large branches of the Bank. In April, 1985 he joined Industrial Finance Corporation of India and had held Senior Management positions. In October, 1997 he joined Tourism Finance Corporation of India Limited (TFCI) as Managing Director and rose to the position of Chairman and Managing Director which position he held till his retirement from TFCI in September, 2006. He was conferred with "Udyog Rattan Award" in the year 2005 by the Institute of Economic Studies, New Delhi for excellence in his performance.

Other Directorships

Name of the Company	Position
Pride Hotels Limited	Chairman & Director
Cox & King Limited	Director
Royale Indian Rail Tours Limited	Director

Other Committee Memberships

Name of the Company	Committee	Position
Cox & King Limited	Audit Committee	Member

S.C.Sekhar

S.C.Sekhar was appointed a Director on the Board of Directors of the Company on March 24,1992. A Science graduate from Delhi University and a Member of the Institute of Chartered Accountants of India, Sekhar has a rich experience of 32 years in hotel industry.

Other Directorships

Name of the Company	Position
Landbase India Limited	Managing Director
International Travel House Limited	Director
Fortune Park Hotels Limited	Director
Srinivasa Resorts Limited	Director
Bay Islands Hotels Limited	Director
Maharaja Heritage Resorts Limited	Director
Adayar Gate Hotels Limited	Director
CLI3L e-Services Limited	Director



GUJARAT HOTELS LIMITED

Other Committee Memberships

Name of the Company	Committee	Position
Srinivasa Resorts Limited	Audit Committee	Chairman
International Travel House Limited	Audit Committee & Investor Services Committee	Member
Adayar Gate Hotels Limited	Audit Committee	Member
CLI3L e-Services Limited	Audit Committee	Member

Ashok K. Tandon

Ashok K. Tandon was appointed a Director on the Board of Directors of the Company on March 10, 1998. A Law Graduate from Delhi University and a Member of the Institute of Company Secretaries of India, he was practising in Delhi High Court and Supreme Court for 7 years before joining hotels' business of ITC Limited.

Tandon has been associated with the Company since its inception and held responsibility for its Corporate Secretarial activity till 1997.

Other Directorships Nil

Other Committee Memberships Nil

Notes: 1) Directorships in private limited companies have been excluded
2) Committee Memberships/Chairmanships is in respect of Audit Committee and Investor Grievance/Services Committee.

* Denotes Foreign Company



Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the Financial year ended 31st March, 2009.

THE COMPANY'S GOVERNANCE PHILOSOPHY

The Company defines Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth generating capacity and believes that the governance process should ensure that the companies are managed in a manner that meets stakeholder aspirations and societal expectations.

The Company has complied with all the Mandatory requirements on Corporate Governance laid down by the Stock Exchanges.

BOARD OF DIRECTORS

All statutory and material information are placed before the Board to enable it to discharge its responsibilities effectively.

Composition

The Board of Directors of the Company consists of seven Non- Executive Directors with four of them being Independent.

The composition of Directors and the attendance at the Board Meetings during the financial year ended 31st March, 2009 and the last Annual General Meeting as also number of other Directorships and Committee Memberships are given below:

Sl. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships (*)	No. of other Committee Memberships/ Chairmanships (**)
1	S.S.H. Rehman***	Chairman & Non-Executive Director	5	Yes	Not Applicable***	Not Applicable***
2	Nakul Anand****	Chairman & Non-Executive Director	5	Yes	7	Nil
3	S. C. Sekhar	Non-Executive Director	4	Yes	8	5 (including 1 as Chairman)
4	Ashok K. Tandon	Non-Executive Director	4	No	Nil	Nil
5	Prafull I. Bhuva	Non-Executive Independent Director	5	Yes	3	Nil
6	C. K. Koshy	Non-Executive Independent Director	5	Yes	2	Nil
7	Rohit C. Mehta	Non-Executive Independent Director	5	Yes	3	1
8	M. Narayanan	Non-Executive Independent Director	5	Yes	3	1

* Excludes Directorships in Private Limited Companies.

** Represents Memberships/Chairmanships of Audit Committee and Investor Grievance/Services Committee.

*** Ceased to be Chairman & Director w.e.f. close of business on 20th March, 2009.

**** Appointed as Chairman w.e.f 21st March, 2009.



GUJARAT HOTELS LIMITED

Board Meetings

During the year under review, five Board Meetings were held on the following dates: April 25, 2008, July 22, 2008, October 6, 2008, January 29, 2009 and March 13, 2009.

COMMITTEES OF THE BOARD

The Board of Directors has constituted two Committees of the Board - the Audit Committee and the Investor Services Committee. The role and composition of these Committees, including the number of meetings held and the related attendance, is as follows:

A. AUDIT COMMITTEE

Terms of Reference

The role / terms of reference of the Committee includes the following:-

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment for any other services;
- Reviewing with the management the annual financial statements before submission to the Board, focussing primarily on ;
 - any changes in accounting policies and practices
 - major accounting entries based on exercise of judgement by management
 - qualifications in the draft audit report
 - significant adjustments arising out of audit
 - the going concern assumption
 - compliance with accounting standards
 - compliances with stock exchange and legal requirements concerning financial statements
 - any related party transactions

- Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors on any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with external auditors before the audit commences, on nature and scope of audit as well as have post audit discussions to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies;
- Looking into the reasons for substantial defaults in the payment, if any, to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors;
- Considering such other matters as may be required by the Board;
- Reviewing any other areas which may be specified as role of Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

Composition

The Audit Committee comprises five Non-Executive Directors, with four of them being Independent Directors. Statutory Auditors are Permanent Invitee to the Audit Committee Meetings and the Company Secretary is the Secretary to the Committee. The Chairman of the Committee is a Non- Executive Independent Director.

The names of the Members of the Audit Committee, including its Chairman, are provided elsewhere in the Report and Accounts.

GUJARAT HOTELS LIMITED



Attendance

Details of Audit Committee Meetings held during the financial year ended 31st March, 2009

Sl. No.	Date	No. of Members present
1	25th April, 2008	5
2	22nd July, 2008	5
3	6th October, 2008	5
4	29th January, 2009	5

Attendance at Audit Committee Meetings during the financial year

Director	No. of meetings attended
Rohit C. Mehta	4
Prafull I. Bhuva	4
C. K. Koshy	4
M. Narayanan	4
S. C. Sekhar	4

B. INVESTOR SERVICES COMMITTEE

The Investor Services Committee of the Company oversees redressal of shareholder and investor grievances and approves sub-division / transmission of shares, issue of duplicate share certificates etc.

Composition

The Investor Services Committee comprises three Directors all being Non-Executive Directors. The Company Secretary is the Secretary to the Committee.

The names of the members of the Investor Services Committee, including its Chairman, are provided elsewhere in the Report and Accounts.

Attendance

Details of Investor Services Committee Meetings held during the financial year ended 31st March, 2009

Sl. No.	Date	No. of Members present
1	25th April, 2008	3
2	22nd July, 2008	2
3	6th October, 2008	3
4	29th January, 2009	3

Attendance at Investor Services Committee Meetings during the financial year

Director	No. of meetings attended
S. C. Sekhar	4
Nakul Anand	4
Ashok K. Tandon	3

Remuneration of Directors

During the year under review, no remuneration was paid to any Director of the Company other than Sitting Fees to Non-Executive Independent Directors of the Company as given below.

Director	Sitting Fees (Amount in Rs.)
Prafull I. Bhuva	45,000.00
C. K. Koshy	45,000.00
M. Narayanan	45,000.00
Rohit C. Mehta	45,000.00

Shareholding of Directors

Director	No. of Shares
Nakul Anand	200
S. C. Sekhar	500
Ashok K. Tandon	1

No other Director holds any share in the Company.



GUJARAT HOTELS LIMITED

DISCLOSURES

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

None

Details of non-compliances, penalties, strictures by Stock Exchanges / SEBI / Statutory Authorities on any matter related to capital markets during the last three years.

None

Pecuniary relationships or transactions with the Non-Executive Directors.

None

MEANS OF COMMUNICATION

The unaudited quarterly results & audited annual results of the Company were announced within a month of the end of each quarter and financial year. Such results were published in all editions of 'Financial Express' including its Gujarati edition.

The Management Discussion and Analysis Report has been included elsewhere in the Report and Accounts.

CODE OF CONDUCT

The Company has adopted a Code of Conduct which delineates the principles governing the conduct of employees, including Directors and Senior Management, with all the stakeholders of the Company. The Code covers transparency, legal compliance, concern for occupational health, safety and environment and a gender friendly workplace and the philosophy of leading by personal example.

CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company by its employees. The Company's Code, inter alia, prohibits purchase/sale of shares of the Company by employees, while in possession of unpublished price sensitive information in relation to the Company.

GENERAL SHAREHOLDER INFORMATION

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

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Report of the Directors and Management Discussion & Analysis.

The Certificate will also be sent to the Stock Exchanges along with the Annual Return of the Company.

GUJARAT HOTELS LIMITED



Shareholder Information

AGM Details

Date	Tuesday, 28th July, 2009
Venue	WelcomHotel Vadodara, R.C.Dutt Road, Alkapuri Vadodara - 390 007
Time	11.00 a.m.
Book closure Dates	Monday, 20th July, 2009 to Tuesday, 28th July, 2009 (both days inclusive)
Dividend payment Date	On or after 31st July, 2009

Registrar & Share Transfer Agents

M/s. MCS Limited are the Registrars and Share Transfer Agents (RTA) of the Company for carrying out share registration and other related activities.

Address for Correspondence

M/s. MCS Limited
Neelam Apartments
88, Sampatrao Colony,
Alkapuri, Vadodara - 390 007

Telephone No. : 0265-2339397
Facsimile No. : 0265-2341639

e-mail : mcsbaroda@yahoo.com

Shareholders holding shares in the electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

Share Transfer System

The Share Transfer Committee of the Company generally meets fortnightly for approving share transfers. The processing activities with respect to requests received for share transfer are completed within 30 days from the date of receipt of request.

There were no pending share transfers as on 31st March, 2009.

The Share Transfer Committee comprises the following:

Mr. Sanjay Sharma General Manager	-	Member
Mr. A. R. Kuty Unit Financial Controller	-	Member
Ms. Rajani Sharma Company Secretary	-	Member

Dematerialisation of Shares and Liquidity

The shares of the Company are required to be traded in dematerialisation form and are available for trading under both the Depository Systems-NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). As on 31st March, 2009, a total of 14,72,276 Equity Shares of the Company, which forms 38.87% of the Share Capital, stands dematerialised. The processing activities with respect to the requests received for dematerialisation are completed within 15-21 days from the date of receipt of request.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE621C01011.

Complaints related to Shares Shareholder Complaints

The Company received 29 share related complaints during the financial year ended 31st March, 2009. The said complaints have been resolved.

	Received	Redre-ssed	Pend-ing
Complaints received from:			
Shareholders/Investors	29	29	NIL
Complaints of shareholders/ Investors forwarded by :			
Securities and Exchange Board of India	NIL	NIL	NIL
Stock Exchanges	NIL	NIL	NIL
Depositories (NSDL/CDSL)	NIL	NIL	NIL
Any other Authority	NIL	NIL	NIL
Total	29	29	NIL

GUJARAT HOTELS LIMITED



The Company has attended to the Shareholders'/ Investors' complaints/ correspondence mostly within a period of 10-15 working days except in cases where constrained by disputes or legal impediments.

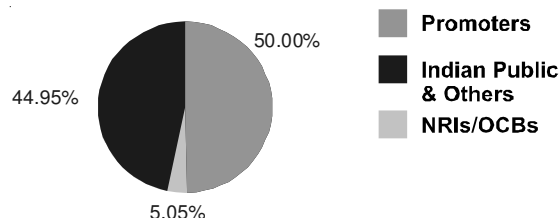
Nature of Complaints

Complaints relating to	No. of Complaints	% of Complaints
Non-Receipt of Dividend Warrants	21	72.42
Transfer of Shares	–	–
Name Deletion/ Transmission of Shares	3	10.34
Non-receipt of Share Certificates	–	–
Issue of Duplicate Share Certificates	–	–
Dematerialisation of Shares	–	–
Any other (Non Receipt of Annual Report)	5	17.24
Total	29	100.00

Distribution of Shareholding as on 31st March, 2009

	No. of Shareholders		No. of Equity shares	
	Total	% of Share holders	Total	% of Share holders
1-500	637	8.62	14821	0.39
501-1000	4636	62.72	462092	12.20
1001-2000	945	12.79	183662	4.85
2001-3000	344	4.65	100450	2.65
3001-4000	159	2.15	62381	1.65
4001-5000	263	3.56	130670	3.45
5001-10000	244	3.30	200404	5.29
10001 and above	163	2.21	2633035	69.52
Total	7391	100.00	3787515	100.00

SHAREHOLDING PATTERN



Category of Shareholders as on 31st March, 2009

Category	No. of Shares held	% of Share holding
A Promoter's Holding		
1 Indian Promoters		
ITC Limited	1,733,907	45.78
2 Persons acting in concert		
Russell Investments Limited	159,945	4.22
Sub Total	1,893,852	50.00
B Non-Promoters Holding		
3 Institutional Investors		
a Mutual Funds and UTI	NIL	-
b Banks	200	0.01
c Insurance Companies	NIL	-
d Foreign Institutional Investors	NIL	-
Sub Total	200	0.01
4 Others		
a Private Corporate Bodies	209,380	5.53
b Indian Public	1,492,918	39.41
c NRIs/OCBs	191,165	5.05
Sub Total	1,893,463	49.99
Grand Total	3,787,515	100.00



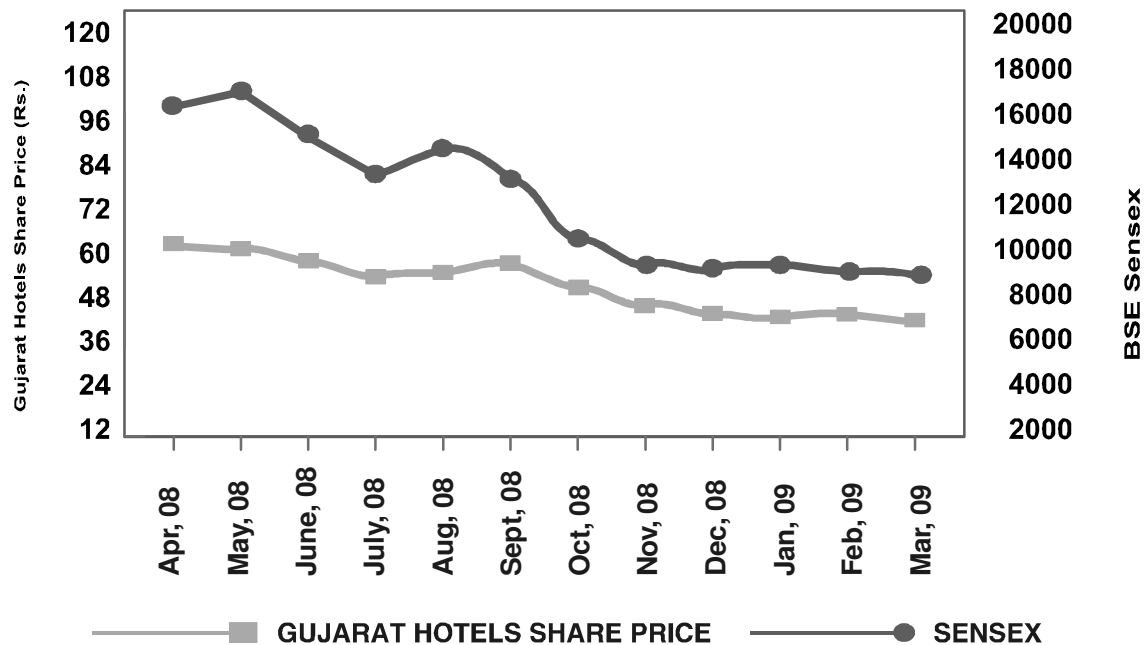
GUJARAT HOTELS LIMITED

Monthly High and Low quotation of Shares traded on Bombay Stock Exchange (BSE).

		BSE	
		High	Low
		(Rs.)	(Rs.)
2008	April	74.90	54.00
	May	70.00	57.30
	June	64.30	53.00
	July	54.20	46.00
	August	54.80	45.50
	September	64.00	51.50
	October	58.80	39.40
	November	52.00	37.10
	December	44.90	37.20
2009	January	46.00	34.10
	February	45.00	36.05
	March	45.50	33.05

Performance in comparison to broad based indices such as BSE Sensex

GUJARAT HOTELS SHARE PRICE VS BSE SENSEX





GUJARAT HOTELS LIMITED

Listing on Stock Exchanges (with stock code)

Vadodara Stock Exchange Limited (507960)
Fortune Tower, 3rd Floor
Sayajigunj,
Vadodara-390005.

The Bombay Stock Exchange Limited (507960)
Phiroze Jeejeebhoy Towers
Dalai Street,
Mumbai-400001

The Listing Fees for the year 2008/2009 have been paid to the above Stock Exchanges.

Financial Calendar

Financial Year 2009/2010		
1	First Quarter Results	July, 2009
2	Second Quarter & Half Year Results	October, 2009
3	Third Quarter Results	January, 2010
4	Fourth Quarter & Annual Results	May, 2010

Particulars of Past three AGMs

AGM	Year	Venue	Date	Time	Special Resolution
26th	2007/08	WelcomHotel Vadodara R. C. Dutt Rd, Vadodara- 390 007.	22/07/08	11.00 a.m.	None
25th	2006/07		20/07/07	11.30 a.m.	None
24th	2005/06		18/07/06	11.00 a.m.	Amendment of Articles of Association relating to remuneration of Directors

Postal Ballot

No resolution requiring a postal ballot under Section 192A of the Companies Act, 1956 was

placed before the last AGM. Similarly, no special resolution requiring a postal ballot is being proposed at the ensuing AGM.

SHAREHOLDER REFERENCER

Unclaimed Dividends

The dividend for the following years remaining unclaimed for 7 years will be transferred by the Company to the Investor Education and Protection Fund established by the Central Government (IEPF) pursuant to Section 205C of the Companies Act, 1956 according to the schedule given below. Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek Issue of duplicate warrant(s) by writing to the RTA confirming non-encashment/ non-receipt of dividend warrant(s). Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Financial Year	Date of declaration of Dividend	Due for transfer to IEPF
2001-2002	19th July, 2002	July, 2009
2002-2003	12th July, 2003	July, 2010
2003-2004	20th July, 2004	July, 2011
2004-2005	8th July, 2005	July, 2012
2005-2006	18th July, 2006	July, 2013
2006-2007	20th July, 2007	July, 2014
2007-2008	22nd July, 2008	July, 2015

*In respect of Dividend for the financial year 2001-2002, only those claims which are received by RTA by 31st July, 2009 will be entertained.



GUJARAT HOTELS LIMITED

Bank Details

Shareholders holding shares in physical form are requested to notify/send the following to RTA to facilitate better servicing:

- i) any change in their address/mandate/bank details, and
- ii) particulars of the bank account in which they wish their dividend to be credited, in case the same have not been furnished earlier.

Shareholders are advised that respective bank details and address as furnished by them or by NSDL / CDSL to the Company, for Shares held in the physical form and in the dematerialised form respectively, will be printed on dividend warrants so as to protect against fraudulent encashment.

Shareholders who wish to receive dividend in a bank account other than one specified by them while opening their Depository Account, may notify their Depository Participants (DPs) of such change in bank account. Shareholders are also requested to furnish complete details of their respective bank accounts including the MICR code of the bank to their DPs.

Electronic Clearing Service (ECS) Facility

The Company, with respect to payment of dividend, provides the facility of ECS to Shareholders at the following cities:

Ahmedabad, Bengaluru, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Indore, Jaipur, Kanpur, Kolkata, Nagpur, Mumbai, New Delhi, Patna, Pune, Surat, Trivandrum, Vadodara and Visakhapatnam.

Shareholders holding Shares in the physical form who now wish to avail the ECS facility, may authorise the Company by sending their ECS mandate, in the prescribed form to the Company, in case the same has not been furnished earlier. The ECS mandate form can be furnished by the Company/RTA on request.

Nomination Facility

Shareholders, holding shares in physical form and who wish to make / change a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the RTA the prescribed Form 2B for this purpose.

Depository Services

For guidance on depository services, Shareholders may write to the RTA or to their respective depositories:

National Securities Depository Limited
Trade World, A Wing, 4th floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013

Tel. : 022-24994200
Facsimile : 022-24972993/24976351
e-mail : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
17th floor, Dalal Street,
Mumbai- 400023

Tel. : 022-22723333
Facsimile : 022-22723199
e-mail : investors@cdslindia.com
Website : www.cdslindia.com

Shareholders holding shares in the dematerialised form shall address their correspondence except those relating to dividend, to their respective Depository Participants.

The Shareholders/Investors may write to ghlinvestors@yahoo.co.in, in respect of any query/information/complaint.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Seventh Annual General Meeting of the Members of Gujarat Hotels Limited will be held at WelcomHotel Vadodara, R. C. Dutt Road, Vadodara - 390 007, on Tuesday, the 28th day of July, 2009 at 11.00 a.m. for the transaction of the following businesses :-

ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2009, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the financial year ended 31st March, 2009.
3. To elect Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:-

“Resolved that M/s. Talati & Talati, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold such office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs. 30,000/- (Rupees thirty thousand) plus service tax as applicable and reimbursement of out-of-pocket expenses incurred.”

The Register of Members of the Company shall remain closed from Monday, 20th July, 2009 to Tuesday, 28th July, 2009, both days inclusive. Share Transfers received in order at the Company's Registrars and Share Transfer Agents, M/s. MCS Limited, Neelam Apartments, 88, Sampatrao Colony, Alkapuri, Vadodara -390 007 by the close of the business hours (6 p.m.) on 18th July, 2009 (19th July, 2009 being Sunday) will be processed for payment of dividend, if declared, to the transferees or to their mandatees and the dividend, if declared, will be paid on or after 31st July, 2009, to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on 28th July, 2009 or to their mandatees, subject however to the provisions of Section 206A of the Companies Act, 1956 or any amendment or modification thereof. In respect of dematerialised shares, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

By Order of the Board

Sd/-

**Place : Gurgaon
Date : 30th April, 2009**

**Rajani Sharma
Company Secretary**

GUJARAT HOTELS LIMITED



NOTES:

1. A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty-eight hours before the commencement of this Annual General Meeting.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
3. In accordance with the provisions of Article 147 of the Articles of Association of the Company, Mr. Prafull I. Bhuvra and Mr. Rohit C. Mehta will retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-election.
4. Members are requested to bring their admission slips alongwith copies of Annual Reports to the Meeting.
5. Members holding shares in physical form are requested to send all correspondence concerning registration of transfers, transmissions, sub-division and consolidation of shares or any other share related matters to the Company's Registrars and Share Transfer Agents (RTA), M/s. MCS Limited, Neelam Apartments, 88, Sampatrao Colony, Alkapuri, Vadodara- 390 007.
6. Members holding shares in physical form are requested to notify/send the following to the RTA to facilitate better servicing :
 - i) any change in their address/ mandate / bank details,
 - ii) particulars of their bank account, in case the same have not been furnished earlier, and
 - iii) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
7. Members are advised that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares held in physical form and in the dematerialised form respectively, will be printed on their dividend warrants so as to protect against fraudulent encashment.
8. Dividend for the financial year ended 31st March, 2002, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') later this year, pursuant to the provisions of Section 205A of the Companies Act, 1956.

Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2002 or any subsequent financial year(s), are requested to lodge their claim to RTA. However, in respect of unclaimed dividend for the financial year ended 31st March, 2002, only those claims which are received by the RTA on or before 31st July, 2009, will be entertained.

Members may please note that in terms of the provisions of Section 205C of the Companies Act, 1956, once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.
9. Members holding shares in the physical form who wish to make/change nomination in respect of their shareholdings in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to write to the RTA for the prescribed form 2B.
10. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board of Directors for appointment / re-appointment at the Annual General Meeting, is appearing in the Report and Accounts.

By Order of the Board

Sd/-

**Place : Gurgaon
Date : 30th April, 2009**

**Rajani Sharma
Company Secretary**



GUJARAT HOTELS LIMITED

Report of the Directors & Management Discussion and Analysis for the financial year ended 31st March, 2009

Your Directors submit their Report & Management Discussion and Analysis for the financial year ended 31st March, 2009.

FINANCIAL PERFORMANCE

During the year under review, your Company earned a licence fee of Rs. 303.82 lacs (previous year - Rs. 303 lacs) and a net profit of Rs. 239.24 lacs (previous year - Rs. 221.98 lacs) after providing for income tax of Rs. 123.60 lacs (previous year - Rs. 115.59 lacs). Earnings Per Share for the year stands at Rs. 6.32 (previous year - Rs. 5.86). Cash Flow from Operations were Rs. 189.13 lacs during the year (previous year - Rs. 166.24 lacs).

Your Directors are pleased to recommend a dividend of Rs. 2.50 per Equity Share of Rs. 10/- each (previous year - Rs. 2.50 per equity share) for the year ended 31st March, 2009. Your Board further recommends a transfer to General Reserve of Rs. 23.92 lacs (previous year - Rs. 22.20 lacs).

HOTEL OPERATIONS

Your Company's hotel WelcomHotel Vadodara, licenced to ITC Limited, continues to retain its market leadership in the city of Vadodara. The hotel recorded an income of Rs. 2046 lacs during the year as compared to Rs. 2039 lacs in the previous year.

The foreign exchange earnings of the hotel during the year were Rs. 1200 lacs as against Rs. 1122 lacs in the previous year.

CONSERVATION OF ENERGY

Considering the fact that the Company's hotel is under an operating licence with ITC Limited, no comment is made on conservation of energy. However, the hotel continues to focus on energy conservation, safety and environment.

EMPLOYEES

Your Directors wish to record their sincere appreciation of the efforts made and the support rendered by the employees of the Company. Your Company's total manpower strength as deployed in the Company's hotel is 193.

None of the employees fall under the purview of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

Mr. S.S.H.Rehman, Chairman and Director of your Company resigned with effect from close of business on 20th March, 2009. Your Directors would like to place on record their sincere appreciation of the invaluable services rendered by Mr. Rehman.

Mr. Nakul Anand, Director of your Company was appointed by the Board of your Company as Chairman of the Board of Directors with effect from 21st March, 2009.

In accordance with the provisions of Article 147 of the Articles of Association of the Company, Mr. P.I.Bhuva and Mr. Rohit C. Mehta will be retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

AUDITORS

The Auditors of your Company, M/s.Talati & Talati, will retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.



GUJARAT HOTELS LIMITED

OTHER INFORMATION

The certificate of the Auditors, M/s. Talati & Talati confirming compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement, is annexed to the Report.

The Audit Committee of the Company reviewed the financial statements for the year under review at its meeting held on 30th April, 2009 and recommended the same for the approval of the Board of Directors.

RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- a) in the preparation of annual accounts under review, the applicable accounting standards had been followed.
- b) appropriate accounting policies were selected and applied consistently and reasonable and

prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit of the Company for that period.

- c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual accounts are prepared on a going concern basis. The required disclosures and significant accounting policies followed are appearing in Schedules 14 and 15, respectively, in the annual accounts.

On behalf of the Board

Sd/- Sd/-

Place : Gurgaon S.C. Sekhar Ashok K. Tandon
Date : 30th April, 2009 Director Director

Auditors' Certificate on Compliance with the Conditions of Corporate Governance under Clause 49 of the Listing Agreement.

CERTIFICATE

To the Members of Gujarat Hotels Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Hotels Limited for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For TALATI & TALATI
Chartered Accountants

Sd/-

S. R. PARIKH
Partner

Place : Gurgaon
Date : 30th April, 2009

Certification under Clause 49 of the Listing Agreement

I declare that all Board Members and the Company Secretary of the Company have affirmed compliance with the code of conduct of the Company for the financial year 2008/2009.

Place : Gurgaon
Date : 30th April, 2009


Rajani Sharma
Compliance Officer



GUJARAT HOTELS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	SCHEDULE	31st MARCH, 2009 (Rs.)	As at 31st MARCH, 2009 (Rs.)	As at 31st MARCH, 2008 (Rs.)
SOURCES OF FUNDS				
Shareholders' Funds				
Capital	1	37,875,150	37,875,150	
Reserves & Surplus	2	73,077,255	60,231,153	
			110,952,405	98,106,303
Deferred Tax Net	3	6,798,727	6,798,727	6,955,026
Total		117,751,132	117,751,132	105,061,329
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4	55,722,063	57,131,522	
Less: Depreciation		35,178,100	36,023,646	
Net Block		20,543,963	20,543,963	21,107,876
Current Assets, Loans & Advances				
Sundry Debtors	5	3,794,578	4,055,381	
Cash & Bank Balances	6	107,563,073	94,029,712	
Other Current Assets	7	1,898,518	1,639,980	
Loans & Advances	8	33,482,592	20,524,499	
		146,738,761	120,249,572	
Less :				
Current Liabilities & Provisions				
Liabilities	9	5,078,663	4,359,490	
Provisions	10	44,452,929	31,936,629	
		49,531,592	36,296,119	
Net Current Assets		97,207,169	97,207,169	83,953,453
TOTAL		117,751,132	117,751,132	105,061,329
Notes to the Accounts	14			
Significant Accounting Policies	15			

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For TALATI & TALATI

Chartered Accountants

Sd/-

S.R. PARIKH
Partner

Place : Gurgaon
Date : 30th April, 2009

On behalf of the Board

Sd/-

S. C. SEKHAR
DIRECTOR

Sd/-

ASHOK K. TANDON
DIRECTOR

Sd/-

RAJANI SHARMA
COMPANY SECRETARY



GUJARAT HOTELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
		31st MARCH, 2009	31st MARCH, 2008	31st MARCH, 2009	31st MARCH, 2008
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
INCOME					
Operating Licence Fees		30,382,255		30,297,463	
Other Income	11	9,776,132		6,396,004	
		<u>40,158,387</u>		<u>36,693,467</u>	
EXPENDITURE					
Operating and Administrative Expenses	12	3,378,982		2,441,338	
Depreciation		495,293		494,627	
		<u>3,874,275</u>		<u>2,935,965</u>	
PROFIT					
Profit Before Taxation		36,284,112		33,757,502	
Taxation Provision for the Year		12,489,270		11,664,120	
Less : - Deferred Tax		<u>156,299</u>	<u>12,332,971</u>	<u>120,575</u>	<u>11,543,545</u>
Provision for FBT		27,030		15,816	
Profit after Taxation		23,924,111		22,198,141	
Profit brought forward		50,212,649		41,312,331	
Available for Appropriation		<u>74,136,760</u>		<u>63,510,472</u>	
APPROPRIATIONS					
General Reserve		2,392,411		2,219,814	
Proposed Dividend		9,468,788		9,468,788	
Tax on Proposed Dividend		1,609,221		1,609,221	
Profit carried forward		<u>60,666,340</u>		<u>50,212,649</u>	
		<u>74,136,760</u>		<u>63,510,472</u>	
Basic and Diluted Earnings Per share (Rs)	13	6.32		5.86	
Notes to the Accounts	14				
Significant Accounting Policies	15				

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For TALATI & TALATI

Chartered Accountants

Sd/-

S.R. PARIKH
Partner

On behalf of the Board

Sd/-

S. C. SEKHAR
DIRECTOR

Sd/-

ASHOK K. TANDON
DIRECTOR

Sd/-

RAJANI SHARMA
COMPANY SECRETARY

Place : Gurgaon
Date : 30th April, 2009

GUJARAT HOTELS LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

PARTICULARS	FOR THE YEAR ENDED 31st MARCH, 2009 (Rs.)	FOR THE YEAR ENDED 31st MARCH, 2008 (Rs.)
A. Cash Flow from Operating Activities :		
Net Profit Before Tax & Extraordinary items	36,284,112	33,757,502
Adjustments for :		
Depreciation	495,293	494,627
(Profit)/ Loss From Sale of Fixed Assets	-177,723	24,307
Interest Received / Income Tax Refund	-9,598,409	-6,396,004
Operating Profit before Working Capital Changes	27,003,273	27,880,432
Adjustments for :		
Changes in Trade & Other Receivables	255,804	-2,592,703
Changes in Trade Payables	457,098	367,145
Cash Generated from Operations	27,716,175	25,654,874
Direct Taxes paid including FBT	-8,803,445	-9,030,882
Cash Flow Before Extraordinary items	18,912,730	16,623,992
Net Cash from Operating Activities	18,912,730	16,623,992
B. Cash Flow from Investing Activities :		
Sale of Fixed Assets	246,343	251,115
Interest Received / Income Tax Refund	9,598,409	6,396,004
Increase / Decrease in Deposits	-258,538	-217,785
Direct Taxes on Interest	-4,149,649	-2,174,000
Net Cash from Investing Activities	5,436,565	4,255,334
C. Cash Flow from Financing Activities :		
Dividend Paid (Including Tax on Dividend)	-10,815,934	-8,694,980
Net Cash used in or Generated from Financing Activities	-10,815,934	-8,694,980
NET INCREASE / DECREASE IN CASH	13,533,361	12,184,346
ADD : OPENING CASH OR CASH EQUIVALENTS	94,029,712	81,845,366
CLOSING CASH OR CASH EQUIVALENTS	107,563,073	94,029,712

This is the Cash Flow Statement referred to in our Report of even date.

For TALATI & TALATI
Chartered Accountants

Sd/-
S.R. PARIKH
Partner

Place : Gurgaon
Date : 30th April, 2009

On behalf of the Board

Sd/-
S. C. SEKHAR
DIRECTOR

Sd/-
ASHOK K. TANDON
DIRECTOR

Sd/-
RAJANI SHARMA
COMPANY SECRETARY

GUJARAT HOTELS LIMITED



SCHEDULES TO THE ACCOUNTS

SCHEDULES	As at 31st MARCH, 2009 (Rs.)		As at 31st MARCH, 2008 (Rs.)						
1. CAPITAL									
Authorised 1,00,00,000 Equity Shares of Rs.10/- each	100,000,000		100,000,000						
	100,000,000		100,000,000						
Issued , Subscribed and Paid up 37,87,515 Equity Shares of Rs.10/- each	37,875,150		37,875,150						
	37,875,150		37,875,150						
2. RESERVES AND SURPLUS									
General Reserve									
At the commencement of the year	10,018,504	7,798,690	10,018,504						
Add : Transferred from Profit & Loss Account	2,392,411	12,410,915	2,219,814	10,018,504					
Profit & Loss Account	60,666,340		50,212,649						
	73,077,255		60,231,153						
3. DEFERRED TAX - NET									
Depreciation - Timing Difference	6,798,727		6,955,026						
	6,798,727		6,955,026						
4. FIXED ASSETS									
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	OPENING AS AT 01.04.2008 (Rs.)	ADDITIONS (Rs.)	DEDUCTION / ADJUSTMENT (Rs.)	AS AT 31.03.2009 (Rs.)	OPENING AS AT 01.04.2008 (Rs.)	FOR THE YEAR (Rs.)	DEDUCTION / ADJUSTMENT (Rs.)	AS AT 31.03.2009 (Rs.)	AS AT 31.03.2009 (Rs.)
1. Building	30,386,278	—	—	30,386,278	10,609,892	495,293	—	11,105,185	19,281,093
2. Plant & Machinery	16,030,767	—	974,320	15,056,447	15,235,338	—	926,836	14,308,502	747,945
3. Air Conditioning Plant	6,653,463	—	203,349	6,450,114	6,320,442	—	193,698	6,126,744	323,370
4. Furniture & Fittings	3,821,342	—	231,790	3,589,552	3,630,286	—	220,305	3,409,981	179,571
5. Office Equipments	239,672	—	—	239,672	227,688	—	—	227,688	11,984
TOTAL	57,131,522	—	1,409,459	55,722,063	36,023,646	495,293	1,340,839	35,178,100	20,543,963
Previous Year	59,472,045	—	2,340,523	57,131,522	37,594,120	494,627	2,065,101	36,023,646	21,107,876
5. SUNDRY DEBTORS									
Over 6 months			-						
Good and Unsecured			-						
			3,794,578						
			3,794,578						
			4,055,381						
			4,055,381						



GUJARAT HOTELS LIMITED

SCHEDULES TO THE ACCOUNTS

SCHEDULES	As at 31st MARCH, 2009 (Rs.)	As at 31st MARCH, 2008 (Rs.)
6. CASH AND BANK BALANCES		
With Scheduled Banks		
- In Current Accounts (including Dividend A/c)	2,461,001	2,545,390
- In Fixed Deposits Accounts	105,102,072	91,484,322
	<u>107,563,073</u>	<u>94,029,712</u>
7. OTHER CURRENT ASSETS (Unsecured - considered good)		
Deposits with Government, Public Bodies and others	1,898,518	1,639,980
	<u>1,898,518</u>	<u>1,639,980</u>
8. LOANS AND ADVANCES (Unsecured - considered good)		
Advances recoverable in cash or in kind for value to be received	166,072	161,073
Advance Tax paid	33,316,520	20,363,426
	<u>33,482,592</u>	<u>20,524,499</u>
9. LIABILITIES		
Sundry Creditors	2,583,390	2,126,292
Unclaimed Dividend	2,495,273	2,233,198
	<u>5,078,663</u>	<u>4,359,490</u>
10. PROVISIONS		
Proposed Dividend	9,468,788	9,468,788
Tax on Proposed Dividend	1,609,221	1,609,221
Provision for Taxation 06-07	9,161,309	9,161,309
Provision for Taxation 07-08	11,664,120	11,664,120
Provision for FBT 06-07	17,375	17,375
Provision for FBT 07-08	15,816	15,816
Provision for Taxation 08-09	12,489,270	-
Provision for FBT 08-09	27,030	-
	<u>44,452,929</u>	<u>31,936,629</u>



GUJARAT HOTELS LIMITED

SCHEDULES TO THE ACCOUNTS

SCHEDULES	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
	31st MARCH, 2009		31st MARCH, 2008	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
11. OTHER INCOME				
Interest on Deposits etc.		9,566,930		6,396,004
Profit on Sale of Fixed Assets		177,723		–
Income Tax Refund		31,479		–
		9,776,132		6,396,004
12. OPERATING AND ADMINISTRATIVE EXPENSES				
Salaries, Wages and Bonus	17,576,321		15,628,805	
Contribution to Provident and Other funds	2,767,646		3,723,474	
Workmen and Staff Welfare Expenses	3,223,185		2,904,225	
	23,567,152		22,256,504	
Less :Recoveries	23,126,597	440,555	21,939,989	316,515
Advertising & Publicity		153,938		139,015
Legal & Professional Charges		315,807		365,207
Travelling & Conveyance		1,579,388		918,849
Postage, Telephone, Stationery etc.		300,194		285,585
Miscellaneous Expenses		488,669		354,220
Loss on Sale of Fixed Assets		–		24,307
Auditors Remuneration and expenses:				
Audit Fees		55,665		28,090
Tax Audit Fees		22,266		9,550
Fees for other services		22,500		–
		3,378,982		2,441,338
13. EARNINGS PER SHARE				
Profit After Taxation		23,924,111		22,198,141
Number of equity shares outstanding		3,787,515		3,787,515
Basic and Diluted earnings per share in Rupees (face value Rs.10/- per share)		6.32		5.86



GUJARAT HOTELS LIMITED

SCHEDULES TO THE ACCOUNTS

14. NOTES TO THE ACCOUNTS

- I) Retirement benefits in respect of Employees of the Company is provided for based upon actuarial valuation as at the date of Balance Sheet.
- II) The Company operates in one segment i.e. hoteliering . However, interest income arising from deposits made out of cash surplus from operations has been shown under other Income.
- III) Related party disclosures under Accounting Standard 18
- i) Related parties with whom transactions have taken place during the year.
- Investing Party : ITC Limited
- a) Sale of Services to WelcomHotel Vadodara - Rs. 3,03,82,255.00
- b) Purchase of Services from ITC Maurya – Rs. 3,12,346.00
- c) Expenses Recovered from WelcomHotel Vadodara – Rs. 37,05,097.00
- d) Dividend Payments to ITC Ltd.– Rs. 43,34,768.00
- e) Balance amount due from WelcomHotel Vadodara as on 31.03.2009 - Rs. 37,94,577.78

ii) Key Management Personnel

Board of Directors

Nakul Anand

Prafull I. Bhuva

Rohit C. Mehta

S.C. Sekhar

Ashok K. Tandon

C.K. Koshy

M. Narayanan

S.S.H. Rehman (Resigned w.e.f. close of business on 20.03.2009)

iii) Summary of transaction during the year (Rupees in lacs)

	Investing Party	Key Management Personnel
a) Director's Sitting Fees	—	1.80
b) Dividend Paid	43.35	0.02

- IV) The outstanding liabilities as at the close of the year do not include any amounts due to any Micro, Small and Medium scale industrial undertaking as defined under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

- V) Previous Year's figures have been regrouped / rearranged wherever necessary.



GUJARAT HOTELS LIMITED

SCHEDULES TO THE ACCOUNTS

15. SIGNIFICANT ACCOUNTING POLICIES

i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

To prepare the financial statements in accordance with the historical cost convention, generally accepted accounting principles in India and relevant presentational requirements of the Companies Act, 1956.

ii) FIXED ASSETS

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of the assets capitalized.

iii) DEPRECIATION

To provide Depreciation, in respect of all assets acquired, on Straight Line Method at the rates (prevailing prior to the notification dated 16.12.1993 issued by the Department of Company Affairs) specified in Schedule XIV of the Companies Act. 1956.

iv) RETIREMENT BENEFITS

To make regular contribution to the Provident Fund and Gratuity Fund which are charged to revenue and provide for unavailed leave on accrual basis. The contributions in respect of Gratuity Fund is made to Life Insurance Corporation and the Provident Fund and Family Pension contributions are statutorily deposited with the Government, which are reimbursed by the Licensee.

v) PROPOSED DIVIDEND

To provide for Dividend as proposed by the Directors in the Books of Accounts, pending approval at the Annual General Meeting.

vi) TAXES ON INCOME

To provide and determine Current tax as the amount of tax payable in respect of taxable income for the period.

To provide and recognize Deferred Tax on timing difference between taxable income and accounting income subject to consideration of prudence.

On behalf of the Board

Sd/-

S. C. SEKHAR
DIRECTOR

Sd/-

ASHOK K. TANDON
DIRECTOR

Sd/-

RAJANI SHARMA
COMPANY SECRETARY

Place : Gurgaon
Date : 30th April, 2009



GUJARAT HOTELS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

1. We have audited the attached Balance Sheet of **GUJARAT HOTELS LIMITED** as on **31st March, 2009** and also the Profit and Loss Account of the Company and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements, based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Amended Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of such books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of the written representations received from the Directors as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-clause (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Statement of Accounts together with the notes annexed thereto, give the information required by the Companies Act, 1956 as amended from time to time in the manner so required, and give a true and fair view;
 - (a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2009,
 - (b) In the case of Profit and Loss Account of the profit of the Company for the year ended on that date, and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For TALATI & TALATI
Chartered Accountants

Sd/-

S. R. PARIKH

Partner

M. No. 7275

Place : Gurgaon

Date : 30th April, 2009



GUJARAT HOTELS LIMITED

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date on the accounts of **GUJARAT HOTELS LIMITED**, for the year ended on 31st March, 2009.)

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) There is a regular program of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. All the assets have been physically verified by the management and found in order. No material discrepancies have been noticed on such verification.
 - (c) No substantial (or major) part of the fixed assets has been disposed of during the year.
- (ii) There are no inventories and hence the related paragraphs of the Order are not applicable.
- (iii) According to the information and explanation given to us, there are no loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (b), (c), (d), (e), (f) and (g) of the Order are not applicable.
- (iv) The company has not accepted any deposits from the public during the year or earlier years. Accordingly provisions of Section 58A of Companies Act, 1956 are not applicable to the Company.
- (v) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with size of the Company and the nature of its business.
- (vi) Statutory and other dues:
- (a) According to the information and explanations given to us and based on the records examined by us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Service Tax and any other statutory dues with the appropriate authorities during the year.
 - (b) According to the information and explanations given to us, no undisputed dues outstanding in respect of Sales-Tax, Income-Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty as at 31st March, 2009 for a period of more than six months from the date they become payable.



GUJARAT HOTELS LIMITED

- (vii) The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and the immediately preceding financial year.
- (viii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (ix) The provisions of any special statute applicable to chit fund are not applicable to the company,
- (x) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xi) There are no guarantees given by the Company for loans taken by others from banks and financial institutions.
- (xii) The Company has not obtained any term loans.
- (xiii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment (fixed assets, etc.,) and vice versa.
- (xiv) The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xv) The Company has not issued any debentures during the year.
- (xvi) The Company has not raised any money by way of public issues during the year.
- (xvii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- (xviii) As per the information and explanations given to us taken into consideration the nature of company's activities, other items of clause A of Paragraph 4 of the CARO are not applicable to the company.

For TALATI & TALATI
Chartered Accountants

Place : Gurgaon
Date : 30th April, 2009

Sd/-
S. R. PARIKH
Partner
M. No. 7275



GUJARAT HOTELS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(As per Schedule VI, Part IV of the Companies Act, 1956)

I. Registration Details

Registration No. State Code
Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	<input type="text" value="N"/> <input type="text" value="A"/>	Rights Issue	<input type="text" value="N"/> <input type="text" value="A"/>
Bonus Issue	<input type="text" value="N"/> <input type="text" value="A"/>	Private Placement	<input type="text" value="N"/> <input type="text" value="A"/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="3"/>	Total Assets	<input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="3"/>
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Sources of Funds

Paid-up Capital	<input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="5"/>	Reserves & Surplus	<input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="7"/>
Secured Loans	<input type="text" value="N"/> <input type="text" value="A"/>	Unsecured Loans	<input type="text" value="N"/> <input type="text" value="A"/>
Deferred Tax Liability- Net	<input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="9"/>		

Application of Funds

Net Fixed Assets	<input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="4"/>	Investments	<input type="text" value="N"/> <input type="text" value="A"/>
Net Current Assets	<input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="7"/>	Miscellaneous Expenditure	<input type="text" value="N"/> <input type="text" value="A"/>
Accumulated Losses	<input type="text" value="N"/> <input type="text" value="A"/>		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover **	<input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="8"/>	Total Expenditure	<input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="4"/>
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** Includes Other Income

<input checked="" type="checkbox"/> + <input type="checkbox"/> -	Profit/Loss before Tax	<input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="4"/>	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	Profit/Loss after Tax	<input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="4"/>
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(Please tick appropriate box + for profit, - for loss)

Earnings Per Share in Rs.	<input type="text" value="6"/> <input type="text" value="."/> <input type="text" value="3"/> <input type="text" value="2"/>	Dividend Rate (%)	<input type="text" value="2"/> <input type="text" value="5"/>
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V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.
Product Description

*** No item code has been assigned to 'Hotels' under the Indian Trade Classification.

